

TEMASEK

Temasek Financial (I) Limited

(Incorporated with limited liability under the laws of Singapore)
(Company Registration Number: 200408713K)

US\$25,000,000,000

**Guaranteed Global Medium Term Note Programme
unconditionally and irrevocably guaranteed by**

Temasek Holdings (Private) Limited

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

On 14 September 2005, Temasek Financial (I) Limited (the "Issuer") and Temasek Holdings (Private) Limited (the "Guarantor") established a Guaranteed Global Medium Term Note Programme (as amended and supplemented from time to time, the "Programme") and issued an offering circular describing the Programme. The maximum aggregate principal amount of Notes (as defined below) outstanding from time to time under the Programme (the "Programme Limit") is currently set at US\$25,000,000,000. This Offering Circular supersedes all previous offering circulars and any supplements thereto. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already issued.

Under this Programme, the Issuer may from time to time issue notes (the "Notes") unconditionally and irrevocably guaranteed (the "Guarantee") by the Guarantor. The aggregate principal amount of Notes outstanding will not at any time exceed US\$25,000,000,000 (or the equivalent in other currencies), unless such amount is otherwise increased pursuant to the terms of the Programme.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

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

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

See "Risk factors" beginning on page 19 for a discussion of certain risks in connection with an investment in the Notes.

Neither the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority has approved or disapproved of the Notes and the Guarantee or passed upon the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Guarantor has been assigned an overall corporate credit rating of "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings, a division of The McGraw-Hill Companies, Inc. ("S&P"). Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating will not necessarily be the same as the credit ratings assigned to the Guarantor. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Investors should consult their own financial or other professional adviser before making any decisions based on credit ratings. Moody's and S&P have not provided their consent to the inclusion of such information in this Offering Circular and therefore are not liable for information regarding credit ratings contained herein.

The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States or any other jurisdiction, and the Notes may include notes issued in bearer form ("Bearer Notes" comprising a "Bearer Series"), which are subject to certain U.S. tax law requirements. The Notes may be offered and sold (i) in the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") or to Institutional Accredited Investors (as defined herein), in each case in transactions exempt from registration under the Securities Act and/or (ii) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). Any series of Notes may be subject to additional selling restrictions, including restricting offers or sales in the United States or to U.S. persons, or restricting purchasers of such Notes in the United States or that are U.S. persons (as defined in Regulation S) to QIBs that are also "qualified purchasers" ("QPs") as defined in the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). The relevant Pricing Supplement in respect of such series of Notes will specify any such restrictions. Subject to certain exceptions, the Notes may not be offered, 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. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.

Arrangers

Citigroup

Deutsche Bank

HSBC

Morgan Stanley

Dealers

**Barclays
Crédit Agricole CIB
Goldman Sachs
(Singapore) Pte.**

**BNP PARIBAS
Credit Suisse
HSBC**

**BofA Securities
DBS Bank Ltd.
J.P. Morgan**

**Citigroup
Deutsche Bank
Morgan Stanley**

SEB

**Société Générale
Corporate & Investment
Banking**

Standard Chartered Bank

**Standard Chartered Bank
(Singapore) Limited**



WHAT SHOULD I KNOW BEFORE INVESTING IN BONDS?

WHAT ARE MY RISKS IF I INVEST IN BONDS?

When you invest in a bond, you are essentially lending money to a bond issuer.

One key risk¹ is the issuer defaulting on its payments or repayment to you. Market, business, legal and regulatory risks may affect the issuer's ability to pay you the bond interest, or to repay the principal amount, for so long as you own the bond.

Other risks such as interest rate and market liquidity risks may affect your ability to sell in the market if you choose to sell the bond before maturity.

You should also be mindful of other risks such as inflation.

DEFAULT RISK

A default occurs when a bond issuer fails to pay you the interest due, or repay the principal amount of your bond at maturity.

Different issuers have different default risks, depending on their financial health, debts and other obligations.

Various credit rating agencies use their own quantitative and qualitative criteria for rating issuers or their bonds. Past data on the default rates for different levels of credit rating are also useful reference points.

Be mindful that defaults have historically happened even for the highest credit quality bonds, and that the past does not predict the future.

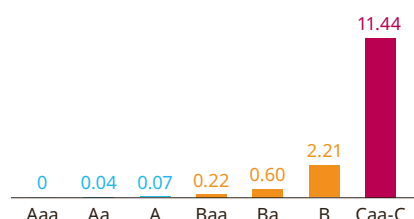
It is very important for you to know more about the credit quality of an issuer before buying its bond.

In the case of Temasek Bonds³, if the issuer does not have enough cash to pay interest due or repay its principal amount due at maturity, Temasek Holdings (Private) Limited will step in as the Guarantor.

If the Guarantor becomes insolvent, holders of Temasek Bonds and other equally ranked creditors will rank ahead of the Guarantor's shareholder in terms of payment priority. Please also note that the Guarantor is an investment company that is substantially dependent on its Investment Holding Companies (IHCs) and portfolio companies for funds, and the Guarantor's claims over assets and earnings of its IHCs and portfolio companies rank behind creditors of these companies.

Please see the "Market & Business Risks" section on the next page and "How Can I Understand Temasek's Credit Quality?" on Pages 5 and 6.

Average Annual Corporate Default Rates²: 2000–2019 (%)



Derived from data in Moody's Investors Service, Annual Default Study: Defaults Will Edge Higher in 2020, January 30, 2020

MARKET & BUSINESS RISKS

Macroeconomic, market and geopolitical conditions in major economies may impact global monetary conditions, investors' confidence and risk appetite, as well as underlying growth prospects and global asset prices.

As an investment company, the value of Temasek's portfolio is affected by such market factors⁴.

Furthermore, Temasek's cash flows and ability to make debt repayments are dependent on the dividends and distributions from our⁵ portfolio, our divestments and our ability to borrow. In particular, dividends and distributions are made by our portfolio companies at their discretion and are subject to their profitability and cash flows, among other considerations.

Should any of our portfolio companies run into financial difficulties, our claim as a shareholder would generally rank behind creditors of such a company.

LEGAL & REGULATORY RISKS

Companies and businesses operating around the world must comply with a complex set of different legal and regulatory requirements, which may change or evolve in ways that may have an impact on their existing business. They may face regulatory or litigation action by regulators or other parties.

Temasek and our portfolio companies are subject to similar risks. These may result in significant costs or losses to Temasek or our portfolio companies and could impact Temasek's ability to meet payment obligations.

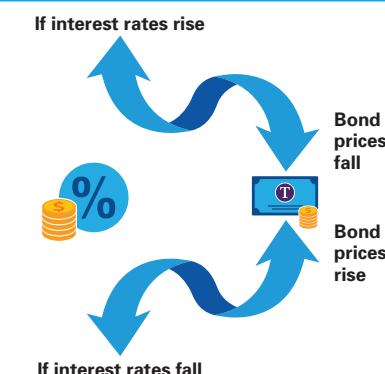
INTEREST RATE RISK

The market price of a bond may rise or fall.

If interest rates rise, the market price of your bond may fall, in order to attract buyers who may have higher interest alternatives.

If the market price at the time you sell your bond is below your purchase price, you may suffer a partial loss of your principal amount.

There is no guarantee on the market price of Temasek Bonds.



LIQUIDITY RISK

Under certain situations, such as a difficult market, there may be no buyer for your bonds should you need to sell them, even when they are listed.

There is no guarantee on the market liquidity of Temasek Bonds.

INFLATION RISK

Inflation will lower the purchasing power of the fixed interest payments and the principal amount at maturity of any bond.

¹ Please see the section "Risk Factors" of this Offering Circular for a description of other key risks.

² Moody's Investors Service has not provided its consent to the inclusion of such information in this Offering Circular and is not liable for such information. Neither Temasek nor the Issuer has conducted an independent review of the information or verified its accuracy and is therefore not responsible for such information.

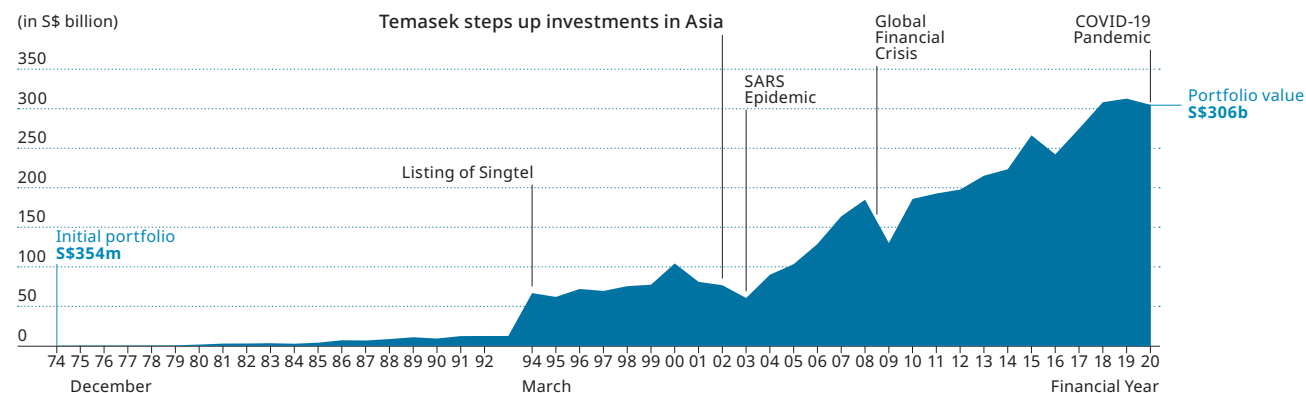
³ "Temasek Bonds" refers to notes that may be issued under Temasek's two Medium Term Note (MTN) programmes, namely the US\$25 billion Guaranteed Global MTN Programme and the S\$5 billion Guaranteed MTN Programme described in the section "Business of Temasek – Credit profile – Debt maturity profile" of this Offering Circular.

⁴ Please see the section "Risk Factors" of this Offering Circular for Temasek's market outlook.

⁵ References to "we" and "our" refer to Temasek, namely Temasek Holdings (Private) Limited and its Investment Holding Companies (IHCs). Please see footnote 18 on Page 6 for details of our IHCs.

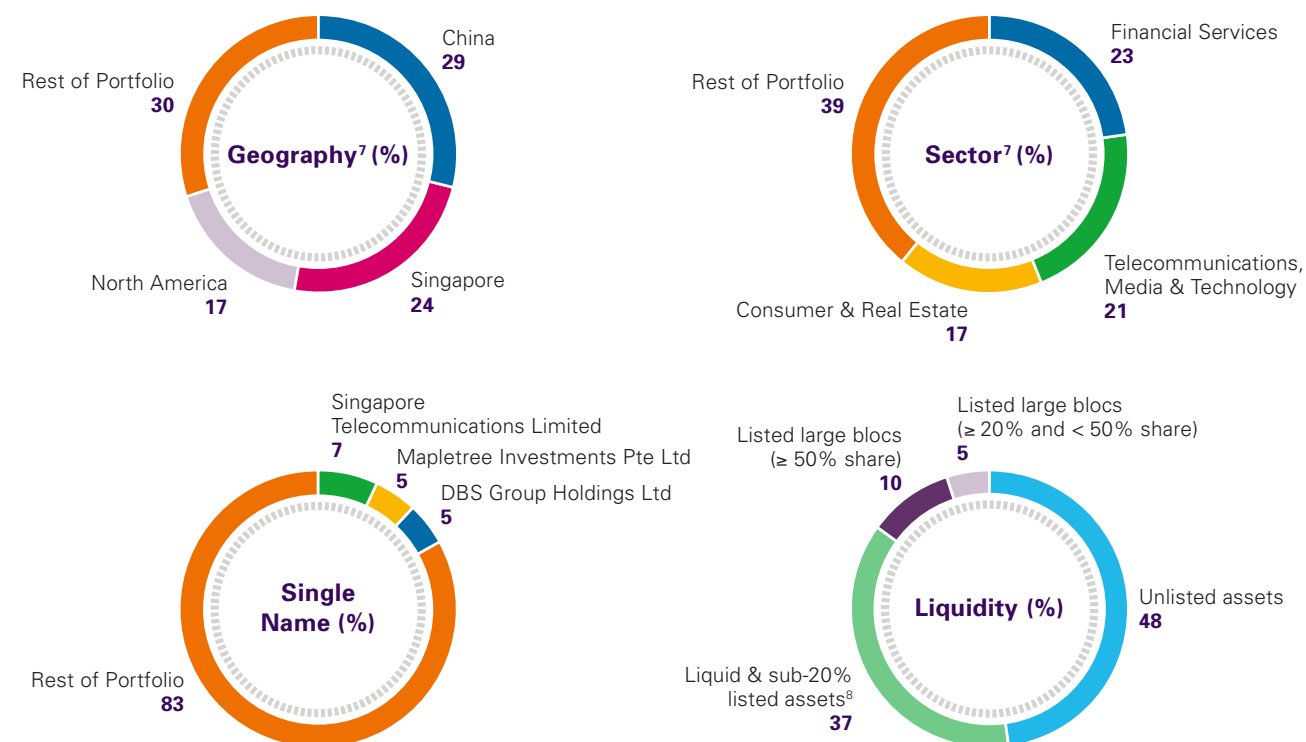
OUR PORTFOLIO

Temasek's Net Portfolio Value since Inception



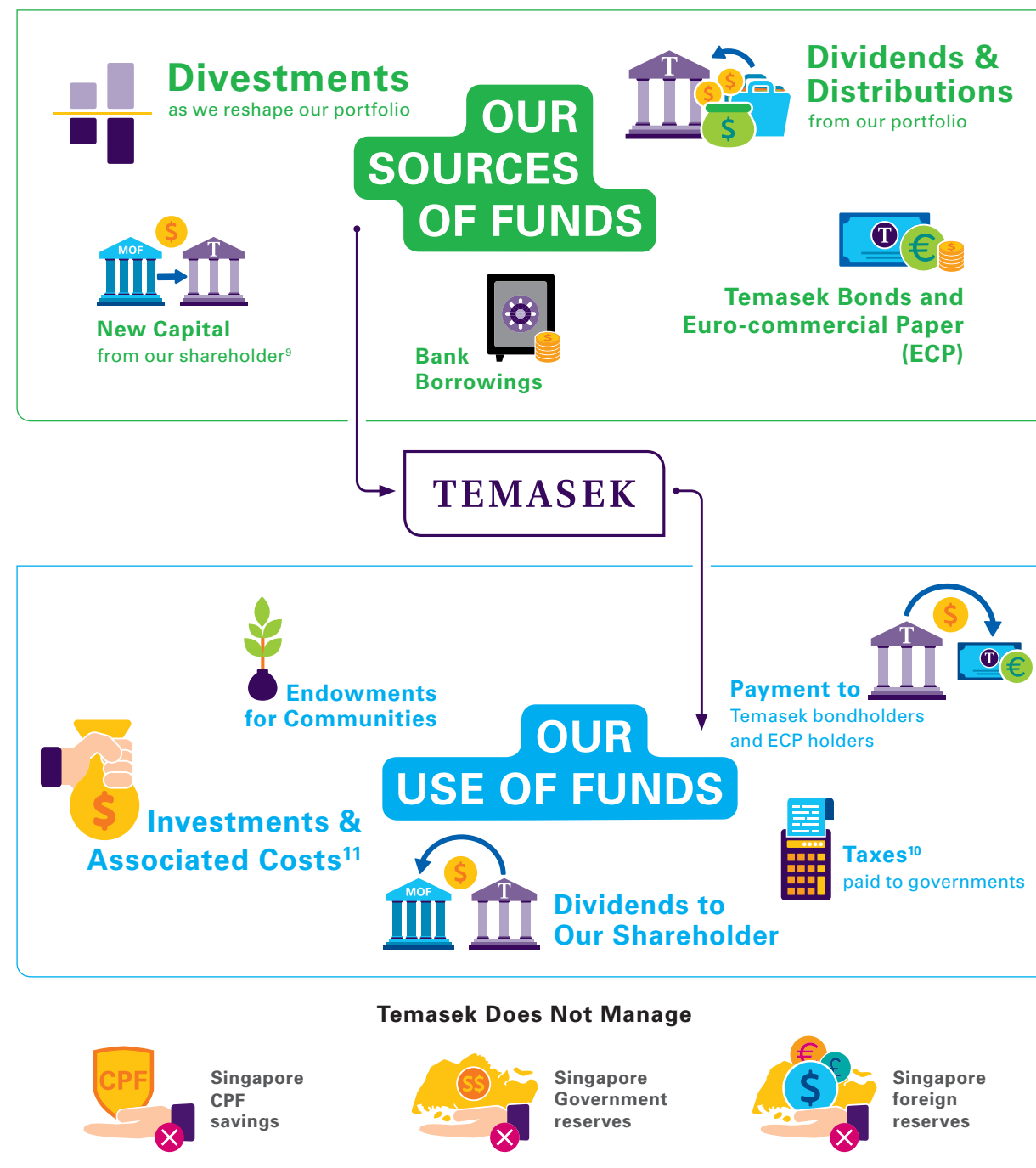
- Temasek is an investor that owns and manages our investments on a commercial basis.
- We⁵ are a generational investor, seeking to deliver sustainable value over the long term.
- Our portfolio was valued at S\$306 billion as at 31 March 2020, with concentrations as shown below.

Concentration Profiles of Portfolio⁶



INS & OUTS OF TEMASEK

Temasek's sources of funds come mainly from our portfolio, through divestments, dividends and investment distributions.



5 References to "we" and "our" refer to Temasek, namely Temasek Holdings (Private) Limited and its IHCs. Please see footnote 18 on Page 6 for details of our IHCs.
 6 As at 31 March 2020.
 7 Distribution based on underlying assets as described in the section "Certain definitions and conventions" of this Offering Circular.
 8 Mainly cash and cash equivalents, and investments that each represents a less than 20% interest in a listed company.

9 The Minister for Finance, which is a body corporate constituted under the Singapore Minister for Finance (Incorporation) Act (Chapter 183).
 10 Temasek pays taxes on its net profits.
 11 Associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs.



HOW CAN I UNDERSTAND TEMASEK'S CREDIT QUALITY?

WHY DOES TEMASEK ISSUE BONDS?

In short, we issue Temasek Bonds as a form of financial discipline.

The rise and fall of our Temasek Bond prices, especially relative to other bonds, serve as public signals of potential changes in our credit quality.

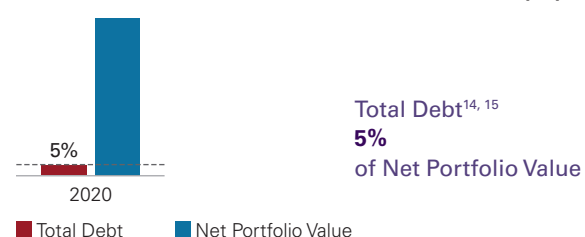
We have been issuing Temasek Bonds to institutional, accredited and other specified investors since 2005. Retail investors in Singapore have been a new group of bond investors and stakeholders for Temasek since 2018¹².

WHAT ARE TEMASEK'S BORROWINGS?

We have funding flexibility between long and short term debt, through Temasek's two MTN programmes and ECP Programme¹³, respectively.

As at 31 March 2020, our Net Portfolio Value was S\$306 billion. Our Total Debt^{14,15} of S\$13.9 billion, which included S\$12.6 billion of Temasek Bonds and S\$1.2 billion of ECP, was about 5% of our Net Portfolio Value.

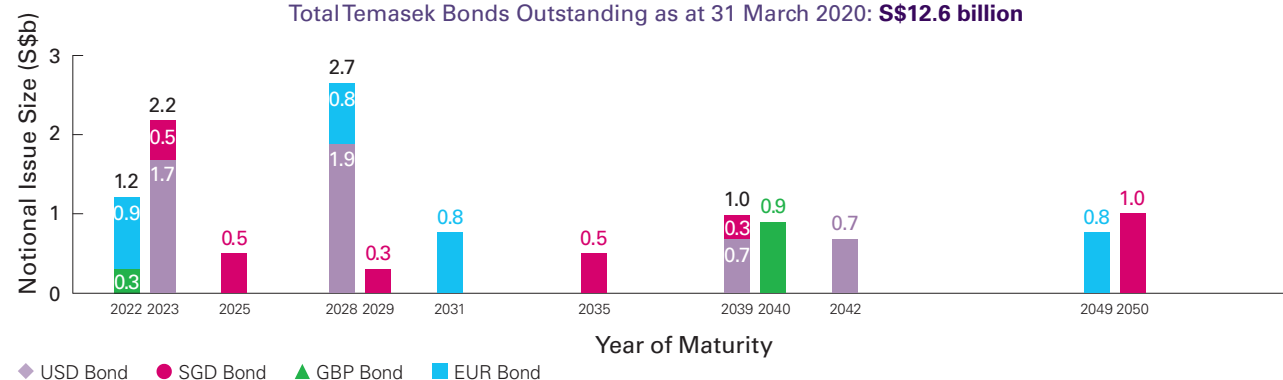
Total Debt^{14,15} over Net Portfolio Value (%)⁶



The longer maturity Temasek Bonds had a weighted average maturity of over 12 years, with the maturity distribution as shown below, while the shorter maturity ECP had a weighted average maturity of above one month.

Maturity Profile of Outstanding Temasek Bonds⁶

Total Temasek Bonds Outstanding as at 31 March 2020: S\$12.6 billion



We may issue new bonds from time to time, based on our requirements and market conditions.

⁶ As at 31 March 2020.

¹² Under Temasek Financial (IV) Private Limited's S\$5 billion Guaranteed MTN Programme.

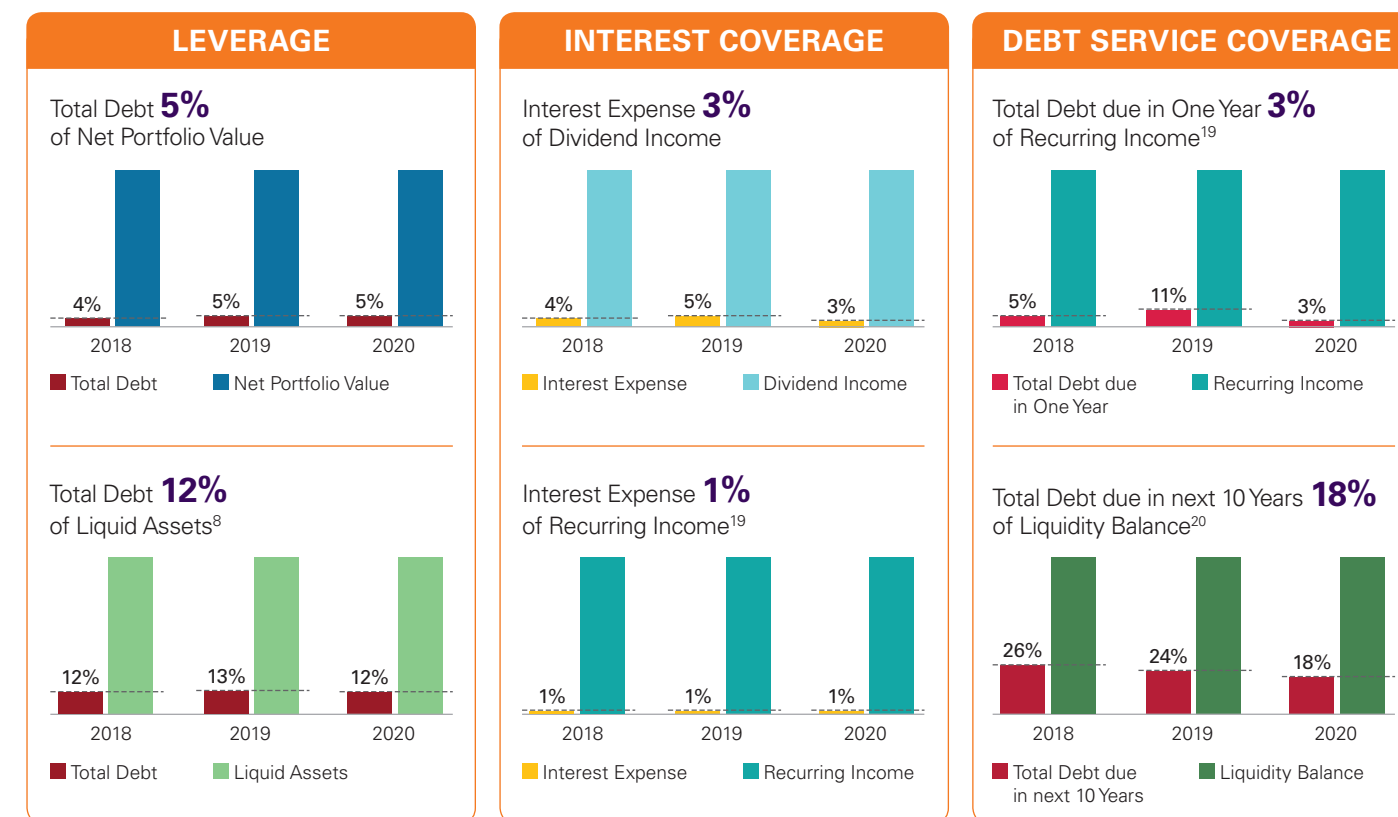
¹³ The US\$5 billion ECP Programme described in the section "Business of Temasek – Credit profile – Debt maturity profile" of this Offering Circular.

¹⁴ Based on the financial information of Temasek as an investment company, namely Temasek Holdings (Private) Limited (THPL) and its IHCs rather than the consolidated group of THPL and its subsidiaries. See footnote 18 for more information on such financial information.

¹⁵ IFRS 16: *Leases* took effect during the year ended 31 March 2020. The new accounting standard requires Temasek to record its leases, comprising mainly office rental, on its balance sheet. This means that lease liabilities and interest expense on lease liabilities have been included as part of total debt and interest expense respectively. Comparative information for earlier years has not been restated. See "Management's discussion and analysis of financial condition and results of operations - Basis of preparation of Temasek's consolidated financial statements" of this Offering Circular.

KEY CREDIT RATIOS

The key credit quality indicators^{15,16,17,18} shown below are based on the financials of Temasek as an investment company. They reflect our capacity to repay our debts and service our interest payments. For these ratios, the lower the percentage, the higher the credit quality.



CREDIT RATINGS

Temasek has overall corporate credit ratings²¹ of **Aaa/AAA** by Moody's Investors Service and S&P Global Ratings respectively since our inaugural ratings in 2004. All Temasek Bonds issued to date have received triple-A ratings.

⁸ Mainly cash and cash equivalents, and investments that each represents a less than 20% interest in a listed company.

¹⁶ As at or for year ended 31 March.

¹⁷ These are simplified graphics (scaled to show relative percentages) based on the indicators of Temasek's credit quality as an investment company. Please see the section "Business of Temasek - Credit profile" of this Offering Circular.

¹⁸ Based on the financial information of Temasek as an investment company, namely Temasek Holdings (Private) Limited (THPL) and its IHCs rather than the consolidated group of THPL and its subsidiaries. IHCs are defined as THPL's direct and indirect wholly-owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, THPL's wholly-owned subsidiary Temasek Pte. Ltd. (TPL) and/or TPL's wholly-owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing and/or the provision of investment advisory and consultancy services. See "Business of Temasek – Credit profile" of this Offering Circular for more details on such financial information.

¹⁹ Consists of divestments, dividend income, income from investments and interest income.

²⁰ Consists of cash and cash equivalents and short term investments, which refer to investments in securities expected to be realised in one year or less.

²¹ Any credit ratings accorded to Temasek or Temasek Bonds are statements of opinion and are not a recommendation to buy, sell or hold the bond, and investors should decide whether the investment is appropriate. Investors should contact their financial or other professional adviser before making any decisions based on the credit ratings. Moody's Investors Service and S&P Global Ratings have not provided their consent to the inclusion of such information in this Offering Circular and are not liable for such information.

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In making an investment decision, investors must rely on their own examination of the Issuer and Temasek (as defined herein), the terms of the Programme and any of the terms and conditions of any series of Notes offered thereunder. Notwithstanding anything herein to the contrary, each investor (and each employee, representative or other agent of each investor) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions contemplated by this Offering Circular, and all materials of any kinds (including opinions or other tax analyses) that are provided to it relating to such U.S. tax treatment and U.S. tax structure. However, this authorisation does not extend to information that may be required to be kept confidential in order to comply with applicable securities laws. Each investor further acknowledges and agrees that it does not know or have reason to know that its or its employees', representatives' or other agents' use or disclosure of information relating to the U.S. tax treatment or U.S. tax structure of any transaction contemplated by this Offering Circular is limited in any manner. By receiving this Offering Circular, investors acknowledge that (i) they have been afforded an opportunity to request and to review, and have received, all information that investors consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular, (ii) they have not relied on the Arrangers (as defined in the Programme Agreement (as defined in "Plan of distribution")) nor any Dealer (as defined herein) nor any Trustee (as defined herein) nor any Agent (as defined herein) or any person affiliated with any Arranger, any Dealer, any Trustee or any Agent in connection with their investigation of the accuracy of any information in this Offering Circular or their investment decision and (iii) no person has been authorised to give any information or to make any representation concerning the issue or sale of the Notes, the Issuer or Temasek other than as contained in this Offering Circular and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, Temasek, the Arrangers, the Dealers, the Trustees or the Agents.

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

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

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

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

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

The Notes and the Guarantee have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account, or benefit of, U.S. persons.

The Notes may be offered or sold (i) in the United States only to QIBs or to “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act (“Institutional Accredited Investors”), in each case in transactions exempt from registration under the Securities Act and/or (ii) outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S. Neither the Issuer nor Temasek is or will be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. Any series of Notes may be subject to additional selling restrictions, including restricting offers or sales in the United States or to U.S. persons, or restricting purchasers of such Notes in the United States or that are U.S. persons to QIBs that are also QPs as defined in the Investment Company Act, in which case each such purchaser must be able to make, and will be deemed to have made, certain acknowledgments, representations, warranties and agreements as set forth in the relevant Pricing Supplement in respect of such series of Notes. Any additional restrictions on the sale or transfer of any series of Notes will be specified in the relevant Pricing Supplement for such Notes.

If Notes of a series are being offered or sold to U.S. persons or in the United States, prospective investors are hereby notified that sellers of such Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Arrangers and Dealers, through their respective selling agents, may arrange for the offer and resale of such Notes to U.S. persons or persons in the United States who are QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act. Investors may be required to bear the financial risk of an investment in the Notes for an indefinite period. The Notes are not transferable except in compliance with the restrictions described in “Notice to purchasers and holders of Registered Notes and transfer restrictions” and the relevant Pricing Supplement.

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

Selling restrictions – Singapore: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to 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; or
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the “SFA” is a reference to the Securities and Futures Act, 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.

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

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

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

This Offering Circular has not been submitted to the clearance procedures of the Autorité des marchés financiers.

Notes of each series (as described in “Summary — Summary of the Programme”) to be issued as a Bearer Series will initially be represented by interests in a temporary global note or a permanent global

note, in either case in bearer form (each a “Temporary Global Note” and a “Permanent Global Note”, respectively), without interest coupons, which may be deposited on or about the Issue Date with The Central Depository (Pte) Limited (“CDP”), subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”), or with any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note (each a “Global Note”) from 40 days after the later of the Issue Date and the completion of the distribution of the Notes (the “Exchange Date”), upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note may be exchanged for individual definitive Bearer Notes (“Definitive Bearer Notes”) only in the limited circumstances as described therein and summarised in “Form of Notes — Bearer Notes”.

Notes of each series to be issued in registered form (“Registered Notes” comprising a “Registered Series”) sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by interests in a global unrestricted Registered Note, without interest coupons (each a “Regulation S Global Note”), which may be deposited on or about the Issue Date with, and registered in the name of, CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or deposited with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, or with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”) for the accounts of Euroclear and Clearstream. Beneficial interests in a Regulation S Global Note will be shown on, and transfers thereof will be effected only through, records maintained by CDP, Euroclear, Clearstream or DTC. Notes of each Registered Series sold to a QIB as defined in Rule 144A, as referred to in, and subject to the transfer restrictions described in, “Plan of distribution”, “Notice to purchasers and holders of Registered Notes and transfer restrictions” and the relevant Pricing Supplement, will initially be represented by interests in a global restricted Registered Note, without interest coupons (each a “DTC Restricted Global Note” and, together with any Regulation S Global Note, the “Registered Global Notes”), which will be deposited on or about the Issue Date with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in a DTC Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See “Annex A — Global clearance and settlement”. Notes of each Registered Series sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (“Definitive IAI Registered Notes”). Individual definitive Registered Notes (“Definitive Registered Notes”) will otherwise only be available in certain limited circumstances as described herein.

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

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

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and 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 European Economic Area (“EEA”) or 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 (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (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 or in the UK has been prepared and therefore offering or selling the Notes or

otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Documents incorporated by reference

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

Available information

With respect to each series of Notes offered or sold in the United States or to U.S. persons in reliance on Rule 144A, Temasek has agreed that, during the period of one year from the date of original issuance of such Notes under the Programme and thereafter only if Temasek reasonably determines that any such Notes at the time of the expiration of such one-year period are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during such period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144(A)(d)(4) under the Securities Act (the “Rule 144A(d)(4) Information”). After one year from the date of original issuance of such Notes, if Temasek reasonably determines that such Notes at the time of the expiration of such one-year period do not constitute “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, Temasek will no longer be obligated to provide to any holder or beneficial owner of such Notes or to any prospective purchaser of such Notes the Rule 144A(d)(4) information.

The Issuer has undertaken, in connection with its application to list the Notes to be issued under the Programme on the SGX-ST, to immediately disclose to the SGX-ST any information which may have a material effect on the price or value of such Notes or on an investor’s decision whether to trade in such Notes.

Temasek is an exempt private company under the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”) and therefore it is not required to file its financial statements with the relevant public registry in Singapore. The financial statements included in this Offering Circular from pages FS1 to FS154 are presented on a consolidated basis for the Temasek Group comprising the financial statements of Temasek and its subsidiaries and their interests in associates and joint ventures, and are included only for the purpose of the offering of the Notes under the Programme. Financial statements for Temasek on an unconsolidated basis are not presented in this Offering Circular and are not publicly available.

Enforcement of civil liabilities

Each of the Issuer and Temasek is a company incorporated in Singapore and all or a significant portion of their assets are located in Singapore and certain other jurisdictions outside the United States and England and Wales. In addition, a majority of the Issuer’s and Temasek’s directors (“Directors”) and executive officers, and certain of the parties named in this Offering Circular reside in Singapore, and all or a significant portion of the assets of such persons may be located in Singapore and certain other jurisdictions outside the United States and England and Wales. As a result, it may not be possible for investors to effect service of process upon the Issuer or Temasek or such persons outside Singapore and outside such other jurisdictions or to enforce against the Issuer or Temasek or such persons outside Singapore and outside such other jurisdictions the federal securities laws of the United States or the securities laws of England and Wales, or to enforce judgments obtained in courts outside Singapore and outside such other jurisdictions, including U.S. courts and English courts, predicated upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales. Each of the Issuer and Temasek has, however, appointed CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011, as its authorised agent for service of process in any legal action or proceeding arising out of or relating to the Indenture

(as defined herein) or Notes governed by the laws of the State of New York issued thereunder brought in any federal or state court in The City of New York in the Borough of Manhattan or brought under federal or state securities laws or brought by the New York Trustee (as defined herein) (whether in its individual capacity or in its capacity as the New York Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of such courts in any suit or proceeding. Furthermore, a judgment for money in any action based on such Notes in a federal or state court in the United States ordinarily would be enforced in the United States only in U.S. dollars. The date used by such a court to determine the rate of conversion of the relevant currency into U.S. dollars will depend on various factors, including which court renders the judgment. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on non-U.S. dollar-denominated Notes would be required to render such judgment in the relevant currency, and such judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Further, each of the Issuer and Temasek has appointed Hackwood Secretaries Limited, located at One Silk Street, London EC2Y 8HQ, as its authorised agent for service of process in any legal action or proceeding arising out of or relating to the English Law Trust Deed (as defined herein) or Notes governed by the laws of England issued thereunder brought in the courts of England or brought by the English Trustee (as defined herein) (whether in its individual capacity or in its capacity as the English Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of such courts in any suit or proceeding. Judgments of U.S. courts or English courts based upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales.

Forward-looking statements

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

Certain definitions and conventions

Unless otherwise specified or the context otherwise requires, in this Offering Circular: references to “US\$”, “USD” or “U.S. dollars” are to the lawful currency of the United States of America (the “U.S.”, “USA” or the “United States”); references to “S\$”, “SGD” or “Singapore dollars” are to the lawful currency of the Republic of Singapore; references to “HK\$” or “Hong Kong dollars” are to the lawful currency of Hong Kong; references to “Indian rupees” are to the lawful currency of the Republic of India; references to “€” are to “Euros”, the lawful currency of certain nations within the European Union; references to “Sterling” or “£” are to the lawful currency of the United Kingdom; and references to “Renminbi”, “RMB” or “CNY” are to the lawful currency of the People’s Republic of China (“China” or “PRC”). For the convenience of the reader, unless otherwise specified or the context otherwise requires, this Offering Circular contains translations of some Singapore dollar amounts into U.S. dollars based on the exchange rate of S\$1.42 per US\$1.00, which was the noon buying rate in The City of New York as certified for

customs purposes by the Federal Reserve Bank of New York for cable transfers (the “Noon Buying Rate”) for Singapore dollars on 31 March 2020. However, such translations should not be construed as representations that Singapore dollar amounts have been, could have been or could be converted into U.S. dollars at that or any other rate. The Noon Buying Rate for Singapore dollars on 4 September 2020 was S\$1.37 per US\$1.00.

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

References in this Offering Circular to “Singapore” are to the Republic of Singapore and references to the “Government” are to the Government of Singapore.

In this Offering Circular, references to “Temasek” mean, as the context requires, Temasek Holdings (Private) Limited individually or Temasek Holdings (Private) Limited and its Investment Holding Companies (as defined below) collectively.

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

References in this Offering Circular to “portfolio companies” are to companies in which Temasek holds an interest, directly and/or indirectly, through one or more Investment Holding Companies. References in this Offering Circular to the “Temasek Group” are to Temasek together with its subsidiaries, taken as a whole, and similarly, references to an entity’s “Group” are to that entity together with its subsidiaries, taken as a whole.

“Net Portfolio Value” as at a specified date:

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

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

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

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

- (a) the currency in which an investment is denominated is determined as follows:
 - (i) in the case of a listed equity security, by the currency in which the listed security is traded,
 - (ii) in the case of an unlisted equity security, by the functional currency of the unlisted portfolio company,

- (iii) in the case of a debt security, by the currency of the debt instrument,
 - (iv) in the case of a fund investment, by the currency in which the fund is denominated, and
 - (v) in the case of an equity derivative, by the currency of the derivative instrument; and
- (b) the currencies in which net other assets and liabilities are denominated are determined by the currency of each underlying asset or liability.

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

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

References in this Offering Circular to "sub-20% investments" refer to investments in which Temasek holds a stake of less than 20%.

References in this Offering Circular to "Temasek Bonds" refer to notes that may be issued under the Programme and Temasek Financial (IV) Private Limited's S\$5 billion Guaranteed Medium Term Note Programme.

Presentation of financial and other information

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

The financial statements for the Temasek Group included elsewhere in this Offering Circular are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) is equivalent to IFRS. For more information, see "Management's discussion and analysis of financial condition and results of operations — Basis of preparation of Temasek's consolidated financial statements".

All references in this Offering Circular to "IFRS" are to IFRS as issued by the IASB and SFRS(I) unless otherwise specified.

Summary

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained or referred to elsewhere in this Offering Circular, including “Risk factors”, “Management’s discussion and analysis of financial condition and results of operations”, “Business of Temasek” and “Board and management”. For a discussion of Net Portfolio Value, see “Certain definitions and conventions” on page vii. To understand the terms of the Notes, investors should carefully read the sections of this Offering Circular entitled “Description of the Notes governed by New York law”, “Terms and conditions of the Notes governed by Singapore law” or “Terms and conditions of the Notes governed by English law”, as applicable, and the risks of investing in the Notes under “Risk factors” and the relevant Pricing Supplement.

Temasek

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. Temasek has over 800 employees across offices in 11 cities throughout Asia, Europe, the USA and Latin America.

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

Temasek’s Net Portfolio Value amounted to S\$306 billion (US\$214 billion) as at 31 March 2020, compared to S\$313 billion and S\$308 billion as at 31 March 2019 and 2018, respectively.

As at 31 March 2020, approximately 29% of Temasek’s Net Portfolio Value was in China, 24% in Singapore, 17% in North America, 13% in rest of Asia, 10% in Europe, 5% in Australia & New Zealand, 1% in Africa, Central Asia & the Middle East and 1% in Latin America.

As at 31 March 2020, Temasek’s top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 23%, 21% and 17%, respectively.

Temasek has delivered an annualised Total Shareholder Return of 14% in Singapore dollar terms to Temasek’s shareholder by market value since its inception to 31 March 2020. See “Business of Temasek — Total Shareholder Return” for details on the manner of computation of Total Shareholder Return.

See “Business of Temasek — Major investments” for a description of the major companies in Temasek’s portfolio.

Strategy

The Temasek Charter

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

Temasek’s Business

Temasek is an investment company that owns and manages its assets based on commercial principles.

As an Active Investor

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings.

In accordance with the governance model between Temasek and MOF, Temasek’s investment, divestment and other business decisions are directed by its Board and management. Neither the

President of Singapore nor Temasek's shareholder, the Government, is involved in Temasek's business decisions, except in relation to the protection of Temasek's past reserves. The Government does not guarantee Temasek's debt.

Similarly, in accordance with the governance model between Temasek and its portfolio companies, Temasek does not direct the business decisions or operations or guarantee the obligations of its portfolio companies. The day-to-day management and business decisions of Temasek's portfolio companies are the responsibility of their respective boards and management. Temasek holds the boards and management accountable for the activities of the respective portfolio companies.

As an engaged shareholder, Temasek seeks to promote sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards to guide and complement management. Temasek also advocates that boards be independent of management in order to provide effective oversight and supervision. Temasek protects its interests by exercising its shareholder rights, including voting at shareholders' meetings. Temasek has a policy of complying with its obligations under Singapore laws and regulations, as well as those jurisdictions where Temasek has investments or operations, and similarly expects its portfolio companies to have their own policy of compliance with applicable laws and regulations.

As a Forward-Looking Institution

As an institution and as individuals, Temasek acts with integrity and is guided by its Temasek values. Temasek seeks to foster an ownership culture, which puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests. Temasek strives for excellence as an institution by developing its people, capabilities and processes. Temasek also challenges and reinvents itself to stay relevant in a rapidly changing world.

As a Trusted Steward

Temasek is a responsible corporate citizen, engaging communities based on the principles of sustainability and good governance. Temasek supports community programmes that focus on building people, building communities, building capabilities and rebuilding lives in Singapore and beyond.

Temasek also engages stakeholders in the development of sound governance practices. Under the Constitution, Temasek has a responsibility to safeguard its past reserves.

Temasek's Investment Approach

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

Temasek's investment approach is both top-down and bottom-up. On a top-down basis, Temasek continues to be guided by its investment themes and structural trends it has identified on where to seek attractive investment opportunities. Temasek's individual investment and divestment decisions are ultimately made using a bottom-up approach, based on Temasek's view of intrinsic values. Temasek does not have a top-down strategic asset allocation strategy. Temasek also does not have predefined limits or targets for investing or rebalancing by asset class, country, sector or single name.

As the owner of its portfolio, Temasek may choose to invest, divest or hold cash as its investment stance. Temasek has the flexibility to take concentrated positions and invest over varying time horizons. Temasek maintains full flexibility to reshape and rebalance its portfolio, whenever opportunities or challenges arise.

Temasek's top-down investment approach

Temasek's four investment themes are:

- *Transforming Economies* — Tapping the potential of transforming economies like China, India, South East Asia and Latin America, through investments in sectors such as financial services, infrastructure and logistics.
- *Growing Middle Income Populations* — Leveraging growing consumer demands through investments in sectors such as telecommunications, media & technology and consumer & real estate.
- *Deepening Comparative Advantages* — Seeking out economies, businesses and companies with distinctive intellectual property and other competitive advantages.

- *Emerging Champions* — Investing in companies with a strong home base, as well as companies at inflection points, with the potential to be regional or global champions.

The structural trends are:

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

Temasek’s bottom-up investment approach

In its bottom-up investment approach, Temasek determines the intrinsic values of potential investment targets based on its fundamental understanding of the targets and expected returns that incorporate Temasek’s view of intrinsic values. The main drivers of intrinsic values are the expected performance and cash flow of the target investment as a result of company specific factors and circumstances.

Temasek’s decision to increase, decrease or hold any investment is based on expected returns. Expected returns are measured against the investment targets’ risk-adjusted cost of capital. Temasek derives its risk-adjusted cost of capital using a capital asset pricing model, which factors in associated country and sector risks.

Temasek’s Sustainability Approach

As a generational investor committed to delivering sustainable value over the long term, sustainability is at the core of Temasek’s business. Temasek embraces sustainability in each of its three roles as defined in its Temasek Charter, as an investor, institution and steward.

As a responsible investor, Temasek incorporates environmental, social and governance (“ESG”) considerations into its investment decision-making and management at the portfolio and asset level. It is designed to enhance existing investment practices, support investment decision making, safeguard Temasek’s reputation, and align with its purpose of generating commercial returns by investing with a long term view. Temasek’s approach guides priorities for its engagement on sustainability issues with its portfolio companies and fund managers. Temasek also looks for opportunities to invest in companies that address global sustainability challenges.

As an owner, Temasek works to understand issues that may impact its portfolio companies and how they might navigate them. Temasek encourages companies to adopt policies and practices that safeguard and enhance long term sustainability and resilience of their business and the wider community.

As an institution, Temasek seeks to build a resilient organisation by developing people, capabilities and processes around sustainability and good governance.

As a steward, Temasek establishes partnerships and seed endowments to build resilience in communities and supports the sharing of best practices and trends around sustainability and governance.

Temasek believes that dialogue and robust exchanges of information, best practices and ideas between stakeholders from the public and private sectors are critical enablers of sustainable growth.

Temasek supports the United Nations Sustainable Development Goals, which aim to promote inclusive prosperity while protecting the planet. Temasek also supports the recommendations of the Task Force on Climate Related Financial Disclosures and encourages its portfolio companies to identify and share consistent, comparable and forward-looking information on risks and opportunities they face as a result

of climate change. As a member of the Green Finance Working Group under the MAS' Financial Centre Advisory Panel, Temasek is actively involved in shaping recommendations to establish Singapore as a green finance node. Temasek is also working with its portfolio companies to raise awareness of sustainable finance issues. Temasek is a member of the World Economic Forum, the Focusing Capital on the Long Term initiative and the Investor Advisory Group of the Sustainability Accounting Standards Board. Temasek takes part in dialogues which aim to promote responsible investing held by these organisations and others.

Temasek's Sustainability Goals

Temasek seeks to do its part to reverse climate change and has committed to:

- be carbon neutral as an institution by 2020, which it has achieved;
- reduce portfolio net emissions to half of its 2010 levels by 2030; and
- work towards a net zero emission portfolio by 2050.

Temasek has put in place processes to measure and track its carbon footprint.

For its institutional efforts, Temasek works to further reduce its emissions and resource use in its operations, including purchasing carbon credits to offset the impact of its unavoidable emissions. For its portfolio reduction targets, Temasek intends to engage with portfolio companies on their carbon reduction plans.

As part of climate risks analysis, an internal carbon price has been adopted to guide decisions on new investments. Temasek intends to also actively seek to invest in companies that have track records of better carbon intensity and efficiency relative to peers. This will also include companies with business models that contribute to carbon avoidance such as renewable energy and plant-based proteins, as well as carbon negative businesses and solutions that combat climate change, such as nature-based solutions.

Temasek is also exploring other opportunities to support sustainable solutions and climate actions, such as investing in carbon capture, sequestration and utilisation solutions, and developing a hydrogen economy.

The Issuer

The Issuer is indirectly, through an Investment Holding Company, a wholly-owned subsidiary of Temasek, and was incorporated under the laws of Singapore on 12 July 2004. It is an Investment Holding Company whose principal activity is financing.

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

Summary of the Programme

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

Issuer	Temasek Financial (I) Limited
Guarantor	Temasek Holdings (Private) Limited
Description	Guaranteed Global Medium Term Note Programme
Arrangers	Citigroup Global Markets Singapore Pte Ltd, Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Morgan Stanley Asia (Singapore) Pte.
Dealers	Citigroup Global Markets Singapore Pte Ltd, Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Morgan Stanley Asia (Singapore) Pte., Barclays Bank PLC, Singapore Branch, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Singapore Branch, Credit Suisse (Singapore) Limited, DBS Bank Ltd., Goldman Sachs (Singapore) Pte., J.P. Morgan (S.E.A.) Limited, Merrill Lynch (Singapore) Pte. Ltd., Skandinaviska Enskilda Banken AB (publ), Société Générale, Standard Chartered Bank and Standard Chartered Bank (Singapore) Limited
Trustee under the Indenture	Deutsche Bank Trust Company Americas (the “New York Trustee”)
Paying Agent and Transfer Agent in New York and London under the Indenture	Citibank, N.A., London Branch
Paying Agent in Singapore under the Indenture	Citicorp Investment Bank (Singapore) Limited
Registrar under the Indenture	Citibank, N.A., London Branch (the “New York Registrar”)
Trustee under the Singapore Law Trust Deed	DBS Trustee Limited (the “Singapore Trustee”)
Issuing and Paying Agent, Paying Agent, Calculation Agent and Transfer Agent in relation to Notes governed by Singapore law	DBS Bank Ltd.
Paying Agent in Singapore in relation to Notes governed by Singapore law	DBS Bank Ltd.
Registrar in relation to Notes governed by Singapore law	DBS Bank Ltd. (the “Singapore Registrar”)
Trustee under the English Law Trust Deed	DB Trustees (Hong Kong) Limited (the “English Trustee” and, together with the New York Trustee and the Singapore Trustee, the “Trustees”)

Issuing and Paying Agent, Paying Agent, Calculation Agent and Transfer Agent in relation to Notes governed by English law . . .

Citibank, N.A., London Branch

Paying Agent in Singapore in relation to Notes governed by English law

Citicorp Investment Bank (Singapore) Limited

Registrar in relation to Notes governed by English law

Citibank, N.A., London Branch (the “English Registrar”)

Size

The aggregate principal amount (which in the case of Notes issued at a premium, shall be the aggregate initial offering price, in the case of Notes issued at a discount from their principal amount, shall be their principal amount, in the case of partly paid Notes, shall be the amount of subscription monies paid up at such time, and in the case of Notes denominated in a currency other than U.S. dollars, the equivalent amount in another currency determined in accordance with the Programme Agreement) of Notes outstanding at any time shall not exceed US\$25,000,000,000 (or the equivalent in other currencies) which amount may be increased pursuant to the Programme Agreement.

As at the date of this Offering Circular, US\$500,000,000 aggregate principal amount of 5.375% Guaranteed Debentures due 2039, S\$300,000,000 aggregate principal amount of 4.0% Guaranteed Notes due 2029, S\$300,000,000 aggregate principal amount of 4.2% Guaranteed Notes due 2039, S\$500,000,000 aggregate principal amount of 3.785% Guaranteed Notes due 2025, S\$500,000,000 aggregate principal amount of 4.0475% Guaranteed Notes due 2035, £200,000,000 aggregate principal amount of 4.625% Guaranteed Notes due 2022, £500,000,000 aggregate principal amount of 5.125% Guaranteed Notes due 2040, S\$1,000,000,000 aggregate principal amount of 4.2% Guaranteed Notes due 2050, US\$1,200,000,000 aggregate principal amount of 2.375% Guaranteed Notes due 2023, US\$500,000,000 aggregate principal amount of 3.375% Guaranteed Notes due 2042, €600,000,000 aggregate principal amount of 0.5% Guaranteed Notes due 2022, €500,000,000 aggregate principal amount of 1.5% Guaranteed Notes due 2028, US\$1,350,000,000 aggregate principal amount of 3.625% Guaranteed Notes due 2028, €500,000,000 aggregate principal amount of 0.5% Guaranteed Notes due 2031 and €500,000,000 aggregate principal amount of 1.25% Guaranteed Notes due 2049 have been issued under the Programme and remain outstanding.

Distributions

The Notes are being offered from time to time by the Issuer through the Dealers. The Issuer may sell Notes to the Dealers acting as principals for resale to investors or other purchasers and may also sell Notes directly on its own behalf. Notes may be distributed on a syndicated or non-syndicated basis. See “Plan of distribution”.

Currencies

Euros, Renminbi, Singapore dollars, Sterling, U.S. dollars and, subject to compliance with all relevant laws, regulations and directives, such other currencies as may be agreed between the Issuer and the relevant Dealers and specified in the relevant Pricing Supplement (each a “Specified Currency”).

Each series of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements. See the relevant Pricing Supplement.

Series Notes will be issued in series, with all Notes in a series having the same maturity date and terms otherwise identical (except in relation to issue dates, interest paid or payable on or prior to the first interest payment date after issuance thereof, issue prices and related matters). The Notes of each series will be interchangeable with all other Notes of that series.

Maturities The Notes will mature on a date specified in the relevant Pricing Supplement, as selected by the relevant Dealer(s) and agreed to by the Issuer and subject to such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the Guarantor or the relevant Specified Currency.

Issue Price Notes may be issued at an issue price which is at par or at a discount to, or at a premium over, par, and on a fully-paid or partly-paid basis.

Forms of the Notes Notes may be issued in bearer or in registered form, as specified in the relevant Pricing Supplement. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes.

Each series of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, may be deposited on or about the Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for Euroclear, Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, as described therein, for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for Definitive Bearer Notes only in the limited circumstances described therein and summarised in “Form of Notes — Bearer Notes”. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable or exchangeable only in accordance with the rules and procedures for the time being of CDP, Euroclear, Clearstream and/or any other agreed clearance system, as appropriate. Each series of Bearer Notes shall comply with United States Treasury Regulations §1.163-5(c)(2)(i)(D) or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code (the “D Rules”) unless otherwise stated in the relevant Pricing Supplement. Bearer Notes issued in compliance with the D Rules will be initially represented by a Temporary Global Note.

Each series of Registered Notes, which are sold outside the United States in reliance on Regulation S, will, unless otherwise specified in the relevant Pricing Supplement, be represented by a Regulation S Global Note, which will be deposited on or about the Issue Date with, and registered in the name of, CDP, subject to any restrictions or conditions which may be

applicable (as specified in the relevant Pricing Supplement), or deposited with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, or with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the Distribution Compliance Period (as defined in “Form of Notes”), beneficial interests in a Regulation S Global Note of such series may be held only through CDP, Euroclear, Clearstream or DTC for the accounts of Euroclear and Clearstream. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances more fully described in “Annex A — Global clearance and settlement”.

Each series of Registered Notes sold to QIBs in compliance with Rule 144A and subject to the transfer restrictions described in “Notice to purchasers and holders of Registered Notes and transfer restrictions” and the relevant Pricing Supplement will, unless otherwise specified in the relevant Pricing Supplement, be represented by a DTC Restricted Global Note, which will be deposited on or about the Issue Date with a custodian for, and registered in the name of a nominee of, DTC. Persons holding beneficial interests in the DTC Restricted Global Notes will be entitled or required, as the case may be, under the circumstances described in the Indenture or the English Law Trust Deed, as the case may be, to receive physical delivery of Definitive Registered Notes.

Notes initially offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions described in “Notice to purchasers and holders of Registered Notes and transfer restrictions” and the relevant Pricing Supplement will be issued only as Definitive IAI Registered Notes and will not be represented by a Global Note.

Application will be made to have Notes of any series accepted for clearance and settlement through the facilities of DTC, Euroclear and Clearstream, as appropriate. In addition, application may be made to have the Notes of any series accepted for clearance and settlement through CDP. See “Annex A — Global clearance and settlement”.

Interest Rates

Interest-bearing Notes may be issued either as Fixed Rate Notes or Floating Rate Notes. Interest on Floating Rate Notes will be determined with reference to one or more of the Commercial Paper Rate, the Prime Rate, the CD Rate, the Federal Funds Rate, the Treasury Rate, the CMT Rate, LIBOR, EURIBOR, SIBOR, SOR or another interest rate basis, each as adjusted by the Spread and/or Spread Multiplier, if any, as set forth in the relevant Pricing Supplement. Any Floating Rate Note may also have a maximum and/or minimum interest rate limitation. See “Description of the Notes governed by New York law”, “Terms and conditions of the Notes governed by Singapore law” and “Terms and conditions of the Notes governed by English law”. Zero coupon Notes may be issued at their principal amount or at a discount from their principal amount and will not bear interest.

Withholding Tax

All payments in respect of Notes, the Receipts and the Coupons and payments under the Guarantee will be made free and clear of, and will be payable by the Issuer and the Guarantor without withholding or deduction for, or on account of, any taxes, duties, assessments, levies, imposts or other governmental charges ("Taxes") imposed by or for the account of Singapore and, where applicable, certain other jurisdictions (as described in "Description of the Notes governed by New York law — Payments of Additional Amounts", "Terms and conditions of the Notes governed by Singapore law — Taxation" and "Terms and conditions of the Notes governed by English law — Taxation"), except as otherwise required by law. If the Issuer or the Guarantor is required by law to deduct or withhold any such Taxes, the Issuer or the Guarantor will, subject to certain exceptions as described in "Description of the Notes governed by New York law — Payments of Additional Amounts", "Terms and conditions of the Notes governed by Singapore law — Taxation" and "Terms and conditions of the Notes governed by English law — Taxation", be required to pay such additional amounts as are necessary to enable holders of Notes ("Noteholders") not denominated in Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. No such additional amount shall be payable in relation to Notes denominated in Singapore dollars. See "Description of the Notes governed by New York law — Payments of Additional Amounts", "Terms and conditions of the Notes governed by Singapore law — Taxation" and "Terms and conditions of the Notes governed by English law — Taxation".

As set out in "Certain tax considerations — Singapore taxation", payments of interest and other Qualifying Income (as defined therein) derived from any tranche of the Notes which are QDS (as defined therein) are not subject to withholding of tax by the Issuer, subject to the conditions stated in such section.

In making an investment decision, investors are strongly advised to consult their own professional advisers in respect of the tax implications of holding the Notes. See "Certain tax considerations".

Denominations

Notes will be issued in the denominations indicated in the relevant Pricing Supplement (the "Specified Denomination(s)"), except that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Unless otherwise stated in the relevant Pricing Supplement, Notes in registered form shall be issued in minimum denominations of (i) US\$200,000 (or its equivalent in any other currency) for Notes issued pursuant to Rule 144A or Regulation S and higher integral multiples of US\$1,000 (or its equivalent as aforesaid) or (ii) US\$250,000 (or its equivalent in any other currency) for Notes issued to Institutional Accredited Investors pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from under the Securities Act and higher integral multiples of US\$1,000 (or its equivalent as aforesaid). Notes in registered form which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or

whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

In the case of Notes governed by Singapore law and Notes governed by English law, the Issuer may, without the consent of the Trustee, the Noteholders or Couponholders (as defined herein), at any time after any issue of such Notes, (i) reduce the denomination of such Notes into smaller divisible amounts and/or (ii) remove or reduce the minimum denomination requirement in respect of such Notes. See Condition 1 in each of “Terms and conditions of the Notes governed by Singapore law — Form, Denomination and Title” and “Terms and conditions of the Notes governed by English law — Form, Denomination and Title”. Prospective purchasers should consider the Issuer’s rights with respect to the reduction or removal of the minimum denomination of the Notes after issuance in light of their own internal requirements as to the minimum denominations of securities they may purchase and hold, if any, and legal or other obligations applicable to them.

Change in Obligor Each of the Issuer and the Guarantor is permitted to consolidate with or merge into any Person, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or convey, transfer, sell or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of its property and assets to any Person, so long as the conditions set forth in “Description of the Notes governed by New York law — Consolidation, merger and sale of assets”, “Terms and conditions of the Notes governed by Singapore law — Consolidation, Merger and Sale of Assets and Substitution”, or “Terms and conditions of the Notes governed by English law — Consolidation, Merger and Sale of Assets and Substitution”, as the case may be, are satisfied. The approval from Noteholders is not required if the Issuer or the Guarantor, as the case may be, satisfies such conditions.

Negative Pledge None.

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

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

The Notes may also be redeemed at the option of the Issuer for certain taxation reasons set forth in “Description of the Notes governed by New York law — Optional tax redemption”, “Terms and conditions of the Notes governed by Singapore law — Redemption, Purchase and Options — Redemption for Taxation Reasons” and “Terms and conditions of the Notes governed by English law — Redemption, Purchase and Options — Redemption for Taxation Reasons”, as the case may be.

The Notes governed by New York law may, unless otherwise specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer in whole or in part at an amount equal to the greater of (i) their Redemption Amount and (ii) the Make

Whole Amount (which is an amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a rate equal to (a) the yield of Treasury Notes (as defined in “Description of the Notes governed by New York law — Interest and Interest Rates — CMT Rate Notes”) of the same maturity plus (b) a spread specified in the relevant Pricing Supplement) in each case, together with accrued but unpaid interest to (but excluding) the date of redemption.

The Notes governed by Singapore law and the Notes governed by English law may, unless otherwise specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer in whole or in part at the Optional Redemption Amount, together with interest accrued to the date fixed for redemption.

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

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

In the case of Notes denominated in Renminbi — Payment of U.S. Dollar Equivalent If by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in Condition 6(i) in the “Terms and conditions of the Notes governed by English law”), or if Renminbi is otherwise not available to the Issuer or the Guarantor as a result of circumstances beyond their control and such unavailability has been independently determined by a Renminbi Dealer (as defined herein), neither the Issuer nor the Guarantor is able or it would be impractical for the Issuer or the Guarantor, as the case may be, to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor, as the case may be, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the aforesaid Condition 6(i)) of any such Renminbi denominated amount.

Credit Ratings The Guarantor has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating will not necessarily be the same as the credit ratings assigned to the Guarantor. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time by the assigning credit rating agency.

Status of the Notes Unless otherwise stated in the relevant Pricing Supplement, the Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law.

Guarantee	The Guarantor will fully, unconditionally and irrevocably guarantee to each Noteholder the due payment of all amounts owing from time to time under the Notes. Unless otherwise stated in the relevant Pricing Supplement, the Guarantee of the Notes will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least <i>pari passu</i> with all existing and future unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.
Listing of the Notes	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies). Unlisted series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each series of Notes. The Pricing Supplement relating to each series of Notes will state whether or not the Notes of such series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Governing Law	Notes denominated in Renminbi will be governed by, and construed in accordance with, the laws of England. Notes denominated in Singapore dollars will be governed by, and construed in accordance with, the laws of Singapore. All other Notes will be governed by, and construed in accordance with, the laws of England, the laws of the State of New York, the laws of Singapore or such other law as specified in the relevant Pricing Supplement and in such Notes. Bearer Notes will be governed by laws other than those of the State of New York. Notes governed by the laws of the State of New York shall be issued under an amended and restated indenture dated as at 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "Indenture") among the Issuer, the Guarantor and the New York Trustee. Notes governed by the laws of Singapore shall be issued under an amended and restated trust deed governed under Singapore law dated 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "Singapore Law Trust Deed") among the Issuer, the Guarantor and the Singapore Trustee. Notes governed by the laws of England shall be issued under an amended and restated trust deed governed under English law dated 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "English Law Trust Deed") among the Issuer, the Guarantor and the English Trustee. Notes issued under other laws shall be issued under such instrument(s) as may be appropriate as set out in the relevant Pricing Supplement and in such Notes.

Submission to Jurisdiction The Issuer has submitted to the non-exclusive jurisdiction of (i) any New York state or U.S. federal court sitting in The City of New York in the Borough of Manhattan for any legal action or proceeding arising out of or relating to the Indenture or Notes governed by the laws of the State of New York and (ii) the courts of England for any legal action or proceeding arising out of or relating to the English Law Trust Deed or Notes governed by the laws of England. The Issuer has also submitted to the jurisdiction of the courts of Singapore for any legal action or proceedings arising out of or in connection with the Singapore Law Trust Deed or Notes governed by the laws of Singapore.

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

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

Bearer Notes will be issued in compliance with the D Rules unless (i) the relevant Pricing Supplement states that Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the United States Internal Revenue Code (the “C Rules”) or (ii) Bearer Notes are issued other than in compliance with the D Rules or the C Rules but only in circumstances in which the Notes will not constitute “registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) rules are not applicable.

Summary financial and other information

The following tables set forth summary financial information for the Temasek Group as at and for the years ended 31 March 2018, 2019 and 2020. The summary financial information for the Temasek Group as at and for the years ended 31 March 2018, 2019 and 2020 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto included elsewhere in this Offering Circular.

The consolidated financial statements of Temasek included elsewhere in this Offering Circular have been prepared in accordance with IFRS.

The Temasek Group adopted new and amended IFRS and interpretations to IFRS that were mandatory for application for the year ended 31 March 2020, including IFRS 16 *Leases* (“IFRS 16”). The Temasek Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application has been recognised in accumulated profits at 1 April 2019. The comparative information as at and for the years ended 31 March 2018 and 2019 have not been restated. The effects of adoption of the new accounting standards are disclosed in note 41 of Temasek’s consolidated financial statements included elsewhere in this Offering Circular. Also see “Management’s discussion and analysis of financial condition and results of operations — Basis of preparation of Temasek’s consolidated financial statements”.

Solely for the convenience of the reader, the Singapore dollar amounts as at and for the year ended 31 March 2020 have been translated to U.S. dollars using the Noon Buying Rate of S\$1.42 per US\$1.00 on 31 March 2020, giving effect to rounding where applicable. For additional information regarding convenience translations in this Offering Circular, see “Certain definitions and conventions” on page vii.

Summary income statement information

	Year ended 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Revenue	107,446	114,642	118,623	83,537
Net expenses ⁽¹⁾	(86,148)	(100,775)	(107,284)	(75,553)
Share of profit of associates and joint ventures, net of tax ...	9,119	4,807	3,877	2,731
Profit before tax	30,417	18,674	15,216	10,715
Tax expense	(2,830)	(2,777)	(2,900)	(2,042)
Profit for the year	27,587	15,897	12,316	8,673
Less: Profit attributable to non-controlling interests	(5,896)	(4,069)	(3,478)	(2,449)
Profit attributable to equity holder of Temasek	21,691	11,828	8,838	6,224

Note:

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

Summary statement of comprehensive income information

	Year ended 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Profit for the year	27,587	15,897	12,316	8,673
Other comprehensive income				
Net change in fair value, net of tax, of:				
- Equity investments at fair value through other comprehensive income ("FVOCI")	—	(270)	(67)	(47)
- Available-for-sale financial assets ("AFS")	20,164	—	—	—
- Debt instruments at FVOCI	—	(23)	—	—
AFS reclassified to income statement	(4,148)	—	—	—
Debt instruments at FVOCI reclassified to income statement	—	(4)	2	1
Others, net ⁽¹⁾	(3,840)	629	(3,137)	(2,209)
Total comprehensive income for the year	39,763	16,229	9,114	6,418
Less: Total comprehensive income attributable to non-controlling interests	(5,328)	(3,578)	(1,399)	(985)
Total comprehensive income attributable to equity holder of Temasek	34,435	12,651	7,715	5,433

Note:

(1) Comprises cash flow hedges, net of tax; disposal or dilution of investments in associates and joint ventures; translation differences; others, net; disposal of investments in subsidiaries with loss of control; share of associates' and joint ventures' reserves; and cost of hedging reserves, net of tax.

Summary balance sheet information

	As at 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Assets				
Property, plant and equipment	73,171	78,460	82,122	57,832
Investments in associates and joint ventures	84,808	85,001	87,215	61,419
Non-current financial assets and derivative financial instruments	131,981	134,057	137,344	96,721
Other assets ⁽¹⁾	87,535	92,778	146,799	103,380
Current assets	113,044	118,759	141,451	99,613
Total assets	490,539	509,055	594,931	418,965
Equity and Liabilities				
Equity attributable to equity holder of Temasek	272,099	283,541	290,503	204,579
Non-controlling interests	47,083	47,659	72,553	51,094
Non-current liabilities	96,455	103,021	139,060	97,929
Current liabilities	74,902	74,834	92,815	65,363
Total equity and liabilities	490,539	509,055	594,931	418,965

Note:

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

Summary cash flow statement information

	Year ended 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Profit before tax	30,417	18,674	15,216	10,715
Cash flows from operating activities	14,786	15,825	17,377	12,237
Cash flows used in investing activities	(22,957)	(13,451)	(9,808)	(6,907)
Cash flows from financing activities	2,515	10,982	2,035	1,433
Net (decrease)/increase in cash and cash equivalents	(5,656)	13,356	9,604	6,763
Cash and cash equivalents at the beginning of the year	52,077	46,421	59,777	42,096
Cash and cash equivalents at the end of the year	46,421	59,777	69,381	48,859

Other financial information

	As at and for the year ended 31 March			
	2018	2019	2020	2020
	(S\$ million, except ratios and percentages)			(US\$ million, except ratios and percentages)
Net profit excluding unrealised mark-to-market ("MTM") losses ⁽¹⁾	21,691	12,815	11,381	8,015
Adjusted EBITDA ⁽²⁾	40,390	30,620	31,777	22,378
Adjusted EBITDA interest coverage ⁽³⁾	12.8	8.2	6.7	6.7
Net debt ⁽⁴⁾	49,663	51,879	83,266	58,638
Net debt/Adjusted EBITDA ⁽⁵⁾	1.2	1.7	2.6	2.6
Net debt/capital ⁽⁶⁾ (%)	13.5	13.5	18.7	18.7

Notes:

- (1) Net profit excluding unrealised MTM gains or losses is not determined in accordance with IFRS as IFRS does not prescribe the computation methodology of net profit excluding unrealised MTM gains or losses. Net profit excluding unrealised MTM gains or losses of the Temasek Group is computed by removing unrealised MTM gains or losses on sub-20% investments held at the end of the year from profit attributable to equity holder of Temasek. Net profit excluding unrealised MTM gains or losses of the Temasek Group is presented as an additional measure because management believes it facilitates year-to-year comparisons of the Temasek Group's net profit without the impact of fluctuations in the market value of sub-20% investments. Net profit excluding unrealised MTM gains or losses of the Temasek Group may not be comparable to similarly titled measures of other companies that may determine such similarly titled measures differently. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance.

Reconciliation of profit attributable to equity holder to net profit excluding unrealised MTM gains or losses:

	Year ended 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Profit attributable to equity holder of Temasek	21,691	11,828	8,838	6,224
Add: Unrealised MTM losses of sub-20% investments*	—	987	2,543	1,791
Net profit excluding unrealised MTM losses	21,691	12,815	11,381	8,015

* Represents unrealised MTM gains or losses of fair value through profit or loss ("FVTPL") non-trading investments held at the end of the year. For more information, see note 43 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

- (2) Adjusted EBITDA is not determined in accordance with IFRS as IFRS does not prescribe the computation methodology of Adjusted EBITDA. Adjusted EBITDA of the Temasek Group is defined as profit before tax, finance expenses, depreciation and amortisation of property, plant and equipment, right-of-use assets (after adoption of IFRS 16 in the year ended 31 March 2020) and intangible assets, and excluding unrealised MTM losses on sub-20% investments held at the end of the year. Adjusted EBITDA of the Temasek Group may not be comparable to that of other companies that may determine Adjusted EBITDA differently. Adjusted EBITDA of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.

Reconciliation of profit before tax to Adjusted EBITDA:

	Year ended 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Profit before tax	30,417	18,674	15,216	10,715
Add: Depreciation of property, plant and equipment ...	6,098	6,330	6,797	4,787
Add: Depreciation of right-of-use assets	—	—	1,451	1,022
Add: Amortisation of intangible assets	718	914	1,027	723
Add: Finance expenses	3,157	3,715	4,743	3,340
Add: Unrealised MTM losses of sub-20% investments*	—	987	2,543	1,791
Adjusted EBITDA	<u>40,390</u>	<u>30,620</u>	<u>31,777</u>	<u>22,378</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 43 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

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

Reconciliation of total debt to net debt:

	As at 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Total debt*	96,219	111,755	152,949	107,711
Less: Cash and cash equivalents (excluding bank overdrafts)	(46,556)	(59,876)	(69,683)	(49,073)
Net debt	<u>49,663</u>	<u>51,879</u>	<u>83,266</u>	<u>58,638</u>

* See note 29 of Temasek's consolidated financial statements included elsewhere in this Offering Circular. This figure includes bank overdrafts.

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

Risk factors

This Offering Circular contains forward-looking statements that involve risks and uncertainties. All investments carry risks, including investments in the Notes. The following section does not describe all of the risk factors relating to an investment in the Notes. Prospective investors in the Notes should carefully read this Offering Circular in its entirety, including the following risk factors.

Risks related to the Issuer and Temasek

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

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

As at 31 March 2020, Temasek’s top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 23%, 21% and 17%, respectively. In terms of geographic exposure, as at 31 March 2020, approximately 29% of Temasek’s Net Portfolio Value was in China, 24% in Singapore, 17% in North America, 13% in rest of Asia, 10% in Europe, 5% in Australia & New Zealand, 1% in Africa, Central Asia & the Middle East and 1% in Latin America. In particular, as at 31 March 2020, the top three countries were China, Singapore and the United States, which accounted for about 29%, 24% and 16% of Temasek’s Net Portfolio Value, respectively. As at 31 March 2020, Temasek’s top three investments were Singapore Telecommunications Limited (“Singtel”), Mapletree Investments Pte Ltd (“Mapletree”) and DBS Group Holdings Ltd (“DBS”), which accounted for about 7%, 5% and 5% of Temasek’s Net Portfolio Value, respectively. As at 31 March 2020, Temasek’s top 10 companies accounted for about 37% of its Net Portfolio Value, and its liquid and listed assets comprised about 52% of its Net Portfolio Value, consisting of 37% of liquid assets and assets comprising investments that each represents a minority interest of less than 20% in a listed company, 5% of assets comprising investments that each represents a 20% or more but less than 50% interest in a listed company and 10% of assets comprising investments that each represents 50% or more interest in a listed company. Unlisted assets comprised about 48% of Temasek’s Net Portfolio Value as at 31 March 2020, consisting of investments in companies and funds.

As described in “Management’s discussion and analysis of financial condition and results of operations — Significant factors affecting the Temasek Group’s financial condition and results of operations — Global market and economic conditions”, the macroeconomic environment remains challenging, and the Temasek Group’s results of operations could be materially affected by conditions in the global capital markets and the economy generally.

Global markets gained significantly in 2019, largely boosted by the “Phase I” trade deal between the U.S. and China in the last quarter of 2019. However, underlying fundamentals of the global economy deteriorated in 2020 due to continuing trade tensions and the impact of the COVID-19 pandemic described below, which slowed global manufacturing output and affected trade-exposed economies around the world. Geopolitical risks including lingering trade tensions, the upcoming U.S. election cycle, ongoing threats of terrorism, instability in the Middle East and European fragmentation may create more uncertainties for long-term investors and asset owners.

In 2020, the COVID-19 pandemic and ensuing public health responses from governments around the world have had an unprecedented adverse impact on the global economy, resulting in historic levels of turmoil and dislocation for businesses and labour. Global markets experienced significant volatility and periods of massive sell-offs in risk assets amid fears of widespread business closures and bankruptcies. Due to the impact of the emerging COVID-19 pandemic in March 2020, Temasek’s one-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2020 was -2.28%.

Policymakers around the world have sought to stem the equity market declines through expansionary fiscal and monetary policies, including through direct support, bridge financing to corporates and households and asset purchase programmes. However, there is continued uncertainty around the

trajectory of the pandemic and concern of a disconnect between risk asset performances and underlying economic fundamentals.

In its June update to the 2020 World Economic Outlook, the International Monetary Fund (“IMF”) dubbed the current recession “a crisis like no other”, and it expects the global economy to contract sharply by 4.9% in 2020. The outlook for economic recovery remains clouded, in part due to the evolution of the pandemic, the potential resurgence of infections and the pace of medical breakthroughs in vaccines and therapeutics. Furthermore, uncertainty over the potential long-term effects of the crisis, including any long-term impact from firm closures and displaced workers exiting the workforce, and sustained reductions in gross domestic product (“GDP”) levels pose downside risks to the outlook for recovery. The pandemic has also exposed vulnerabilities in supply chain dependencies and accelerated the importance of technology. This could lead to a more challenging global business environment ahead, with unknown consequences for companies globally.

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

Temasek’s consolidated results of operations could be adversely impacted by a decline in the value of its investment securities as Temasek is required to record year-to-year changes in market value of sub-20% investments as profits or losses in the Temasek Group’s income statement. In such case, Temasek’s consolidated shareholder’s equity would also be adversely impacted due to the decline in the value of its investment securities. Furthermore, because Temasek has investments in different geographic regions that are denominated in different foreign currencies, Temasek’s returns on these investments, including any dividends received from these investments, are subject to foreign exchange rate risks. Fluctuations between these currencies and the Singapore dollar, Temasek’s reporting currency, also expose Temasek to translation risk when accounting for these investments in its financial statements. While Temasek adopts a portfolio risk management approach and regularly monitors its portfolio in respect of such risks, these risks are inherent in Temasek’s business and cannot be entirely eliminated. Any such risks, if they materialise, may adversely affect the Temasek Group’s financial condition and results of operations. Furthermore, any political instability, terrorism or military conflict in countries in the regions in which Temasek invests or globally could materially and adversely affect the Temasek Group’s results of operations, financial position and cash flows. In U.S. dollar terms, fluctuations in exchange rates will also affect the trading price of Notes denominated in currencies other than U.S. dollars, as well as the value of payments of interest and principal denominated in non-U.S. dollar currencies.

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

Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes. While all Notes issued under the Programme to date have been assigned credit ratings of “Aaa” by Moody’s and/or “AAA” by S&P, each series of Notes that may be issued under the Programme may be rated or unrated. Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Investors should consult their own financial or other professional adviser before making any decisions based on credit ratings. Moody’s and S&P have not provided their consent to the inclusion of such information in this Offering Circular and therefore are not liable for information regarding credit ratings contained herein. Neither the Issuer nor Temasek has any obligation under the Notes to inform Noteholders of any such revision, downgrade or withdrawal. A suspension, revision or withdrawal at any time of the credit rating assigned to Temasek, the Programme or the Notes may adversely affect the market price or liquidity of the Notes. Moreover,

Temasek's credit ratings do not reflect the potential impact related to market or other risks discussed above relating to the Notes. See "Credit ratings".

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

Temasek and its Investment Holding Companies hold investments in many countries. This means Temasek and such entities are subject to different judicial systems and complex legal and regulatory requirements across many jurisdictions, which change from time to time and are becoming increasingly onerous. Regulatory matters or litigation actions involving Temasek or its Investment Holding Companies or legal and regulatory requirements or restrictions applicable to Temasek or such entities in any jurisdiction may result in significant costs or other losses to Temasek or such entities and may have a material adverse effect on the Temasek Group's financial condition and results of operations.

Temasek and its portfolio companies operate around the world and provide worldwide services with facilities in many countries. This means Temasek and such entities are subject to different judicial systems and complex legal and regulatory requirements across many jurisdictions, which change from time to time and are becoming increasingly onerous. These include trade and non-trade barriers and requirements relating to withholding taxes on remittances and other payments, as well as the risk of regulatory or litigation action by regulators or private parties. Any such regulatory or litigation actions against Temasek or its portfolio companies or legal and regulatory requirements or restrictions applicable to Temasek or such entities in any jurisdiction may result in significant costs or other losses to Temasek or such entities and may have a material adverse effect on the Temasek Group's financial condition and results of operations.

Note 39 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular includes more information on examples of regulatory and litigation actions against members of the Temasek Group.

The Issuer is an Investment Holding Company whose principal activity is financing, while Temasek is an investment company and is substantially dependent on the payment of dividends and distributions by its portfolio companies, and cash receipts from disposals of its investments in its portfolio companies

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

As Temasek is an investment company incorporated for the purpose of holding and managing its investments both in Singapore and other countries, its operating cash flows and its ability to meet its obligations, including under the Guarantee and funding the Issuer's payments on the Notes, are substantially dependent upon the payment of funds by its portfolio companies to it in the form of dividends, distributions or otherwise, cash receipts from disposals or divestitures of its investments and its ability to borrow. Temasek's portfolio companies are legally distinct from Temasek and have no obligation to pay any amounts due with respect to Temasek's obligations or to make funds available for such payments. Dividends and distributions (if any) are made by Temasek's portfolio companies at their discretion. The ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek is subject to, among others, availability of profits or funds, restrictions on the payment of dividends contained in each portfolio company's indebtedness and applicable laws and regulations. For example, between March and July 2020, banking regulators around the world, including in the United States, England, the European Union (the "EU") and Singapore, announced temporary restrictions of, or recommendations against, dividend distributions and share buybacks by their regulated banks in order to preserve capital buffers amid the volatile and uncertain economic conditions caused by the COVID-19 pandemic. The Notes contain no covenants that prevent Temasek's portfolio companies from entering into agreements which may restrict their ability to pay dividends or make distributions to Temasek.

Liabilities relating to investments and divestments

In connection with an investment in, or divestment of, an interest in a company, Temasek may be exposed to certain claims or liabilities relating to the subject company (or its ownership interest

therein), including without limitation tax or environmental claims or liabilities. There can be no assurance that any such claim or liability would not have a material adverse effect on Temasek's financial condition and results of operations.

Government ownership of Temasek

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

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

Dependence on the Singapore economy

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

Enforceability of civil liabilities under securities laws of jurisdictions outside Singapore, including U.S. federal securities laws

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

Neither Temasek nor the Issuer will be registered under the Investment Company Act

Neither Temasek nor the Issuer will be registered as an investment company under the Investment Company Act and U.S. investors will not be entitled to the benefits of that Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to either Temasek or the Issuer or investors in either Temasek or the Issuer.

Application of Singapore insolvency and related laws to the Issuer and the Guarantor may result in a material adverse effect on the Noteholders

There can be no assurance that the Issuer and/or the Guarantor will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-

up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer and/or the Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

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

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

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

Risks related to the Notes

Effects of redemption

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

Transfer restrictions relating to the Notes

The Notes have not been and will not be registered under the Securities Act or the securities or "blue sky" laws of any state of the United States. Noteholders may not offer or sell the Notes in the United States or to, or for the account or benefit of, U.S. persons except as permitted by the terms of the Notes and pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. In addition, the Notes have not been registered under the securities laws of any other country. It is the Noteholder's obligation to ensure that its offers and sales of the Notes in the United States and other countries comply with applicable securities laws and the terms of the Notes. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and any additional transfer restrictions set out in the relevant Pricing Supplement.

Furthermore, if the U.S. investors of any series of Notes are restricted to QIBs that are also QPs, and Notes are acquired by persons that are not qualified to hold the Notes, such Notes may be subject to provisions requiring forfeiture and/or compulsory transfer. Whether or not such restrictions or forfeiture and/or compulsory transfer provisions apply to any series of Notes will be specified in the relevant Pricing Supplement.

No existing trading market for the Notes

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

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

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

Although the Noteholders (and other equally ranked creditors) will rank ahead of Temasek's shareholder in terms of payment priority if Temasek becomes insolvent, the Noteholders are not creditors of Temasek's Investment Holding Companies and portfolio companies (other than the Issuer). Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of Temasek and its creditors, including Noteholders seeking to enforce the Guarantee (that is, the Notes and the Guarantee are structurally subordinated to all and any existing and future liabilities and obligations of such companies). None of the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed, as the case may be, pursuant to which the Notes will be issued contains any restrictions on the ability of Temasek or its Investment Holding Companies and portfolio companies to incur indebtedness. See also "— Risks Related to the Issuer and Temasek — The Issuer is an Investment Holding Company whose principal activity is financing, while Temasek is an investment company and is substantially dependent on the payment of dividends and distributions by its portfolio companies, and cash receipts from disposals of its investments in its portfolio companies".

Risks relating to Singapore taxation

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("ITA"), subject to the fulfilment of certain conditions more particularly described in "Certain tax considerations — Singapore taxation". However, there can be no assurance that such Notes will continue to enjoy the tax concessions afforded by such designation should the relevant tax laws be amended or revoked at any time.

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

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, SIBOR and SOR) are the subject of recent guidance and proposals for reform from the EU and national and international regulatory bodies. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") applies to the provision of benchmarks, the

contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). It, among other things: (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

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

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

Future discontinuance of LIBOR or other benchmarks may adversely affect the value of floating rate notes which reference such benchmarks

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. Subsequent announcements by officials of the Financial Conduct Authority have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021, which indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. In addition, 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 SOR to the Singapore Overnight Rate Average.

It is not possible to predict whether, and to what extent, LIBOR, EURIBOR, SIBOR or SOR will continue to be supported going forward. This may cause these benchmarks to perform differently than they have in the past and may have other consequences which cannot be predicted.

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

An investment in the Notes is subject to a risk of default

An investment in the Notes is essentially a loan of money to the Issuer. An investment in the Notes is subject to a risk of default. Default risk is the risk that the Issuer will fail to timely make interest payments when due or principal payments at maturity and thus default on the Notes. The default risk of each issuer is different, depending on, among other things, its financial position, indebtedness and other financial obligations. Some issuers, or their bonds, are rated by credit rating agencies, based on

their respective assessments of the issuer's quality of assets, cash flows, liquidity positions and other factors. Each credit rating agency has its own proprietary criteria for assessing credit quality. Issuers with higher credit quality are generally regarded to be less likely to default, and thus generally pay lower interest rates. Conversely, issuers with lower credit quality are generally more likely to pay higher interest rates, because investors are generally regarded as taking on a higher default risk. According to Moody's, the average annual corporate default rates between 2000 and 2019 for issuers with credit ratings of "Aaa", "Aa", "A", "Baa", "Ba", "B" and "Caa" to "C" were 0.00%, 0.04%, 0.07%, 0.22%, 0.60%, 2.21% and 11.44%, respectively. For more information about credit ratings, see "— Risks related to the Issuer and Temasek — Credit ratings assigned to Temasek are statements of opinion and not investment recommendations" and "Credit ratings".

An investment in the Notes is subject to inflation risk

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

An investment in the Notes is subject to interest rate risk

Noteholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. In particular, fixed rate Notes may see their price fluctuate due to fluctuations in interest rates. Generally, following a rise in interest rates, prospective purchasers of the Notes in the trading market may have opportunities to instead invest in newly issued notes bearing higher interest rates, which in turn may cause a decrease in demand for the Notes and a fall in the prices of the Notes. The market value of the Notes may be similarly affected which may result in a capital loss for Noteholders. There is no assurance that Noteholders will be able to sell their Notes at a price which is attractive to them, or be able to sell their Notes at all. Consequently, a prospective Noteholder must be prepared to hold the Notes until the maturity date. Conversely, when interest rates fall, the prices of the Notes and the prices at which the Notes trade may rise. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Risks related to Notes denominated in Renminbi

Notes denominated in Renminbi may be issued under the Programme. Notes denominated in Renminbi are subject to additional risks, including those discussed below.

Renminbi is not freely convertible; significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide. It was further extended in August 2011 to cover all provinces and cities in the PRC. PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually. Commencing from 1 June 2015, remittances of Renminbi by foreign investors into the PRC for the purpose of capital contribution are only subject to prior registration with an authorised foreign exchange bank in the PRC. China's foreign exchange regime on cross-border financing was further liberalised on 29 April 2016 when the People's Bank of China (the "PBOC") promulgated the "Notice on Nationwide Implementation of the Prudential Macro-management Policy for Overall Cross-border Financing" (the "PBOC Notice"). Under the PBOC Notice, which took effect on 3 May 2016, a China-incorporated company or financial institution (other than a governmental financing vehicle or real estate enterprise) is allowed to borrow up to an aggregate amount of foreign debts (whether in Renminbi or foreign currency) which is pre-determined on the basis of its capital or net assets (the "Risk-Weighted Borrowing Limit"). Once a non-financial institution borrower has signed a cross-border financing agreement, it is required to make a filing of the details of the relevant financing through the online Capital Items Information System of the State Administration of Foreign Exchange (the "SAFE") no later than three working days before drawdown. On 11 January 2017, the PBOC promulgated the

“Circular on Matters Concerning the Prudential Macro-Management for Overall Cross-Border Financing” (the “PBOC Circular”) to further refine China’s foreign exchange regime. The PBOC Circular extends the foreign exchange regime to PRC branches of foreign banks, refines the formula for determining the Risk-Weighted Borrowing Limit and further eases foreign exchange restrictions in connection with borrowing foreign debts by, among other things, increasing the cross-border financing leverage ratio. The PBOC Circular also established a one-year transitional period for companies and financial institutions that are wholly or partially foreign-owned to comply with either the pre-existing or new foreign exchange regime.

In February 2015, the SAFE promulgated the *Notice on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment* (the “SAFE Circular”), which became effective on 1 June 2015. Under the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi to make capital contribution to an onshore enterprise or make payment for the transfer of equity of an onshore enterprise by a PRC resident, approval by SAFE for registration or change of registration of the onshore enterprise will no longer be required. Instead, the recipient of the cross-border Renminbi capital contribution can register the remittance of cross-border Renminbi with an authorised foreign exchange bank in the PRC through SAFE’s online Capital Items Information System as a foreign direct investment cash capital contribution. The bank will perform its verification, statistics collection and reporting obligations in accordance with the *Operational Guidelines for Direct Investment Foreign Exchange Business* issued by SAFE in conjunction with the SAFE Circular. In the case of a transfer of equity in an onshore enterprise, the onshore enterprise only needs to register a change in its basic information with the relevant foreign exchange bank. The borrowing of cross-border Renminbi, and the issuance of a guarantee involving cross-border Renminbi, by an onshore entity (including a financial institution) shall continue to be regulated under the respective current PRC regulatory regime for foreign debt and cross-border guarantee.

In October 2011, the Ministry of Commerce (“MOFCOM”) promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the “MOFCOM RMB FDI Circular”). Pursuant to the MOFCOM RMB FDI Circular, the prior approval of MOFCOM or its local counterpart (depending on the size and the relevant industry of the investment) is required for the use by a foreign investor of Renminbi legally obtained by it offshore to make direct investments in China (“RMB FDI”). The MOFCOM RMB FDI Circular also prohibits the proceeds of RMB FDI from being used, directly or indirectly, for investment in securities, financial derivatives or entrustment loans in the PRC, except that a foreign investor may, with the prior approval of MOFCOM, use Renminbi legally obtained offshore to make investments in PRC domestic listed companies through private placements or share transfers by agreement. In December 2013, MOFCOM issued the *Notice on Issues Concerning Cross-border Renminbi Direct Investment* (the “2013 RMB FDI Notice”), effective 1 January 2014, which superseded the MOFCOM RMB FDI Circular. Under the 2013 RMB FDI Notice, the level of government approval required for RMB FDI is relaxed and the associated application documentation is simplified. However, the prohibition against the use of the proceeds of RMB FDI for non-FDI related purposes under the MOFCOM RMB FDI Circular was repeated in the 2013 RMB FDI Notice and will continue to apply.

In October 2011, the *Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment* (the “PBOC RMB FDI Measures”) issued by the PBOC set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information with a local branch of the PBOC after the completion of a RMB FDI transaction, and (ii) make post-event filing with such local branch of the PBOC of any changes in registration information or in the event of an increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

In January 2018, PBOC issued the *Circular on Further Improving the Policies on Cross-Border RMB Business for the Purpose of Facilitating Trade and Investment* (the “2018 Circular”). The 2018 Circular expanded support for cross-border RMB settlement in an effort to further facilitate foreign investment and cross-border trade. Under the 2018 Circular, certain restrictions applicable to foreign investors’ opening of accounts, transfers of funds between accounts and use of funds in China have been removed and enterprises are allowed to use RMB to settle all cross-border transactions qualified for foreign exchange settlement.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or prohibiting the remittance of Renminbi into or outside the PRC. Temasek needs to source Renminbi offshore to finance Temasek's obligations under Notes denominated in Renminbi, and Temasek's ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Limited availability of Renminbi outside the PRC

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

As at the date of this Offering Circular, the PBOC has established a Renminbi clearing and settlement mechanism for participating banks in more than 20 countries and regions including Australia, Canada, France, Germany, Hong Kong, the Republic of Korea, Luxembourg, Malaysia, Russia, Singapore, Taiwan, Thailand, the United Arab Emirates, the United Kingdom and the United States. In each of these countries or regions, the local branch or subsidiary of a Chinese state-owned bank (a "Renminbi Clearing Bank") has been designated by the PBOC to provide Renminbi clearing and settlement services in that country or region and has entered into a settlement agreement ("Settlement Agreement") with the PBOC.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As at 30 April 2020, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB654.3 billion according to data published by the Hong Kong Monetary Authority. Cross-border Renminbi settlement by participating banks is currently confined to current account transactions and direct investment transactions. Furthermore, the participating banks do not have direct Renminbi liquidity support from the PBOC. Each Renminbi Clearing Bank may request for indirect liquidity support by the PBOC through trading in the inter-bank market in the PRC, or accept liquidity support from the local monetary regulating authority (for example, the MAS in the case of Singapore) obtained via currency swaps between such local monetary regulating authority and the PBOC, for the purpose of meeting the Renminbi needs of the participating banks in the same jurisdiction as the Renminbi Clearing Bank for Renminbi-denominated transactions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated in the future or Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may adversely affect the liquidity of the Notes. To the extent the Issuer or Temasek, as the case may be, is required to source Renminbi in the offshore market to service the Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all.

Investment in Notes denominated in Renminbi is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other currencies is affected by changes in the PRC and international political and economic conditions and by many other factors and may fluctuate. Subject to the option of the Issuer or Temasek, as the case may be, to pay amounts in U.S. dollars by reason of Inconvertibility, Non-transferability or Illiquidity as further described in Condition 6(i) in the "Terms and conditions of the Notes governed by English law", all payments of interest and principal will be made with respect to the Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investments in U.S. dollars or other applicable currencies will decline.

Payments in respect of Notes denominated in Renminbi will only be made to investors in the manner specified in the Notes

Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All payments to investors in respect of Notes denominated in Renminbi will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations.

Temasek cannot be required to make payment by any other means (including, subject to Condition 6(i) in the “Terms and conditions of the Notes governed by English Law”, in any other currency (unless specified in the relevant Pricing Supplement) or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Use of proceeds

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

Capitalisation

The following table sets forth the Temasek Group's capitalisation as at 31 March 2020. The information presented in Singapore dollars has been extracted from the consolidated financial statements of Temasek as at 31 March 2020.

	As at 31 March 2020	
	(S\$ million)	(US\$ million)⁽¹⁾
Long term debt		
Total long term debt	119,898	84,435
Total equity		
Equity attributable to equity holder of Temasek	290,503	204,579
Non-controlling interests	72,553	51,094
Total equity	363,056	255,673
Capitalisation	482,954	340,108

Note:

(1) Translated using the Noon Buying Rate of S\$1.42 per US\$1.00 on 31 March 2020, giving effect to rounding where applicable.

Selected financial and other data

The following tables set forth selected financial data for the Temasek Group as at and for the years ended 31 March 2018, 2019 and 2020. The selected financial data for the Temasek Group as at and for the years ended 31 March 2018, 2019 and 2020 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto included elsewhere in this Offering Circular.

The consolidated financial statements of Temasek included elsewhere in this Offering Circular have been prepared in accordance with IFRS.

The Temasek Group adopted new and amended IFRS and interpretations to IFRS that were mandatory for application for the year ended 31 March 2020, including IFRS 16. The Temasek Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application has been recognised in accumulated profits at 1 April 2019. The comparative information as at and for the years ended 31 March 2018 and 2019 have not been restated. The effects of adoption of the new accounting standards are disclosed in note 41 of Temasek's consolidated financial statements included elsewhere in this Offering Circular. Also see "Management's discussion and analysis of financial condition and results of operations — Basis of preparation of Temasek's consolidated financial statements".

Solely for the convenience of the reader, the Singapore dollar amounts as at and for the year ended 31 March 2020 have been translated to U.S. dollars using the Noon Buying Rate of S\$1.42 per US\$1.00 on 31 March 2020, giving effect to rounding where applicable. For additional information regarding convenience translations in this Offering Circular, see "Certain definitions and conventions" on page vii.

Selected income statement data

	Year ended 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Revenue	107,446	114,642	118,623	83,537
Cost of sales	(74,746)	(85,073)	(87,436)	(61,575)
Gross profit	32,700	29,569	31,187	21,962
Other income	13,276	7,204	7,253	5,108
Selling and distribution expenses	(3,331)	(3,391)	(3,512)	(2,473)
Administrative expenses	(8,724)	(8,389)	(8,393)	(5,911)
Finance expenses	(3,157)	(3,715)	(4,743)	(3,340)
Other expenses	(9,466)	(7,411)	(10,453)	(7,362)
Share of profit of associates, net of tax	6,800	2,587	3,528	2,485
Share of profit of joint ventures, net of tax	2,319	2,220	349	246
Profit before tax	30,417	18,674	15,216	10,715
Tax expense	(2,830)	(2,777)	(2,900)	(2,042)
Profit for the year	27,587	15,897	12,316	8,673
Less: Profit attributable to non-controlling interests ..	(5,896)	(4,069)	(3,478)	(2,449)
Profit attributable to equity holder of Temasek	21,691	11,828	8,838	6,224

Selected statement of comprehensive income data

	Year ended 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Profit for the year	27,587	15,897	12,316	8,673
Other comprehensive income				
Net change in fair value, net of tax, of:				
- Equity investments at FVOCI	—	(270)	(67)	(47)
- AFS	20,164	—	—	—
- Debt instruments at FVOCI	—	(23)	—	—
AFS reclassified to income statement	(4,148)	—	—	—
Debt instruments at FVOCI reclassified to income statement	—	(4)	2	1
Others, net ⁽¹⁾	(3,840)	629	(3,137)	(2,209)
Total comprehensive income for the year	39,763	16,229	9,114	6,418
Less: Total comprehensive income attributable to non-controlling interests	(5,328)	(3,578)	(1,399)	(985)
Total comprehensive income attributable to equity holder of Temasek	34,435	12,651	7,715	5,433

Note:

- (1) Comprises cash flow hedges, net of tax; disposal or dilution of investments in associates and joint ventures; translation differences; others, net; disposal of investments in subsidiaries with loss of control; share of associates' and joint ventures' reserves; and cost of hedging reserves, net of tax.

Selected balance sheet data

	As at 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Assets				
Property, plant and equipment	73,171	78,460	82,122	57,832
Right-of-use assets	—	—	9,413	6,629
Intangible assets	27,935	27,736	28,840	20,310
Biological assets	472	512	531	374
Associates	61,917	63,600	61,432	43,262
Joint ventures	22,891	21,401	25,783	18,157
Financial assets	130,968	132,541	134,876	94,983
Derivative financial instruments	1,013	1,516	2,468	1,738
Investment properties	46,287	56,318	98,095	69,081
Deferred tax assets	1,019	820	1,265	891
Other non-current assets	11,822	7,392	8,655	6,095
	377,495	390,296	453,480	319,352
Current assets	113,044	118,759	141,451	99,613
Total assets	490,539	509,055	594,931	418,965
Equity attributable to equity holder of Temasek				
Share capital	59,907	64,210	69,612	49,023
Other reserves	14,095	14,221	14,243	10,030
Fair value reserve	44,673	(74)	(10)	(7)
Hedging and cost of hedging reserve	135	89	(1,422)	(1,002)
Currency translation reserve	(7,285)	(6,103)	(4,966)	(3,497)
Accumulated profits	160,574	211,198	213,046	150,032
	272,099	283,541	290,503	204,579
Non-controlling interests	47,083	47,659	72,553	51,094
Total equity	319,182	331,200	363,056	255,673
Non-current liabilities				
Borrowings	80,418	88,141	119,898	84,435
Derivative financial instruments	1,206	614	3,005	2,116
Provisions	988	890	1,591	1,120
Deferred income and liabilities	1,993	1,883	1,701	1,198
Deferred tax liabilities	6,497	6,580	7,408	5,217
Other non-current liabilities	5,353	4,913	5,457	3,843
	96,455	103,021	139,060	97,929
Current liabilities	74,902	74,834	92,815	65,363
Total liabilities	171,357	177,855	231,875	163,292
Total equity and liabilities	490,539	509,055	594,931	418,965

Selected cash flow statement data

	Year ended 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Profit before tax	30,417	18,674	15,216	10,715
Cash flows from operating activities	14,786	15,825	17,377	12,237
Cash flows used in investing activities	(22,957)	(13,451)	(9,808)	(6,907)
Cash flows from financing activities	2,515	10,982	2,035	1,433
Net (decrease)/increase in cash and cash equivalents	(5,656)	13,356	9,604	6,763
Cash and cash equivalents at the beginning of the year	52,077	46,421	59,777	42,096
Cash and cash equivalents at the end of the year	46,421	59,777	69,381	48,859

Other financial data

	As at and for the year ended 31 March			
	2018	2019	2020	2020
	(S\$ million, except ratios and percentages)			(US\$ million, except ratios and percentages)
Net profit excluding unrealised mark-to-market ("MTM") losses ⁽¹⁾	21,691	12,815	11,381	8,015
Adjusted EBITDA ⁽²⁾	40,390	30,620	31,777	22,378
Adjusted EBITDA interest coverage ⁽³⁾	12.8	8.2	6.7	6.7
Net debt ⁽⁴⁾	49,663	51,879	83,266	58,638
Net debt/Adjusted EBITDA ⁽⁵⁾	1.2	1.7	2.6	2.6
Net debt/capital ⁽⁶⁾ (%)	13.5	13.5	18.7	18.7

Notes:

- (1) Net profit excluding unrealised MTM gains or losses is not determined in accordance with IFRS as IFRS does not prescribe the computation methodology of net profit excluding unrealised MTM gains or losses. Net profit excluding unrealised MTM gains or losses of the Temasek Group is computed by removing unrealised MTM gains or losses on sub-20% investments held at the end of the year from profit attributable to equity holder of Temasek. Net profit excluding unrealised MTM gains or losses of the Temasek Group is presented as an additional measure because management believes it facilitates year-to-year comparisons of the Temasek Group's net profit without the impact of fluctuations in the market value of sub-20% investments. Net profit excluding unrealised MTM gains or losses of the Temasek Group may not be comparable to similarly titled measures of other companies that may determine such similarly titled measures differently. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance.

Reconciliation of profit attributable to equity holder to net profit excluding unrealised MTM gains or losses:

	Year ended 31 March			
	2018	2019	2020	2020
		(S\$ million)		(US\$ million)
Profit attributable to equity holder of Temasek	21,691	11,828	8,838	6,224
Add: Unrealised MTM losses of sub-20% investments*	—	987	2,543	1,791
Net profit excluding unrealised MTM losses	21,691	12,815	11,381	8,015

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 43 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

- (2) Adjusted EBITDA is not determined in accordance with IFRS as IFRS does not prescribe the computation methodology of Adjusted EBITDA. Adjusted EBITDA of the Temasek Group is defined as profit before tax, finance expenses, depreciation and amortisation of property, plant and equipment, right-of-use assets (after adoption of IFRS 16 in the year ended 31 March 2020) and intangible assets, and excluding unrealised MTM losses on sub-20% investments held at the end of the year. Adjusted EBITDA of the Temasek Group may not be comparable to that of other companies that may determine Adjusted EBITDA differently. Adjusted EBITDA of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.

Reconciliation of profit before tax to Adjusted EBITDA:

	Year ended 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Profit before tax	30,417	18,674	15,216	10,715
Add: Depreciation of property, plant and equipment	6,098	6,330	6,797	4,787
Add: Depreciation of right-of-use assets	—	—	1,451	1,022
Add: Amortisation of intangible assets	718	914	1,027	723
Add: Finance expenses	3,157	3,715	4,743	3,340
Add: Unrealised MTM losses of sub-20% investments*	—	987	2,543	1,791
Adjusted EBITDA	<u>40,390</u>	<u>30,620</u>	<u>31,777</u>	<u>22,378</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 43 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

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

Reconciliation of total debt to net debt:

	As at 31 March			
	2018	2019 (S\$ million)	2020	2020 (US\$ million)
Total debt*	96,219	111,755	152,949	107,711
Less: Cash and cash equivalents (excluding bank overdrafts)	<u>(46,556)</u>	<u>(59,876)</u>	<u>(69,683)</u>	<u>(49,073)</u>
Net debt	<u>49,663</u>	<u>51,879</u>	<u>83,266</u>	<u>58,638</u>

* See note 29 of Temasek's consolidated financial statements included elsewhere in this Offering Circular. This figure includes bank overdrafts.

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

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

The following discussion and analysis should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto for the years ended 31 March 2018, 2019 and 2020 included elsewhere in this Offering Circular.

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

Overview

The Temasek Group had total assets of S\$595 billion (US\$419 billion) as at 31 March 2020. The Temasek Group generated revenue of S\$119 billion (US\$84 billion) and profit attributable to equity holder of Temasek of S\$9 billion (US\$6 billion) for the year ended 31 March 2020.

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

Global market and economic conditions

The Temasek Group's results of operations could be materially affected by conditions in the global capital markets and the economy generally.

Global markets gained significantly in 2019, largely boosted by the "Phase I" trade deal between the U.S. and China in the last quarter of 2019. However, underlying fundamentals of the global economy deteriorated in 2020 due to continuing trade tensions and the impact of the COVID-19 pandemic described below, which slowed global manufacturing output and affected trade-exposed economies around the world. Geopolitical risks including lingering trade tensions, the upcoming U.S. election cycle, ongoing threats of terrorism, instability in the Middle East and European fragmentation may create more uncertainties for long-term investors and asset owners.

In 2020, the COVID-19 pandemic and ensuing public health responses from governments around the world have had an unprecedented adverse impact on the global economy, resulting in historic levels of turmoil and dislocation for businesses and labour. Global markets experienced significant volatility and periods of massive sell-offs in risk assets amid fears of widespread business closures and bankruptcies. Policymakers around the world have sought to stem the equity market declines through expansionary fiscal and monetary policies, including through direct support, bridge financing to corporates and households and asset purchase programmes. However, there is continued uncertainty around the trajectory of the pandemic and concern of a disconnect between risk asset performances and underlying economic fundamentals.

In its June update to the 2020 World Economic Outlook, the IMF dubbed the current recession "a crisis like no other", and it expects the global economy to contract sharply by 4.9% in 2020. The outlook for economic recovery remains clouded, in part due to the evolution of the pandemic, the potential resurgence of infections and the pace of medical breakthroughs in vaccines and therapeutics. Furthermore, uncertainty over the potential long-term effects of the crisis, including any long-term impact from firm closures and displaced workers exiting the workforce, and sustained reductions in

GDP levels pose downside risks to the outlook for recovery. The pandemic has also exposed vulnerabilities in supply chain dependencies and accelerated the importance of technology. This could lead to a more challenging global business environment ahead, with unknown consequences for companies globally.

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

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

Temasek’s consolidated results of operations could be adversely impacted by a decline in the value of its investment securities as Temasek is required to record year-to-year changes in market value of sub-20% investments as profits or losses in the Temasek Group’s income statement. In such case, Temasek’s consolidated shareholder’s equity would also be adversely impacted due to the decline in the value of its investment securities. To facilitate year-to-year comparisons of the Temasek Group’s net profit without the impact of fluctuations in the market value of sub-20% investments, additional non-IFRS information on “net profit excluding unrealised MTM losses” is included in this Offering Circular and in note 43 of Temasek’s consolidated financial statements included elsewhere in this Offering Circular.

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

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

The Singapore economy

The Temasek Group’s results of operations could also be materially affected by economic conditions in Singapore.

Singapore has an export-oriented economy and is a regional business and financial centre with GDP of S\$507.6 billion at current market prices for the 12 months ended 31 December 2019, which is equivalent to GDP per capita of S\$88,991 at current market prices. The following table shows the annual rates of growth in Singapore’s GDP from 2010 to 2019 based on 2015 market prices.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Singapore GDP growth (%)	14.5	6.3	4.5	4.8	3.9	3.0	3.2	4.3	3.4	0.7

Source: Singapore Department of Statistics

Singapore’s economic growth slowed in 2019 to 0.7%, underperforming expectations as trade tensions and heightened uncertainties posed a drag to global demand and trade. Both manufacturing and wholesale trade contracted as a result, while “rest of services” industries experienced a broad-based slowdown in growth. Only the construction sector fared better compared to the previous year on the back of both public and private construction demand.

As community COVID-19 cases rose towards the end of the first quarter in 2020, Singapore implemented the “Circuit Breaker”, as termed by the Government, for two months, closing all non-essential businesses and disallowing social interactions, thereby exacerbating the impact of the

COVID-19 pandemic on the Singapore economy, including the manufacturing, trade, hospitality construction, chemicals and transport engineering sectors. The Government responded forcefully with unprecedented fiscal measures and regulatory and legislative changes to cushion the impact of the COVID-19 pandemic on businesses and workers.

As Singapore gradually relaxes social distancing measures and resumes normal business and social activities, the economy is expected to experience recovery in some domestic demand segments, such as retail, domestic transport and food and beverage, in the second half of 2020. However, transport, tourism and hospitality-related sectors are expected to remain depressed given international travel is unlikely to resume fully in the near-term. The threat of a resurgence of the COVID-19 pandemic in the region is likely to keep Singapore's borders largely closed for an extended period of time. A broader recovery is dependent on the speed with which the global economy returns to pre-pandemic levels of activities, but that trajectory remains uncertain given the evolution of the pandemic across the region and among major developed economies like the U.S. and Europe. Geopolitical uncertainties with the potential to negatively impact business and consumer confidence also remain elevated. As a result of the unprecedented dislocation in activities caused by the COVID-19 pandemic, the Ministry of Trade and Industry expects the Singapore economy to experience its largest annual GDP contraction on record of between 5.0% and 7.0% in 2020.

Investments and divestments by Temasek

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

Basis of preparation of Temasek's consolidated financial statements

Basis of preparation

The consolidated financial statements of Temasek in this Offering Circular have been prepared in accordance with IFRS.

Temasek's consolidated financial statements include the financial data of Temasek and its subsidiaries as at and for the years ended 31 March 2018, 2019 and 2020, except for companies that have different financial year ends, which have been consolidated on the basis of their audited financial statements for the years ended 31 December 2017, 2018 and 2019, respectively. For companies that have different financial year ends, Temasek has evaluated the significance of transactions that occurred between the end of such companies' financial year ends and 31 March 2018, 2019 and 2020, as appropriate, and, where necessary, made adjustments to the consolidated financial statements in accordance with IFRS 10 *Consolidated Financial Statements*.

For a further discussion of the individual accounting policies of Temasek and its subsidiaries, see note 3 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

Temasek's adoption of new and amended IFRS and interpretations to IFRS with significant impact to Temasek's consolidated financial statements are discussed below.

Adoption of IFRS 16 Leases for the year ended 31 March 2020

Temasek adopted new and amended IFRS and interpretations to IFRS that were mandatory for application for the year ended 31 March 2020, which included IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting under IFRS 16 remains similar to the previous accounting standards. Lessors classify leases as finance or operating leases.

On transition to IFRS 16, the Temasek Group applied the modified retrospective approach. The cumulative effect of initial application was adjusted to opening accumulated profits at 1 April 2019. Comparative information for the financial years ended 31 March 2018 and 2019 were not restated and continued to be reported under International Accounting Standards 17 *Leases* and International

Financial Reporting Interpretations Committee Interpretations 4 *Determining Whether an Arrangement Contains a Lease*.

The adoption of IFRS 16 resulted in a recognition of right-of-use assets of S\$9.9 billion and lease liabilities of S\$10.7 billion as at 1 April 2019. The effects of adoption of IFRS 16 are also disclosed in note 41 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

Adoption of IFRS 1, IFRS 9 and IFRS 15 for the year ended 31 March 2019

The Accounting Standards Council of Singapore issued SFRS(I) and mandated all Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading on the SGX-ST to apply SFRS(I) for annual periods that began on or after 1 January 2018. SFRS(I) is equivalent to IFRS. Companies applying SFRS(I) may elect to state in their SFRS(I) financial statements that they are simultaneously in compliance with IFRS.

SFRS(I) is also available to unlisted Singapore-incorporated companies. Temasek voluntarily adopted SFRS(I) and IFRS for the year ended 31 March 2019.

Temasek's consolidated financial statements as at and for the year ended 31 March 2018 were originally prepared in accordance with FRS and were restated in accordance with IFRS. Temasek's consolidated financial statements as at and for the year ended 31 March 2019 were Temasek's first set of annual consolidated financial statements prepared in accordance with IFRS. Temasek also adopted new and amended IFRS and interpretations to IFRS that were mandatory for application for the year ended 31 March 2019. These included IFRS 1, IFRS 9 *Financial Instruments* ("IFRS 9") and IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"), which are discussed below.

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 1 allows for a one-time revaluation of property, plant and equipment to fair value to reflect a more representative asset value on the opening IFRS balance sheet. Certain subsidiaries of Temasek elected the transition option to revalue their property, plant and equipment.

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 affects Temasek's sub-20% investments. Prior to IFRS 9, the Temasek Group's income statement accounted for realised gains or losses on investments (if any) over the life cycle of the investments, at the time when they were sold. Year-to-year changes in market values of sub-20% investments (previously classified as AFS) were captured in the Temasek Group's balance sheet as fair value reserve and had no impact on the reported profits or losses in the Temasek Group's income statement. Under IFRS 9, year-to-year changes in the market value of sub-20% investments are accounted as profits or losses in the Temasek Group's income statement, even when no sale has occurred. Upon a sale, the gain or loss recorded in the year of the sale reflects the difference between the sale proceeds and the fair value of the investment recorded in the Temasek Group's balance sheet at the beginning of the year or purchase date, if later.

Sub-20% investments comprised about 40% of Temasek's portfolio as at 31 March 2020. Thus, the application of IFRS 9 may lead to material fluctuations in the Temasek Group's net profit or loss due to the year-to-year changes in the market value of sub-20% investments. Such market fluctuations do not reflect the potential gains or losses over the life cycle of the investments upon a sale.

To facilitate year-to-year comparisons of the Temasek Group's net profit without the impact of fluctuations in the market value of sub-20% investments, additional non-IFRS information on "net profit excluding unrealised MTM losses" is included in this Offering Circular and in note 43 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

The changes in accounting policies relating to IFRS 9 were applied retrospectively. The Temasek Group applied an exemption in IFRS 1 that exempted the Temasek Group from restating the comparative financial statements for the year ended 31 March 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining the value and timing of revenue recognition. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Temasek Group adopted IFRS 15 retrospectively and restated its consolidated financial statements for the year ended 31 March 2018.

Critical estimates and judgements

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

Overview of results of operations

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

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

	Year ended 31 March		
	2018	2019	2020
		(S\$ million)	
Revenue	107,446	114,642	118,623
Net expenses	(86,148)	(100,775)	(107,284)
Share of profit of associates and joint ventures, net of tax	9,119	4,807	3,877
Profit before tax	30,417	18,674	15,216
Tax expense	(2,830)	(2,777)	(2,900)
Profit for the year	27,587	15,897	12,316
Less: Profit attributable to non-controlling interests	(5,896)	(4,069)	(3,478)
Profit attributable to equity holder of Temasek	21,691	11,828	8,838

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

Revenue

Revenue consists of revenue of Temasek and its subsidiaries. The following table sets forth the key subsidiary contributors to the Temasek Group’s revenue.

	Year ended 31 March		
	2018	2019	2020
		(S\$ million)	
Olam International Limited	26,273	30,479	32,993
Singapore Telecommunications Limited	17,268	17,372	16,542
Singapore Airlines Limited	15,802	16,323	15,976
Sembcorp Industries Ltd	9,026	11,689	9,618
Singapore Technologies Engineering Ltd	6,521	6,698	7,868
TJ Holdings (III) Pte. Ltd.	841	772	4,341 ⁽¹⁾
Singapore Power Limited	4,040	4,325	4,250
Singapore Technologies Telemedia Pte Ltd	3,810	3,937	4,132

Note:

(1) TJ Holdings (III) Pte. Ltd. (“TJ (III)”) wholly owns CLA Real Estate Holdings Pte. Ltd. (“CLA”), which in turn holds 51% of CapitaLand Limited (“CapitaLand”) as a subsidiary following CLA’s acquisition of CapitaLand during the year ended 31 March 2020. For the years ended 31 March 2018 and 2019, CapitaLand was directly held by Temasek as an associate.

Net expenses

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

Profit before tax

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

The following table sets forth the key subsidiary contributors to the Temasek Group's profit before tax. In cases where classification of expenses differs from the Temasek Group, adjustments have been made to conform to the Temasek Group's classification.

	Year ended 31 March		
	2018	2019	2020
		(S\$ million)	
TJ Holdings (III) Pte. Ltd.	497	759	4,184 ⁽¹⁾
Mapletree Investments Pte Ltd	3,489	3,652	3,119
Singapore Telecommunications Limited	6,183	3,746	1,565
PSA International Pte Ltd	1,528	1,480	1,463
Singapore Power Limited	1,231	1,172	1,225
Summer Bloom Investments Pte Ltd ⁽²⁾	(1)	1,425	833
Singapore Technologies Engineering Ltd	612	621	695
Olam International Limited	631	381	676
Sembcorp Industries Ltd	611	420	295

Note:

(1) TJ (III) wholly owns CLA, which in turn holds 51% of CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020. For the years ended 31 March 2018 and 2019, CapitaLand was directly held by Temasek as an associate.

(2) Holds WuXi AppTec Co., Ltd. and WuXi Biologics (Cayman) Inc.

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

Tax expense

Tax expense comprises current taxation, deferred taxation and adjustments for prior periods. The Singapore corporate tax rate was 17% for the years ended 31 March 2018, 2019 and 2020.

Profit attributable to non-controlling interests

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

Comparison of results of operations for the year ended 31 March 2020 with the year ended 31 March 2019

Revenue

Revenue increased by S\$3,981 million, or 3.5%, from S\$114,642 million for the year ended 31 March 2019 to S\$118,623 million for the year ended 31 March 2020. The increase in revenue was principally due to:

- an increase in revenue from TJ (III) due to the consolidation of CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020;
- an increase in revenue from Olam International Limited ("Olam") mainly due to higher trading volumes in grains; and
- an increase in revenue from Singapore Technologies Engineering Ltd ("ST Engineering") mainly due to growth in all business sectors and a new income stream resulting from its acquisition of MRA Systems, LLC, during the year.

The increase in revenue was partially offset by:

- a decrease in revenue from Sembcorp Industries Ltd ("Sembcorp") mainly due to lower revenue from rig and floater projects, partially offset by higher repair and upgrade revenue from its marine business;
- a decrease in revenue from PT Bank Danamon Indonesia Tbk ("Bank Danamon") as it ceased to be consolidated as a subsidiary following its partial divestment in August 2018; and
- a decrease in revenue from Singtel mainly due to lower mobile service revenue and equipment sales.

Profit before tax

Profit before tax decreased by S\$3,458 million, or 18.5%, from S\$18,674 million for the year ended 31 March 2019 to S\$15,216 million for the year ended 31 March 2020. The decrease in profit before tax was principally due to:

- a decrease in profit from Singtel mainly due to its share of a provision on regulatory costs taken by Bharti Airtel Limited, in which Singtel holds an interest;
- a decrease in profit from Singapore Airlines Limited (“SIA”) mainly due to weaker operating performance attributable to the initial impact of the COVID-19 pandemic on the aviation industry and losses on ineffective fuel hedges; and
- a decrease in profit from Lan Ting Holdings Pte. Ltd. mainly due to an impairment charge on its exploration and evaluation asset and a provision for onerous contracts of certain long-term liquefied natural gas contracts with a fixed price component. The provision was estimated based on the current market price, which is lower than the contractual fixed price.

The decrease in profit before tax was partially offset by:

- an increase in profit from TJ (III) due to CLA’s acquisition of CapitaLand during the year ended 31 March 2020 and the subsequent consolidation of CapitaLand as a subsidiary; and
- an increase in profit from Temasek mainly due to higher dividend income, which included one-off dividend income from Fullerton Financial Holdings Pte. Ltd. (“Fullerton Financial Holdings”) and CLA arising from divestment activities by these companies, and partially offset by higher provision for impairment on investments. In connection with the preparation of Temasek’s consolidated financial statements, Temasek makes certain consolidation adjustments, including but not limited to elimination of inter-company transactions such as dividend income from subsidiaries, associates and joint ventures. Profit contribution from Temasek was lower for the year ended 31 March 2020 as compared to the previous year after elimination adjustments.

Tax expense

Tax expense increased by S\$123 million, or 4.4%, from S\$2,777 million for the year ended 31 March 2019 to S\$2,900 million for the year ended 31 March 2020, primarily due to higher non-tax deductible expenses and land appreciation tax.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by S\$591 million, or 14.5%, from S\$4,069 million for the year ended 31 March 2019 to S\$3,478 million for the year ended 31 March 2020.

Profit attributable to the equity holder of Temasek

As a result of the foregoing factors, profit attributable to the equity holder of Temasek decreased by S\$2,990 million, or 25.3%, from S\$11,828 million for the year ended 31 March 2019 to S\$8,838 million for the year ended 31 March 2020.

Comparison of results of operations for the year ended 31 March 2019 with the year ended 31 March 2018

Revenue

Revenue increased by S\$7,196 million, or 6.7%, from S\$107,446 million for the year ended 31 March 2018 to S\$114,642 million for the year ended 31 March 2019. The increase in revenue was principally due to:

- an increase in revenue from Olam mainly due to increased trading volumes in grains;
- an increase in revenue from Sembcorp mainly due to higher revenue from its energy business, as contributions from all key markets grew, and from its marine business due to the delivery and sale of rigs;
- an increase in revenue from Lan Ting Holdings Pte. Ltd. mainly due to increased liquefied natural gas trading activities and higher oil-indexed gas prices;
- an increase in revenue from Mapletree mainly due to higher leasing revenue; and
- an increase in revenue from SIA mainly due to higher passenger flown revenue from traffic growth.

The increase in revenue was partially offset by a decrease in revenue from Bank Danamon as it ceased to be consolidated as a subsidiary following its partial divestment in August 2018.

Profit before tax

Profit before tax decreased by S\$11,743 million, or 38.6%, from S\$30,417 million for the year ended 31 March 2018 to S\$18,674 million for the year ended 31 March 2019. The decrease in profit before tax was principally due to:

- share of losses of associates such as from Indigo Pacific Partners L.P., Avanda Global Multi-Asset Fund (“Avanda Global”) and Broad Peak Fund II L.P. (“Broad Peak”) due to lower MTM valuation of certain of their underlying listed investments;
- a decrease in profit from Singtel mainly due to a one-time gain on disposal of NetLink Trust in the year ended 31 March 2018 and no such gain occurring in the year ended 31 March 2019;
- a loss from Singapore Technologies Telemedia Pte Ltd (“ST Telemedia”) in the year ended 31 March 2019 compared to a profit in the year ended 31 March 2018, mainly due to a one-time gain on disposal of Level 3 Communications, Inc. recorded in the year ended 31 March 2018 and no such gain occurring in the year ended 31 March 2019; and
- a decrease in profit from Temasek mainly due to unrealised MTM losses on Temasek’s sub-20% investments and lower divestment gains. The decrease in divestment gains related to the Temasek Group’s adoption of IFRS 9 during the financial year ended 31 March 2019, in particular the application of a one-time transitional requirement that fair value reserve be transferred to accumulated profits on 1 April 2018, which resulted in cumulative gains not being realised on the income statement upon divestment. In connection with the preparation of Temasek’s consolidated financial statements, Temasek makes certain consolidation adjustments, including but not limited to elimination of inter-company transactions such as dividend income from subsidiaries, associates and joint ventures. After consolidation adjustments, profit contribution from Temasek was lower for the year ended 31 March 2019 as compared to the previous year.

The decrease in profit before tax was partially offset by an increase in profit from Summer Bloom Investments Pte Ltd mainly due to higher MTM valuation of certain of its underlying listed investments as at 31 March 2019.

Tax expense

Tax expense decreased by S\$53 million, or 1.9%, from S\$2,830 million for the year ended 31 March 2018 to S\$2,777 million for the year ended 31 March 2019, primarily reflecting the decrease in profit before tax for the year ended 31 March 2019.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by S\$1,827 million, or 31.0%, from S\$5,896 million for the year ended 31 March 2018 to S\$4,069 million for the year ended 31 March 2019.

Profit attributable to the equity holder of Temasek

As a result of the foregoing factors, profit attributable to the equity holder of Temasek decreased by S\$9,863 million, or 45.5%, from S\$21,691 million for the year ended 31 March 2018 to S\$11,828 million for the year ended 31 March 2019.

Liquidity and capital resources

Overview

The Temasek Group’s primary sources of liquidity and capital resources have been cash from operations, supplemented by proceeds from borrowings and capital market issuances (including debt and equity issuances) by Temasek and its subsidiaries. Temasek has occasionally received capital injections from its shareholder. The ability of Temasek’s portfolio companies to pay dividends and other distributions and, to the extent that Temasek relies on dividends and distributions to meet its obligations, the ability of Temasek to make payments on such obligations, are subject to applicable laws and regulations in various countries and to restrictions (contractual or otherwise) on the payment of dividends and distributions contained in relevant financing or other agreements of such companies.

See “Risk factors — Risks related to the Issuer and Temasek — Temasek is an investment company and is substantially dependent on the payment of dividends and distributions by its portfolio companies, and cash receipts from disposals of its investments in its portfolio companies” and “— Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks”. Temasek has declared dividends annually to its shareholder for each of its financial years ended 31 March 2018, 2019 and 2020.

See also “Business of Temasek — Liquidity”.

Liquidity

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

Consolidated cash flow statement data

	Year ended 31 March		
	2018	2019	2020
	(S\$ million)		
Profit before tax	30,417	18,674	15,216
Cash flows from operating activities	14,786	15,825	17,377
Cash flows used in investing activities	(22,957)	(13,451)	(9,808)
Cash flows from financing activities	2,515	10,982	2,035
Net (decrease)/increase in cash and cash equivalents	(5,656)	13,356	9,604
Cash and cash equivalents at the beginning of the year	52,077	46,421	59,777
Cash and cash equivalents at the end of the year	46,421	59,777	69,381

Year ended 31 March 2020

Cash flows from operating activities for the year ended 31 March 2020 totalled S\$17,377 million. Tax paid for the year ended 31 March 2020 reduced cash flows generated from operating activities by S\$2,036 million.

Cash flows used in investing activities for the year ended 31 March 2020 totalled S\$9,808 million, of which the principal outflows were payments for purchases of property, plant and equipment of S\$12,801 million, primarily by SIA, Singtel, Singapore Power Limited (“SP Group”), PSA International Pte Ltd (“PSA”), ST Telemedia and Sembcorp and payments for purchases of financial assets and derivative financial instruments (net) of S\$4,586 million. These cash outflows were partially offset by proceeds from disposals of subsidiaries and businesses (net of cash disposed of) of S\$3,155 million and dividends received from associates and joint ventures of S\$4,552 million.

Cash flows from financing activities for the year ended 31 March 2020 totalled S\$2,035 million, of which the principal inflows resulted from net proceeds from borrowings of S\$6,767 million and proceeds from the issuance of new shares of S\$5,402 million. These cash inflows were partially offset by interest payments totalling S\$5,435 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S\$8,989 million.

Cash and cash equivalents increased by S\$9,604 million from S\$59,777 million as at 31 March 2019 to S\$69,381 million as at 31 March 2020.

Year ended 31 March 2019

Cash flows from operating activities for the year ended 31 March 2019 totalled S\$15,825 million. Tax paid for the year ended 31 March 2019 reduced cash flows generated from operating activities by S\$2,230 million.

Cash flows used in investing activities for the year ended 31 March 2019 totalled S\$13,451 million, of which the principal outflows were payments for purchases of property, plant and equipment of S\$12,924 million, primarily by SIA, Singtel, SP Group, Sembcorp, ST Telemedia, Olam and PSA and payments for purchases of investment properties and properties under development (net) of S\$7,148 million. These cash outflows were partially offset by dividends received from associates and joint ventures of S\$5,026 million.

Cash flows from financing activities for the year ended 31 March 2019 totalled S\$10,982 million, of which the principal inflows resulted from net proceeds from borrowings of S\$16,303 million and

proceeds from the issuance of new shares of S\$4,303 million. These cash inflows were partially offset by interest payments totalling S\$4,040 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S\$7,439 million.

Cash and cash equivalents increased by S\$13,356 million from S\$46,421 million as at 31 March 2018 to S\$59,777 million as at 31 March 2019.

Year ended 31 March 2018

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

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

Cash flows from financing activities for the year ended 31 March 2018 totalled S\$2,515 million, of which the principal inflows resulted from net proceeds from borrowings of S\$6,272 million and proceeds from the issuance of new shares of S\$3,236 million. These cash inflows were partially offset by interest payments totalling S\$3,060 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S\$6,378 million.

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

Temasek Group's indebtedness

The following table sets forth the Temasek Group's indebtedness by category and maturity profile as at 31 March 2020.

	Payment due by period ⁽¹⁾			
	Total	Less than 1 year	1-5 years	More than 5 years
		(S\$ million)		
Bank loans and bank overdrafts	76,404	20,657	46,205	9,542
Fixed and floating rate notes	62,204	7,660	24,989	29,555
Lease liabilities	10,512	1,597	4,385	4,530
Others ⁽²⁾	3,829	3,137	327	365
Total debt	<u>152,949</u>	<u>33,051</u>	<u>75,906</u>	<u>43,992</u>

Notes:

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

(2) Others include commercial bills and other loans.

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

Temasek Group's capital and other commitments and contingent liabilities

The Temasek Group has certain capital and other commitments and contingent liabilities as described in notes 38 and 39 of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

Business of Temasek

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

Overview

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. Temasek has over 800 employees across offices in 11 cities throughout Asia, Europe, the USA and Latin America.

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

History

Temasek was incorporated in 1974 to own and commercially manage an initial portfolio valued at S\$354 million that it acquired from MOF. Prior to that, MOF directly owned various companies and investments as part of Singapore’s nation building efforts after gaining independence in 1965. The establishment of Temasek as an independent investment company allowed the Government to focus on its core role of policymaking and regulations.

Temasek was incorporated under the Singapore Companies Act with its own Board and professional management team. The Temasek Board is responsible for overseeing the performance and business of Temasek and guiding Temasek’s management. Temasek was given the mandate to own and manage its assets on a commercial basis to deliver sustainable value over the long term. Temasek does not manage Singapore Central Provident Fund savings, the Government’s reserves or the Singapore foreign reserves.

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

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

Strategy

The Temasek Charter

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

Temasek’s Business

Temasek is an investment company that owns and manages its assets based on commercial principles.

As an Active Investor

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings.

In accordance with the governance model between Temasek and MOF, Temasek’s investment, divestment and other business decisions are directed by its Board and management. Neither the President of Singapore nor Temasek’s shareholder, the Government, is involved in Temasek’s business decisions, except in relation to the protection of Temasek’s past reserves. The Government does not guarantee Temasek’s debt.

Similarly, in accordance with the governance model between Temasek and its portfolio companies, Temasek does not direct the business decisions or operations or guarantee the obligations of its portfolio companies. The day-to-day management and business decisions of Temasek's portfolio companies are the responsibility of their respective boards and management. Temasek holds the boards and management accountable for the activities of the respective portfolio companies.

As an engaged shareholder, Temasek seeks to promote sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards to guide and complement management. Temasek also advocates that boards be independent of management in order to provide effective oversight and supervision. Temasek protects its interests by exercising its shareholder rights, including voting at shareholders' meetings. Temasek has a policy of complying with its obligations under Singapore laws and regulations, as well as those jurisdictions where Temasek has investments or operations, and similarly expects its portfolio companies to have their own policy of compliance with applicable laws and regulations.

As a Forward-Looking Institution

As an institution and as individuals, Temasek acts with integrity and is guided by its Temasek values. Temasek seeks to foster an ownership culture, which puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests. Temasek strives for excellence as an institution by developing its people, capabilities and processes. Temasek also challenges and reinvents itself to stay relevant in a rapidly changing world.

As a Trusted Steward

Temasek is a responsible corporate citizen, engaging communities based on the principles of sustainability and good governance. Temasek supports community programmes that focus on building people, building communities, building capabilities and rebuilding lives in Singapore and beyond.

Temasek also engages stakeholders in the development of sound governance practices. Under the Constitution, Temasek has a responsibility to safeguard its past reserves.

Temasek's Investment Approach

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

Temasek's investment approach is both top-down and bottom-up. On a top-down basis, Temasek continues to be guided by its investment themes and structural trends it has identified on where to seek attractive investment opportunities. Temasek's individual investment and divestment decisions are ultimately made using a bottom-up approach, based on Temasek's view of intrinsic values. Temasek does not have a top-down strategic asset allocation strategy. Temasek also does not have predefined limits or targets for investing or rebalancing by asset class, country, sector or single name.

As the owner of its portfolio, Temasek may choose to invest, divest or hold cash as its investment stance. Temasek has the flexibility to take concentrated positions and invest over varying time horizons. Temasek maintains full flexibility to reshape and rebalance its portfolio, whenever opportunities or challenges arise.

Temasek's top-down investment approach

Temasek's four investment themes are:

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

The structural trends are:

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

Temasek's bottom-up investment approach

In its bottom-up investment approach, Temasek determines the intrinsic values of potential investment targets based on its fundamental understanding of the targets and expected returns that incorporate Temasek's view of intrinsic values. The main drivers of intrinsic values are the expected performance and cash flow of the target investment as a result of company specific factors and circumstances.

Temasek's decision to increase, decrease or hold any investment is based on expected returns. Expected returns are measured against the investment targets' risk-adjusted cost of capital. Temasek derives its risk-adjusted cost of capital using a capital asset pricing model, which factors in associated country and sector risks.

Temasek's Sustainability Approach

As a generational investor committed to delivering sustainable value over the long term, sustainability is at the core of Temasek's business. Temasek embraces sustainability in each of its three roles as defined in its Temasek Charter, as an investor, institution and steward.

As a responsible investor, Temasek incorporates ESG considerations into its investment decision-making and management at the portfolio and asset level. It is designed to enhance existing investment practices, support investment decision making, safeguard Temasek's reputation, and align with its purpose of generating commercial returns by investing with a long term view. Temasek's approach guides priorities for its engagement on sustainability issues with its portfolio companies and fund managers. Temasek also looks for opportunities to invest in companies that address global sustainability challenges.

As an owner, Temasek works to understand issues that may impact its portfolio companies and how they might navigate them. Temasek encourages companies to adopt policies and practices that safeguard and enhance long term sustainability and resilience of their business and the wider community.

As an institution, Temasek seeks to build a resilient organisation by developing people, capabilities and processes around sustainability and good governance.

As a steward, Temasek establishes partnerships and seed endowments to build resilience in communities and supports the sharing of best practices and trends around sustainability and governance.

Temasek believes that dialogue and robust exchanges of information, best practices and ideas between stakeholders from the public and private sectors are critical enablers of sustainable growth.

Temasek supports the United Nations Sustainable Development Goals, which aim to promote inclusive prosperity while protecting the planet. Temasek also supports the recommendations of the Task Force on Climate Related Financial Disclosures and encourages its portfolio companies to identify and share consistent, comparable and forward-looking information on risks and opportunities they face as a result of climate change. As a member of the Green Finance Working Group under the MAS' Financial Centre Advisory Panel, Temasek is actively involved in shaping recommendations to establish Singapore as a green finance node. Temasek is also working with its portfolio companies to raise

awareness of sustainable finance issues. Temasek is a member of the World Economic Forum, the Focusing Capital on the Long Term initiative and the Investor Advisory Group of the Sustainability Accounting Standards Board. Temasek takes part in dialogues which aim to promote responsible investing held by these organisations and others.

Temasek's Sustainability Goals

Temasek seeks to do its part to reverse climate change and has committed to:

- be carbon neutral as an institution by 2020, which it has achieved;
- reduce portfolio net emissions to half of its 2010 levels by 2030; and
- work towards a net zero emission portfolio by 2050.

Temasek has put in place processes to measure and track its carbon footprint.

For its institutional efforts, Temasek works to further reduce its emissions and resource use in its operations, including purchasing carbon credits to offset the impact of its unavoidable emissions. For its portfolio reduction targets, Temasek intends to engage with portfolio companies on their carbon reduction plans.

As part of climate risks analysis, an internal carbon price has been adopted to guide decisions on new investments. Temasek intends to also actively seek to invest in companies that have track records of better carbon intensity and efficiency relative to peers. This will also include companies with business models that contribute to carbon avoidance such as renewable energy and plant-based proteins, as well as carbon negative businesses and solutions that combat climate change, such as nature-based solutions.

Temasek is also exploring other opportunities to support sustainable solutions and climate actions, such as investing in carbon capture, sequestration and utilisation solutions, and developing a hydrogen economy.

Public Markers

Temasek designed its *Temasek Review* (Temasek's annual publication), its credit profile and Temasek Bonds to serve as public markers to anchor Temasek's commitment as a robust and disciplined institution through generations.

The *Temasek Review* is Temasek's annual scorecard to its stakeholders. Temasek is an exempt private company under the Singapore Companies Act and therefore it is not required to file its financial statements with the relevant public registry in Singapore. Nonetheless, Temasek has published its *Temasek Review* annually since 2004 as a public marker of its performance.

Temasek discloses its credit profile to provide a snapshot of its key credit parameters across three dimensions – leverage, interest coverage and debt service coverage. Temasek views its credit profile as reflecting the fundamental strength of Temasek's financial position as an investment company. The credit ratios facilitate a quantitative assessment of Temasek's credit quality. See “– Credit profile” for a discussion of these credit ratios.

Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody's and “AAA” by S&P. The overall corporate credit ratings of “Aaa” by Moody's and “AAA” by S&P were first assigned on 12 October 2004 and are current as at the date of this Offering Circular. See “Credit ratings” for more details on credit ratings assigned to Temasek and the Notes (if any).

Temasek issues Temasek Bonds and Euro-commercial paper to institutional, accredited, retail and/or other specified investors as part of its financial discipline. Temasek believes the credit spreads are living public market signals of perceived changes in Temasek's credit quality.

Temasek believes these public markers instill financial discipline, broaden its stakeholder base and facilitate its communications with the wider community.

Commitment to Resilience

Against the backdrop of the public health crisis caused by the COVID-19 pandemic, Temasek's responsibility to do right and do good in the immediate term is its first priority.

In 2003, Temasek made a commitment to set aside for the Singapore community a portion of the returns it makes in excess of its risk-adjusted cost of capital. This commitment, and Temasek's disciplined execution of it ever since, has given Temasek the wherewithal to provide significant support to the Singapore community during the COVID-19 pandemic, when it is most needed. With the onset of the pandemic, Temasek redirected a significant proportion of these community funds to support various initiatives, including those initiated by the Temasek Foundation. Temasek has been able to introduce programmes through the Temasek Foundation, as well as support initiatives by many others, to help across five key focus areas in Singapore: diagnosis, containment & contact tracing, treatment, protection & prevention and donations.

In response to the COVID-19 outbreak, Temasek announced in February 2020 salary restraint measures, including voluntary salary reductions, to stand in support of Temasek's portfolio companies. These funds were channelled towards COVID-19-related community causes. Similar salary freezes and reductions have been taken in the past, including during the 2002-2004 severe acute respiratory syndrome (SARS) outbreak and the 2008 global financial crisis.

Portfolio highlights

Temasek's Net Portfolio Value amounted to S\$306 billion (US\$214 billion) as at 31 March 2020, compared to S\$313 billion and S\$308 billion as at 31 March 2019 and 2018, respectively.

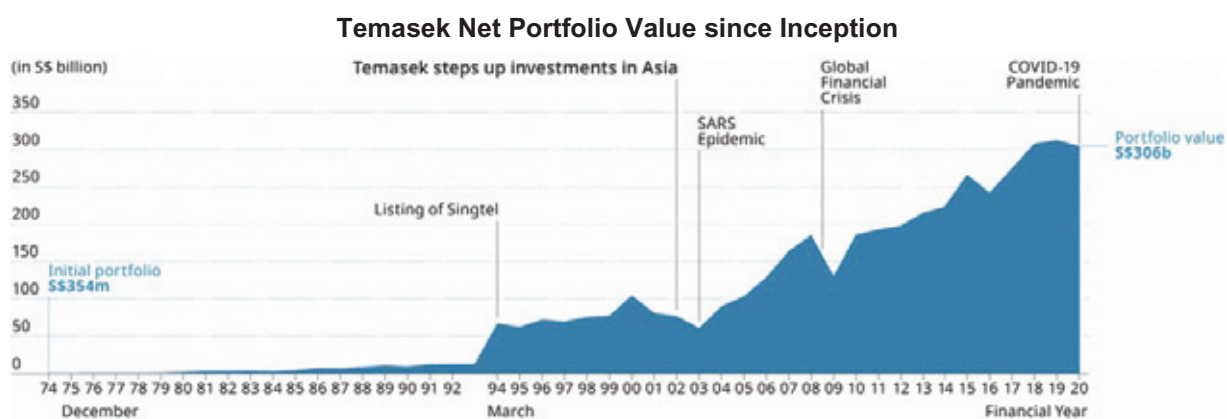
As at 31 March 2020, approximately 29% of Temasek's Net Portfolio Value was in China, 24% in Singapore, 17% in North America, 13% in rest of Asia, 10% in Europe, 5% in Australia & New Zealand, 1% in Africa, Central Asia & the Middle East and 1% in Latin America.

As at 31 March 2020, Temasek's top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 23%, 21% and 17%, respectively.

As at 31 March 2020, approximately 57% of Temasek's Net Portfolio Value was denominated in Singapore dollars, 26% in U.S. dollars, 11% in Hong Kong dollars, 2% in Indian rupees, 1% in Renminbi and 3% in other currencies.

As at 31 March 2020, about 52% of Temasek's Net Portfolio Value comprised liquid and listed assets.

The following chart provides additional information about Temasek's Net Portfolio Value since Temasek's inception in 1974.



Total Shareholder Return

Temasek currently measures its portfolio performance by Total Shareholder Return.

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

One-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2020 was -2.28%, which was impacted by the emerging COVID-19 pandemic in March 2020.

Over the long term, annualised 10-year and 20-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2020 were 5% and 6%, respectively. Since inception, annualised 46-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2020 was 14%. As a long term investor, Temasek believes that Total Shareholder Return over these longer periods is a better reflection of its performance and the resilience of its portfolio.

Credit profile

Temasek’s credit profile provides a quantitative snapshot of its credit quality and the strength of its financial position. Temasek considers its credit profile to include key indicators of its credit quality based on the financial information of Temasek as an investment company. These key indicators of credit quality cover three main dimensions, namely, leverage, interest coverage and debt service coverage. Such information is presented as additional measures as management believes that investors would find them useful for assessing Temasek’s credit quality as an investment company. Such information is not determined in accordance with IFRS as IFRS does not prescribe the provision of such information, nor the computation methodology of such information. Such information may not be comparable to that of other companies that may determine similarly titled credit quality indicators differently. Such information should not be considered in isolation or as alternatives to Temasek’s financial results based on its consolidated financial statements as measures of its consolidated financial performance.

Indicators of credit quality

Indicators of leverage include the ratio of Temasek’s total debt over its Net Portfolio Value and the ratio of Temasek’s total debt over its liquid assets.

Indicators of interest coverage include the ratio of Temasek’s interest expense over its dividend income and the ratio of Temasek’s interest expense over its recurring income.

Indicators of debt service coverage include the ratio of Temasek’s total debt due in one year or less over its recurring income and the ratio of Temasek’s total debt due in the next 10 years over its liquidity balance.

The following table provides information about these indicators for the periods indicated. For these ratios, Temasek believes that the lower the percentage, the higher the credit quality.

	For the year ended 31 March		
	2018	2019	2020 ⁽¹⁾
Total debt ⁽¹⁾⁽²⁾ over Net Portfolio Value (%) (as at year end)	4	5	5
Total debt ⁽¹⁾⁽²⁾ over liquid assets ⁽³⁾ (%) (as at year end)	12	13	12
Interest expense ⁽¹⁾ over dividend income ⁽⁴⁾ (%)	4	5	3
Interest expense ⁽¹⁾ over recurring income ⁽⁵⁾ (%)	1	1	1
Total debt ⁽¹⁾⁽²⁾ due in one year or less over recurring income ⁽⁵⁾ (%)	5	11	3
Total debt ⁽¹⁾⁽²⁾ due in next 10 years over liquidity balance ⁽⁶⁾ (%) (as at year end)	26	24	18

Notes:

- (1) IFRS 16 took effect during the year ended 31 March 2020. This new accounting standard requires Temasek to record its leases, comprising mainly office rental, on its balance sheet. This means that its lease liabilities and interest expense on lease liabilities are included as part of total debt and interest expense, respectively. The credit ratios for the year ended 31 March 2020 reflect this change in accounting standards.
- (2) For more information on Temasek’s total debt, see “— Debt maturity profile” below.
- (3) Temasek’s liquid assets consist of mainly cash and cash equivalents and investments that each represents a minority interest of less than 20% in a listed company.
- (4) Temasek’s dividend income refers to dividends declared by Temasek’s portfolio companies to Temasek. Temasek’s dividend income was approximately S\$9.0 billion, S\$8.5 billion and S\$11.9 billion for the years ended 31 March

2018, 2019 and 2020, respectively. Dividend income for the year ended 31 March 2020 includes one-off dividends from Fullerton Financial Holdings and CLA arising from divestment activities by these companies.

- (5) Temasek's recurring income consists of divestments, dividend income, income from investments and interest income.
- (6) Temasek's liquidity balance consists of cash and cash equivalents and short term investments. Short term investments refer to investments in securities expected to be realised in one year or less.

Liquidity

Temasek's primary sources of funds are proceeds from portfolio divestments and dividends and investment distributions from its portfolio companies. In addition, Temasek's funding sources are supplemented by proceeds from issuances from Temasek's MTN programmes (as defined below) and Temasek's Euro-commercial Paper Programme, bank borrowings and capital contributions from its sole shareholder, the MOF. Temasek's MTN programmes and Euro-commercial Paper Programme provide Temasek with funding flexibility between long- and short-term debt.

Temasek's primary capital requirements are for portfolio investments and associated costs; payment of dividends to Temasek's shareholder; payment of taxes to governments; debt service obligations related to Temasek's outstanding notes and commercial paper; and endowments for communities. Associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs. Temasek pays taxes on its net profits.

Temasek believes that it currently maintains sufficient liquidity to meet its existing requirements. Temasek regularly evaluates its capital structure to ensure that it is optimal for its objectives. Temasek remains open and flexible to various financing options as long as they meet its objectives. Depending on market conditions, Temasek may access the capital markets to raise additional liquidity or redeem or repurchase its outstanding notes to manage its debt maturity profile and enhance its capital efficiency.

At the end of the year ended 31 March 2020, Temasek maintained a resilient balance sheet. This gives Temasek the flexibility to invest for the longer term, take advantage of market dislocations, and work to reposition its portfolio for the future.

Temasek Bonds

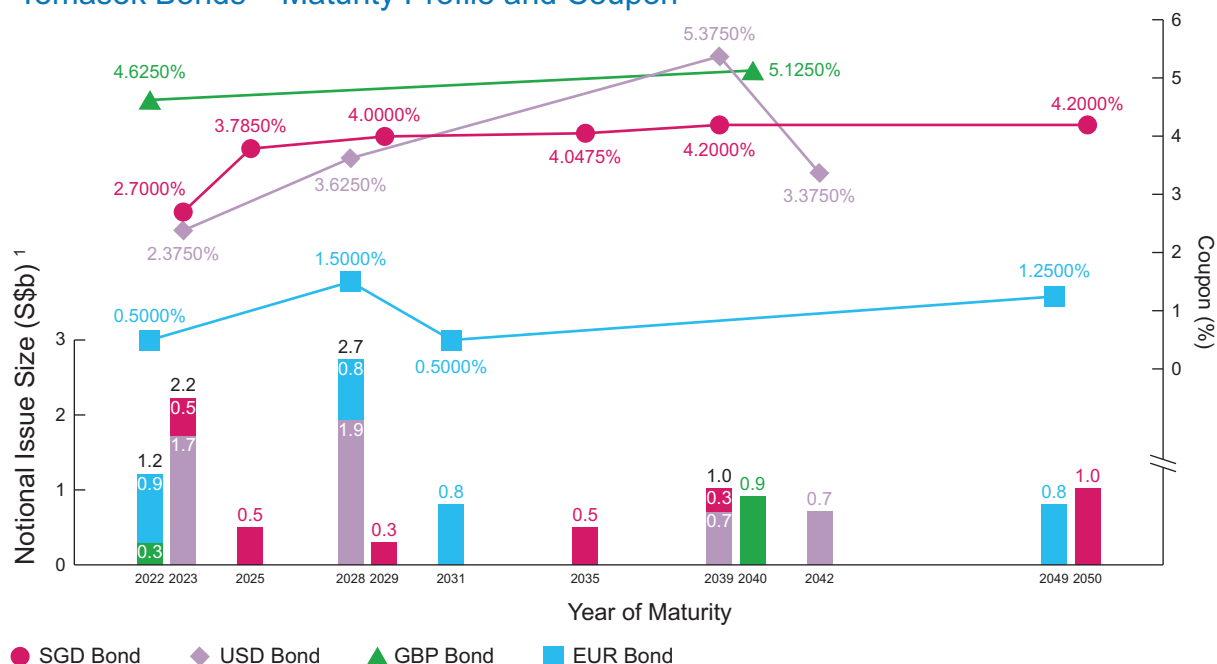
Temasek has issued bonds to institutional, accredited and other investors since 2005 as a form of financial discipline. Retail investors in Singapore were added as a new group of bond investors and stakeholders for Temasek in 2018 under Temasek Financial (IV) Private Limited's S\$5 billion Guaranteed Medium Term Note Programme upon the first issuance of bonds under that programme. Temasek believes that the rise and fall of the prices of Temasek Bonds in the public trading market, relative to other bonds, serve as public signals of potential changes in Temasek's credit quality.

Debt maturity profile

As at 31 March 2018, 2019 and 2020, Temasek's debt comprised (1) Notes issued by the Issuer under the Programme and fully and unconditionally guaranteed by the Guarantor in the aggregate amount of S\$11.4 billion, S\$13.3 billion and S\$12.1 billion (US\$8.5 billion) (each based on the amortised cost of the Notes recorded in Temasek's consolidated financial statements), respectively, (2) commercial paper issued by Temasek Financial (II) Private Limited under its US\$5 billion Euro-commercial Paper Programme and fully and unconditionally guaranteed by the Guarantor in the aggregate amount of S\$1.4 billion, S\$1.3 billion and S\$1.2 billion (US\$0.9 billion), respectively, (3) notes issued by Temasek Financial (IV) Private Limited under its S\$5 billion Guaranteed Medium Term Note Programme established in August 2018 (which, together with the Programme, are collectively referred to herein as "Temasek's MTN programmes") and fully and unconditionally guaranteed by the Guarantor in the aggregate amount of nil, S\$0.5 billion and S\$0.5 billion (US\$0.3 billion), respectively, and (4) lease liabilities in the aggregate amount of nil, nil and (after adoption of IFRS 16) S\$0.1 billion (US\$0.1 billion), respectively. As at 31 March 2020, the weighted average maturity of the notes issued under Temasek's MTN programmes was over 12 years, while the weighted average maturity of Temasek's outstanding commercial paper was above one month.

Temasek plans proactively for a long dated and well distributed debt maturity profile and avoids large debt repayment obligations in any one year. The following chart sets forth the maturity profile and coupon of the notes issued under Temasek's MTN programmes as at 31 March 2020.

Temasek Bonds – Maturity Profile and Coupon



1 Exchange rates as at 31 March 2020.

The following table sets forth the maturity profile of the aforesaid notes issued under Temasek's MTN programmes and commercial paper and, for the column as at 31 March 2020 (after adoption of IFRS 16), Temasek's lease liabilities as at the dates indicated.

	As at 31 March		
	2018	2019	2020
	(\$ billion)		
Due in one year or less	1.4	4.3	1.3
Due between one to three years	2.9	0.9	3.0
Due between three to 10 years	4.2	5.6	4.0
Due in more than 10 years	4.3	4.3	5.6

Investment portfolio by sectors

Temasek invests across sectors including financial services; telecommunications, media & technology; consumer & real estate; transportation & industrials; life sciences & agribusiness; and energy & resources. Temasek also invests in funds with investments across sectors. The discussion below sets forth Temasek's key investments in terms of market value (in the case of listed securities) or book value (in the case of unlisted securities) in these sectors, as well as their contribution to Temasek's Net Portfolio Value, in each case as at 31 March 2020 (unless otherwise indicated).

Financial Services

Temasek's key investments in the financial services sector were its minority interests in each of DBS, China Construction Bank Corporation ("CCB") and Industrial and Commercial Bank of China Limited ("ICBC"). Approximately 23% of Temasek's Net Portfolio Value was in the financial services sector.

Telecommunications, Media & Technology ("TMT")

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

Consumer & Real Estate

Temasek's key investments in the consumer & real estate sector were its majority interest in each of Mapletree and TJ (III) (which wholly owns CLA, which in turn holds 51% of CapitaLand as a subsidiary) and its minority interests in A.S. Watson. Approximately 17% of Temasek's Net Portfolio Value was in the consumer & real estate sector.

Transportation & Industrials

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

Life Sciences & Agribusiness

Temasek's key investments in the life sciences & agribusiness sector were its minority interests in each of Celltrion, Inc., Summer Bloom Investments Pte Ltd (which holds WuXi AppTec Co., Ltd. and WuXi Biologics (Cayman) Inc.) and Bayer AG. Approximately 8% of Temasek's Net Portfolio Value was in the life sciences & agribusiness sector.

Energy & Resources

Temasek's key investments in the energy & resources sector were its majority interest in Lan Ting Holdings Pte Ltd (which owns Pavilion Energy Pte Ltd) and its minority interests in each of Cheniere Energy, Inc. and RPE II Corp Feeder-T, LLC (which owns Riverstone Pattern Energy II, L.P.). Approximately 2% of Temasek's Net Portfolio Value was in the energy & resources sector.

Multi-Sector Funds

Temasek's key investments in multi-sector funds were its interests in Avanda Global, PavCap I Feeder No. 1 LP ("PavCap") and Broad Peak. Approximately 8% of Temasek's Net Portfolio Value was in such multi-sector funds.

Major investments

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

The following table sets forth the total market value (in the case of listed securities) or total book value (in the case of unlisted securities) of Temasek's major portfolio companies, as well as the Temasek Group's effective interest in those portfolio companies, as at 31 March 2020. These companies, together with other major funds investments, as described below, accounted for approximately 45% of Temasek's Net Portfolio Value⁽¹⁾ as at 31 March 2020.

	As at 31 March 2020		
	Major Portfolio Companies Total Market or Book Value ⁽²⁾		Effective Interest of the Temasek Group ⁽³⁾
	(S\$ million)	(US\$ million)	(%)
Singapore Telecommunications Limited	41,455	29,194	52
Mapletree Investments Pte Ltd	16,085	11,327	100
DBS Group Holdings Ltd	47,151	33,205	29
PSA International Pte Ltd	11,506 ⁽⁴⁾	8,103 ⁽⁴⁾	100
Singapore Power Limited	10,759	7,577	100
China Construction Bank Corporation	291,479	205,267 ⁽⁵⁾	3
A.S. Watson Holdings Limited	5,913 ⁽⁴⁾	4,164 ⁽⁴⁾⁽⁵⁾	25
Singapore Technologies Telemedia Pte Ltd	3,359 ⁽⁴⁾	2,365 ⁽⁴⁾	100
Alibaba Group Holding Limited	741,149	521,936	*
Industrial and Commercial Bank of China Limited	362,985	255,560 ⁽⁵⁾	2
Singapore Technologies Engineering Ltd	9,738	6,858	51
TJ Holdings (III) Pte. Ltd.	8,028	5,654	100 ⁽⁶⁾
AIA Group Limited	155,384	109,425	3

Notes:

* Less than 1%.

- (1) "Net Portfolio Value" as at a specified date: (a) refers to the sum of (i) the market value of investments in publicly-listed securities as at such specified date and (ii) the fair value of investments in unlisted securities, in each case held directly by Temasek or indirectly through an Investment Holding Company, whether such holding is for the short term or the long term; and (b) takes into account the net amount of other assets and liabilities of Temasek and its Investment Holding Companies. In respect of (a)(ii), the fair value of unlisted investments in financial assets is based on valuation methods in accordance with IFRS, and the fair value of investments in unlisted subsidiaries, associates and joint ventures is based on the sum of (1) the proportionate share of the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements and (2) any premium paid, net of any subsequent impairment. In the case of unlisted subsidiaries, associates and joint ventures that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiaries, associates and joint ventures will take into account the market value of the underlying publicly-listed securities which they hold.
- (2) Total market value is presented in the case of publicly-listed companies and total book value is presented in the case of private companies. For private companies, total book value represents the shareholders' equity as set out in the financial statements of the relevant companies or otherwise as provided by the relevant companies.
- (3) "Effective interest", when used with respect to a portfolio company, refers to the aggregate of (i) the percentage interest in a portfolio company held directly by Temasek, if any, and (ii) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its subsidiaries computed based on Temasek's percentage interest in any such subsidiary multiplied by such subsidiary's percentage interest in such portfolio company. It does not include (a) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its associates or joint ventures, (b) the trading portfolios of Temasek and/or its subsidiaries and (c) Temasek's liquid investments that are made with the view to be liquidated for cash as needed. Temasek and its Investment Holding Companies' interest in its portfolio companies used for the purposes of computing Temasek's Net Portfolio Value as described in note (1) above, is derived on a different basis from the Temasek Group's effective interest in its portfolio companies.
- (4) Total book value presented for PSA, ST Telemedia and A.S. Watson as at 31 December 2019.

- (5) The amounts presented have been converted from Hong Kong dollars to U.S. dollars using HK\$7.75 per US\$1.00, which was the Noon Buying Rate for Hong Kong dollars on 31 March 2020.
- (6) TJ (III) wholly owns CLA, which in turn holds 51% of CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020.

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

Singtel

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

The Singtel Group has major investments in five leading mobile operators in the region. As at 31 March 2020, the Singtel Group, together with Singtel Optus and the regional mobile associates, served more than 705 million mobile customers around the world.

Mapletree

Mapletree is a real estate development, investment and capital management company headquartered in Singapore. The company employs a business model intended to maximise capital efficiency and aims to invest in real estate sectors and geographical markets with good growth potential. Mapletree's diverse portfolio spans eight real estate sectors comprising office, retail, industrial, logistics, data centre, residential, corporate lodging/serviced apartment and student accommodation and 13 countries across the Asia Pacific region, the United States, the United Kingdom and Europe. Mapletree currently manages four Singapore-listed real estate investment trusts ("REITs") and five private real estate funds.

DBS

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

PSA

PSA is a global port group, with its principal business in the provision of integrated container terminal services. PSA also provides pilotage and towage services through its wholly-owned subsidiary PSA Marine (Pte) Ltd. PSA participates in port projects across Asia, Europe and the Americas with flagship operations in PSA Singapore Terminals and PSA Antwerp in Belgium. In 2019, PSA handled 85 million twenty-foot equivalent units worldwide. PSA Singapore Terminals operates one of the world's busiest transshipment hubs, handling about one-seventh of the world's total container transshipment throughput, and more than 4% of global container throughput.

SP Group

SP Group is an energy utility company in Asia Pacific.

With assets of S\$20.0 billion as at 31 March 2020, it is one of the largest corporations in Singapore. SP Group owns and operates electricity and gas transmission and distribution businesses and provides market support services in Singapore. SP Group also holds an interest in two Australian companies that are engaged in electricity and gas transmission and distribution in Australia. In addition, SP Group owns and operates a large underground cooling network in Singapore. It also provides digital solutions in Singapore designed to help customers achieve their sustainability goals.

CCB

CCB is a commercial bank in China. CCB's business consists of three principal business segments: corporate banking, personal banking and treasury operations. CCB is among the market leaders in China in a number of products and services including infrastructure loans, residential mortgage and

bank cards. The bank has branches and subsidiaries in 30 countries and regions, including CCB Asia, CCB London, CCB Russia, CCB Europe, CCB New Zealand, CCB Malaysia and CCB Brazil. It also holds 60% of the total share capital of CCB Indonesia. CCB was listed on the Stock Exchange of Hong Kong and the Shanghai Stock Exchange in 2005 and 2007, respectively.

A.S. Watson

A.S. Watson is an international health and beauty omnichannel retailer with over 15,000 stores operating 12 retail brands in 25 markets worldwide with 138 million loyalty customers. The company is headquartered in Hong Kong and is the retail division of CK Hutchison Holdings Limited.

A.S. Watson operates approximately 8,000 stores in Europe, while its flagship Watson brand operates over 7,200 stores in 10 Asian markets. A.S. Watson also operates over 450 stores of other retail formats, including supermarkets as well as consumer electronics and appliances.

ST Telemedia

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

ST Telemedia has major investments in StarHub Ltd, one of the largest integrated telecommunications service providers in Singapore; U Mobile Sdn Bhd, a 4G cellular operator in Malaysia; and operates its data centre portfolio through ST Telemedia Global Data Centres, a carrier-neutral data centre service provider with data centres across China, the United Kingdom, India, Singapore and Thailand.

Alibaba

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

ICBC

ICBC is a commercial bank in China. Its principal business, which includes corporate banking, personal banking and treasury operations, serves approximately eight million corporate clients and 650 million personal customers through 15,784 outlets in China, and 428 overseas institutions. The bank has a presence in six continents and 48 countries and regions and was listed on the Stock Exchange of Hong Kong and the Shanghai Stock Exchange in 2006.

ST Engineering

ST Engineering is a global technology, defence and engineering group listed on the SGX-ST and specialising in the aerospace, electronics, land systems and marine sectors.

It leverages its multi-sector capabilities to develop advanced solutions for customers across industries. ST Engineering serves both commercial and defence customers in over 100 countries, through a global network of over 100 subsidiaries and associates in more than 20 countries and 40 cities.

TJ (III)

TJ (III) wholly owns CLA, which in turn holds 51% of CapitaLand as a subsidiary. CapitaLand is one of Asia's largest diversified real estate groups. Headquartered in Singapore and listed on the SGX-ST, CapitaLand is an owner and manager of a global portfolio worth more than S\$130 billion as at 31 December 2019, comprising commercial, retail, business park, industrial and logistics, integrated development, urban development, lodging and residential properties. Present across more than 200 cities in over 30 countries, CapitaLand focuses on Singapore and China as core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, CapitaLand develops and manages high-quality real estate products and services. It also has one of the largest investment

management businesses globally and a stable of seven REITs and business trusts listed in Singapore and Malaysia — Ascendas Real Estate Investment Trust, CapitalLand Mall Trust, CapitalLand Commercial Trust, Ascott Residence Trust, CapitalLand Retail China Trust, Ascendas India Trust and CapitalLand Malaysia Mall Trust.

AIA

AIA is an independent pan-Asian life insurance group that is listed on the Stock Exchange of Hong Kong. It has a presence in 18 markets in the Asia Pacific region, including wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 99% subsidiary in Sri Lanka, a 49% joint venture in India and a newly established wholly-owned subsidiary in Myanmar.

AIA offers a range of insurance products including life insurance, accident and health insurance and savings plans, employee benefits, credit life and pension services. AIA has more than 36 million individual policies and over 16 million participating members of group insurance schemes.

Other Major Investments — Funds

Temasek's top three funds investments, as at 31 March 2020, are Avanda Global, PavCap and Broad Peak. Avanda Global is managed by Avanda Investment Management Pte Ltd, and invests in multiple asset classes globally to achieve an attractive moderate long term rate of return and maintain an appropriate level of volatility. PavCap is managed by Pavilion Capital International Pte. Ltd., which invests in funds and direct co-investments that seek to capitalise on the growth and transformation of the North Asia economies. Broad Peak, managed by Broad Peak Investment Advisers Pte. Ltd., is a fundamental, multi-asset investment fund which invests principally across equities and credit with an absolute return orientation. Broad Peak has a pan-Asian investment focus with the ability to invest globally. Broad Peak's strategies include fundamentally driven long/short, event oriented, credit/distressed debt, capital structure arbitrage, convertible/volatility driven investments, structured and quasi-private transactions. These funds investments amounted to S\$12.3 billion (US\$8.6 billion) as at 31 March 2020.

Investments and divestments by Temasek

In the years ended 31 March 2018, 2019 and 2020, Temasek made approximately S\$29 billion, S\$24 billion and S\$32 billion (US\$23 billion) of investments, respectively, and approximately S\$16 billion, S\$28 billion and S\$26 billion (US\$18 billion) of divestments, respectively.

Subsequent to 31 March 2020, Temasek made the following significant investment:

- On 8 May 2020, Singapore Airlines Limited ("SIA") announced a renounceable rights issue (the "Rights Issue") of (i) up to 1,777,692,486 new ordinary shares ("Rights Shares") of SIA, at an issue price of S\$3.00 per Rights Share, offered on the basis of three Rights Shares for every two existing ordinary shares of SIA ("SIA Shares"); and (ii) up to approximately S\$3.5 billion in aggregate principal amount of mandatory convertible bonds ("Rights MCBs") at an issue price of 100 per cent. of the principal amount of the Rights MCBs, offered on the basis of 295 Rights MCBs for every 100 SIA Shares.

In connection with the Rights Issue, Temasek (through its wholly-owned subsidiaries) subscribed for (i) Temasek's pro-rata entitlement to 985,959,900 Rights Shares, for an aggregate subscription amount of S\$2,958 million and (ii) S\$3,351 million in aggregate principal amount of Rights MCBs, comprising (a) Temasek's pro-rata entitlement of S\$1,939 million in principal amount of Rights MCBs and (b) S\$1,412 million in principal amount of Rights MCBs that were not subscribed for by other shareholders under the Rights Issue. The 985,959,900 Rights Shares and S\$3,351 million in aggregate principal amount of Rights MCBs were issued to Temasek's wholly-owned subsidiaries on 8 June 2020.

Upon the completion of the Rights Issue, the Temasek Group's effective interest in SIA remains at 55.46%. In addition, the Temasek Group holds S\$3,351 million in aggregate principal amount of Rights MCBs. SIA continues to be consolidated as a subsidiary of the Temasek Group.

SIA also disclosed in its offer information statement for the Rights Issue dated 8 May 2020 that it has obtained shareholders' approval for and may undertake a further issuance of up to

approximately S\$6.2 billion in aggregate principal amount of mandatory convertible bonds (“Additional MCBs”) to be offered to shareholders on a pro-rata basis in one or more further rights issues (the “Additional Issues”) at such future dates and times as may be determined by SIA in its sole discretion. According to the offer information statement, SIA envisages that any further Additional Issues will, if undertaken, take place prior to the date falling 15 months after 30 April 2020 (the “Long Stop Date”). Temasek (through its wholly-owned subsidiary) has given an undertaking to SIA to, among other things, subscribe for, or procure the subscription of, Temasek’s pro-rata entitlement to the Additional MCBs and any unsubscribed Additional MCBs remaining after the fulfilment of valid applications by other shareholders in any future Additional Issues undertaken prior to the Long Stop Date.

Other developments

Keppel Corporation Limited

On 21 October 2019, Kyanite Investment Holdings Pte. Ltd. (the “Offeror”), an indirect wholly-owned subsidiary of Temasek, announced that it intended to make a voluntary conditional cash partial offer (the “Partial Offer”) to acquire approximately 30.55% of the ordinary shares of Keppel Corporation Limited (“Keppel”) at an offer price of S\$7.35 for each share. Keppel is a Singapore incorporated company listed on the Main Board of the SGX-ST and an associate of Temasek. The offer price of S\$7.35 per share represents an estimated aggregate cash consideration for the Partial Offer of approximately S\$4.1 billion. The making of the Partial Offer was subject to the satisfaction or waiver (at the discretion of the Offeror) of certain pre-conditions, including there being no material adverse change in the financial performance and condition of Keppel and its subsidiaries and associated companies (the “MAC Pre-Condition”).

On 1 August 2020, the Offeror announced that, based on Keppel’s unaudited consolidated financial results for the second quarter and the half year ended 30 June 2020, the MAC Pre-Condition would not be satisfied. On 10 August 2020, the Offeror announced that it would invoke the MAC Pre-Condition, and accordingly, the Partial Offer would not proceed.

Risk management

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

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

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

Temasek's investment posture is to ride out such short term market volatility and focus on generating sustainable long term returns. Given the expected volatility, Temasek manages its leverage and liquidity prudently for resilience and investment flexibility, even in times of extreme stress.

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

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

- Temasek has no tolerance for risks that could damage Temasek's reputation and credibility.
- Temasek focuses on performance over the long term.
- Temasek has flexibility to take concentrated positions.
- Temasek maintains a resilient balance sheet.
- Temasek evaluates the potential for sustained loss of overall portfolio value over prolonged periods and use different scenarios to test its resilience.

Temasek does not issue any financial guarantees for its portfolio companies' obligations.

Investment and operational risk

Temasek tracks and manages risk proactively, through economic and market cycles, including specific risks at the asset level. Temasek does not manage its portfolio to short-term MTM changes. Its focus is on potential sustained loss of its portfolio intrinsic value under various stress scenarios.

Temasek considers ESG factors, alongside other issues and risks, when making decisions as an investor, institution and steward.

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

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

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

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

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

Strategic and performance risk

Temasek's portfolio is exposed to concentration risks.

As at 31 March 2020, the top three countries were China, Singapore and the United States, which accounted for about 29%, 24% and 16% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2020, the top three sectors were financial services, telecommunications, media & technology and consumer & real estate, which accounted for about 23%, 21% and 17% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2020, the top three investments were Singtel, Mapletree and DBS, which accounted for about 7%, 5% and 5% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2020, the top 10 companies accounted for about 37% of Temasek's Net Portfolio Value. The top 10 companies are Singtel, Mapletree, DBS, PSA, SP Group, CCB, A.S. Watson, ST Telemedia, Alibaba and ICBC.

Liquid and listed assets comprised about 52% of Temasek's Net Portfolio Value as at 31 March 2020, consisting of 37% of liquid assets and assets comprising investments that each represents a minority interest of less than 20% in a listed company, 5% of assets comprising investments that each represents a 20% or more but less than 50% interest in a listed company and 10% of assets comprising investments that each represents 50% or more interest in a listed company. Unlisted assets comprised about 48% of Temasek's Net Portfolio Value as at 31 March 2020, consisting of investments in companies and funds.

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

Board and management

Board of Directors of Temasek

The following table sets forth the name, age and position of each member of the Board of Directors of Temasek Holdings (Private) Limited as at the date of this Offering Circular.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Lim Boon Heng	72	Chairman
Cheng Wai Keung	69	Deputy Chairman
Chin Yoke Choong Bobby	68	Director and Chairman, Audit Committee
Fu Chengyu	69	Director
Goh Yew Lin	61	Director
Ho Ching	67	Executive Director and Chief Executive Officer
Lee Ching Yen Stephen	73	Director
Lee Theng Kiat	67	Executive Director
Ng Chee Siong Robert	67	Director
Teo Ming Kian	68	Director
Peter Robert Voser	62	Director
Robert Bruce Zoellick	67	Director

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

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

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

Mr. Cheng Wai Keung joined Temasek as a Director on 15 September 2011 and was appointed Deputy Chairman of the Board on 4 November 2013. Mr. Cheng is Chairman and Managing Director of Wing Tai Holdings Limited, which holds interests in the property, hospitality and retail sectors in the region. Mr. Cheng also holds directorships on a number of companies. He is Vice Chairman of Singapore-Suzhou Township Development Pte Ltd and is a Director with Singapore Health Services Pte Ltd. Mr. Cheng also sits on the Board of Supervisors of China-Singapore Suzhou Industrial Park Development Group Co., Ltd (People’s Republic of China). Mr. Cheng served as a director in various industries both locally and overseas. He chaired the boards of power and utilities, media and broadcasting companies, as well as multinational corporations engaged in global shipping and logistics and international hospitality businesses. Mr. Cheng was awarded the Distinguished Service Order (DUBC) by the Government in August 2007 and received the Public Service Star (Bar) in 1997 and the Public Service Star in 1987. He was appointed Justice of the Peace by the President of the Republic of Singapore from year 2000 to 2020. He graduated with a Master of Business Administration degree from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University.

Mr. Chin Yoke Choong Bobby joined Temasek as a Director on 10 June 2014. Mr. Chin is Chairman of the Housing Development Board and NTUC Fairprice Co-operative Ltd. He is the Deputy Chairman of NTUC Enterprise Co-operative Limited and a board member of the Singapore Labour Foundation. Mr. Chin also chairs the MAS’ Corporate Governance Advisory Committee and sits on the boards of several listed companies including Yeo Hiap Seng Ltd, Ho Bee Land Limited and AV Jennings Limited. Mr. Chin was the Managing Partner of KPMG Singapore for 13 years, from 1992 until his retirement in 2005. Mr. Chin served as a member of the Council of Presidential Advisers from 2010 to 31 December 2019. Mr. Chin holds a Bachelor of Accountancy degree from the University of Singapore and is an associate member of the Institute of Chartered Accountants in England and Wales.

Mr. Fu Chengyu joined Temasek as a Director on 11 February 2019. Mr. Fu is the former Chairman of China Petroleum and Chemical Corporation (“SINOPEC Group”), having retired from the position in May

2015. Mr. Fu worked for Daqing, Liaohe and Huabei Oilfields before joining China National Offshore Oil Corporation (“CNOOC”) in 1982. In 1983, he served as Chairman of the Joint Management Committee overseeing joint venture projects established between CNOOC and foreign oil companies such as Amoco, Chevron, Texaco, Phillips, Shell and Agip. From 1994 to 1995, he served as Deputy General Manager of China Offshore Oil Nanhai East Corporation. In December 1995, he became Vice President of USA Phillips International Petroleum Company (Asia) while continuing to serve as General Manager of the Xijiang Development Project. Mr. Fu was appointed Executive Vice President of CNOOC Limited in September 1999 and became Vice President of CNOOC in October 2000. He was appointed President of CNOOC and Chairman of CNOOC Limited in October 2003 and served as Chief Executive Officer of CNOOC Limited from October 2003 to September 2010. In April 2011, Mr. Fu became Chairman of SINOPEC Group and Chairman of SINOPEC Corporation. Mr. Fu was awarded “CCTV China Economic Annual Figure” in 2005 and was recognised at the “China Business Leaders Awards” in 2006. He has also been recognised as one of the “Top 10 Leaders for Energy and Petrochemical Industry in China’s 30 Years’ Reform and Opening-up” and “Corporate Leaders for Social Responsibility”, as well as one of Harvard Business Review’s “30 Best-Performing CEOs in the World”. Mr. Fu graduated from China’s Northeast Petroleum Institute majoring in Geology, and later received a Master’s degree in Petroleum Engineering from the University of Southern California.

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

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

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

Mr. Lee Theng Kiat joined Temasek in April 2012 and was appointed as a Director in April 2016 and Executive Director on 1 April 2019. He is currently Chairman of Temasek International Pte. Ltd. (“Temasek International”). He was also appointed as Chairman of Singtel on 30 July 2020. Prior to joining Temasek, Mr. Lee was the President and Chief Executive Officer of ST Telemedia, a post he had held since its formation. Mr. Lee successfully led ST Telemedia as a significant mobile communications and global data services group. Under his leadership, ST Telemedia expanded its global footprint in the Asia-Pacific region, the Americas and Europe. Today, portfolio companies in the

group include Asia Mobile Holdings Pte Ltd (which holds interests in StarHub Ltd, Mfone Co., Ltd and Lao Telecommunications Company Limited), Level 3 Communications, Inc., TeleChoice International Limited, U Mobile Sdn Bhd, Sky Cable Corporation and VNPT Global Joint Stock Company. Prior to joining ST Telemedia, Mr. Lee held various senior level positions in the Singapore Technologies Pte Ltd (“Singapore Technologies”) Group, overseeing its legal and strategic business development functions. Mr. Lee served in the Singapore Legal Service for over eight years before joining the Singapore Technologies Group. Mr. Lee holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

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

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

Mr. Peter Robert Voser joined Temasek as a Director on 1 January 2015. Mr. Voser was formerly Chief Executive Officer of Royal Dutch Shell plc from 2009 to 2013. Since April 2015, Mr. Voser has served as the Chairman of ABB Ltd, a company which manufactures electrification products, robotic and motion and industrial automation products, and from April 2019 to March 2020, he served as interim Chief Executive Officer of ABB Ltd. In addition, Mr. Voser is Group Chairman of PSA International Pte Ltd, and also a Director of International Business Machines Corporation (“IBM”). He is also the Chairman of the Board of Trustees of St. Gallen Foundation for International Studies. He is active in a number of international and bilateral organisations. Mr. Voser was formerly a member of the Supervisory Board of Aegon N.V. from 2004 to 2006, a member of the Supervisory Board of UBS AG from 2005 to 2010, a member of the Board of Roche Holdings Limited from 2011 to 2019 and a member of the Swiss Federal Auditor Oversight Authority from 2006 to 2010. In July 2011, His Majesty the Sultan of Brunei awarded Mr. Voser the title of *Dato Seri Laila Jasa* in recognition of his services to Brunei. He holds a degree in Business Administration from the University of Applied Sciences, Zürich.

Mr. Robert Bruce Zoellick joined Temasek as a Director on 15 August 2013. Mr. Zoellick is currently a Board Member of Twitter Inc., Chairman of the International Advisory Council for Standard Chartered Bank, a Senior Counselor at the Brunswick Group and a Senior Fellow at the Belfer Centre for Science and International Affairs at Harvard University’s Kennedy School of Government. He was formerly Chairman of the Boards of Directors of AllianceBernstein L.P. and AllianceBernstein Holding L.P. He was the President of the World Bank from July 2007 to 2012 and served the U.S. Government in various roles including as the U.S. Trade Representative (2001 to 2005) and Deputy Secretary of State (2005 to 2006) during the Administration of President George W Bush. During his tenure as U.S. Trade Representative, the U.S. signed its Free Trade Agreement with Singapore, as well as with 11 other countries. From 1985 to 1993, Mr. Zoellick served in various posts in the Reagan and George H.W. Bush Administrations, including Counselor to the Secretary of the Treasury, Under Secretary of State, and Deputy Chief of Staff of the White House. He holds a J.D. magna cum laude degree from Harvard Law School and a Master of Public Policy degree from Harvard University’s John F Kennedy School of Government. He has received numerous awards and honours for his work in public service in the United States, Australia, Chile, Germany and Mexico.

Committees of the Board of Directors of Temasek

Executive Committee

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

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

Audit Committee

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

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

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

Leadership Development and Compensation Committee

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

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

Senior management of Temasek

The following table sets forth the name, age and position of each member of Temasek's senior management as at the date of this Offering Circular.

Name	Age	Position
Ho Ching	67	Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited
Lee Theng Kiat	67	Executive Director of Temasek Holdings (Private) Limited & Chairman of Temasek International
Dilhan Pillay Sandrasegara	57	Executive Director & Chief Executive Officer of Temasek International
Chia Song Hwee	57	Deputy Chief Executive Officer
Jonathon Revill Christopher Allaway	55	Chief Technology Officer
Syed Fidah Bin Ismail Alsagoff	55	Joint Head, Enterprise Development Group Head, Life Sciences
Michael John Buchanan	53	Head, Portfolio Strategy & Risk Group Head, Macro Strategy Head, Australia & New Zealand
Chan Wai Ching	57	Chief Corporate Officer Head, Organisation & People
Gregory Lynn Curl	71	President
Nagi Adel Hamiyeh	51	Joint Head, Investment Group Head, Portfolio Development
Hu Yee Cheng Robin	62	Head, Sustainability & Stewardship Group
Uwe Krueger	55	Head, Industrials, Business Services, Energy & Resources Joint Head, Europe, Middle East & Africa
Ravi Lambah	52	Joint Head, Investment Group Head, Direct Investments Joint Head, Telecom, Media & Technology Head, India
Mukul Chawla	44	Joint Head, Telecom, Media & Technology Joint Head, North America
Leong Wai Leng	64	Chief Financial Officer Head, Singapore Projects
John William Marren	57	Senior Managing Director, North America Senior Managing Director, Strategy Office
Pek Siok Lan	55	General Counsel
Png Chin Yee	45	Deputy Chief Financial Officer Head, Financial Services
Rohit Sipahimalani	53	Chief Investment Strategist Head, South East Asia
Tan Chong Lee	58	President Joint Head, Europe, Middle East & Africa
Teo Juet Sim Juliet	50	Head, Transportation & Logistics Senior Managing Director, Portfolio Development
Tham Min Yew Russell	52	Senior Managing Director, Enterprise Development Group Senior Managing Director, Strategy Office
Alan Raymond Thompson	60	Senior Managing Director, Enterprise Development Group
Benoit Valentin	51	Head, Private Equity Fund Investments Senior Managing Director, Europe, Middle East & Africa
John Joseph Vaske	54	Head, Americas Head, Agribusiness
Nicolas Jean Debetencourt	46	Head, Credit Portfolio
Wu Yibing	53	Joint Head, Enterprise Development Group Head, China
Yeoh Keat Chuan	49	Deputy Head, Singapore Projects Senior Managing Director, Enterprise Development Group
Michael Zeller	52	Head, AI Strategy & Solutions

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

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

As Executive Director of Temasek Holdings (Private) Limited & Chairman of Temasek International, Mr. Lee Theng Kiat is responsible for overseeing the development of Temasek as a forward-looking institution and works closely with the Executive Director & Chief Executive Officer of Temasek International on commercial strategies and portfolio matters.

As Executive Director & Chief Executive Officer of Temasek International, Mr. Dilhan Pillay Sandrasegara is responsible for Temasek's role as an active investor and shareholder. He oversees the operations of Temasek and the organisation of its talent and resources to deliver sustainable long term returns and achieve Temasek's corporate strategies.

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

Ms. Ho Ching. See “— Board of Directors of Temasek”.

Mr. Lee Theng Kiat. See “— Board of Directors of Temasek”.

Mr. Dilhan Pillay Sandrasegara joined Temasek in September 2010 and is currently Executive Director & Chief Executive Officer of Temasek International. Since joining Temasek, Mr. Sandrasegara has held various leadership roles, including Head of Investment, Head of Portfolio Management and Head of Enterprise Development. He has also led various Temasek market teams including Singapore, the U.S. and the Americas. Mr. Sandrasegara graduated from the National University of Singapore with a Bachelor of Laws degree and obtained a Master of Law degree from the University of Cambridge.

Mr. Chia Song Hwee joined Temasek in October 2011 and is currently Deputy Chief Executive Officer of Temasek International. Mr. Chia is also a member of Singapore's Advisory Council on the Ethical Use of Artificial Intelligence (“AI”) and Data, as established by the Infocomm Media Development Authority. Prior to joining Temasek, Mr. Chia was the Chief Operating Officer at GLOBALFOUNDRIES. Before the integration of GLOBALFOUNDRIES and Chartered Semiconductor Manufacturing Ltd (“Chartered”), he served as a Director of the Board, and President and Chief Executive Officer of Chartered from June 2002 to December 2009. Mr. Chia also held a number of management positions since he joined Chartered in 1996, including Senior Vice President, Chief Financial Officer and Chief Administrative Officer. Prior to his tenure at Chartered, Mr. Chia was from the Schlumberger group, a global oilfield services group, where he was Regional Controller for Asia, Australia and Middle East for the drilling group. Mr. Chia received his Bachelor of Business (Accountancy), with distinction, from Edith Cowan University, Australia and is a member of CPA Australia. He was honoured with the EE Times Annual Creativity in Electronics (ACE) Award for Executive of the Year in 2007.

Mr. Jonathon Revill Christopher Allaway joined Temasek in January 2018 and is currently Chief Technology Officer. Mr. Allaway was most recently Accenture's Group Technology Officer for Financial Services globally and the Senior Managing Director for Accenture's Financial Services business in Asia. Mr. Allaway was responsible for developing industry-specific technology strategies and shaping technology-enabled change programs for banking, insurance and capital markets clients. Mr. Allaway has three decades in large-scale business change and technology implementation experience in the region. He re-joined Accenture in 2012 as Senior Managing Director of Sales for Financial Services in Asia Pacific. He also held a number of leadership roles in the financial services industry. Prior to Accenture, Mr. Allaway worked for ANZ Bank as Group Managing Director of IT Strategy, Change & Project Management. In 2005, he founded Allaway Management Consulting, providing a range of consulting services to chief executive officers and chief information officers in the banking, funds management and private equity sectors. Mr. Allaway was also the co-founder of Saltbush Capital Markets, a private equity firm with investments in agriculture, aged care, parking solutions for cities and telecommunications. Mr. Allaway started his career with Accenture in 1984 and was with them for 20 years where he managed and successfully delivered a number of large complex technology investments for clients. In 1997, he was promoted to Managing Director and led Accenture's Financial Services business in Singapore. Mr. Allaway has a Bachelor's degree in Economics from University of Sydney with majors in Money & Finance and Computer Science.

Mr. Syed Fidah Bin Ismail Alsagoff joined Temasek in August 2008 and is currently Joint Head, Enterprise Development Group and Head, Life Sciences. Prior to joining Temasek, Mr. Alsagoff was a

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

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

Ms. Chan Wai Ching joined Temasek in June 2006 and is currently Chief Corporate Officer and Head, Organisation & People. Ms. Chan oversees the Organisation and People function of the firm. Besides the internal Human Resources function, she also oversees the management of non-executive talent for the firm. In addition, she supports the Remuneration and Nominating board committees of Temasek's various portfolio companies with regards to management incentive plan designs, non-executive and executive compensation, management succession plans, as well as appointments of directors to the boards of directors of these companies. For some companies, she is a co-opted member of the remuneration and nominating committee. Ms. Chan's career in human resources spans 28 years, including appointments at Fullerton Financial Holdings, Citibank N.A., Singapore Technologies, United Overseas Bank, Overseas Union Bank and Robinsons Group. Ms. Chan holds a Bachelor of Business Administration degree from the National University of Singapore and a graduate diploma in HR management and completed the Advanced Management Programme at Harvard Business School in 2012.

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

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

Mr. Hu Yee Cheng Robin joined Temasek in December 2016 and is currently Head, Sustainability & Stewardship Group. Mr. Hu was previously the Chief Executive Officer of the South China Morning Post ("SCMP") Group in Hong Kong since June 2012. Prior to his appointment at SCMP, Mr. Hu was Senior Executive Vice President, Chinese Newspapers Division and Newspaper Services Division of Singapore Press Holdings ("SPH") for eight years, where he was responsible for managing the group's three Chinese dailies, a bilingual free-sheet, events and exhibitions, retail and printing operations and

China business relations and development. Mr. Hu also served as Managing Director (Global Business) of Singtel NCS Ltd from August 2001 to June 2004. Mr. Hu gained earlier experience in China as the Regional Director (China) for the Singapore Economic Development Board based in Shanghai and Suzhou between 1995 and 1997 and in Beijing in 1998. During that time, Mr. Hu was a Counselor with the Embassy of the Republic of Singapore (Beijing) between March 1998 and December 1999. Mr. Hu also served as Senior Vice President and Country General Manager of Asiacontent.com Ltd from January 2000 to June 2001. Mr. Hu holds a Bachelor of Science (Honours) in Mathematics from the University of Kent and a Master of Science in Computer Science from the University of Wales.

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

Mr. Ravi Lambah joined Temasek in April 2012 and is Joint Head, Investment Group; Head, Direct Investments; Joint Head, Telecom, Media & Technology; and Head, India. Prior to this role, Mr. Lambah was the Chief Operating Officer of ST Telemedia, an investor-operator with a significant global portfolio of telecom and media assets. His role comprised overseeing the investments and operations of the company, which is also a 100% owned subsidiary of Temasek. Mr. Lambah has over 28 years in the financial and investment banking industry in the Asia-Pacific region, 15 of which were with Credit Suisse, Jardine Fleming and Citigroup. Mr. Lambah is a Chartered Accountant and a Cost and Management Accountant. Mr. Lambah holds a Bachelor's degree in Commerce and Economics, from India's University of Bombay.

Mr. Mukul Chawla joined Temasek in August 2010 and is currently Joint Head, Telecom, Media & Technology and Joint Head, North America. Before joining Temasek, Mr. Chawla was a private equity investor at Warburg Pincus in New York, held executive roles at Cisco Systems in Silicon Valley and served a term appointment at the U.S. Federal Communications Commission in Washington, D.C. Mr. Chawla holds a Master of Business Administration from The Wharton School of the University of Pennsylvania, a Master of Science from the University of Illinois at Urbana-Champaign and a Bachelor's degree from the Birla Institute of Technology & Science, Pilani, India.

Ms. Leong Wai Leng joined Temasek in March 2006 and is currently the Chief Financial Officer and Head, Singapore Projects. Prior to Temasek, Ms. Leong was concurrently the Deputy Chief Executive Officer of Singapore Exchange-listed Raffles Holdings Ltd and Chief Executive Officer of Raffles International Ltd, its global hotel operating and management subsidiary. Ms. Leong has extensive working experience in both the private and public sectors, holding senior management positions in three publicly listed companies and the Ministries of Communications and Trade & Industry. Ms. Leong has a Bachelor of Arts (Honours) in Engineering Tripos and a Master of Arts from Cambridge University, United Kingdom. She also holds a Master of Applied Finance from Macquarie University, Australia.

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

Mr. Marren received a Bachelor of Science from University of California, where he studied Electrical Engineering.

Ms. Pek Siok Lan joined Temasek in 2012 and is currently General Counsel and Senior Managing Director. As part of the senior leadership team, Ms. Pek oversees all of Temasek's legal, regulatory and compliance matters and serves on Temasek's investment and management committees. Prior to joining Temasek, Ms. Pek was Executive Vice President, General Counsel and Corporate Secretary at ST Telemedia, where, in addition to global mergers and acquisitions, she was involved in shaping corporate strategic direction and portfolio board engagement. Before that, she was General Counsel and Head Legal at Singapore Technologies Group, with responsibility for legal strategy and operations. Ms. Pek started her career in private legal practice. She holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

Ms. Png Chin Yee joined Temasek in July 2011 and is currently Deputy Chief Financial Officer and Head, Financial Services. Prior to joining Temasek, Ms. Png was Managing Director with UBS AG where she was Joint Head of the Financial Institutions Group for Asia Investment Banking. Ms. Png holds a Bachelor of Accountancy (First Class Honours) degree from the Nanyang Technological University.

Mr. Rohit Sipahimalani joined Temasek in November 2008 and is currently Chief Investment Strategist and Head, South East Asia. In 2012, he was appointed Co-Chief Investment Officer and has since held various roles including Joint Head, Investment Group; Joint Head, Portfolio Strategy & Risk Group and Head, India, before assuming his current position in January 2020. Prior to joining Temasek, Mr. Sipahimalani spent 11 years with Morgan Stanley holding senior positions across its Mumbai and Hong Kong offices, including Co-Head of their Asia Pacific mergers and acquisitions ("M&A") business in Hong Kong before his appointment as Managing Director and Head of South East Asia Investment Banking in Singapore. Mr. Sipahimalani started his career with Citibank, Mumbai, after which he spent a few years with McKinsey & Company in India as a management consultant before he joined Morgan Stanley. Mr. Sipahimalani graduated from St. Stephens College, Delhi University with a Bachelor of Arts (Economics) degree and holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad.

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

Ms. Teo Juet Sim Juliet joined Temasek in April 1996 and is currently Head, Transportation & Logistics and Senior Managing Director, Portfolio Development. During her tenure at Temasek, Ms. Teo has been involved in originating, evaluating and managing investment opportunities across a broad range of sectors, including financial services, telecommunications, media & technology and transportation and logistics. She has also been involved in shaping various institutional initiatives within Temasek including organisational structures, talent development and governance framework. Prior to joining Temasek, Ms. Teo was with Singapore Press Holdings. Ms. Teo has been a Director of Changi Airports International Pte. Ltd and Belford Investments Pte. Ltd. since July 2016 and LF Logistics Holdings Limited since November 2019. Ms. Teo holds a Bachelor of Business Administration (Second Upper Honours) degree from the National University of Singapore and is a CFA charter holder.

Mr. Tham Min Yew Russell joined Temasek in May 2020 and is currently Senior Managing Director, Enterprise Development Group as well as Senior Managing Director, Strategy Office overseeing the firm's Strategic Development initiative. Mr. Tham was the President of New Enterprises and Ventures at ST Engineering, reporting to ST Engineering Group President & CEO, and responsible for building new businesses beyond the ST Engineering Group's core business in the aerospace, electronics, land systems and marine sectors. Previously, he worked at Applied Materials from 1994 to 2018 where he held various global leadership roles, including his last held positions of President, Applied Materials Southeast Asia with concurrent global corporate level business development responsibilities for new markets. He led the regional business and oversaw the company's Singapore business infrastructure

expansion into manufacturing, supply chain, research and development and product development for global markets. At Applied Materials, he also served as Regional General Manager, Southeast Asia from 2004 to 2009 and Head of Global Continuous and Improvement, Corporate Sales Operations from 2010 to 2017 and held various other positions between 1994 and 2003. Mr. Tham is the Deputy Chairman of Temasek Polytechnic and serves on the boards of directors of the Energy Market Authority and SkillsFuture Singapore. He is a member of the Singapore Government's Future Economy Council and previously served on the Committee of Future Economy. Mr. Tham holds a Bachelor of Mechanical Engineering from the National University of Singapore.

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

Mr. Benoit Valentin joined Temasek in September 2014 and is currently Head, Private Equity Fund Investments and Senior Managing Director, Europe, Middle East & Africa based in London. Before joining Temasek, Mr. Benoit was a Partner at Cinven, a European private equity fund, for eight years. Prior to that, Mr. Benoit worked for 12 years for Goldman Sachs in Europe and Asia including as Managing Director for GS Capital Partners, the private equity arm of Goldman Sachs. He has also held positions of Analyst at Clinvest (Credit Lyonnais's M&A arm) and First Lieutenant in the French Navy. Mr. Benoit holds a Master of Science degree in Business from HEC Paris.

Mr. John Joseph Vaske joined Temasek in January 2017 as a Senior Managing Director. He is currently Head, Americas and Head, Agribusiness. Previously, Mr. Vaske was Co-Chairman of Global M&A in the Investment Banking Division at Goldman Sachs where he spent his entire career prior to Temasek. During his 28 years with Goldman Sachs, Mr. Vaske spent considerable time outside of the U.S. with roles in Tokyo (1989 to 1991) and London (2005 to 2010). While in London, Mr. Vaske was named one of the original Co-Heads of the Global Natural Resources ("GNR") group within the Investment Banking Division of Goldman Sachs. He was Chairman of the GNR group until his return to the M&A group as Co-Chair. During his career as an investment banker, he worked on several landmark transactions as a senior M&A advisor. Mr. Vaske is currently Chairman of the Board of PeacePlayers International, a member of the Board of Bottom Line New York and a member of the Athletic Leadership Committee of Columbia University. Mr. Vaske graduated from Columbia University in 1988 with a Bachelor of Arts degree in Economics.

Mr. Nicolas Jean Debetencourt joined Temasek in October 2016 and is currently Head, Credit Portfolio. Prior to joining Temasek, Mr. Debetencourt was a Managing Director at Highbridge Principal Strategies LLC ("HPS"), a global credit platform headquartered in New York. Mr. Debetencourt was responsible for originating, structuring and executing mezzanine and special situation transactions. Prior to joining HPS, Mr. Debetencourt was a Principal and founding member of Carlyle Infrastructure Partners, a private equity fund investing in the infrastructure space. Before Carlyle, Mr. Debetencourt was a Director at Citigroup Salomon Smith Barney in New York where he focused on structured transactions in the infrastructure, power, and energy sectors. Mr. Debetencourt holds a Master's degree from Solvay Business School, University of Brussels and attended the Darden Graduate School of Business Administration at the University of Virginia.

Mr. Wu Yibing joined Temasek in October 2013 and is currently Joint Head, Enterprise Development Group and Head, China. Before his current role, he was Joint Head of China from 2013 and concurrently Joint Head of Portfolio Strategy & Risk Group from 2016. Mr. Wu was previously President of CITIC Private Equity Funds Management, a position he held since December 2009. He concurrently served as Chairman and Chief Executive Officer of Goldstone Investment Co. Ltd., the direct investment arm of CITIC Securities. Mr. Wu began his career with McKinsey, rising to the positions of Senior Partner and Head of Asia Pacific M&A Practice. He was also General Manager of McKinsey Beijing where he was responsible for providing M&A, corporate restructuring and IPO advisory services to large Chinese enterprises. In that role, he advised a number of leading Asian

companies in their international expansion efforts. He subsequently joined the Lenovo Group and led the acquisition and integration of the IBM Personal Computer business, serving as Chief Strategy Officer, Chief Integration Officer, Chief Transformation Officer and Chief Information Officer of the Lenovo Group. Mr. Wu was later appointed as Executive Vice President of Lenovo parent Legend Holdings and was responsible for its overall business operations and overseeing its direct investment business. Since November 2019, Mr. Wu has been a board member of Gavi, the Vaccine Alliance. Mr. Wu serves on the board of the China Social Entrepreneur Foundation. Mr. Wu holds a Doctor of Philosophy degree in Biochemistry from Harvard University and a Bachelor of Science degree in Molecular Biology from University of Science and Technology of China.

Mr. Yeoh Keat Chuan joined Temasek in October 2017 and is currently Deputy Head, Singapore Projects and Senior Managing Director, Enterprise Development Group. He was previously interim CEO of Ensign Infosecurity, a cybersecurity company set up by Temasek in 2018. Prior to joining Temasek, Mr. Yeoh was Managing Director of the Singapore Economic Development Board (“EDB”), the lead government agency for industry development. He was with the EDB for over 23 years, overseeing sectors and areas such as Biomedical Sciences, Infocommunications & Media, Electronics and Americas. Mr. Yeoh is a Glaxo-EDB scholar and graduated with a Masters of Engineering degree in Chemical Engineering from Imperial College of Science, Technology & Medicine, University of London. He also attended the Masters in Management Science programme at Stanford University’s Graduate School of Business.

Mr. Michael Zeller joined Temasek in July 2020 and is currently Head, AI Strategy & Solutions. Prior to joining Temasek, Mr. Zeller was the CEO of Dynam.AI, an AI consultancy and solutions firm. He has over 20 years of experience as an entrepreneur, executive and advisor of technology-centric organisations. Mr. Zeller had previously led the AI Strategy & Innovation function at Software AG, an enterprise integration and Internet-of-things platform company. He was previously CEO and co-founder of Zementis, a leading software solutions provider for predictive analytics, which was acquired by Software AG. In addition, since 2013, Mr. Zeller has served as Treasurer on the Executive Committee of ACM SIGKDD, an international organisation for data science. Mr. Zeller holds a Doctor of Philosophy degree in Physics from the University of Frankfurt, Germany, received a visiting scholarship from the Department of Physics at the University of Illinois at Urbana-Champaign and was the recipient of a Presidential Postdoctoral Fellowship from the Computer Science Department at the University of Southern California.

Management Committees of Temasek

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

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

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

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

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

The Issuer

The Issuer is indirectly, through an Investment Holding Company, a wholly-owned subsidiary of Temasek and was incorporated under the laws of Singapore on 12 July 2004. It is an Investment Holding Company whose principal activity is financing. The Issuer intends to provide the net proceeds arising from Notes issued under the Programme to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement. The Issuer's principal executive office is located at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891. The issued share capital of the Issuer is S\$2.00 comprising two ordinary shares issued, which are indirectly, through an Investment Holding Company, held by Temasek. As at the date of this Offering Circular, the Issuer has outstanding debt consisting of US\$500,000,000 5.375% Guaranteed Debentures due 2039, S\$300,000,000 4.0% Guaranteed Notes due 2029, S\$300,000,000 4.2% Guaranteed Notes due 2039, S\$500,000,000 3.785% Guaranteed Notes due 2025, S\$500,000,000 4.0475% Guaranteed Notes due 2035, £200,000,000 4.625% Guaranteed Notes due 2022, £500,000,000 5.125% Guaranteed Notes due 2040, S\$1,000,000,000 4.2% Guaranteed Notes due 2050, US\$1,200,000,000 2.375% Guaranteed Notes due 2023, US\$500,000,000 3.375% Guaranteed Notes due 2042, €600,000,000 0.5% Guaranteed Notes due 2022, €500,000,000 1.5% Guaranteed Notes due 2028, US\$1,350,000,000 3.625% Guaranteed Notes due 2028, €500,000,000 0.5% Guaranteed Notes due 2031 and €500,000,000 1.25% Guaranteed Notes due 2049, all of which were issued pursuant to the Programme. These Notes are guaranteed by Temasek.

No financial statements for the Issuer are included in this Offering Circular, and the Issuer will not publish financial statements on an interim basis or otherwise (except for such statements, if any, which the Issuer is required by Singapore law to publish). The Issuer intends to furnish to the New York Trustee, the Singapore Trustee and the English Trustee within 180 days after the end of each fiscal year an annual report (in English), including a balance sheet and statements of income, shareholders' equity and cash flows of the Issuer and its subsidiaries (if any) certified by independent public accountants and prepared on a consistent basis with past accounting practices and policies (save to the extent otherwise disclosed in its audited accounts) in conformity with IFRS and copies of periodic financial reports (if any) that it files with SGX-ST within 15 days after such filing is required or occurs. Any such information or reports, if published, will be made available for inspection during normal business hours at the specified office of the relevant Paying Agent.

The following table sets forth the name, age and position of each member of the Board of Directors of the Issuer as at the date of this Offering Circular.

Name	Age	Position
Chia Song Hwee	57	Director
Goh Bee Kheng	54	Director
Leong Wai Leng	64	Director
Pek Siok Lan	55	Director
Rohit Sipahimalani	53	Director
Png Chin Yee	45	Director

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

The establishment of the Programme was approved by the Board of Directors of the Issuer on 12 September 2005.

Description of the Notes governed by New York law

The particular terms of any Notes issued under the Programme will be described in an accompanying supplement to this Offering Circular (a “Pricing Supplement”). The terms and conditions set forth below in this “Description of the Notes governed by New York law” will apply to each Note governed by the laws of the State of New York, unless otherwise specified in the applicable Pricing Supplement and in such Notes.

Notes denominated in Renminbi will be governed by, and construed in accordance with, the laws of England. Notes denominated in Singapore dollars will be governed by, and construed in accordance with, the laws of the Republic of Singapore. All other Notes will be governed by, and construed in accordance with, the laws of the State of New York, the laws of England, the laws of the Republic of Singapore or such other law as specified in the applicable Pricing Supplement and in such Notes.

Notes governed by the laws of the State of New York shall be issued under an amended and restated indenture dated as of 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “Indenture”) among the Issuer, the Guarantor and Deutsche Bank Trust Company Americas as New York Trustee. Notes governed by the laws of Singapore shall be issued under an amended and restated trust deed governed under Singapore law dated 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “Singapore Law Trust Deed”) among the Issuer, the Guarantor and DBS Trustee Limited as Singapore Trustee. See “Terms and conditions of the Notes governed by Singapore law”. Deutsche Bank Trust Company Americas was appointed as the initial transfer agent and paying agent in New York City, State of New York, and for the calculation of certain interest rates and interest amounts, the initial transfer agent and paying agent in London, England, the initial paying agent in Singapore, and for the calculation of certain interest rates and interest amounts and the initial note registrar, pursuant to the terms of the Indenture. The Issuer terminated the appointments of Deutsche Bank Trust Company Americas pursuant to a notice of termination dated 26 June 2020 and appointed Citibank, N.A., London Branch to such roles pursuant to a letter of appointment dated 26 June 2020. Notes governed by the laws of England shall be issued under an amended and restated trust deed governed under English law dated 12 July 2013 (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “English Law Trust Deed”) among the Issuer, the Guarantor and the English Trustee. See “Terms and conditions of the Notes governed by English law”. Notes issued under other laws shall be issued under such instrument(s) as may be appropriate as set out in the applicable Pricing Supplement and in such Note.

The establishment of the Programme was authorised by a resolution passed by the Board of Directors of the Issuer on 12 September 2005 and of Temasek on 7 September 2005. All Notes offered under the Programme are limited to an aggregate principal amount (which in the case of Notes issued at a premium, shall be the aggregate initial offering price, in the case of Notes issued at a discount from their principal amount, shall be their principal amount, in the case of partly paid Notes, shall be the amount of subscription monies paid up at such time, or, in the case of Notes denominated in a currency other than U.S. dollars, the approximate equivalent thereof determined on the basis of the spot rate for the sale of the U.S. dollar against the purchase of the relevant currency in the London foreign exchange market quoted by any leading bank selected by the Issuer at any time selected by the Issuer during the five-day period before the date the Issuer agreed to issue such Notes), at any time outstanding of up to US\$25,000,000,000. The maximum amount that may be issued under the Programme may be increased pursuant to the terms of the Programme.

The following summary of certain provisions of the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture, including the definitions therein of certain terms. Wherever particular sections or defined terms of the Indenture are referred to, such sections or defined terms shall be deemed to be incorporated herein by reference. Capitalised terms used in this “Description of the Notes governed by New York law” that are not otherwise defined shall have the same meaning given to such terms as in the Indenture, and references in this “Description of the Notes governed by New York law” to “Notes” are only to Notes governed by the laws of the State of New York and issued under the Indenture.

General

Unless otherwise stated in the applicable Pricing Supplement, the Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer. The Notes of each series will rank *pari passu* among themselves and, unless otherwise stated in the applicable Pricing Supplement, at least *pari*

passu with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law.

The Indenture provides that the Notes may be issued from time to time in one or more series thereunder (Indenture § 301). All Notes of one series need not be issued at the same time and, unless otherwise provided in the applicable Pricing Supplement, a series may be reopened under the Indenture, without the consent of any Noteholder, for issuances of additional Notes which will be consolidated and form one series with the previously issued Notes (Indenture § 301). Any such further issuances could have adverse tax consequences to U.S. Noteholders as discussed below under “Certain tax considerations — United States federal income taxation — Original issue discount — Additional Notes”. All Notes within a series will have the same maturity date and terms otherwise identical (except in relation to issue dates, interest paid or payable on or prior to the first interest payment date after issuance thereof, issue prices and related matters). The Notes of each series will be interchangeable with all other Notes of that series. Each series of Notes shall mature on such dates, bear interest at such rates and have such other terms and provisions not inconsistent with the Indenture as the Issuer may determine.

The Notes will be issued only in fully registered form and in minimum denominations and integral multiples as specified in the applicable Pricing Supplement. Notes in bearer form may be issued pursuant to a supplemental indenture that provides for the issuance of Bearer Notes. Such supplemental indenture shall be in a form agreed between the Issuer, the Guarantor and the New York Trustee and in compliance with U.S. tax and other laws. Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and Definitive IAI Registered Notes sold in the United States to Institutional Accredited Investors pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will be in denominations of US\$250,000 and integral multiples of US\$1,000 in excess thereof.

The Notes may be issued as Original Issue Discount Notes. An Original Issue Discount Note is a Note, including any Note that does not provide for the payment of interest prior to Maturity, which is issued at a price lower than the principal amount thereof and which provides that upon redemption or acceleration of the Stated Maturity thereof an amount less than the principal amount thereof shall become due and payable. In the event of redemption or acceleration of the Stated Maturity of an Original Issue Discount Note, the amount payable to the holder of such Note upon such redemption or acceleration will be determined in accordance with the terms of the Note, but will be an amount less than the amount payable at the Stated Maturity of such Note. Original Issue Discount Notes (and certain other Notes) may be treated as issued with original issue discount (“OID”) for U.S. federal income tax purposes.

The Notes will be redeemable, at the option of the Issuer, prior to their Stated Maturity in the event that the Issuer is obligated to pay any Additional Amounts described in “— Payments of Additional Amounts” as a result of certain changes in law. See “— Optional tax redemption”. Unless otherwise specified in the applicable Pricing Supplement, the Issuer may at its option at any time redeem the Notes as described in “— Optional redemption”. In addition, the applicable Pricing Supplement will indicate whether a Note will be otherwise redeemable at the option of the Issuer on or after a specified date prior to its Stated Maturity at a specified Redemption Amount. The applicable Pricing Supplement will also indicate whether the Issuer will be obligated to redeem a Note at the option of the holder thereof. If the Issuer will be so obligated, the applicable Pricing Supplement will indicate the period or periods within which (or, if applicable, the event or events upon the occurrence of which) and the price or prices at which the applicable Notes will be redeemed, in whole or in part, pursuant to such obligation and the other detailed terms and provisions of such obligation.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the New York Trustee and any agent of the Issuer, the Guarantor or the New York Trustee may (a) for the purpose of making payment thereon or on account thereof deem and treat the registered holder of any Global Note or Definitive Note as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note, and (b) for all other purposes deem and treat:

- (i) the registered holder of any Definitive Note; and
- (ii) each person for the time being shown in the records of any of the Clearing Systems, or such other additional or alternative clearing system approved by the Issuer or the Guarantor (as applicable) and the New York Trustee, as having a particular principal amount of Notes credited to his or her securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any Person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of the relevant Clearing System or any other form of record made by any of them) or as to the identity of the registered holder of any Global Note or Definitive Note (Indenture § 308).

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be subject to any sinking fund or analogous provisions.

Guarantee

The Guarantor will fully, unconditionally and irrevocably guarantee to each Noteholder the due payment of all amounts owing from time to time under the Notes, including, without limitation, the Redemption Amount, interest and Additional Amounts.

Unless otherwise stated in the applicable Pricing Supplement, the Guarantee of the Notes will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.

The Guarantor has (i) agreed that its obligations under the Guarantee will be as if it were principal obligor and not merely surety and will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (ii) waived its right to require the New York Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Guarantee.

The Guarantor is an investment company, and its obligations under the Guarantee will be structurally subordinated to all liabilities of its portfolio companies.

Procedures for payment

Payment of the principal of or premium or interest on Notes will be made to the registered holders thereof at the specified office of the relevant Paying Agents in U.S. dollars; *provided, however*, that if the Note is a Global Note, payments shall be made to the account designated by the depository. Notwithstanding the foregoing, a registered holder of US\$10,000,000 or more in aggregate principal amount of such Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due at Maturity, by wire transfer of immediately available funds to an account at a bank located in The City of New York or such other financial centre set out in the applicable Pricing Supplement if appropriate wire transfer instructions have been received by the Paying Agent or any other paying agent in writing not less than 15 calendar days prior to the applicable Interest Payment Date (Indenture § 310).

Interest on any Note which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Note (or one or more predecessor Notes) is registered at the close of business on the Regular Record Date for such interest immediately preceding the applicable Interest Payment Date; *provided, however*, that any interest on any Note of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (“Defaulted Interest”) shall promptly cease to be payable to the Noteholder on the relevant Regular Record Date, and such Defaulted Interest will be paid to the persons in whose names the Notes of such series are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Notes may be listed; and *provided* further that interest payable at Maturity or redemption will be payable to the Person to whom principal shall be payable. The first payment of interest on any interest-bearing Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the second Interest Payment Date following the Original Issue Date of such Note to the registered owner on the Regular Record Date immediately preceding such second Interest Payment Date (Indenture § 307).

Transfer and exchange

Subject to the restrictions on resale set forth in “Notice to purchasers and holders of Registered Notes and transfer restrictions” of this Offering Circular and the applicable Pricing Supplement, the Notes

may be presented for registration of transfer or exchange at the office of the relevant Paying Agent. No service charge will be made for any transfer or exchange of such Notes, but the Issuer or the Guarantor (as applicable) may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Indenture § 305).

Events of Default

The Indenture provides that, if any Event of Default (other than an Event of Default specified in paragraphs (d) and (e) below) with respect to Notes of any series at the time Outstanding occurs and is continuing, the New York Trustee at its discretion may, and if so requested in writing by the Noteholders of not less than 25.0% in principal amount of the Outstanding Notes of that series shall, by notice as provided in the Indenture, declare the Redemption Amount of all of the Notes of that series to be due and payable immediately and upon such declaration such Redemption Amount shall become immediately due and payable together with accrued but unpaid interest to (but excluding) the date of redemption; *provided* that in the event that the New York Trustee shall have resigned or been removed and a successor New York Trustee shall not have been appointed, such notice may be given directly by the Noteholders of not less than 25.0% in principal amount of the Outstanding Notes of that series. If an Event of Default specified in paragraphs (d) and (e) below with respect to Notes of any series at the time Outstanding occurs, then the Redemption Amount of all of the Notes of that series together with accrued but unpaid interest to (but excluding) the date of redemption shall, without any act by the New York Trustee or the holders of such Notes, become immediately due and payable without presentment, demand, protest or other notice of any kind. Upon certain conditions at any time after such acceleration or declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the New York Trustee under the Indenture, the act of holders of a majority in aggregate principal amount of the Outstanding Notes of that series, by written notice to the Issuer or the Guarantor (as applicable), and the New York Trustee, may rescind and annul such acceleration or declaration of acceleration and its consequences on behalf of the holders of all Notes of that series (Indenture § 502).

Each of the following shall be an Event of Default with respect to the Notes of any series (Indenture § 501):

- (a) failure to pay any interest on any Note when due and payable, and continuance of such default for a period of 14 days;
- (b) failure to pay the Redemption Amount of any Note when due and payable, and continuance of such default for a period of 14 days;
- (c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor (other than a covenant expressly included in the Indenture solely for the benefit of one or more series of Notes other than such series of Notes), and continuance of such failure for 60 days after written notice by the New York Trustee;
- (d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days;
- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be

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

- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount Outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee shall cease to be in full force or effect or the Guarantor shall deny or disaffirm in writing its obligations under the Guarantee.

The applicable Pricing Supplement may specify additional Events of Default.

The holders of not less than a majority in aggregate principal amount of Outstanding Notes of any series may waive any past default with respect to such Notes, except a default in the payment of principal, premium or interest or in respect of other covenants or provisions of the Indenture which cannot be amended without the consent of the holder of each Note of such series affected (Indenture § 513).

Subject to the provisions of the Indenture relating to the duties of the New York Trustee, in case of an Event of Default, the New York Trustee will be under no obligation to expend or risk its own funds or to exercise, at the request or direction of any of the holders of Notes of such series, any of the rights or powers vested in it pursuant to the Indenture unless such Noteholders shall have offered to the New York Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction (Indenture § 603). Subject to such provisions for the indemnification of the New York Trustee and certain other limitations, the holders of a majority in aggregate principal amount of the Outstanding Notes of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the New York Trustee or exercising any trust or power conferred on the New York Trustee (Indenture § 512).

A Noteholder may not pursue any remedy with respect to the Indenture or the Notes unless: (1) the Noteholder gives written notice to the New York Trustee of a continuing Event of Default with respect to the Notes of that series; (2) the holders of at least 25.0% in principal amount of the Outstanding Notes of that series shall have made a written request to the New York Trustee to institute proceedings in respect of such Event of Default; (3) such Noteholder or Noteholders offers to the New York Trustee indemnity or security reasonably satisfactory to the New York Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the New York Trustee does not comply with the request within 60 days after receipt of the request and offer of indemnity or security; and (5) during such 60-day period, the holders of 75.0% in principal amount of the Outstanding Notes of that series do not give the New York Trustee a direction that is inconsistent with the request (Indenture § 507). However, such limitations do not apply to the right of any holder of a Note to receive payment of the principal of and premium, if any, and (subject to the second paragraph under “— Procedures for payment” above) interest, if any, on such Note and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Noteholder (Indenture § 508).

The Indenture provides that the New York Trustee will, within 90 days after the occurrence of any default with respect to the Notes of any series, give to the holders of Notes of such series notice of such default known to it, unless such default shall have been cured or waived; *provided* that, except in the case of a default in the payment of principal of or premium, if any, or interest, if any, on the Notes of such series, the New York Trustee shall be protected in withholding such notice if it determines in good faith that the withholding of such notice is in the interest of such Noteholders (Indenture § 602).

Payments of Additional Amounts

Pursuant to the Indenture, the Issuer and the Guarantor will agree duly and punctually to pay the principal of and premium and interest, if any, on the Notes and any payments under the Guarantee when and as the same shall become due and payable, whether at Stated Maturity, upon acceleration, or by call for redemption. The Issuer and the Guarantor will agree that any amounts to be paid by them under the Indenture, the Notes and the Guarantee will be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges whatsoever imposed, assessed, levied or collected by or for the account of the Republic of Singapore and, if different, the jurisdiction of organisation, tax residency or formation of the Issuer or the Guarantor (as applicable), and any other jurisdiction through which payment is made (if applicable) or any political subdivision or taxing authority thereof or therein (as such jurisdiction may be changed from time to time pursuant to the terms of the Indenture) (the "Relevant Taxing Jurisdiction") unless required by law (including under FATCA (as defined below)). In the case of payments in respect of Notes not denominated in Singapore dollars, if deduction or withholding of any such taxes, levies, imposts or other governmental charges shall at any time be required by the Relevant Taxing Jurisdiction, the Issuer and the Guarantor (as applicable) shall pay such additional amounts ("Additional Amounts") in respect of any such principal, premium and interest (as applicable) or any payment under the Guarantee as may be necessary in order that the net amounts paid to the holders of such Notes or to the New York Trustee or any Paying Agent, as the case may be, pursuant to the Indenture and such Notes and the Guarantee after such deduction or withholding shall equal the respective amounts of principal, premium and interest as specified in such Notes, to which the holders thereof or the New York Trustee would be entitled if no such deduction or withholding had been made; *provided* that no Additional Amounts shall be payable in relation to or to the extent of any tax, levy, impost or other governmental charge:

- (1) which would not be payable or due but for the fact that the beneficial owner or the holder of such Notes is a domiciliary, national or resident of, or engaging in business (whether through a branch, agency or otherwise) or maintaining a permanent establishment or being physically present in, the Relevant Taxing Jurisdiction or otherwise having some connection with the Relevant Taxing Jurisdiction other than the holding or ownership of a Note, or receiving income therefrom, or the enforcement of a Note;
- (2) which would not be payable or due but for the fact that, where presentation is required, such Note was presented more than 30 days after the date such payment became due or was provided for, whichever is later, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on or before the expiration of 30 days;
- (3) which would not be payable or due but for the Noteholder's or beneficial owner's failure to comply with any certification, identification or other reporting requirements of the Relevant Taxing Jurisdiction concerning the nationality, residence, identity or other attributes of the Noteholder or beneficial owner of such Note required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of the Relevant Taxing Jurisdiction, if requested in writing addressed to the Noteholder by the Issuer to comply with such requirement;
- (4) imposed on a payment to or for an individual that is required to be made pursuant to the European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive;
- (5) which would not be payable or due but for the fact that the Note was presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union;
- (6) that is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a Noteholder or beneficial owner of such Note;
- (7) if the Noteholder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no Additional Amounts would have been payable had such Noteholder been the sole beneficial owner of the Note;
- (8) which is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation adopted in connection therewith ("FATCA"); or
- (9) any combination of items (1) through (8) above.

No Additional Amounts shall be payable in relation to Notes denominated in Singapore dollars. Whenever there is mentioned in any context the payment of principal, premium or interest in respect of any Note, such mention shall be deemed to include the payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the Indenture (Indenture § 1001).

Interest and Interest Rates

Unless otherwise indicated in the applicable Pricing Supplement, interest-bearing Notes will bear interest at either (a) a fixed rate (a “Fixed Rate Note”) or (b) a floating rate determined by reference to an interest rate formula, which may be adjusted by adding or subtracting the Spread and/or multiplying by the Spread Multiplier (a “Floating Rate Note”). Each interest-bearing Note will bear interest from and including the Original Issue Date of the series or from and including the most recent Interest Payment Date (or, in the case of a Floating Rate Note with daily or weekly Interest Reset Dates (as defined below), the day following the Regular Record Date immediately preceding such Interest Payment Date) with respect to which interest on such Note (or any predecessor Note) has been paid or duly provided for at the fixed rate per annum, or at the rate per annum determined pursuant to the interest rate formula, stated therein and in the applicable Pricing Supplement, as applicable, until the principal thereof is paid or made available for payment.

Interest rates, or interest rate formulae, are subject to change by the Issuer or the Guarantor (as applicable) from time to time, but no such change will affect any Note already issued or as to which an offer to purchase has been accepted by the Issuer or the Guarantor (as applicable).

Fixed Rate Notes

The applicable Pricing Supplement relating to a Fixed Rate Note will designate a fixed rate of interest per annum payable on such Note. Unless otherwise indicated in the applicable Pricing Supplement, (1) the Interest Payment Date(s) with respect to Fixed Rate Notes shall be either annually or semi-annually and (2) the Regular Record Date(s) for Fixed Rate Notes shall be the date that is 15 calendar days prior to each Interest Payment Date, whether or not such date is a Business Day. Unless otherwise indicated in the applicable Pricing Supplement, interest payments for Fixed Rate Notes shall be the amount of interest accrued from and including (1) the Original Issue Date of the series or (2) the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding the relevant Interest Payment Date. Unless otherwise indicated in the applicable Pricing Supplement, interest on such Notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed. Unless otherwise indicated in the applicable Pricing Supplement, in any case where any Interest Payment Date, redemption date or Stated Maturity of any Fixed Rate Note is not a Business Day at any place of payment, then payment of principal of or any premium or interest on such Note need not be made at such place of payment on such date, but may be made on the next succeeding Business Day at such place of payment with the same force and effect as if made on the Interest Payment Date, redemption date or at the Stated Maturity, *provided* that no interest shall accrue on the amount payable for the period from and after such Interest Payment Date, redemption date or Stated Maturity, as the case may be.

Floating Rate Notes

The applicable Pricing Supplement relating to a Floating Rate Note will designate an interest rate formula for such Floating Rate Note. Such formula may be: (a) the Commercial Paper Rate, in which case such Note will be a Commercial Paper Rate Note, (b) the Prime Rate, in which case such Note will be a Prime Rate Note, (c) the CD Rate, in which case such Note will be a CD Rate Note, (d) the Federal Funds Rate, in which case such Note will be a Federal Funds Rate Note, (e) the Treasury Rate, in which case such Note will be a Treasury Rate Note, (f) the CMT Rate, in which case such Note will be a CMT Rate Note or (g) such other interest rate formula as is set forth in such Pricing Supplement. The applicable Pricing Supplement for a Floating Rate Note also will specify the Spread and/or Spread Multiplier, if any, and the maximum or minimum interest rate limitation, if any, applicable to each Note. In addition, such Pricing Supplement will define or specify for each Floating Rate Note the following terms, if applicable: Calculation Dates, Initial Interest Rate, Interest Payment Dates, Regular Record Dates, Index Maturity, Interest Determination Dates and Interest Reset Dates with respect to such Notes. Unless otherwise specified in the applicable Pricing Supplement, the relevant Paying Agent will act as Calculation Agent with respect to the Floating Rate Notes.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semi-annually, annually, or at such other time or date as specified in the applicable Pricing Supplement. Each date on which the rate of interest on Floating Rate Notes is reset as set forth below is hereinafter referred to as an "Interest Reset Date". Except as otherwise provided in the next sentence, and unless otherwise specified in the applicable Pricing Supplement, the date on which the rate of interest on Floating Rate Notes is reset will be, in the case of Floating Rate Notes which reset daily, each Market Day; in the case of Floating Rate Notes (other than Treasury Rate Notes) which reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes which reset weekly, the Tuesday of each week, except as provided below; in the case of Floating Rate Notes which reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes which reset quarterly, the third Wednesday of March, June, September and December; in the case of Floating Rate Notes which reset semi-annually, the third Wednesday of two months of each year, as indicated in the applicable Pricing Supplement; and in the case of Floating Rate Notes which reset annually, the third Wednesday of one month of each year, as indicated in the applicable Pricing Supplement; *provided, however,* that (a) the interest rate in effect for the period from the Original Issue Date of a Floating Rate Note (or that of a predecessor Note) to but excluding the first Interest Reset Date with respect to such Floating Rate Note will be the Initial Interest Rate (as set forth in the applicable Pricing Supplement) and (b) unless otherwise specified in the applicable Pricing Supplement, the interest rate for the 10 calendar days immediately prior to Maturity will be that in effect on the tenth calendar day preceding such Maturity. If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Market Day with respect to such Note, such Interest Reset Date shall be the next succeeding Market Day with respect to such Notes.

The Interest Determination Date pertaining to an Interest Reset Date for a Commercial Paper Rate Note (the "Commercial Paper Interest Determination Date"), a Prime Rate Note (the "Prime Rate Interest Determination Date"), a CD Rate Note (the "CD Rate Interest Determination Date"), a Federal Funds Rate Note (the "Federal Funds Interest Determination Date") or a CMT Rate Note (the "CMT Rate Interest Determination Date") will be the second Market Day preceding such Interest Reset Date for the relevant Note. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note (the "Treasury Interest Determination Date") will be the day on which Treasury bills are normally auctioned for the week in which such Interest Reset Date falls. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as a result of a legal holiday, an auction is so held on the preceding Friday, such Friday shall be the Treasury Interest Determination Date for the Interest Reset Date occurring in the next succeeding week. If the auction for such week falls on a day that is an Interest Reset Date, the Interest Reset Date for such week shall be the next succeeding Market Day.

Unless otherwise specified in the applicable Pricing Supplement, the "Calculation Date", where applicable, pertaining to any Interest Determination Date will be the first to occur of (a)(i) in the case of any CD Rate Interest Determination Date, Commercial Paper Interest Determination Date, Treasury Interest Determination Date, Federal Funds Interest Determination Date or CMT Rate Interest Determination Date, the 10th day after such interest determination date or, if any such day is not a Market Day, the next succeeding Market Day or (ii) in the case of any Prime Rate Interest Determination Date, such interest determination date, and (b) the Market Day preceding the applicable Interest Payment Date or the Stated Maturity (or the date of redemption or repayment, if any), as the case may be.

A Floating Rate Note may have either or both of the following: (a) a maximum interest rate limitation, or ceiling, on the rate of interest which may accrue during any interest period; and (b) a minimum interest rate limitation, or floor, on the rate of interest which may accrue during any interest period. In addition to any maximum interest rate which may be applicable to any Floating Rate Note, the interest rate on the Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States federal law of general application. Under present New York law, the maximum rate is 25.0% per annum on a simple interest basis. This limit does not apply to Notes in which US\$2,500,000 or more has been invested.

Unless otherwise specified in the applicable Pricing Supplement, the Interest Payment Date with respect to a Floating Rate Note will be the third Wednesday of the month or months specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, if, pursuant to the preceding sentence, an Interest Payment Date with respect to any Floating Rate Note would otherwise be a day that is not a Market Day with respect to such Note, such Interest Payment

Date shall be the next succeeding Market Day with respect to such Note. Unless otherwise specified in the applicable Pricing Supplement, if the date for payment of the principal of or any premium or interest on any Floating Rate Note at Maturity is not a Business Day at any place of payment, then such payment of principal, premium or interest need not be made on such date at such place of payment, but may be made on the next succeeding Business Day at such place of payment with the same force and effect as if made on the date for such payment of the principal, premium or interest and no interest shall accrue on the payment from and after any such date for payment.

Unless otherwise indicated in the applicable Pricing Supplement, the Regular Record Date with respect to Floating Rate Notes shall be the date 15 calendar days prior to each Interest Payment Date, whether or not such date shall be a Market Day. Unless otherwise specified in the applicable Pricing Supplement, interest payments for Floating Rate Notes shall be in the amount of interest accrued from and including (a) the Original Issue Date of the series or (b) the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding the Interest Payment Date; *provided, however*, that if the Interest Reset Dates with respect to any Floating Rate Note are daily or weekly, unless otherwise specified in the applicable Pricing Supplement, interest payable on any Interest Payment Date will include interest accrued from and including (a) the Original Issue Date of the series or (b) the day following the most recent Regular Record Date in respect of which interest has been paid or duly provided for, as the case may be, to but excluding the day following the Regular Record Date immediately preceding such Interest Payment Date. Notwithstanding the foregoing, interest payable at Maturity will include interest accrued to but excluding the date of Maturity. Unless otherwise specified in the applicable Pricing Supplement, the interest accrued on a Floating Rate Note for any period will be calculated by multiplying the face amount of such Floating Rate Note by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day in such period. The interest factor (expressed as a decimal rounded upwards, if necessary, as described below) for each such day is computed by dividing the interest rate (expressed as a decimal rounded upwards, if necessary, as described below) applicable to such day by, unless otherwise specified in the applicable Pricing Supplement, 360, in the case of Commercial Paper Rate Notes, Prime Rate Notes, CD Rate Notes, or Federal Funds Rate Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes and CMT Rate Notes. All percentages resulting from any calculation of the interest rate on Floating Rate Notes will be rounded, if necessary, to the nearest one-hundredth thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (for example, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all U.S. dollar amounts used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest cent (with one-half cent being rounded upwards). Unless otherwise indicated in the applicable Pricing Supplement, the interest rate in effect with respect to a Floating Rate Note on any day that is not an Interest Reset Date will be the interest rate determined as at the Interest Determination Date pertaining to the immediately preceding Interest Reset Date (or if there is none, the Initial Interest Rate), and the interest rate in effect on any day that is an Interest Reset Date will be the interest rate determined as at the Interest Determination Date pertaining to such Interest Reset Date, subject in either case to any maximum or minimum interest rate limitation referred to above; *provided, however*, that the interest rate in effect for the 10 calendar days prior to Maturity shall be the interest rate in effect on the tenth calendar day prior to Maturity.

Upon the request of the holder of any Floating Rate Note, or the Issuer or the Guarantor, the Calculation Agent (which shall be the relevant Paying Agent unless otherwise specified in the applicable Pricing Supplement) will provide the interest rate then in effect, and, if determined, the interest rate which will become effective on the next Interest Reset Date as a result of a determination made on the most recent Interest Determination Date with respect to such Floating Rate Note.

Interest rates on Floating Rate Notes will be determined by the Calculation Agent as follows:

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest at the interest rate (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Commercial Paper Rate Notes and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Commercial Paper Rate" means, with respect to any Commercial Paper Interest Determination Date, the Money Market Yield (calculated as described below) of the rate on such date for commercial paper having the Index Maturity specified

in the applicable Pricing Supplement as published in H.15(519) under the heading “Commercial Paper Non-financial”. In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Commercial Paper Interest Determination Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Commercial Paper Interest Determination Date for commercial paper having the Index Maturity specified in the applicable Pricing Supplement as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the heading “Commercial Paper Non-financial”. If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, the Commercial Paper Rate for that Commercial Paper Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates, as at 11:00 A.M., New York City time, on that Commercial Paper Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for commercial paper having the Index Maturity specified in the applicable Pricing Supplement placed for an industrial issuer whose bond rating is “AAA”, or the equivalent, from a nationally recognised rating agency; *provided, however*, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate will be the Commercial Paper Rate in effect on such Commercial Paper Interest Determination Date. “Money Market Yield” shall be a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and “M” refers to the actual number of days in the interest period for which interest is being calculated.

Prime Rate Notes

Each Prime Rate Note will bear interest at the interest rate (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Prime Rate Notes and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, “Prime Rate” means, with respect to any Prime Rate Interest Determination Date, the rate on such date as published in H.15(519) under the heading “Bank Prime Loan”. In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Prime Rate Interest Determination Date, then the Prime Rate for that Prime Rate Interest Determination Date will be the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the heading “Bank Prime Loan”. If by 3.00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, the Prime Rate for that Prime Rate Interest Determination Date will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page as such bank’s prime rate or base lending rate as in effect for that Prime Rate Interest Determination Date. If fewer than four such rates but more than one such rate appear on the Reuters Screen USPRIME1 Page for the Prime Rate Interest Determination Date, the Prime Rate for that Prime Rate Interest Determination Date will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as at the close of business on such Prime Rate Interest Determination Date by at least two of the three major money centre banks in The City of New York selected by the Calculation Agent from which quotations are requested. If fewer than two quotations are provided, the Prime Rate for that Prime Rate Interest Determination Date will be determined on the basis of the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organised and doing business under the laws of the United States or any State thereof, in each case having total equity capital of at least US\$500,000,000 and being subject to supervision or examination by federal or State authority, selected by the Calculation Agent to provide such rate or rates, *provided, however*, that if the banks or trust companies selected as aforesaid by the Calculation Agent are not quoting rates as set forth above, the “Prime Rate” in effect for such Interest Reset Period will be the same as the Prime Rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the rate of interest payable on the Prime Rate Notes for which such Prime Rate is being determined will be the Initial Interest Rate).

CD Rate Notes

Each CD Rate Note will bear interest at the interest rate (calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable CD Rate Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, “CD Rate” means, with respect to any CD Rate Interest Determination Date, the rate on such date for negotiable certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the heading “CDs (Secondary Market)”. In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such CD Rate Interest Determination Date, then the CD Rate will be the rate on such CD Rate Interest Determination Date for negotiable certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the heading “CDs (Secondary Market)”. If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, the CD Rate for that CD Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates, as at 10:00 A.M., New York City time, on that CD Rate Interest Determination Date, of three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in The City of New York selected by the Calculation Agent for negotiable U.S. dollar certificates of deposit of major United States money market banks with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement in a denomination of US\$5,000,000; *provided, however*, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate will be the CD Rate in effect on such CD Rate Interest Determination Date.

Federal Funds Rate Notes

Each Federal Funds Rate Note will bear interest at the interest rate (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Federal Funds Rate Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, “Federal Funds Rate” means, with respect to any Federal Funds Interest Determination Date, the rate on such date for Federal Funds having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the heading “Federal Funds (Effective)” as displayed on the Moneyline Telerate Service (“Moneyline Telerate”) (or any successor service) on page 120 (or any other page as may replace the applicable page on that service). In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Federal Funds Interest Determination Date, then the Federal Funds Rate will be the rate on such Federal Funds Interest Determination Date as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the heading “Federal Funds/Effective Rate”. If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, the Federal Funds Rate for that Federal Funds Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates, as at 9:00 A.M., New York City time, on that Federal Funds Interest Determination Date, for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York selected by the Calculation Agent; *provided, however*, that if the brokers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate will be the Federal Funds Rate in effect on such Federal Funds Interest Determination Date.

Treasury Rate Notes

Each Treasury Rate Note will bear interest at the interest rate (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Treasury Rate Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, “Treasury Rate” means, with respect to any Treasury Interest Determination Date, the rate for the most recent auction of direct obligations of the United States (“Treasury Bills”) having the Index Maturity specified in the applicable Pricing Supplement on the display on Moneyline Telerate (or any successor service) on page 56 or page 57 (or any other pages as may replace such pages on such services) under the caption “Investment Rate”. If such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date

pertaining to such Treasury Interest Determination Date, then the Treasury Rate for that Treasury Interest Determination Date will be the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for such auction as otherwise announced by the United States Department of the Treasury. In the event that the results of the auction of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no auction is held, then the Treasury Rate will be the rate as published in H.15(519) under the heading "U.S. Government Securities/Treasury Bills/Secondary Market" or any successor publication or heading for Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement. If such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, then the Treasury Rate will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates as at approximately 3:30 P.M., New York City time, on such Treasury Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; *provided, however*, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate will be the Treasury Rate in effect on such Treasury Interest Determination Date.

CMT Rate Notes

Each CMT Rate Note will bear interest at the interest rate (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable CMT Rate Note and in the applicable Pricing Supplement.

Unless otherwise indicated in an applicable Pricing Supplement, "CMT Rate" means, with respect to any CMT Interest Determination Date, the rate displayed for the Index Maturity specified in the applicable Pricing Supplement on the Designated CMT Telerate Page (as defined below) under the caption, "Treasury Constant Maturities, Federal Reserve Board Release H.15", "Mondays Approximately 3:45 P.M." under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated CMT Telerate Page is FRBCMT, the rate on such CMT Interest Determination Date and (ii) if the Designated CMT Telerate Page is FEDCMT, the weekly or monthly average, as specified in the applicable Pricing Supplement, for the week or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related CMT Interest Determination Date occurs. If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Interest Determination Date will be such Treasury Constant Maturity rate for the Designated CMT Maturity Index as published in H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Interest Determination Date will be such Treasury Constant Maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Interest Determination Date with respect to the related CMT Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519). If such information is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market bid prices as at approximately 3:30 P.M., New York City time, on the CMT Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each a "Reference Dealer") in The City of New York (which may include the Agents or their affiliates) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Issuer, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for the most recently issued direct non-callable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Notes quotations, the CMT Rate for such CMT Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market bid prices as at approximately 3:30 P.M., New

York City time, on the CMT Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Issuer, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the market at that time. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate for such CMT Interest Determination Date will be based on the arithmetic mean of the secondary market bid prices obtained and neither the highest nor the lowest of such quotes will be eliminated: *provided, however*, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT Rate for such Interest Reset Date will be the same as the CMT Rate in effect on such CMT Interest Determination Date. If two Treasury Notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

“Designated CMT Telerate Page” means the display on the Moneyline Telerate (or any successor service) on the page designated in an applicable Pricing Supplement (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified in the applicable Pricing Supplement, the Designated CMT Telerate Page shall be FEDCMT for the most recent week.

“Designated CMT Maturity Index” means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in an applicable Pricing Supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified in the applicable Pricing Supplement, the Designated CMT Maturity Index shall be two years.

Redemption on Maturity

Unless previously redeemed or purchased and cancelled or unless such Note is stated in the applicable Pricing Supplement as having no fixed maturity date, each Note shall be finally redeemed on the Stated Maturity at its Redemption Amount.

Optional redemption

Unless otherwise specified in the applicable Pricing Supplement, the Issuer may, at its option at any time, redeem the Notes of a series prior to its Stated Maturity in whole or in part at an amount equal to the greater of (i) their Redemption Amount and (ii) the Make Whole Amount (which is the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a rate equal to (a) the yield of United States Treasury Notes of the same maturity plus (b) a spread specified in the applicable Pricing Supplement), in each case together with accrued but unpaid interest to (but excluding) the date of redemption (Indenture § 1109). For the avoidance of doubt, the aforementioned reference to “United States Treasury Notes of the same maturity” refers to United States Treasury Notes having a maturity equal or most nearly equal to the period from the date of redemption to the Stated Maturity of such Notes.

Notice of such redemption will be provided to each holder of such Notes by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the respective address of each such holder as that address appears in the Note Register (Indenture §§ 1109).

Open market purchases

The Issuer or the Guarantor may at any time and from time to time purchase Notes at any price in the open market or otherwise. Notes so purchased by the Issuer or the Guarantor may be held, resold or surrendered to the New York Trustee for cancellation (Indenture § 1110).

Optional tax redemption

Unless otherwise provided in the applicable Pricing Supplement, if at any time the Issuer shall determine that as a result of a change in or amendment to the laws of a Relevant Taxing Jurisdiction affecting taxation, or any change in the general application or official or general interpretation of such

laws, which change, amendment, application or interpretation is proposed and becomes effective on or after the Original Issue Date of such series of Notes (the “Relevant Date”) in making any payment under the Indenture or the Notes, the Issuer would be required to pay Additional Amounts, such Notes may be redeemable as a whole at the option of the Issuer upon not less than 30 nor more than 60 days’ notice given as provided in the Indenture at any time, at their Redemption Amount together with accrued but unpaid interest to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption, the Issuer is required to deliver to the New York Trustee (a) an opinion of independent tax counsel of recognised standing in the Relevant Taxing Jurisdiction or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer would be required to pay Additional Amounts on the next payment in respect of such Notes as a result of a change, amendment, application or interpretation described above and (b) an Officer’s Certificate to the effect that, in the judgment of the Issuer, such obligation cannot be avoided by the Issuer taking reasonable measures available to it and the New York Trustee shall be entitled to accept such opinion or decision, determination or ruling as sufficient evidence of the satisfaction of the conditions precedent for this option to redeem by the Issuer, in which event it shall be conclusive and binding on the Noteholders.

The ability of a Successor Entity (as defined below) to exercise the rights of the Issuer under this provision is described under “— Consolidation, merger and sale of assets” (Indenture § 1108).

Modification and amendment

Modification and amendments of an Indenture may be made by the Issuer, the Guarantor and the New York Trustee without the consent of the Noteholders in certain instances or with the Act of Noteholders of not less than a majority in the aggregate principal amount of the Notes of each series Outstanding under the Indenture affected by such modification or amendment, *provided* that no such modification or amendment may, without the consent of the holder of each such Note affected thereby, among other things: (a) change the Stated Maturity of principal or Redemption Amount of or due date for any instalment of principal or interest, if any, on any such Note; (b) reduce the principal amount or Redemption Amount of, or any interest on, any such Note or any premium payable upon the redemption thereof or the amount of the principal of an Original Issue Discount Note that would be due and payable upon the acceleration of the maturity thereof; (c) change the currency of payment of principal of, premium, if any, or Redemption Amount or interest, if any, on any such Note; (d) impair the right of any Noteholder to institute suit for the enforcement of any such payment on any such Note; (e) reduce the above-stated percentage of holders of Notes of any series necessary to modify or amend the Indenture; (f) reduce the percentage in principal amount of Outstanding Notes of any series necessary to waive certain defaults or compliance with certain provisions of the Indenture; (g) modify the foregoing requirements; (h) change the obligation of the Issuer or the Guarantor to pay Additional Amounts; (i) change in any manner adverse to the interests of the holders of the Notes the terms and provisions of the Guarantee in respect of the due and punctual payment of the principal of and premium and interest on the Notes; or (j) change, in any manner adverse to the interests of the Noteholders, the terms and provisions of the covenant described under “— Consolidation, merger and sale of assets” (Indenture § 902).

Subject to the foregoing, the Indenture may be amended by the Issuer, the Guarantor and the New York Trustee, without the consent of the holder of any Note, for the purpose of curing any ambiguity or to correct or supplement any provision contained therein which may be inconsistent with any other provision contained therein, *provided* that such action shall not adversely affect the interests of the holders of any series of Notes in any material respect (Indenture § 901(7)).

Consolidation, merger and sale of assets

Each of the Issuer and the Guarantor may not consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it or directly or indirectly convey, transfer, sell or lease or otherwise dispose of all or substantially all of its property and assets to any Person unless:

- (a) any Person formed by such consolidation or into which the Issuer or the Guarantor (as applicable) is merged or to whom the Issuer or the Guarantor (as applicable) has conveyed, transferred, sold or leased all or substantially all its properties and assets (the “Successor Entity”) is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental indenture all of the Issuer’s or the Guarantor’s (as applicable) obligations on the Notes and under the Indenture (including any obligation to pay any Additional Amounts);

- (b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;
- (c) any such Successor Entity not organised and validly existing under the laws of the United States, any State thereof or the District of Columbia, or the Republic of Singapore shall expressly agree by a supplemental indenture that all payments pursuant to the Notes or the Guarantee (as applicable) in respect of principal of and premium and interest on the Notes shall be made without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation or tax residency of such Successor Entity or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Successor Entity will pay such additional amounts of, or in respect of the principal of and premium and interest on the Notes (“Successor Additional Amounts”) as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such) in the payment to the holders of the Notes of the amounts which would have been payable in respect of such Notes had no such withholding or deduction been required, subject to the same exceptions as apply with respect to the payment by the Issuer or the Guarantor (as applicable) of Additional Amounts in respect of the Notes (inserting references to the taxing jurisdiction where appropriate), and *provided* that such Successor Entity shall not have the right to redeem the Notes pursuant to the provisions described under “— Optional tax redemption” in respect of such Successor Additional Amounts unless (A) the obligation to pay such Successor Additional Amounts arises as a result of any change in, or amendment to, the laws or regulations of such Successor Entity’s jurisdiction of organisation or any political subdivision or taxing authority thereof or therein, or any change in the general application or official or general interpretation of such laws or regulations, which change or amendment is proposed and becomes effective after the date such Successor Entity assumes the obligations of the Issuer or the Guarantor (as applicable) under the Indenture and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the Indenture relating to the redemption of the Notes shall have been satisfied;
- (d) such Successor Entity shall have delivered to the New York Trustee an opinion of U.S. tax counsel of recognised standing to the effect that the beneficial owners of such Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred; and
- (e) the Issuer or such Successor Entity shall have delivered to the New York Trustee an officers’ certificate and an opinion of counsel, each stating that such transaction and such supplemental indenture comply with the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with (Indenture § 801).

Defeasance and discharge

The Indenture provides that the Issuer and the Guarantor, at the Issuer’s option, (a) will be Discharged from any and all obligations in respect of the Notes issued thereunder (except for certain obligations to register the transfer of or exchange Notes, replace stolen, lost or mutilated Notes, and maintain paying agents and to hold certain moneys in trust for payment) or (b) need not comply with any term, provision or condition set forth in Indenture §§ 801, 1005 or 1007 of the Indenture if, in each case, the Issuer irrevocably deposits with the New York Trustee or its agent under the Indenture, in trust for the purpose of making the following payments for the benefit of holders of Notes: (1) an amount in U.S. dollars or (2) Government Obligations applicable to such Notes (determined on the basis of U.S. dollars), which through the scheduled payment of principal, premium and interest in respect thereof will provide not later than one day before the due date of any payment of principal, premium and interest, if any, on such Notes, money in an amount sufficient, in the opinion of an internationally recognised accounting firm that is independent to the Issuer and the Guarantor, to pay all the principal of and premium and interest on such Notes on the dates such principal, premium and interest is due in accordance with the terms of such Notes. In the case of a discharge described in clause (a) above, the Issuer is required to deliver to the New York Trustee under the Indenture prior to such discharge either (X) an Opinion of Counsel of recognised standing with respect to U.S. federal income tax matters to the effect that since the date of

the Indenture there has been a change in applicable U.S. federal income tax law and, as a result of such change, beneficial owners of such Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of such deposit and related defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and related defeasance had not been exercised or (Y) a ruling to such effect received from or published by the U.S. Internal Revenue Service ("IRS") and in the case of a discharge described in clause (b) above, the Issuer is required to deliver to the New York Trustee under the Indenture prior to such discharge an Opinion of Counsel of recognised standing with respect to U.S. federal income tax matters to the effect that beneficial owners of such Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of such deposit and related defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and related defeasance had not been exercised (Indenture § 1401).

Waiver of immunity

Each of the Issuer and the Guarantor has irrevocably agreed that, should any suit or proceeding be brought against it arising out of or in connection with the Indenture or the Notes, no immunity (to the extent that it may now or hereafter exist, whether on the grounds of sovereign immunity or otherwise) from such suit or proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its property, assets or revenues, or from execution or judgment wherever brought or made, shall be claimed by it or on its behalf or with respect to its property, assets or revenues, and each of the Issuer and the Guarantor has irrevocably waived any such immunity to the fullest extent permitted by law (Indenture § 114).

Governing law

The Indenture and Notes issued pursuant to the Indenture will be governed by, and construed in accordance with, the laws of the State of New York (Indenture § 112). The Issuer and the Guarantor have submitted to the non-exclusive jurisdiction of any New York State or United States federal court in The City of New York in any suit or proceeding arising out of or relating to Notes or the Guarantee. The Issuer and the Guarantor have irrevocably waived, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue in any such suit, action or proceeding brought in such courts and any claim that any such suit, action or proceeding brought in such courts, has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile (Indenture § 114).

Concerning the New York Trustee

Deutsche Bank Trust Company Americas is the New York Trustee under the Indenture. Except during the continuance of an Event of Default, the New York Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the New York Trustee. In case an Event of Default has occurred and is continuing, the New York Trustee shall exercise those rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of the Indenture will require the New York Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity or security satisfactory to it against such risk or liability is not reasonably assured to it (Indenture § 601). The Issuer and the Guarantor maintain an account and conduct other banking transactions with the New York Trustee and its affiliates in the ordinary course of their business. The Indenture contains limitations on the rights of the New York Trustee, should it become a creditor of any obligor on the Notes, to obtain payment of claims in certain cases, or to realise certain property received in respect of any such claim as security or otherwise. The New York Trustee is permitted to engage in other transactions with the Issuer or the Guarantor; *provided* that if it acquires any conflicting interest it must either eliminate the conflict within 90 days or resign.

Consent to service of process

Each of the Issuer and the Guarantor has irrevocably designated and appointed CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011, as its authorised agent for service

of process in any suit or proceeding arising out of or relating to the Indenture or Notes governed by the laws of the State of New York issued thereunder brought in any federal or state court in The City of New York in the Borough of Manhattan or brought under federal or state securities laws or brought by the New York Trustee (whether in its individual capacity or in its capacity as the New York Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of any New York State or United States federal court in The City of New York in any such suit or proceeding (Indenture § 114).

Terms and conditions of the Notes governed by Singapore law

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

The Notes are constituted by an amended and restated Singapore Law Trust Deed dated July 12, 2013 (as may be further amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Singapore Law Trust Deed**”) among Temasek Financial (I) Limited (the “**Issuer**”), Temasek Holdings (Private) Limited (the “**Guarantor**”) and DBS Trustee Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Singapore Law Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Singapore Law Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated November 24, 2009 has been entered into in relation to the Notes among the Issuer, the Guarantor, the Trustee, DBS Bank Ltd. as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Singapore Law Trust Deed and the Agency Agreement are available for inspection free of charge during usual business hours at the specified offices of the Paying Agents and the Transfer Agents.

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

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

1 Form, Denomination and Title

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

All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of US\$200,000 (or its equivalent in another currency) and integral multiples of US\$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.

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

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

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

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

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

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

expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

2 Transfers of Registered Notes

- (a) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (b) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined below) or Purchase Notice (as defined below) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice, Purchase Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice, Purchase Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of

15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

3 Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Singapore Law Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the “**Guarantee**”) are contained in the Singapore Law Trust Deed.
- (b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons constitute direct, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law. The Guarantee (as defined in the Singapore Law Trust Deed) will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future, unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.

4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).
- (b) **Interest on Floating Rate Notes, Index Linked Interest Notes and Variable Rate Notes:**
 - (i) **Interest Payment Dates:** Each Floating Rate Note, Index Linked Interest Note and Variable Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, provided that the Agreed Yield (as defined in Condition 4(b)(v)) in respect of any Variable Rate Note for any Interest Period (as defined below) shall be payable on the first day of that Interest Period.
 - (ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

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

(A) ISDA Determination for Floating Rate Notes

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

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

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

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

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

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

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

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Benchmark is LIBOR, the principal London office of each of the Reference Banks or, if the Benchmark is EURIBOR, the principal Euro-zone office of

each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time), or if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

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

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

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

- (x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:
 - (l) in the case of Floating Rate Notes which are SIBOR Notes
 - (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “Swap Offer and SIBOR (ABSIRFIX)” and under the column headed “SGD SIBOR” (or such other Relevant Screen Page);
 - (bb) if on any Interest Determination Date, no such rate appears on the Page ABSI (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “SIBOR AND SWAP OFFER RATES—RATES AT 11:00 A.M. SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof);
 - (cc) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;
 - (dd) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (ee) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic

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

- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
 - (bb) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
 - (cc) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

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

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the

relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

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

- (dd) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (cc) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

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

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation

Agent) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "SGD SPOT AND SWAP OFFER RATES" and under the column headed "SPOT" (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

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

T = the number of days in the Interest Period concerned; and

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

(ee) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (dd) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per

annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market; and

T = the number of days in the Interest Period concerned;

(ff) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average

Swap Rate for the relevant Interest Period shall be determined in accordance with (ee) above on the basis of the quotations of those Reference Banks providing such quotations; and

- (gg) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified thereon.
- (v) *Rate of Interest for Variable Rate Notes*
- (A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (v). The interest payable in respect of a Variable Rate Note for each Interest Period relating to that Variable Rate Note, which shall be payable on the first day of such Interest Period, is referred to in this Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
 - (B) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period, subject as referred to in paragraph (v)(D) below, shall be determined as follows:
 - (x) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the fifth business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (1) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (2) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and
 - (3) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (y) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the

fifth business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (x) above, the Rate of Interest for such variable Rate Note for such Interest Period shall automatically be the Fall Back Rate.

- (C) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (x) notify the Issuing and Paying Agent and the Calculation Agent in writing of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (y) cause such Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (D) For the purposes of paragraph (B) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or SOR (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).
- (E) The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(iii)(B) or 4(iii)(C), as the case may be, above (mutatis mutandis) and references therein to “Rate of Interest” shall mean “Fall Back Rate”.

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

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

- (g) **Spread, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Spread is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Spread, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than the fourth Business Day after such determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period to be notified to the Noteholders in accordance with Condition 16 as soon as possible after their determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice

in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

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

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

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

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

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

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

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

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

“**Interest Amount**” means:

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

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

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

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

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

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

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

“Reference Rate” means the rate specified as such hereon.

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

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

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

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

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

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

5 Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note

shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

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

(b) **Early Redemption:**

- (i) Zero Coupon Notes:

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

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

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

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

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

(c) **Redemption for Taxation Reasons**

Unless otherwise specified hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) (the "**Note Optional Tax Redemption**") at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of

Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer, or the Guarantor, as the case may be, is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) an opinion of independent tax counsel of recognised standing in Singapore or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer (or the Guarantor, as the case may be) would be required to pay Additional Amounts on the next payment in respect of such Notes (or the Guarantee) as a result of a change, amendment, application or interpretation described above and (ii) a certificate signed by two executive officers (being any of the Chief Executive Officer, the Chief Financial Officer, the Secretary, a Director or any other person authorised by the Board of Directors) of the Issuer (or the Guarantor, as the case may be) to the effect that, in the judgment of the Issuer (or the Guarantor, as the case may be), such obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

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

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

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

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

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

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

(f) **Purchase at the option of holders of Variable Rate Notes:** If VRN Purchase Option is specified hereon, each holder of Variable Rate Notes shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes

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

- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- (h) **Purchases:** The Issuer, the Guarantor and their subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (j) **Trustee Not Obligated to Monitor:** None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the Early Redemption Date or be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Noteholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
 - (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day

before the due date for payment thereof (the “**Record Date**”) provided, however, that interest payable on any interest bearing Note at Maturity or redemption shall be payable in immediately available funds to the person to whom principal shall be payable. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, including FATCA (as defined below), but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in Singapore, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

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

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

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
 - (i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, 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 that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the

Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law (including under FATCA (as defined below)). In that event, in relation to Notes denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Notes for, or on account of, any such taxes or duties, and, in relation to Notes which are not denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (the “**Additional Amounts**”) as shall

result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented), where presentation is required, for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements; or
- (f) **Estate, inheritance, gift, sales, transfer or similar taxes:** where such deduction or withholding is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a relevant holder or beneficial owner of such Note; or
- (g) **Fiduciary or partnership or person other than the sole beneficial owner of such payment:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed on such payment had such holder been the sole beneficial owner of such Note, Receipt or Coupon, as applicable; or
- (h) **Foreign Account Tax Compliance Act:** where such deduction or withholding is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation adopted in connection therewith ("**FATCA**"); or
- (i) any combination of items (a) through (h) above.

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

deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Singapore Law Trust Deed.

8 Prescription

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

9 Events of Default

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

- (a) failure to pay any interest on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (b) failure to pay the Redemption Amount on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor and continuance of such failure for a period of 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days; or
- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction

not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action; or

- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee ceasing to be in full force or effect or the Guarantor denying or disaffirming in writing its obligations under the Guarantee

provided that in the case of paragraphs (d) and (e), the Notes shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest without any act by the Trustee or the Noteholders.

10 Consolidation, Merger and Sale of Assets and Substitution

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

- (a) any Person formed by such consolidation or into which the Issuer or the Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be, has conveyed, transferred, sold or leased all or substantially all its properties and assets (the “**Successor Entity**”) is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental trust deed all of the Issuer’s or the Guarantor’s, as the case may be, obligations under the Notes and the Singapore Law Trust Deed (including any obligation to pay any Additional Amounts as provided in Condition 7);
- (b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;
- (c) any such Successor Entity not organised under the laws of the Republic of Singapore shall expressly agree by a supplemental trust deed that all payments pursuant to the Notes or the Guarantee, as the case may be, in respect of principal of and premium and interest on the Notes shall be made without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation or tax residency of such Successor Entity or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Successor Entity will, in relation to Notes which are not denominated in Singapore dollars, pay such additional amounts of, or in respect of the principal of and premium and interest on such Notes (“**Successor Additional Amounts**”) as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such) in the payment to the holders of such Notes of the amounts which would have been payable in respect of such Notes had no such withholding or deduction been required, subject to the same exceptions as apply with respect to the payment by the Issuer or the Guarantor, as the case may be, of Additional Amounts in respect of the Notes (inserting references to the taxing jurisdiction where appropriate), and provided that such Successor Entity shall not have the right to redeem the Notes pursuant to Condition 5(c) in respect of such Successor Additional Amounts unless (A) the obligation to pay such Successor Additional Amounts arises as a result of any change in, or amendment to, the

laws or regulations of such Successor Entity's jurisdiction of organisation or any political subdivision or taxing authority thereof or therein, or any change in the general application or official or general interpretation of such laws or regulations, which change or amendment is proposed and becomes effective after the date such Successor Entity assumes the obligations of the Issuer or the Guarantor, as the case may be, under the Singapore Law Trust Deed and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the Singapore Law Trust Deed relating to the redemption of the Notes shall have been satisfied; and

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

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

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

11 Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders:** The Singapore Law Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Singapore Law Trust Deed) of a modification of any of these Conditions or any provisions of the Singapore Law Trust Deed. If the Trustee receives a written request by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding and is indemnified and/or secured to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early

Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Guarantee, in which case the necessary quorum at the meeting or any adjourned meeting shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

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

- (b) **Modification of the Singapore Law Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Singapore Law Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the Singapore Law Trust Deed, and (ii) any other modification (except as mentioned in the Singapore Law Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Singapore Law Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require from the Issuer nor shall any Noteholder or Couponholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

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

13 Indemnification of the Trustee

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

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

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in

connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

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

Any further issuances could have adverse tax consequences to U.S. Noteholders as discussed under “Certain tax considerations — United States federal income taxation — Original issue discount — Additional Notes” in the current offering circular relating to the Programme.

16 Notices

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

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

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

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

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

17 Contracts (Rights of Third Parties) Act

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

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Singapore Law Trust Deed, the Notes, the Receipts, the Coupons, the Talons and the Guarantee are governed by, and shall be construed in accordance with, Singapore law.
- (b) **Jurisdiction:** The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee may be brought in such courts.

Terms and conditions of the Notes governed by English law

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

The Notes are constituted by an amended and restated English Law Trust Deed dated July 12, 2013 (as may be further amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**English Law Trust Deed**”) among Temasek Financial (I) Limited (the “**Issuer**”), Temasek Holdings (Private) Limited (the “**Guarantor**”) and DB Trustees (Hong Kong) Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the English Law Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the English Law Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement dated February 3, 2010, as amended and supplemented by the first supplemental agency agreement dated July 9, 2012 (the “**Original Agency Agreement**”) was entered into in relation to the Notes among the Issuer, the Guarantor, the Trustee, Deutsche Bank Luxembourg S.A. as registrar, Deutsche Bank AG, Hong Kong Branch and Deutsche Bank AG, Singapore Branch as initial issuing and paying agent and the other agents named in it. The Issuer and the Guarantor terminated the appointments of the initial registrar, issuing and paying agent and the other agents pursuant to a notice of termination dated 26 June 2020 and appointed Citibank, N.A., London Branch as registrar and Citibank, N.A., London Branch and Citicorp Investment Bank (Singapore) Limited as issuing and paying agent and the other agents pursuant to a letter of appointment dated 26 June 2020 (the Original Agency Agreement as amended by such notice of termination and letter of appointment and as may be further amended or supplemented as at the Issue Date, the “**Agency Agreement**”). The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below collectively as, the “**Agents**” and respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the English Law Trust Deed, any Supplemental English Law Trust Deed (as defined below), the Agency Agreement and any Supplemental Agency Agreement (as defined below) are available for inspection free of charge during usual business hours at the specified offices of the Paying Agents and the Transfer Agents.

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

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

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) shown hereon. The Issuer may, without the consent of the Trustee, the Noteholders or the Couponholders, at any time after any issue of the Notes, (i) reduce the denomination of such Notes into smaller divisible amounts and/or (ii) remove or reduce the minimum denomination requirement in respect of such Notes; and

notwithstanding Condition 11 and Clause 15 of the English Law Trust Deed and all other provisions in these Conditions and the English Law Trust Deed, the Issuer may, without the consent of the Trustee, the Noteholders or the Couponholders, make any and all modifications to these Conditions and the English Law Trust Deed it deems necessary or appropriate to implement the foregoing and the Trustee shall, upon request of the Issuer, consent to all such modifications. Any such reduction, removal or modification shall be binding on all Noteholders and all Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable. Notes in bearer form may be issued pursuant to a supplemental trust deed that provides for the issuance of bearer notes and shall be in a form agreed between the Issuer, the Guarantor and the Trustee and in compliance with United States tax and other laws.

All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by applicable law, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of US\$200,000 (or its equivalent in another currency) and integral multiples of US\$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.

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

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

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

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

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

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by The Depository Trust Company ("**DTC**"), a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") or (ii) a Global Certificate and such Global Certificate is issued in the name of DTC, a common depository for Euroclear and Clearstream, Luxembourg and/or the Depository, each person who is for the time being shown

in the records of DTC, Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by DTC, Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer, the Guarantor and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the registered holder of the Global Certificate shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg and/or the Depository.

In relation to each Series to be issued pursuant to Rule 144A of the Securities Act and in reliance on the exemption provided by Section 3(c)(7) under the U.S. Investment Company Act of 1940, as amended, the Issuer and the Guarantor will enter into a supplemental trust deed with the Trustee (a “**Supplemental English Law Trust Deed**”) and a supplemental agency agreement with the Trustee and the Agents (a “**Supplemental Agency Agreement**”), each in a form to be agreed among the parties thereto to provide for additional terms and conditions applicable to such Series. The Notes of such Series will be constituted by the English Law Trust Deed as amended and supplemented by the relevant Supplemental English Law Trust Deed. In relation to any such Series, references to the English Law Trust Deed shall mean the English Law Trust Deed as amended and supplemented by the relevant Supplemental English Law Trust Deed and references to the Agency Agreement shall mean the Agency Agreement as amended and supplemented by the relevant Supplemental Agency Agreement.

2 Transfers of Registered Notes

- (a) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (b) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined below) or Purchase Notice (as defined below) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice, Purchase Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice, Purchase Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

3 Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the English Law Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the “**Guarantee**”) are contained in the English Law Trust Deed.
- (b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons constitute direct, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law. The Guarantee (as defined in the English Law Trust Deed) will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future, unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.

4 Interest and other Calculations

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

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

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

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

(A) ISDA Determination for Floating Rate Notes

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

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

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

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest

for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

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

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

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Benchmark is LIBOR, the principal London office of each of the Reference Banks or, if the Benchmark is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time), or if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark by leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, at which, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels

time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Spread or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Spread or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Spread or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

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

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "SGD SIBOR" (or such other Relevant Screen Page);

(bb) if on any Interest Determination Date, no such rate appears on the Page ABSI (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES—RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof);

(cc) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore

dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;

- (dd) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (ee) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
 - (bb) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date

and for a period equal to the duration of such Interest Period);

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of

leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

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

(dd) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (cc) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

T = the number of days in the Interest Period concerned; and

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market; and

T = the number of days in the Interest Period concerned;

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

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

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

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

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

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

subject as referred to in paragraph (v)(D) below, shall be determined as follows:

- (x) not earlier than 9.00 a.m. (Singapore time) on the ninth Business Day nor later than 3.00 p.m. (Singapore time) on the fifth Business Day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (1) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (2) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and
 - (3) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an **"Agreed Rate"**) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (y) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the fifth Business Day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (x) above, the Rate of Interest for such variable Rate Note for such Interest Period shall automatically be the Fall Back Rate.
- (C) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following Business Day:
- (x) notify the Issuing and Paying Agent and the Calculation Agent in writing of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (y) cause such Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (D) For the purposes of paragraph (B) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note shall be the rate (the **"Fall Back Rate"**) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or SOR (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

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

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

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.
- (g) **Spread, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Spread is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Spread, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation)

is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than the fourth Business Day after such determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period to be notified to the Noteholders in accordance with Condition 16 as soon as possible after their determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (j) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Trustee pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “**Business Day**” means:
- (i) in the case of a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong and/or
- (iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

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

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

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

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

where:

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

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

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

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

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

“**Interest Amount**” means:

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

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

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi.

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

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

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

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

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

“**Reference Rate**” means the rate specified as such hereon.

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

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

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

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

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

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

5 Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

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

(b) Early Redemption:

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

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

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

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

(c) **Redemption for Taxation Reasons**

Unless otherwise specified hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) (the "**Note Optional Tax Redemption**") at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer, or the Guarantor, as the case may be, is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) an opinion of independent tax counsel of recognised standing in Singapore or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer (or the Guarantor, as the case may be) would be required to pay Additional Amounts on the next payment in respect of such Notes (or the Guarantee) as a result of a change, amendment, application or interpretation described above and (ii) a certificate signed by two executive officers (being any of the Chief Executive Officer, the Chief Financial Officer, the Secretary, a Director or any other person authorised by the Board of Directors) of the Issuer (or the Guarantor, as the case may be) to the effect that, in the judgment of the Issuer (or the Guarantor, as the case may be), such obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept

such opinion without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

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

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

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

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

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

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

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

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

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

(i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and

Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

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

6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States, (i) other than in the case of Notes denominated in Renminbi, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank or (ii) in the case of Notes denominated in Renminbi, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof (the “**Record Date**”) provided, however, that interest payable on any interest bearing Note at Maturity or redemption shall be payable in immediately available funds to the person to whom principal shall be payable. Payments of interest on each Registered Note, other than in the case of Registered Notes denominated in Renminbi, shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank. Payments of interest on each Registered Note denominated in Renminbi shall be made by transfer to the registered Renminbi account of the Noteholder. In this Condition 6(b)(ii), “registered Renminbi account” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register on the Record Date.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if

(i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, including FATCA (as defined below), but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

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

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

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

- (i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, 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 that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, 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) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “**Financial Centres**” hereon and:
 - (i) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day or
 - (iii) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.
- (i) **Notes denominated in Renminbi — Payment of U.S. Dollar Equivalent:** Notwithstanding all other provisions in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, or if Renminbi is otherwise not available to the Issuer or the Guarantor as a result of circumstances beyond their control and such unavailability has been independently determined by a Renminbi Dealer, neither the Issuer nor the Guarantor is able or it would be impractical for the Issuer or the Guarantor, as the case may be, to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor, as the case may be, on giving not less than five nor more than 30 days’ irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by a U.S. dollar denominated cheque drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of the Notes at its address appearing in the Register, or, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, by transfer to a U.S. dollar denominated account with a bank in New York City. For the avoidance of doubt, no such payment of the U.S. Dollar Equivalent shall by itself be deemed to constitute a default in payment within the meaning of Condition 9(a) or Condition 9(b).

In the event of a payment pursuant to this Condition 6(i), the following modification shall be made in respect of the Conditions:

The definition of “**Business Day**” in Condition 4(k) shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in New York City.

For the purposes of this Condition 6(i):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

“**Illiquidity**” means that the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes or, as the case may be, the Guarantee, as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to convert any amount due in respect of the Notes or, as the case may be, the Guarantee in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or, as the case may be, the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

“**Non-transferability**” means the occurrence of any event that makes it impossible for the Issuer or, as the case may be, the Guarantor to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or vice-versa, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or, as the case may be, the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

“**Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange) in Hong Kong and in New York City;

“**Rate Calculation Date**” means the day which is two Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under these Conditions;

“**Renminbi Dealer**” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

“**Spot Rate**”, for a Rate Calculation Date, means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the Calculation Agent in good faith and in a commercially reasonable manner at or around 11 a.m. (Hong Kong time) on such Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent in good faith and in a commercially reasonable manner will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; and

“U.S. Dollar Equivalent” means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date, as calculated by the Calculation Agent.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Noteholders.

7 Taxation

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

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented), where presentation is required, for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/ EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements; or
- (f) **Estate, inheritance, gift, sales, transfer or similar taxes:** where such deduction or withholding is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a relevant holder or beneficial owner of such Note; or
- (g) **Fiduciary or partnership or person other than the sole beneficial owner of such payment:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed

on such payment had such holder been the sole beneficial owner of such Note, Receipt or Coupon, as applicable; or

- (h) **Foreign Account Tax Compliance Act:** where such deduction or withholding is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation adopted in connection therewith (“**FATCA**”); or
- (i) any combination of items (a) through (h) above.

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

8 Prescription

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

9 Events of Default

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

- (a) failure to pay any interest on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (b) failure to pay the Redemption Amount on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor and continuance of such failure for a period of 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving

bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days; or

- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action; or
- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee ceasing to be in full force or effect or the Guarantor denying or disaffirming in writing its obligations under the Guarantee

provided that in the case of paragraphs (d) and (e), the Notes shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest without any act by the Trustee or the Noteholders.

10 Consolidation, Merger and Sale of Assets and Substitution

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

- (a) any Person formed by such consolidation or into which the Issuer or the Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be, has conveyed, transferred, sold or leased all or substantially all its properties and assets (the "**Successor Entity**") is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental trust deed all of the Issuer's or the Guarantor's, as the case may be, obligations under the Notes and the English Law Trust Deed (including any obligation to pay any Additional Amounts as provided in Condition 7);
- (b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;
- (c) any such Successor Entity not organised under the laws of the Republic of Singapore shall expressly agree by a supplemental trust deed that all payments pursuant to the

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

- (d) such Successor Entity shall have delivered to the Trustee and the New York Trustee an opinion of U.S. tax counsel of recognized standing to the effect that the beneficial owners of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred; and
- (e) the Issuer or such Successor Entity shall have delivered to the Trustee an officers' certificate and opinion of counsel, each stating that such transaction and such supplemental trust deed comply with this Condition 10 and that all conditions precedent provided for in this Condition 10 relating to such transaction have been complied with.

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

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

11 Meetings of Noteholders, Modification and Waiver

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

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

- (b) **Modification of the English Law Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the English Law Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the English Law Trust Deed, and (ii) any other modification (except as mentioned in the English Law Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the English Law Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require from the Issuer nor shall any Noteholder or Couponholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

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

13 Indemnification of the Trustee

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

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

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

15 Further Issues

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

Any further issuances could have adverse tax consequences to U.S. Noteholders as discussed under "Certain tax considerations — United States federal income taxation — Original issue discount — Additional Notes" in the current offering circular relating to the Programme.

16 Notices

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

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

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

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

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

17 Contracts (Rights of Third Parties) Act 1999

No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18 Governing Law and Jurisdiction

- (a) The English Law Trust Deed, the Notes issued thereunder and all non-contractual obligations arising out of or in connection therewith shall be governed by, and construed in accordance with, English law.
- (b) The courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee (respectively, “Proceedings” and “Disputes”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) The Issuer and the Guarantor have irrevocably waived any objection which they may now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (d) Each of the Issuer and the Guarantor have (i) irrevocably designated and appointed Hackwood Secretaries Limited at One Silk Street, London EC2Y8HQ, as its authorised agent upon which process may be served in Proceedings arising out of or relating to the Notes governed by English law or the English Law Trust Deed that may be instituted in the courts of England or brought under English law by the Trustee (whether in its individual capacity or in its capacity as Trustee hereunder). If such person is not or

ceases to be effectively appointed to accept service of process on the Issuer's and the Guarantor's behalf, then the Issuer and the Guarantor shall as soon as reasonably practicable, upon their becoming aware that such person has not been or has ceased to be so appointed, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer and the Guarantor, following which the Issuer or the Guarantor, as the case may be, shall take all reasonable steps to appoint such person as its agent for service of process. Nothing in this Clause shall affect the right to serve process in any other manner permitted by law.

Form of Notes

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

Bearer Notes

Each series of Bearer Notes may be represented either by a Temporary Global Note or a Permanent Global Note that will be deposited on or about the Issue Date thereof with CDP or a common depositary on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Beneficial interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for Definitive Bearer Notes only in the limited circumstances as described therein and summarised below. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes. Bearer Notes issued in compliance with the D Rules will be initially represented by a Temporary Global Note.

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

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

From the Exchange Date, a Permanent Global Note issued under the English Law Trust Deed or the Singapore Law Trust Deed will be exchangeable, in whole and not in part, for Definitive Bearer Notes (i) if the Permanent Global Note was issued in respect of a D Rules Note or if permitted by the relevant Pricing Supplement, (ii) if the Permanent Global Note is held on behalf of a clearing system, such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so or, in the case of a Permanent Global Note deposited with CDP, CDP has notified the Issuer that it is unable or unwilling to act as a depositary for the Notes and to continue performing its duties set out in the relevant Master Depositary Services Agreement, and no alternative clearing system is available or (iii) an event of default with respect to such Notes has occurred and is continuing.

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

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

Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended (the “U.S. Internal Revenue Code” or the “Code”), generally provide that U.S. beneficial owners, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts, interest coupons or talons thereon and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts, interest coupons or talons thereon.

Registered Notes

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each series sold outside the United States in reliance on Regulation S will be represented by interests

in a Regulation S Global Note, which may be deposited with, and registered in the name of, CDP or deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, or with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each series of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager(s), in the case of a syndicated issue (the “Distribution Compliance Period”), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (unless, if permitted by the terms of such Notes, registered pursuant to the Securities Act or exempt from registration thereunder) and may be held only through CDP, Euroclear and Clearstream or DTC for the accounts of Euroclear and Clearstream, as the case may be. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in limited circumstances as more fully described in “Annex A— Global clearance and settlement”.

Registered Notes of each series sold to QIBs under Rule 144A will be represented by a DTC Restricted Global Note deposited with a custodian for, and registered in the name of a nominee of, DTC. DTC Restricted Global Notes will be exchangeable for Definitive Registered Notes only in limited circumstances as described in this Offering Circular.

Registered Notes of each series sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (a “Definitive IAI Registered Note”). Definitive IAI Registered Notes will, at the request of the Noteholder (except to the extent otherwise indicated in the relevant Pricing Supplement), be issued in exchange for interests in a Registered Global Note upon compliance with the procedures for exchange as described in the Indenture or relevant trust deed.

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

Security Codes

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

Certain tax considerations

The following summary of certain Singapore and U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary is not to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. You should consult your own tax adviser concerning the application of Singapore and U.S. federal income tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

Singapore taxation

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

Interest and other payments

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

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

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

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

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

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

On the basis that the Programme as a whole was arranged by Financial Sector Incentive (Bond Market) (“FSI-BM”) Companies (as defined in the ITA) at the time of its establishment to 1 January 2014, and by FSI-BM, Financial Sector Incentive (Capital Market) or Financial Sector Incentive (Standard Tier) Companies (as defined in the ITA) thereafter, any tranche of the Notes (the “Relevant Notes”) which are debt securities issued under the Programme during the period from the date of this Offering Circular to 31 December 2023 will be “qualifying debt securities” (“QDS”) for the purposes of the ITA, to which the following treatment shall apply:

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

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

Notwithstanding the foregoing:

- if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held

or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “QDS”; and

- even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the term of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

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

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

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

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

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

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

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

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Relevant Notes without deduction or withholding for tax under Section 45 and Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital gains

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Notes may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

In addition, Noteholders who apply or are required to apply FRS 39 *Financial Instruments: Recognition and Measurement* (“FRS 39”), FRS 109 *Financial Instruments* (“FRS 109”) or Singapore Financial Reporting Standard (International) 9 *Financial Instruments* (“SFRS(I) 9”) (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) even though no sale or disposal of the Notes is made. See “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes” below.

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes

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

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

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

Estate duty

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

United States federal income taxation

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition by a U.S. Holder (as defined below) of certain types of Notes that may be issued under the Programme. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Pricing Supplement will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or tax laws other than U.S. federal income tax law. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as partnerships or other pass-through entities, investors subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, investors whose functional currency is not the U.S. dollar) or persons holding Notes in connection with a trade or business conducted outside the United States. Moreover, the summary deals only with Notes with a fixed term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the relevant Pricing Supplement. This summary does not address any aspect of the Medicare contribution tax on net investment income.

This summary pertains only to Registered Notes. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax law, including the limitations provided in Sections 165(j) and 1287(a) of the United States Internal Revenue Code of 1986, as amended (the “Code”).

The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments, the relevant Pricing Supplement will describe the material U.S. federal income tax consequences thereof.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organised under the laws of the United States or any State thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has properly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership (including other entities treated as a partnership for U.S. federal income tax purposes) that holds Notes will depend on the status of the

partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as at the date of this Offering Circular and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Characterisation of the Notes

Whether a note is treated as debt (and not equity) for U.S. federal income tax purposes is an inherently factual question and no single factor is determinative. Except as set forth in the applicable Pricing Supplement, Temasek believes that the Notes will be treated as indebtedness for U.S. federal income tax purposes, although no opinions have been sought, and no assurances can be given, with respect to such treatment. The following discussion assumes that such treatment will be respected.

Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a currency other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— Original issue discount— General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such U.S. Holder’s method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount (“OID”), if any, accrued with respect to the Notes (as described below under “— Original issue discount”) will constitute income from sources outside the United States for foreign tax credit purposes.

Effect of Singapore withholding taxes

As discussed in “— Singapore taxation”, under current law Qualifying Income derived from the Relevant Notes is not subject to withholding tax by the Issuer, provided certain conditions are satisfied. However, in other cases payments of interest in respect of the Notes may be subject to Singapore withholding taxes. As discussed under “Description of the Notes governed by New York law — Payments of Additional Amounts”, “Terms and conditions of the Notes governed by Singapore law — Taxation”, and “Terms and conditions of the Notes governed by English law — Taxation”, the Issuer may become liable for the payment of Additional Amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no Singapore withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having actually received the amount of any Singapore taxes withheld by the Issuer with respect to a Note, includable in such U.S. Holder’s income at the time such amount is received or accrued in accordance with such U.S. Holder’s method of U.S. federal income tax accounting, and as then having actually paid over the withheld taxes to the Singapore taxing authorities. As a result of this rule, the amount of interest income (including Additional Amounts, if any) included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Singapore income taxes withheld by the Issuer (paid at the rate applicable to a U.S. Holder). Interest and OID will constitute foreign source income, which is generally passive category income. For purposes of the foreign tax credit limitation, foreign source income is classified as belonging to a specified “basket”, and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that basket. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (but may be allowed deductions) for Singapore taxes imposed on a payment of interest if the U.S. Holder has not met certain holding period requirements. Since a U.S. Holder may be required to include OID on the Notes in its gross income in advance of any withholding of Singapore income taxes from

payments attributable to the OID (which could occur when the Note is repaid or redeemed), a U.S. Holder may not be entitled to a credit or deduction for these Singapore income taxes in the year the OID is included in the U.S. Holder's gross income, and may be limited in its ability to credit or deduct in full the Singapore taxes in the year those taxes are actually withheld by the Issuer. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any Singapore taxes.

Original issue discount

General

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes issued with OID.

A Note, other than a Note with a term of one year or less (a "Short-Term Note"), will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price is greater than or equal to a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "instalment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is greater than or equal to 0.25% of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity for this purpose is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold for money to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for different rates that take into account different compounding periods), or a variable rate (in the circumstances described below under "— Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any unconditional call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any unconditional put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes (regardless of their method of accounting) must include OID in income as it accrues, using a constant-yield method generally before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Discount Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Discount Note that were not qualified stated interest payments.

Acquisition premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “— Election to treat all interest as original issue discount”, is permitted to reduce the daily portions of OID which must be included in income by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Discount Note immediately after its purchase over the Discount Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, over the Discount Note’s adjusted issue price.

Market discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “Market Discount Note”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Discount Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the revised issue price of a Discount Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Market Discount Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the market discount that has been accrued on the Note while held by such U.S. Holder. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for certain interest on borrowings incurred to purchase or carry a Market Discount Note, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount generally will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and may not be revoked without the consent of the IRS.

Election to treat all interest as original issue discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “— General”, with certain modifications. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under “— Notes purchased at a premium”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Market Discount” to include market discount in income currently over the life of all debt instruments with market discount acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and if the election to apply the constant yield method to all interest on a Note is made with respect to a Note purchased at a premium, the electing U.S. Holder will be treated as having made the election discussed below under “— Notes purchased at a premium” to amortise bond premium on all taxable bonds held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the consequences of this election.

Variable Interest Rate Notes

It is expected that Notes that provide for interest at variable rates (“Variable Interest Rate Notes”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under U.S. Treasury Regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate and (c) a qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a governor, a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the governor, cap or floor is fixed throughout the term of the Note or if certain other conditions are met.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term.

A “qualified inverse floating rate” is any objective rate equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the value of the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Variable Interest Rate Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a price that is below the Note’s

stated principal amount by more than a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from such discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as at the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of any OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as at the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as at the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note that qualifies as a “variable rate debt instrument” is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest and any OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

There is some uncertainty as to the proper treatment of a replacement of LIBOR due to its discontinuation. Under recently proposed U.S. Treasury Regulations, certain rate replacements would not affect the treatment of Variable Interest Rate Notes that otherwise meet the requirements as “variable rate debt instruments,” provided that certain conditions set forth in the proposed U.S. Treasury Regulations are met. There is no assurance that the Variable Interest Rate Notes of any series (assuming they otherwise meet the conditions to be treated as “variable rate debt instruments”) will meet these conditions or that the IRS will not challenge the treatment of such Notes as “variable rate debt instruments”.

If a Variable Interest Rate Note does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the relevant Pricing Supplement.

Short-term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but the U.S. Holder may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects,

under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain recognised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (or, if an election was made, based on the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is recognised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder not otherwise required to accrue OID may elect to do so on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Additional Notes

The Issuer may, without the consent of the Noteholders, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes.

Notes purchased at a premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or in the case of a Discount Note, its stated redemption price at maturity will generally have "amortisable bond premium" to the extent of such excess. If so, the U.S. Holder will not be required to include any OID in its income. In addition, the U.S. Holder may elect to amortise such premium, in which case the amount required to be included in the U.S. Holder's income each year with respect to qualified stated interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year (or, if it results in a smaller amortisable bond premium attributable to the period before the date of redemption as described under "Description of the Notes governed by New York law — Optional redemption," "Terms and conditions of the Notes governed by Singapore law — Redemption, Purchase and Options — Redemption at the option of the Issuer" or "Terms and conditions of the Notes governed by English law — Redemption, Purchase and Options — Redemption at the option of the Issuer," an amount computed with reference to the amount payable on the earlier date of redemption). Any election to amortise bond premium shall apply to all bonds with amortisable bond premium (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "— Original issue discount — Election to treat all interest as original issue discount".

Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer and the Guarantor under the Notes may be assumed by another entity. Depending on the circumstances, such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder may be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder's tax basis in the Notes. However, under the Indenture and the English Law Trust deed, if the Issuer's obligations relating to the Notes are assumed by a Successor Entity as a result of certain consolidation, merger or sale of assets, such Successor Entity must deliver to the New York Trustee or the English Trustee (as applicable) an opinion of U.S. tax counsel of recognised standing to the effect that the beneficial owners of such Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Purchase, sale or retirement of Notes

A U.S. Holder's adjusted tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium previously applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the adjusted tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “— Original issue discount — Market discount” or “— Original issue discount — Short-Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Foreign currency notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, an accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the U.S. dollar amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

Sale or retirement

As discussed above under “—Purchase, sale or retirement of Notes”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement of a Note for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the purchase price of the Note (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement.

Disposition of foreign currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup withholding and information reporting

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S.-related intermediary will be reported to the IRS and to the U.S. Holder to the extent required under applicable

regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or if the U.S. Holder had been notified that it is subject to backup withholding because of a failure to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain U.S. Holders who are individuals or entities closely-held by individuals may be required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisers regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

Reportable transactions

U.S. Treasury Regulations require a U.S. taxpayer that participates in a “reportable transaction” to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat any foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds a certain threshold in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A certain penalty is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 to 1474 of the Code (provisions commonly referred to as “FATCA”), and subject to the proposed regulations discussed below, non-U.S. financial institutions through which payments on the Notes are made may be required to withhold tax on all, or a portion of, payments made on any Notes issued or materially modified on or after the date that is six months after final U.S. Treasury Regulations defining the term “foreign passthru payment” are filed with the United States Federal Register. Under proposed regulations, any withholding on “foreign passthru payments” on Notes that are not otherwise grandfathered would apply to such payments made on or after the date that is two years after the date of publication in the United States Federal Register of applicable final regulations defining “foreign passthru payments”. Taxpayers generally may rely on these proposed regulations until final regulations are issued. No such final regulations defining “foreign passthru payments” have been issued as of the date of this Offering Circular. The rules governing FATCA are subject to change, and the future application of FATCA to the Notes is uncertain. However, such withholding by a non-U.S. financial institution through which payments on the Notes are made, may be required, among others, where (i) such non-U.S. financial institution is a foreign financial institution (“FFI”) that agrees to provide certain information on its account holders to the IRS (making such non-U.S. financial institution a “participating FFI”) and (ii)(a) the payee itself is an FFI but is not a participating FFI or does not provide information sufficient for the relevant participating FFI to determine whether the payee is subject to withholding under FATCA or (b) the payee is not a participating FFI and is not otherwise exempt from FATCA withholding. Singapore has an intergovernmental agreement (“IGA”) with the United States to implement FATCA. Guidance regarding compliance with FATCA and the IGA may alter the rules described herein, including treatment of foreign passthru payments. Notwithstanding anything herein to the contrary, if an amount of, or in respect of, withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer nor Temasek nor any other person would, pursuant to terms of the Notes, be required to pay any additional amounts as a result of the deduction or withholding of such tax. **THE RULES GOVERNING FATCA ARE COMPLICATED. INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE WHETHER THESE RULES MAY APPLY TO PAYMENTS THEY WILL RECEIVE UNDER THE NOTES.**

Benefit plan investor considerations

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes fiduciary standards and certain other requirements on employee benefit plans subject thereto, including collective investment funds, separate accounts, and other entities or accounts whose underlying assets are treated as assets of such plans pursuant to the U.S. Department of Labor “plan assets” regulation 29 C.F.R. Section 2510.3-101 and the U.S. Pension Protection Act of 2006 (the “Plan Assets Regulation”), (collectively, “ERISA Plans”), and on those persons who are fiduciaries with respect to ERISA Plans. Before authorising an investment in the Notes, fiduciaries of ERISA Plans should consider, among other matters, (i) ERISA’s fiduciary standards, (ii) whether the investment in the Notes by the ERISA Plan satisfies the prudence and diversification requirements of ERISA, taking into account the overall investment policies of the ERISA Plan, the composition of the ERISA Plan’s portfolio and the limitations on the marketability of the Notes, (iii) whether the fiduciaries have authority to make an investment in the Notes under the applicable ERISA Plan investment policies and governing instruments and (iv) rules under ERISA and the U.S. Internal Revenue Code that prohibit ERISA Plan fiduciaries from causing an ERISA Plan to engage in a “prohibited transaction”.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in a non-exempt prohibited transaction, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of or with “plan assets” of any ERISA Plan consult with their counsel regarding the potential consequences if the assets of the Issuer were deemed to be “plan assets” and the availability of exemptive relief under any applicable prohibited transaction class exemption or statutory exemption.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the U.S. Internal Revenue Code (together with ERISA Plans, “Plans”)) and certain persons (referred to as “parties in interest” or “disqualified persons”) having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a “party in interest” or “disqualified person” may constitute a prohibited transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes or other liabilities under ERISA and the U.S. Internal Revenue Code.

Because of the foregoing restrictions, the Notes may not be purchased or held by any Plan, or any person investing “plan assets” of any Plan, unless that purchase and holding is covered by an applicable prohibited transaction class exemption or statutory exemption or otherwise will not constitute or result in a non-exempt prohibited transaction. Any purchaser or holder of the Notes or any interest therein will be deemed to have represented by its purchase or holding thereof that either (a) it is not and is not using the assets of any (i) Plan or (ii) governmental, church or non-U.S. plan that is subject to federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code (“Similar Law”) or (iii) entity whose assets are treated as assets of any Plan, or (b) its purchase and holding of a Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code, a violation of applicable Similar Law or an unauthorised delegation of fiduciary authority.

In addition to the concern that the purchase or holding of Notes by Plans not result in any prohibited transactions, it is also important that such purchase or holding does not cause the Issuer to be deemed to be holding “plan assets”. Under the terms of the Plan Assets Regulation, if the Issuer were deemed to hold plan assets by reason of a Plan’s investment in the Notes, those plan assets would include an undivided interest in the assets held by the Issuer and Temasek. If the assets and transactions of the Issuer and Temasek were to be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and the U.S. Internal Revenue Code, the Issuer, investing Plan fiduciaries and parties in interest or disqualified persons with respect to Plans could be subject to substantial liabilities, excise taxes and penalties on any non-exempt prohibited transactions and liability as a result of an unauthorised delegation of fiduciary duty. Under the Plan Assets Regulation, the assets of the Issuer would be deemed to be “plan assets” of an ERISA Plan for purposes of ERISA and Section 4975 of the U.S. Internal Revenue Code if “plan assets” were used to acquire an equity interest in the Issuer and no exception were applicable under the Plan Assets Regulation. An “equity interest” is defined under the Plan Assets Regulation as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no

substantial equity features. Temasek believes the Notes are properly characterised as debt and, accordingly, the acquisition and holding of the Notes by Plans should not result in the Issuer being deemed to hold “plan assets”. However, the treatment of the Notes as debt, rather than equity, is not entirely free from doubt and therefore no assurances can be given, either in this regard or that another exception contained in the Plan Assets Regulation will be available.

Any plan fiduciary that proposes to cause a plan to purchase Notes should consult with its counsel regarding the applicability of the “plan asset”, fiduciary responsibility and prohibited transaction provisions under ERISA and Section 4975 of the U.S. Internal Revenue Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA or the U.S. Internal Revenue Code or applicable Similar Laws.

The sale of Notes to a plan investor is in no respect a representation by the Issuer, Temasek, the Arrangers or the Dealers or any of their affiliates that such an investment meets all relevant legal requirements with respect to investments by plan investors generally or any particular plan investor, or that such an investment is appropriate for plan investors generally or any particular plan investor.

Plan of distribution

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in a programme agreement, initially dated 14 September 2005, as amended and restated on 3 February 2010 (together with all supplements and amendments thereto, the "Programme Agreement"), among the Issuer, the Guarantor, the Arrangers and the Dealers named therein (referred to herein as the "Arrangers" and the "Dealers"), the Notes will be offered from time to time for sale through the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Programme Agreement also provides for Notes to be issued in syndicated series that are underwritten by two or more Dealers. The Programme Agreement further provides for the resignation of existing Dealers and the appointment of additional Dealers.

The Issuer will pay each relevant Dealer a fee as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor have, jointly and severally, agreed to indemnify the Arrangers and the Dealers in connection with the offer and sale of such Notes, including liability under the Securities Act. The Programme Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

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

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. In connection with the offer and sale of each series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such series of Notes will be listed on a stock exchange, that such Notes will trade from their date of issuance until maturity (or early redemption).

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

Certain matters relating to the Dealers

Some of the Dealers and their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory or trustee services for Temasek, the Issuer or their affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to Temasek, the Issuer and their affiliates in the future, for which they may also receive customary fees and commissions.

The Dealers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Dealers or their affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of Temasek, the Issuer or their respective subsidiaries, affiliates or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing

sale or resale of any Notes issued pursuant to the terms of the Programme (notwithstanding that such selected counterparties may also be purchasers of the Notes).

As at 31 March 2020, the Temasek Group had an effective interest of 29% and 16% of DBS and Standard Chartered PLC (“Standard Chartered”), respectively. See “Business of Temasek — Major Investments” for more information regarding DBS.

DBS Bank Ltd., which is one of the Dealers under the Programme, is a wholly-owned subsidiary of DBS. DBS Trustee Limited, the Singapore Trustee under the Singapore Law Trust Deed, is a wholly-owned subsidiary of DBS Bank Ltd.

Standard Chartered is the ultimate holding company of each of Standard Chartered Bank and Standard Chartered Bank (Singapore) Limited, each of which is also a Dealer under the Programme.

Deutsche Bank Trust Company Americas, the New York Trustee under the Indenture, and DB Trustees (Hong Kong) Limited, the English Trustee under the English Law Trust Deed, are affiliates of Deutsche Bank AG. Deutsche Bank AG, Singapore Branch is one of the Arrangers and Dealers under the Programme.

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

Selling restrictions

General

The selling restrictions below may be modified or supplemented from time to time by the agreement of the Issuer, Temasek and the Dealers. Any such modification or supplement will be set out in a Pricing Supplement or in a supplement to this Offering Circular. The Programme Agreement provides that the restrictions relating to any specific jurisdiction (set out below) shall be deemed to be modified to the extent (if at all) of any change(s) in, or change(s) in official interpretation of, applicable laws and regulations governing any of such restrictions relating to any specific jurisdiction.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material relating to the Notes or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required other than as provided herein.

Each Dealer has agreed that it will comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes this Offering Circular, any other offering material relating to the Notes or any Pricing Supplement, which may include, without limitations, the following jurisdictions.

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

Canada

Each Dealer has represented, warranted and agreed that any distribution of the Notes in Canada will be made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that the Issuer prepares and files a prospectus with the securities regulatory authorities in each province where trades of the Notes are made. Each Dealer has further represented, warranted and agreed that any resale of the Notes in Canada will be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Each Dealer has represented, warranted and agreed that by purchasing the Notes in Canada and accepting delivery of a purchase confirmation, a purchaser will be notified that it will be deemed to represent to the Issuer and the Dealer from whom the purchase confirmation is received that:

- (a) the purchaser is entitled under applicable provincial securities laws to purchase the Notes without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106 — Prospectus Exemptions;

- (b) the purchaser is a “permitted client” as defined in National Instrument 31-103 — Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- (c) where required by law, the purchaser is purchasing as principal and not as agent; and
- (d) the purchaser has reviewed the text in this subsection titled “Canada”.

Canadian purchasers are hereby notified that the Dealers are relying on the exemption set out in Section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 — Underwriting Conflicts from having to provide certain conflict of interest disclosure in this Offering Circular.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering documents (including any amendment thereto) such as this Offering Circular contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

All of the Issuer’s directors and officers as well as the experts named herein and the Issuer may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Issuer or those persons. All or a substantial portion of the Issuer’s assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or those persons in Canada or to enforce a judgment obtained in Canadian courts against the Issuer or those persons outside of Canada.

Canadian purchasers of the Notes should consult their own legal and tax advisers with respect to the tax consequences of an investment in the Notes in their particular circumstances and about the eligibility of the Notes for investment by the purchaser under relevant Canadian legislation.

European Economic Area and United Kingdom

Prohibition of Sales to EEA and UK Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer (severally, and not jointly) has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA or the UK. For the purposes of this provision:

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

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK (each, a “Relevant State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the relevant Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (1) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 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 relevant 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;

- (2) at any time to any legal entity which is a “qualified investor” as defined in the Prospectus Regulation;
- (3) 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
- (4) 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 (2) to (4) 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.

France

Each Dealer has represented and agreed that:

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*appel public à lépargne*) in France in the period beginning (a) when a prospectus in relation to those Notes has been approved by the Autorité des marchés financiers (“AMF”), on the date of its publication or, (b) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

- (b) Private placement in France:

in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code monétaire et financier.

Hong Kong

Each Dealer has represented and agreed that (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “Securities and Futures Ordinance”) and any rules made under that Ordinance, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance or any rules made under the Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document

relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Italy

Each Dealer has represented and agreed that the offer of the Notes has not been registered with the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, the “CONSOB”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that no Notes may be offered, sold or distributed, to the public in the Republic of Italy (“Italy”) nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 2, paragraph (e) of the Prospectus Directive as implemented by Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (the “Issuers Regulation”); or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time, (the “Financial Services Act”) and Article 34-*ter* of the Issuers Regulation.

Moreover, and subject to the foregoing, each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (1) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “Banking Act”);
- (2) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy requests information on the issue or the offer of securities in Italy; and
- (3) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

Japan

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “FIEA”). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

Each Dealer has represented and agreed that Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

Furthermore, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such

as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that such professional investors are registered as “qualified institutional buyers” (“Korean QIBs”) with the Korea Financial Investment Association (the “KOFIA”) in advance and complies with the requirement for monthly reports to the KOFIA of their holding of Korean QIB Bonds, and provided further that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than South Korean won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, subscription agreement and this Offering Circular, and (e) the Issuer and the relevant Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor; or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer undertakes to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Malaysia

Each Dealer has acknowledged that (i) no approval from the Securities Commission Malaysia (“SC”) is or will be obtained and/or no lodgement to the SC under the Lodge and Launch Framework issued by the SC has been or will be made for the offering of the Notes on the basis that the Notes will be issued and offered exclusively to persons outside Malaysia and (ii) this Offering Circular has not been registered as a prospectus with the SC under the Capital Markets and Services Act 2007 of Malaysia. Each Dealer has represented and agreed that the Notes may not be offered, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed, to a person in Malaysia except by way of a secondary transaction of the Notes which does not involve retail investors.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to 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.

Note:

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

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

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

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

Any reference to the "SFA" is a reference to the Securities and Futures Act, 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.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer has acknowledged and agreed that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA"), and that no application has been made or will be made to admit the Notes to trading on any trading venue (*i.e.*, exchange or multilateral trading facility) in Switzerland.

Each Dealer has further acknowledged and agreed that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Programme or the Issuer constitutes a prospectus within the meaning of the FinSA, and that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Programme or the Issuer may be publicly distributed or otherwise made publicly available in Switzerland.

Each Dealer has further acknowledged and agreed that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Programme or the Issuer has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular has not been and will not be reviewed or approved by a Swiss reviewing body (*Prüfstelle*) pursuant to article 51 of the FinSA and does not comply with the disclosure requirements applicable to a prospectus within the meaning of article 35 of the FinSA.

The People's Republic of China

Each Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong Special Administrative Region), except as permitted by the securities laws of the People's Republic of China. See "— Hong Kong" above for the selling restrictions relating to the Hong Kong Special Administrative Region.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (1) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (2) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning

of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

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

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and have not been registered or qualified under any state securities or “blue sky” laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from the registration requirements of the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable series (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the date of issue of the Notes of such series and the completion of the distribution of the Notes of such series, as determined and certified to the Issuer by the relevant Dealer (or, in the case of a sale of a series of Notes on a syndicated basis, by the relevant lead manager(s)), except (A) to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”), as such terms are defined in Regulation S or (B) in accordance with Rule 144A under the Securities Act (“Rule 144A”). Each Dealer has agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the 40-day distribution compliance period commencing upon completion of the distribution of the series of Notes as determined and certified to the Issuer, a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meaning given to them by Regulation S.

Until 40 days after the later of the date of issue and the completion of the distribution of any Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notes to be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Pricing Supplement. The Issuer currently expects that all Notes issued pursuant to Rule 144A will be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act. The selling and transfer restrictions applicable to such Notes are expected to be substantially as set out under “Important Information for Investors Relating to the U.S.” in the Form of Pricing Supplement annexed as Annex B to this Offering Circular, including certain representations which will be deemed to be made by the purchasers of such Notes. However, the Issuer may choose to use different restrictions in the future and if so, such restrictions will be set out in a supplement to this Offering Circular or the relevant Pricing Supplement.

Notes to be issued in reliance on Regulation S only may be restricted from being offered, sold or transferred within the United States or to, or for the account of, U.S. persons as set out in the relevant Pricing Supplement.

With respect to Notes only in definitive registered form, a Dealer registered or exempt from registration as a broker or dealer under the Exchange Act and nominated as such by the Issuer (a “4(a)(2) Dealer”) may, directly or through its affiliates, arrange for the placing of such Notes to institutional “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) promulgated under the Securities Act) acting for themselves or other institutional “accredited investors” pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. In connection with each such sale of Definitive Registered Notes pursuant to Section 4(a)(2) or in a transaction otherwise exempt from registration under the Securities Act, each 4(a)(2) Dealer will (i) instruct the purchaser to deliver to the Issuer and to the Trustee an executed investment representation letter pursuant to the Indenture, and the 4(a)(2) Dealer and the Issuer each agrees not to sell any Notes to any such purchaser until such an executed investment representation letter is so delivered, (ii) deliver, at or prior to settlement, an Offering Circular and the relevant Pricing Supplement to each Institutional Accredited Investor purchasing a Note or Notes from it and (iii) only sell to such purchaser, for such purchaser’s

own account or for any separate account of another Institutional Accredited Investor for which it is acting, Notes having an aggregate principal amount of not less than US\$250,000 (or its equivalent rounded upwards as specified in the relevant Pricing Supplement).

Each Dealer (or, in the case of a sale of a particular series of Notes offered on a syndicated basis, the relevant lead manager(s)) who has purchased Notes of a series in accordance with the Programme Agreement shall determine and certify to the Issuer on the completion of the distribution of the Notes of such series purchased by or through it.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by U.S. tax regulations. Accordingly, Bearer Notes having a maturity of more than one year will be issued in accordance with the provisions of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code), unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with the provisions of U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Notice to purchasers and holders of Registered Notes and transfer restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Each prospective purchaser of Notes that have a legend regarding restrictions on transferability, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that this Offering Circular is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer and Temasek, is prohibited.

Additional restrictions regarding the eligible investors and transfer restrictions may apply to any series of Notes. Any such additional restrictions will be set out in the relevant Pricing Supplement.

Notes of a Series including Notes sold in reliance on the exemption provided by Section 3(c)(7) of the Investment Company Act (“3(c)(7) Series”)

The Issuer currently expects that all Notes issued pursuant to Rule 144A will be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act. The selling and transfer restrictions applicable to such Notes are expected to be substantially as set out under “Important Information for Investors Relating to the U.S.” in the Form of Pricing Supplement annexed as Annex B to this Offering Circular, including the following representations deemed to be made by the purchasers of such Notes and the purchasers of Notes offered and sold pursuant to Regulation S as part of a 3(c)(7) Series.

DTC Restricted Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of an interest in a DTC Restricted Global Note issued as part of a 3(c)(7) Series will be deemed by its acceptance thereof to have represented, acknowledged and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows (terms used in this paragraph that are not defined will have the meaning given to them in Rule 144A or Regulation S, as the case may be):

- (1) Such person (i) is a QIB and a QP; (ii) is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A; and (iv) either (a) is not and is not using the assets of any (i) “employee benefit plan” which is subject to Title I of ERISA, “plan” which is subject to Section 4975 of the Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.
- (2) Such person (i) was not formed for the purpose of investing in the Issuer (unless each beneficial owner of its securities is a QP); and (ii) is acquiring an interest in the Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements deemed made by such person and for whom such person exercises sole investment discretion.
- (3) Such person understands and acknowledges that the Notes have not been and will not be registered under the Securities Act and accordingly may not be offered or sold as part of its initial distribution within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

- (4) Such person understands and acknowledges that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” (as such term is defined under the Investment Company Act and related rules) and that the Issuer and the Guarantor have imposed the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Issuer and the Guarantor will qualify for the exemption provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company.
- (5) Such person agrees that its Notes may only be sold, transferred, assigned, pledged or otherwise disposed of in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or to a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction meeting the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S under the Securities Act (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), provided, that it delivers to the Issuer and the Guarantor an Offshore Transaction Letter substantially in the form appended to the Indenture or the English Agency Agreement, as the case maybe. The term “offshore transaction” has the meaning set forth in Regulation S. Such person understands that the transfer restrictions will remain in effect until the Issuer determines, in its sole discretion, to remove them.
- (6) Such person agrees that its Notes may be sold, transferred, assigned, pledged or otherwise disposed of only in minimum denominations of US\$250,000.
- (7) Such person understands that, subject to certain exceptions, to be a QP, entities must have US\$25 million in “investments” as defined in Rule 2a51-1 under the Investment Company Act.
- (8) Such person agrees, upon a proposed transfer of its Notes, to notify any purchaser of such Notes or the executing broker, as applicable, of any transfer restrictions that are applicable to the Notes being sold.
- (9) Such person understands and acknowledges that (i) the New York Trustee or the English Trustee, as the case may be, the Issuer, the Guarantor and their agents shall not be obligated to recognise any resale or other transfer of the Notes made other than in compliance with the restrictions described herein; and (ii) the Issuer and its agents may require any U.S. person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Notes to transfer the Notes within 30 days to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S and if the obligation is not met, the Issuer is irrevocably authorised, without any obligation, to sell such Notes on an offshore stock exchange on such terms as the directors of the Issuer think fit, or the Issuer shall be entitled to redeem such Notes at par, being a Redemption Amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date.
- (10) Such person agrees that neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any “directed selling efforts” as defined in Regulation S, or any “general solicitation or general advertising” as defined in Regulation D under the Securities Act, with respect to the Notes.
- (11) Such person understands that the New York Trustee or the English Trustee, as the case may be, the Issuer and the Guarantor may receive a list of participants holding positions in the Notes from one or more book-entry depositories.
- (12) Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.
- (13) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in the Indenture or the English Law Trust Deed, as the case may be. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

Regulation S Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of an interest in a Regulation S Global Note issued as part of a 3(c)(7) Series will be deemed to have represented, acknowledged and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for

which it is acting, as follows (terms used in this paragraph that are not defined will have the meaning given to them in Regulation S:

- (1) Such person is, at the time of the offer to it of Notes and at the time the buy order originated, outside the United States for purposes of Regulation S.
- (2) Such person is not a U.S. person and is not acquiring the Notes for the account or benefit of a U.S. person.
- (3) Such person is aware that the Notes have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S.
- (4) Such person understands that prior to the end of the expiration of the 40-day distribution compliance period, no exchange, sale, assignment, pledge, transfer or other disposal of interests in a Regulation S Global Note for interests in a DTC Restricted Global Note shall be permitted.
- (5) Such person understands that interests in the Regulation S Global Notes may only be sold, transferred, pledged or otherwise disposed of (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.
- (6) Such person understands that any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognised by the Issuer in respect of the Notes.
- (7) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in the Indenture or the English Law Trust Deed, as the case may be. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

Investor Representation Letters

In the event that any purchaser of an interest in a DTC Restricted Global Note issued as part of a 3(c)(7) Series transfers such interest outside the United States in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), such transferor must execute an Offshore Transaction Letter in the form appended to the relevant Pricing Supplement and cause such letter to be promptly delivered to the Issuer and the Guarantor.

In addition, in the event any such interests are issued in definitive form (“Definitive Notes”) in accordance with the provisions of the Indenture or the English Law Trust Deed, as the case may be, such Definitive Notes will bear a legend substantially in the form as provided for in the Indenture or the English Law Trust Deed, as the case may be, and before any U.S. person or person located in the United States may take delivery of any such Definitive Notes, such person must deliver to the Issuer and the Guarantor a representation letter substantially in the form as provided for in the Indenture or the English Law Agency Agreement, as the case may be.

Ability of the Issuer to Compel Sale of or Redeem such DTC Restricted Global Notes

The Issuer may, at its option, compel any beneficial owner of interests in such a DTC Restricted Global Note to sell its interest in such Note, or sell such interests on behalf of such holder, or redeem its interests in such Note at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date (as defined in the Indenture) or the date fixed for redemption in accordance with the English Law Trust Deed, as the case may be, if such holder is not a QIB and a QP.

Legend

Each such DTC Restricted Global Note representing the Notes will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND THAT NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN “**INVESTMENT COMPANY**” UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF “INVESTMENT COMPANY” UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT), AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (3) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, AND UPON CERTIFICATION TO THAT EFFECT BY THE SELLER IN WRITING IN AN OFFSHORE TRANSACTION LETTER IN THE FORM AS PROVIDED FOR IN [THE INDENTURE] [THE AGENCY AGREEMENT ENTERED INTO IN RELATION TO THIS NOTE] OR ANOTHER FORM ACCEPTABLE TO THE ISSUER. THE TERMS “**U.S. PERSON,**” “**OFFSHORE TRANSACTION**” AND “**DESIGNATED OFFSHORE SECURITIES MARKET**” HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE UNDER THE [INDENTURE] [ENGLISH LAW TRUST DEED] GOVERNING THIS NOTE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. THE ISSUER AND ITS AGENTS MAY REQUIRE ANY PERSON WHO IS REQUIRED TO BE A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER BUT WHO IS NOT A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AT THE TIME IT ACQUIRES THIS NOTE TO TRANSFER THIS NOTE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S WITHIN 30 DAYS. IF THIS NOTE IS NOT SO TRANSFERRED, THE ISSUER IS ENTITLED TO SELL THIS NOTE TO A PURCHASER SELECTED BY THE ISSUER OR REDEEM THIS

NOTE FROM SUCH PERSON AT PAR, BEING A REDEMPTION AMOUNT EQUAL TO THE PRINCIPAL AMOUNT PLUS ANY ACCRUED AND UNPAID INTEREST TO (BUT EXCLUDING) THE REDEMPTION DATE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR ENTITY WHOSE UNDERLYING ASSETS ARE TREATED AS ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN WITHIN THE MEANING OF ERISA OR THE CODE, OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, OR (II) SUCH PERSON'S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Each such Regulation S Global Note representing the Notes will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN "**INVESTMENT COMPANY**" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT

KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, OR (3) AFTER THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD FOLLOWING THE ISSUE DATE OF THE NOTES, TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND SUCH TRANSFEREE WILL THEN HOLD THE ACQUIRED INTERESTS AS INTERESTS IN THE DTC RESTRICTED GLOBAL NOTE. THE TERMS “**U.S. PERSON,**” “**OFFSHORE TRANSACTION**” AND “**DESIGNATED OFFSHORE SECURITIES MARKET**” HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), “PLAN” SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”) OR ENTITY WHOSE UNDERLYING ASSETS ARE TREATED AS ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN WITHIN THE MEANING OF ERISA OR THE CODE, OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”), OR ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, OR (II) SUCH PERSON’S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

Non-3(c)(7) Series

The following representations are deemed to be made by the purchasers indicated below in respect of Notes of a non-3(c)(7) Series.

DTC Restricted Global Notes

Each purchaser of an interest in a DTC Restricted Global Note offered and sold in reliance on Rule 144A will be deemed to have represented, acknowledged and agreed as follows (terms used in this paragraph that are not defined will have the meaning given to them in Rule 144A or in Regulation S, as the case may be):

1. The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring Notes for its own account or for the account of one or more QIBs and that it exercises sole investment discretion with respect to each such account;
2. The purchaser understands that the Notes and the Guarantee are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Notes and the Guarantee have not been and will not be registered under the Securities Act or any other applicable state securities laws and may not be offered, sold, pledged or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act and any other applicable state securities laws; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such interest in a

DTC Restricted Global Note, such interest in a DTC Restricted Global Note may be offered, resold, pledged or otherwise transferred only (A) to Temasek or any subsidiary thereof, (B) to a U.S. person or to a person in the United States whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (C) outside the United States to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (D) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (E) pursuant to an effective registration statement under the Securities Act and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the interest in a DTC Restricted Global Note is required to, notify any purchaser of such interest in a DTC Restricted Global Note from it of the resale restrictions referred to in (i) above and that (iii) no representation is being made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Notes;

3. Either (a) it is not and is not using any (i) "employee benefit plan" which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), "plan" which is subject to Section 4975 of the U.S. Internal Revenue Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law"), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law;
4. The purchaser understands that the Issuer, Temasek and the Dealers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such investor account, and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account; and
5. Each DTC Restricted Global Note will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

"THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR AND THE DEALERS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S

UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (C) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

Definitive IAI Registered Notes

Each purchaser of Definitive IAI Registered Notes will be required to deliver to the Issuer, Temasek and the New York Registrar an IAI Investment Letter substantially in the form attached to the Indenture. The Definitive IAI Registered Notes will be subject to the transfer restrictions set forth in the legend below, such letter and the Indenture. Inquiries concerning transfers of Notes should be made to any Dealer.

1. The IAI Investment Letter will state, among other things, the following:
 - (i) that the Institutional Accredited Investor has received a copy of the Offering Circular and such other information as it deems necessary in order to make its investment decision;
 - (ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Offering Circular and the Notes (including those set out below) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act;
 - (iii) that, in the normal course of its business, the institutional accredited investor invests in or purchases securities similar to the Notes;
 - (iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
 - (v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
 - (vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least US\$250,000 (or the approximate equivalent in another currency).

2. Each Definitive IAI Registered Note that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

“THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS NOTE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED IN THE AMENDED AND RESTATED INDENTURE ENTERED INTO BY THE ISSUER, THE GUARANTOR AND THE NEW YORK TRUSTEE AS OF JULY 12, 2013. THE PURCHASER REPRESENTS THAT IT IS AN INSTITUTIONAL “**ACCREDITED INVESTOR**” (WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) AND IT IS ACQUIRING THIS NOTE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO ANY RESALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS NOTE PURSUANT TO RULE 144A OR REGULATIONS UNDER THE SECURITIES ACT OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER, THE GUARANTOR OR ANY AFFILIATE OF THE ISSUER OR THE GUARANTOR WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) ONLY (A) TO THE GUARANTOR OR ANY SUBSIDIARY OF THE GUARANTOR, (B) IN THE UNITED STATES TO A PERSON WHOM IT REASONABLY BELIEVES IS A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL “**ACCREDITED INVESTOR**” (WITHIN THE MEANING OF RULE 501 (A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL “**ACCREDITED INVESTOR**”, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF US\$250,000 AND MULTIPLES OF US\$1,000 IN EXCESS THEREOF FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO, OR FOR OFFER OR RESALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER’S AND THE GUARANTOR’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (C), (E) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER AND THE GUARANTOR, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE NEW YORK TRUSTEE AND, IN EACH OF THE FOREGOING CASES, NOT IN VIOLATION OF ANY APPLICABLE

STATE SECURITIES LAWS. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALES OR TRANSFERS OF RESTRICTED NOTES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.”

Regulation S Global Note

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), by accepting delivery of this Offering Circular and the Notes will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S).
2. It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that it will not offer, sell, pledge or otherwise transfer such Notes except in accordance with the transfer restrictions set forth in the legend appearing on the front of such Notes (as set out below) and any other applicable transfer restrictions specified in the relevant Pricing Supplement.
3. Either (a) it is not (i) an “employee benefit plan” which is subject to Title I of the ERISA, “plan” which is subject to Section 4975 of the U.S. Internal Revenue Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) a governmental, church or non-U.S. plan that is subject to any Similar Law, or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a Regulation S Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.
4. It understands that such Notes, unless otherwise determined by the Issuer and Temasek in accordance with applicable law, will bear a legend substantially to the following effect:

(i) in the case of Notes issued under the Indenture or Notes of a series issued in the form of a Regulation S Global Note and a DTC Restricted Global Note under the English Law Trust Deed:

“THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) AND APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN THEM IN REGULATION S UNDER THE SECURITIES ACT.”

(ii) in the case of Notes issued under the Singapore Law Trust Deed or Notes of a series issued in the form of only a Regulation S Global Note under the English Law Trust Deed:

“THE NOTES (THE “**NOTES**”) AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY U.S. PERSON.”

5. The Issuer, Temasek, the New York Registrar or the Singapore Registrar (as the case may be), the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
6. It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Note. Prior to the expiration of the Distribution Compliance Period, before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Restricted Global Note if applicable, it will be required to provide a transfer agent with a written certification (in the form provided in the Indenture or the English Law Trust Deed, as applicable) as to compliance with applicable securities laws.

Legal matters

Certain legal matters with respect to the Notes will be passed upon for the Issuer and Temasek by Allen & Gledhill LLP with respect to Singapore law and by Latham & Watkins LLP with respect to English, New York and United States federal securities laws. Certain legal matters with respect to the Notes will be passed upon for the Arrangers and Dealers by Davis Polk & Wardwell with respect to New York and United States federal securities laws.

Credit ratings

Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. The overall corporate credit ratings of “Aaa” by Moody’s and “AAA” by S&P were assigned on 12 October 2004 and are current as at the date of this Offering Circular. Moody’s and S&P have been paid by Temasek to provide credit rating services in consideration for the credit rating assessments.

Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating will not necessarily be the same as the credit ratings assigned to Temasek.

Any credit ratings accorded to Temasek or the Notes are statements of opinion and are not a recommendation to buy, sell or hold the Notes, and investors should perform their own evaluation as to whether the investment is appropriate.

Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Temasek has any obligation under the Notes to inform Noteholders of any such revision, downgrade or withdrawal. A suspension, revision or withdrawal at any time of the credit rating assigned to Temasek, the Programme or the Notes may adversely affect the market price or liquidity of the Notes. Moreover, Temasek’s credit ratings do not reflect the potential impact related to market or other risks discussed in “Risk factors — Risks related to the Issuer and Temasek — Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks” relating to the Notes.

Independent public accountants

The consolidated financial statements of Temasek as at 31 March 2018, 2019 and 2020 and for each of the years in the three-year period ended 31 March 2020 included elsewhere in this Offering Circular have been audited by KPMG LLP, Singapore, public accountants and chartered accountants, as stated in their report also appearing herein.

Index to consolidated financial statements

The page references in the Directors' Statement and the Independent Auditors' Report for the financial years ended 31 March 2018, 2019 and 2020 set out on pages F1 and F2 to F4, respectively, of this Offering Circular refer to the consolidated financial statements set out on pages FS1 to FS154.

	Pages
Directors' Statement	F1
Independent Auditors' Report	F2-F4
Consolidated Income Statements	FS1
Consolidated Statements of Comprehensive Income	FS2
Consolidated Balance Sheets	FS3
Consolidated Statements of Changes in Equity	FS4-9
Consolidated Cash Flow Statements	FS10-12
Notes to the Financial Statements	FS13-154

**TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES
(Registration Number: 197401143C)**

CONSOLIDATED FINANCIAL STATEMENTS

31 March 2020, 2019, 2018

In the opinion of the Directors, the consolidated financial statements of the Group as set out on pages FS1 to FS154 are drawn up so as to present fairly the financial position of the Group as at 31 March 2020, 2019 and 2018, and the financial performance, changes in equity and cash flows of the Group for each of the years then ended.

On behalf of the Board of Directors

/ s / Lim Boon Heng
LIM BOON HENG
Chairman

/ s / Ho Ching
HO CHING
Director

Singapore
31 August 2020

Independent auditors' report

Member of TEMASEK HOLDINGS (PRIVATE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying consolidated financial statements of TEMASEK HOLDINGS (PRIVATE) LIMITED ("THPL") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as at 31 March 2020, 2019 and 2018, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for each of the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS154.

In our opinion, the accompanying consolidated financial statements of the Group present fairly, in all material respects, the financial position of the Group as at 31 March 2020, 2019 and 2018 and the financial performance, changes in equity and cash flows of the Group for each of the years then ended in accordance with International Financial Reporting Standards ("IFRS") and Singapore Financial Reporting Standards (International) ("SFRS(I)").

Basis for Opinion

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

The requirement to communicate key audit matters is not applicable as THPL is not a listed entity.

Other Information

Management is responsible for the other information which accompanies the consolidated financial statements. This other information comprises the Directors' Statement.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES**

*Independent auditors' report
Years ended 31 March 2020, 2019, 2018*

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and SFRS(I), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing THPL's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and of the appropriateness in using the going concern basis of accounting for the consolidated financial statements of the Group.

The directors' responsibilities include overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

**TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES**

*Independent auditors' report
Years ended 31 March 2020, 2019, 2018*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

/ s / KPMG LLP
KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
31 August 2020

The Group	Note	2020 \$million	2019 \$million	2018 \$million
Revenue	5	118,623	114,642	107,446
Cost of sales		(87,436)	(85,073)	(74,746)
Gross profit		31,187	29,569	32,700
Other income		7,253	7,204	13,276
Selling and distribution expenses		(3,512)	(3,391)	(3,331)
Administrative expenses		(8,393)	(8,389)	(8,724)
Finance expenses	6	(4,743)	(3,715)	(3,157)
Other expenses		(10,453)	(7,411)	(9,466)
Profit before share of profit of associates and joint ventures		11,339	13,867	21,298
Share of profit, net of tax of:				
- Associates		3,528	2,587	6,800
- Joint ventures		349	2,220	2,319
Profit before tax		15,216	18,674	30,417
Tax expense	7	(2,900)	(2,777)	(2,830)
Profit for the year	8	12,316	15,897	27,587
Less: Profit attributable to non-controlling interests		(3,478)	(4,069)	(5,896)
Profit attributable to equity holder of THPL		8,838	11,828	21,691

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

The Group	Note	2020 \$million	2019 \$million	2018 \$million
Profit for the year		12,316	15,897	27,587
Other comprehensive income				
<i>Items that will not be subsequently reclassified to income statement:</i>				
Net change in fair value, net of tax, of equity investments at fair value through other comprehensive income ("FVOCI")		(67)	(270)	-
<i>Items that are or may be subsequently reclassified to income statement:</i>				
Net change in fair value, net of tax, of:				
- Available-for-sale financial assets ("AFS")		-	-	20,164
- Debt investments at FVOCI		-	(23)	-
AFS reclassified to income statement		-	-	(4,148)
Debt investments at FVOCI reclassified to income statement		2	(4)	-
Cash flow hedges, net of tax		(2,698)	107	676
Cost of hedging reserves, net of tax		11	(14)	-
Disposal of investments in subsidiaries, with loss of control		(5)	1,177	76
Disposal or dilution of investments in associates and joint ventures		(602)	149	15
Share of associates' and joint ventures' reserves		604	205	(524)
Translation differences		(354)	(773)	(3,977)
Others, net		(93)	(222)	(106)
Total other comprehensive income, net of tax	7	(3,202)	332	12,176
Total comprehensive income		9,114	16,229	39,763
Less: Total comprehensive income attributable to non-controlling interests		(1,399)	(3,578)	(5,328)
Total comprehensive income attributable to equity holder of THPL		7,715	12,651	34,435

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Balance Sheets
As at 31 March 2020, 2019, 2018

The Group	Note	2020 \$million	2019 \$million	2018 \$million
Non-current assets				
Property, plant and equipment	11	82,122	78,460	73,171
Right-of-use assets	12	9,413	-	-
Intangible assets	13	28,840	27,736	27,935
Biological assets	14	531	512	472
Associates	17	61,432	63,600	61,917
Joint ventures	18	25,783	21,401	22,891
Financial assets	19	134,876	132,541	130,968
Derivative financial instruments	20	2,468	1,516	1,013
Investment properties	21	98,095	56,318	46,287
Deferred tax assets	22	1,265	820	1,019
Other non-current assets	23	8,655	7,392	11,822
		<u>453,480</u>	<u>390,296</u>	<u>377,495</u>
Current assets				
Inventories	24	18,056	9,571	8,870
Trade and other receivables	25	30,845	27,978	35,739
Financial assets	19	16,738	14,070	17,416
Derivative financial instruments	20	4,428	3,189	2,455
Cash and bank balances	27	70,811	60,975	47,034
Assets classified as held for sale	28	573	2,976	1,530
		<u>141,451</u>	<u>118,759</u>	<u>113,044</u>
Total assets		<u>594,931</u>	<u>509,055</u>	<u>490,539</u>
Equity attributable to equity holder of THPL				
Share capital	9	69,612	64,210	59,907
Other reserves	10(a)	14,243	14,221	14,095
Fair value reserve	10(b)	(10)	(74)	44,673
Hedging and cost of hedging reserve	10(c)	(1,422)	89	135
Currency translation reserve	10(d)	(4,966)	(6,103)	(7,285)
Accumulated profits		213,046	211,198	160,574
		<u>290,503</u>	<u>283,541</u>	<u>272,099</u>
Non-controlling interests	16	<u>72,553</u>	<u>47,659</u>	<u>47,083</u>
Total equity		<u>363,056</u>	<u>331,200</u>	<u>319,182</u>
Non-current liabilities				
Borrowings	29	119,898	88,141	80,418
Derivative financial instruments	20	3,005	614	1,206
Provisions	30	1,591	890	988
Deferred income and liabilities	31	1,701	1,883	1,993
Deferred tax liabilities	22	7,408	6,580	6,497
Other non-current liabilities	32	5,457	4,913	5,353
		<u>139,060</u>	<u>103,021</u>	<u>96,455</u>
Current liabilities				
Trade and other payables	33	45,682	41,552	49,370
Current tax payable		4,925	2,968	2,799
Borrowings	29	33,051	23,614	15,801
Derivative financial instruments	20	4,829	1,749	2,085
Provisions	30	2,516	2,555	2,667
Deferred income and liabilities	31	1,753	1,672	2,164
Liabilities classified as held for sale	28	59	724	16
		<u>92,815</u>	<u>74,834</u>	<u>74,902</u>
Total liabilities		<u>231,875</u>	<u>177,855</u>	<u>171,357</u>
Total equity and liabilities		<u>594,931</u>	<u>509,055</u>	<u>490,539</u>

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

The Group	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
At 31 March 2017	56,671	13,669	28,205	(244)	(3,181)	143,756	238,876	43,125	282,001
Effects of adoption of IFRS 1	-	2	-	(15)	-	(1,170)	(1,183)	(969)	(2,152)
Effects of adoption of IFRS 15	-	-	-	-	(6)	256	250	145	395
At 1 April 2017	56,671	13,671	28,205	(259)	(3,187)	142,842	237,943	42,301	280,244
Total comprehensive income	-	-	-	-	-	21,691	21,691	5,896	27,587
Profit for the year	-	-	-	-	-	21,691	21,691	5,896	27,587
Other comprehensive income	-	-	20,077	-	-	-	20,077	87	20,164
Net change in fair value, net of tax, of AFS	-	-	(4,140)	-	-	-	(4,140)	(8)	(4,148)
AFS reclassified to income statement	-	-	-	362	-	-	362	314	676
Cash flow hedges, net of tax	-	-	(14)	-	102	-	76	-	76
Disposal of investments in subsidiaries, with loss of control	-	(12)	(4)	-	11	-	21	(6)	15
Disposal or dilution of investments in associates and joint ventures	-	14	(4)	-	-	(48)	(850)	326	(524)
Share of associates' and joint ventures' reserves	-	409	581	26	(1,818)	(48)	(850)	326	(524)
Translation differences	-	-	-	-	(2,762)	-	(2,762)	(1,215)	(3,977)
Others, net	-	7	-	-	4	(51)	(40)	(66)	(106)
Total other comprehensive income	-	418	16,500	388	(4,463)	(99)	12,744	(568)	12,176
Total comprehensive income	-	418	16,500	388	(4,463)	21,592	34,435	5,328	39,763
Balance carried forward	56,671	14,089	44,705	129	(7,650)	164,434	272,378	47,629	320,007

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

	Note	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
The Group		56,671	14,089	44,705	129	(7,650)	164,434	272,378	47,629	320,007
Balance brought forward		-	-	-	-	-	-	-	23	-
Transactions with owners, recognised directly in equity Contributions by and distributions to owners		-	(37)	-	-	-	37	-	-	-
Employee share-based payment		-	-	-	-	-	-	-	1,555	1,555
Transfers/Reclassifications		-	-	-	-	-	-	-	(3,340)	(3,340)
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	(4,303)	(4,303)	-	(4,303)
Dividend (one tier) payable of \$4.48 per share		-	-	-	-	-	-	-	-	-
Issue of ordinary shares	9	3,236	-	-	-	-	-	3,236	-	3,236
Total contributions by and distributions to owners		3,236	(37)	-	-	-	(4,266)	(1,067)	(1,762)	(2,829)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	641	641
Acquisition of subsidiaries with non-controlling interests		-	19	3	-	23	(57)	(12)	(219)	(231)
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	(144)	(144)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	-	-
Partial disposal or dilution of investments in subsidiaries without loss of control		-	24	(35)	6	342	463	800	938	1,738
Total changes in ownership interests in subsidiaries		-	43	(32)	6	365	406	788	1,216	2,004
Total transactions with owners		3,236	6	(32)	6	365	(3,860)	(279)	(546)	(825)
At 31 March 2018		59,907	14,095	44,673	135	(7,285)	160,574	272,099	47,083	319,182

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

The Group	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging and cost of hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
At 31 March 2018	59,907	14,095	44,673	135	(7,285)	160,574	272,099	47,083	319,182
Effects of adoption of IFRS 9	-	-	(44,418)	(50)	2	44,314	(152)	(78)	(230)
At 1 April 2018	59,907	14,095	255	85	(7,283)	204,888	271,947	47,005	318,952
Total comprehensive income	-	-	-	-	-	11,828	11,828	4,069	15,897
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	(178)	-	-	(75)	(253)	(17)	(270)
Net change in fair value, net of tax, of:	-	-	(12)	-	-	-	(12)	(11)	(23)
- Equity investments at FVOCI	-	-	(2)	-	-	-	(2)	(2)	(4)
- Debt investments at FVOCI	-	-	-	138	-	-	138	(31)	107
Debt investments at FVOCI reclassified to income statement	-	-	-	(8)	-	-	(8)	(6)	(14)
Cash flow hedges, net of tax	-	(13)	(7)	12	1,185	-	1,177	-	1,177
Cost of hedging reserves, net of tax	-	11	-	-	126	-	137	12	149
Disposal of investments in subsidiaries, with loss of control	-	133	(130)	(138)	180	60	105	100	205
Disposal or dilution of investments in associates and joint ventures	-	-	-	-	(320)	-	(320)	(453)	(773)
Share of associates' and joint ventures' reserves	-	7	-	-	-	(146)	(139)	(83)	(222)
Translation differences	-	138	(329)	4	1,171	(161)	823	(491)	332
Others, net	-	138	(329)	4	1,171	11,667	12,651	3,578	16,229
Total other comprehensive income	-	138	(329)	4	1,171	(161)	823	(491)	332
Total comprehensive income for the year	-	138	(329)	4	1,171	11,667	12,651	3,578	16,229
Balance carried forward	59,907	14,233	(74)	89	(6,112)	216,555	284,598	50,583	335,181

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

The Group	Note	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging and cost of hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
Balance brought forward		59,907	14,233	(74)	89	(6,112)	216,555	284,598	50,583	335,181
Transactions with owners, recognised directly in equity Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	(35)	(35)
Transfers/Reclassifications		-	33	-	-	-	(33)	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	2,229	2,229
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(3,228)	(3,228)
Dividend (one tier) payable of \$5.54 per share		-	-	-	-	-	(5,402)	(5,402)	-	(5,402)
Issue of ordinary shares	9	4,303	-	-	-	-	-	4,303	-	4,303
Total contributions by and distributions to owners		4,303	33	-	-	-	(5,435)	(1,099)	(1,034)	(2,133)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	113	113
Acquisition of non-controlling interests without a change in control		-	(36)	-	-	-	-	(36)	(4)	(40)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(2,077)	(2,077)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	(9)	-	-	9	78	78	78	156
Total changes in ownership interests in subsidiaries		-	(45)	-	-	9	78	42	(1,890)	(1,848)
Total transactions with owners		4,303	(12)	-	-	9	(5,357)	(1,057)	(2,924)	(3,981)
At 31 March 2019		64,210	14,221	(74)	89	(6,103)	211,198	283,541	47,659	331,200

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

The Group	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging and cost of hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
At 31 March 2019	64,210	14,221	(74)	89	(6,103)	211,198	283,541	47,659	331,200
Effects of adoption of IFRS 16	-	-	-	-	-	(1,140)	(1,140)	(512)	(1,652)
At 1 April 2019	64,210	14,221	(74)	89	(6,103)	210,058	282,401	47,147	329,548
Total comprehensive income	-	-	-	-	-	8,838	8,838	3,478	12,316
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	(40)	-	-	-	(40)	(27)	(67)
Net change in fair value, net of tax, of equity investments at FVOCI	-	-	2	-	-	-	2	-	2
Debt investments at FVOCI reclassified to income statement	-	-	-	(1,425)	-	-	(1,425)	(1,273)	(2,698)
Cash flow hedges, net of tax	-	-	-	6	-	-	6	5	11
Cost of hedging reserves, net of tax	-	-	-	-	3	-	(5)	-	(5)
Disposal of investments in subsidiaries, with loss of control	-	(8)	-	-	-	-	(526)	(76)	(602)
Disposal or dilution of investments in associates and joint ventures	-	(715)	5	37	147	-	746	(142)	604
Share of associates' and joint ventures' reserves	-	2	97	(131)	879	(101)	149	(503)	(354)
Translation differences	-	-	-	-	149	-	(30)	(63)	(93)
Others, net	-	6	-	-	-	(36)	(30)	(63)	(93)
Total other comprehensive income	-	(715)	64	(1,513)	1,178	(137)	(1,123)	(2,079)	(3,202)
Total comprehensive income for the year	-	(715)	64	(1,513)	1,178	8,701	7,715	1,399	9,114
Balance carried forward	64,210	13,506	(10)	(1,424)	(4,925)	218,759	290,116	48,546	338,662

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

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2020, 2019, and 2018

The Group	Note	Share capital \$million	Other reserves \$million	Fair value reserve \$million	Hedging and cost of hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
Balance brought forward		64,210	13,506	(10)	(1,424)	(4,925)	218,759	290,116	48,546	338,662
Transactions with owners, recognised directly in equity Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	77	77
Transfers/Reclassifications		-	(26)	-	-	-	26	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	3,282	3,282
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(3,799)	(3,799)
Dividend (one tier) payable of \$5.69 per share		-	-	-	-	-	(5,654)	(5,654)	-	(5,654)
Issue of ordinary shares		5,402	-	-	-	-	-	5,402	-	5,402
Total contributions by and distributions to owners	9	5,402	(26)	-	-	-	(5,628)	(252)	(440)	(692)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	23,075	23,075
Acquisition of non-controlling interests without a change in control		-	(6)	-	-	5	(47)	(48)	(195)	(243)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(1,143)	(1,143)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	769	-	2	(46)	(38)	687	2,710	3,397
Total changes in ownership interests in subsidiaries		-	763	-	2	(41)	(85)	639	24,447	25,086
Total transactions with owners		5,402	737	-	2	(41)	(5,713)	387	24,007	24,394
At 31 March 2020		69,612	14,243	(10)	(1,422)	(4,966)	213,046	290,503	72,553	363,056

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

The Group	2020 \$million	2019 \$million	2018 \$million
Cash flows from operating activities			
Profit before tax	15,216	18,674	30,417
Adjustments for:			
Accretion of government compensation received	(60)	(33)	(5)
Amortisation and impairment losses on intangible assets	1,582	1,252	861
Depreciation of property, plant and equipment	6,797	6,330	6,098
Depreciation of right-of-use assets	1,451	-	-
Dividend income	(253)	(98)	(127)
Fair value losses/(gains) on investments mandatorily at FVTPL (net)	199	(528)	-
Fair value change of derivative financial instruments and other financial assets	920	(829)	(800)
Fair value gains on investment properties	(1,853)	(2,369)	(2,292)
Fair value (gains)/losses on biological assets	(2)	(62)	16
Loss/(Gain) on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint venture	96	(909)	(3,418)
Gain on disposal of available-for-sale financial assets (net)	-	-	(4,851)
Loss on disposal of derivative financial instruments and other financial assets	664	522	141
Gain on disposal of property, plant and equipment (net)	(350)	(159)	(45)
Gain on disposal of investment properties	(379)	(85)	(46)
Impairment of property, plant and equipment	280	13	89
Impairment of right-of-use assets	(28)	-	-
Impairment/(reversal of) losses in value of investments in associates, joint ventures and other financial assets	766	(150)	1,072
Finance expenses	4,743	3,715	3,157
Interest income	(1,276)	(966)	(458)
Bargain purchase from acquisition of subsidiaries	(1,769)	-	-
Property, plant and equipment written off	28	80	21
Share-based compensation expenses	181	126	111
Share of profit of associates, net of tax	(3,528)	(2,587)	(6,800)
Share of profit of joint ventures, net of tax	(349)	(2,220)	(2,319)
	<u>23,076</u>	<u>19,717</u>	<u>20,822</u>
Changes in:			
- Assets	(1,278)	(5,517)	(4,340)
- Liabilities	(2,378)	3,528	1,443
Foreign currency translation adjustments	(7)	327	(914)
Cash generated from operating activities	<u>19,413</u>	<u>18,055</u>	<u>17,011</u>
Income tax paid	(2,036)	(2,230)	(2,225)
Net cash from operating activities	<u>17,377</u>	<u>15,825</u>	<u>14,786</u>

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

The Group	Note	2020 \$million	2019 \$million	2018 \$million
Cash flows from investing activities				
Proceeds from partial disposal/(Payments for acquisition) of subsidiaries and businesses (net) ⁽¹⁾		1,053	(3,052)	(2,832)
Proceeds from disposals of subsidiaries and businesses (net of cash disposed of) ⁽¹⁾		3,155	1,526	152
Payments for purchases of property, plant and equipment		(12,801)	(12,924)	(12,606)
Proceeds from disposals of property, plant and equipment		649	550	593
Payments for purchases of intangible assets		(1,107)	(813)	(2,030)
Proceeds from disposals of intangible assets		484	9	1
(Payments for purchases)/Proceeds from disposal of interests in associates and joint ventures (net)		(982)	311	1,008
(Payments for purchases)/Proceeds from disposals of financial assets and derivative financial instruments (net)		(4,586)	1,773	(8,477)
Payments for purchases of investment properties and properties under development (net)		(2,254)	(7,148)	(4,809)
(Loans to)/Repayment from associates and joint ventures (net)		(126)	(208)	1,184
Dividends received from associates and joint ventures		4,552	5,026	3,809
Dividends received from financial assets		802	307	367
Interest received		1,353	1,192	683
Net cash used in investing activities		(9,808)	(13,451)	(22,957)
Cash flows from financing activities				
Proceeds from partial disposal/(Payments for acquisition) of interest in subsidiaries without a change in control (net)		2,755	(519)	1,152
Repayments of lease liabilities, finance lease and hire purchase obligations		(1,535)	(76)	(96)
Interest paid		(5,435)	(4,040)	(3,060)
Proceeds from borrowings		55,811	50,676	33,381
Repayments of borrowings		(49,044)	(34,373)	(27,109)
Proceeds from grants received		-	313	32
Return of capital by subsidiaries to non-controlling interests		(212)	(92)	(198)
Dividend paid to equity holder of THPL		(5,402)	(4,303)	(3,236)
Proceeds from issuance of ordinary shares to equity holder of THPL		5,402	4,303	3,236
Dividends paid to non-controlling interests of subsidiaries		(3,587)	(3,136)	(3,142)
Capital contributions by non-controlling interests of subsidiaries		3,282	2,229	1,555
Net cash from financing activities		2,035	10,982	2,515
Net increase/(decrease) in cash and cash equivalents		9,604	13,356	(5,656)
Cash and cash equivalents at the beginning of the year		59,777	46,421	52,077
Cash and cash equivalents at the end of the year	27	69,381	59,777	46,421

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

Note ⁽¹⁾ The attributable net assets of subsidiaries and businesses acquired and disposed of are as follows:

	Recognised values		
	2020 \$million	2019 \$million	2018 \$million
Acquisition of subsidiaries and businesses			
Non-current assets	56,747	3,866	3,124
Current assets	19,784	1,368	484
Non-current liabilities	(26,764)	(1,569)	(1,952)
Current liabilities	(12,639)	(522)	(347)
	37,128	3,143	1,309
Non-controlling interests	(23,075)	(113)	(641)
Net identifiable assets	14,053	3,030	668
Goodwill on acquisition	677	488	2,713
Amount previously accounted for as associates/joint ventures	(5,829)	-	(249)
Bargain purchase	(1,769)	-	-
Additional interest in CapitaLand Limited ("CapitaLand") acquired in exchange for interest in Ascendas Pte Ltd ("Ascendas") and Singbridge Pte. Ltd. ("Singbridge")	3,321	-	-
Dilution gain on exchange of Ascendas and Singbridge for additional interests in CapitaLand	(635)	-	-
Total purchase consideration	9,818	3,518	3,132
Consideration not yet paid	(40)	(155)	(17)
Consideration paid in previous financial year	(63)	(22)	(107)
Cash received in exchange of Ascendas and Singbridge	(3,018)	-	-
Non-cash consideration ^(a)	(3,018)	-	-
Consideration paid, satisfied in cash	3,679	3,341	3,008
Cash and cash equivalents acquired	(4,732)	(289)	(176)
Net cash (inflow)/outflow from acquisitions	(1,053)	3,052	2,832

^(a) Non-cash consideration comprises of shares issuance from CapitaLand for the acquisition of Ascendas and Singbridge

Disposal of subsidiaries and businesses

Non-current assets	9,689	2,181	1,273
Current assets	2,726	17,148	1,923
Non-current liabilities	(5,231)	(716)	(166)
Current liabilities	(1,224)	(13,682)	(1,972)
	5,960	4,931	1,058
Non-controlling interests	(1,143)	(2,077)	(144)
	4,817	2,854	914
Realisation of reserves and goodwill	10	1,679	129
Equity interests retained	(1,220)	(2,902)	(77)
Others	61	(204)	(366)
Gain/(Loss) on disposals	102	1,278	(157)
Cash consideration received	3,770	2,705	443
Cash and cash equivalents disposed of	(615)	(1,179)	(291)
Net cash inflow from disposals	3,155	1,526	152

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 August 2020.

1. General information

Temasek Holdings (Private) Limited (“THPL”) is incorporated and domiciled in Singapore. The address of THPL’s registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The consolidated financial statements comprise THPL and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint ventures.

The principal activity of THPL is that of an investment holding company. The principal activities of the Group include that of investment holding companies and portfolio companies operating in the following sectors: (a) financial services; (b) telecommunications, media and technology; (c) consumer and real estate; (d) transportation and industrials; (e) life sciences and agribusiness; and (f) energy and resources.

THPL is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and Singapore Financial Reporting Standards International (“SFRS(I”).

All references to IFRS in these financial statements shall be deemed to refer to both IFRS and SFRS(I) unless otherwise specified.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar, which is THPL’s functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest million, unless otherwise indicated.

2.4 Basis of preparation of entities with non-coterminous year end

References to the financial years 2020, 2019 and 2018 refer to the financial years ended 31 March 2020, 31 March 2019 and 31 March 2018 respectively.

The consolidated financial statements include the financial statements of THPL drawn up to 31 March 2020 and financial statements of its subsidiaries which have been prepared and audited up to the year ended either 31 March 2020 or 31 December 2019. Management has evaluated the significance of transactions that occurred between 1 January 2020 and 31 March 2020 in respect of those subsidiaries with financial year ended 31 December 2019 and, where necessary, made adjustments to the consolidated financial statements. This approach is allowed under IFRS 10 *Consolidated Financial Statements*.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information on areas involving a high degree of judgement, or areas where estimates are significant to the financial statements, is set out in note 4.

2.6 Changes in accounting policies

During the year ended 31 March 2020, the Group adopted new and amended IFRS and interpretations of IFRS ("IFRIC") that were mandatory for application for the current financial year, including IFRS 16 *Leases*.

On transition to IFRS 16, the Group applied the modified retrospective approach. The cumulative effect of initial application was adjusted to opening accumulated profits at 1 April 2019. Comparative information for the year ended 31 March 2019 and 31 March 2018 were not restated and continued to be reported under IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*.

The accounting policies are set out in note 3. The effects of adoption of IFRS 16 are disclosed in note 41.

The adoption of other new or amended IFRS and IFRIC did not result in substantial changes to the Group accounting policies and had no significant impact on the amounts reported for the years ended 31 March 2020, 31 March 2019 and 31 March 2018.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the subsidiaries, except for accounting policies relating to IFRS 9 *Financial Instruments* which have been applied from 1 April 2018 and those relating to IFRS 16 which have been applied from 1 April 2019.

3.1 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is measured at fair value at each balance sheet date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by IFRS.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognised in the income statement as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as an acquisition on the date that the common control business combination occurs. The assets and liabilities acquired are recognised at the carrying amounts based on the financial statements of the acquired entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid for the acquisition and net assets acquired is recognised directly in equity.

Loss of control

Upon a loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on a loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Transactions with non-controlling interests

Non-controlling interests represents equity in subsidiaries not attributable, directly or indirectly, to THPL, and are presented separately in the income statement, statement of comprehensive income and within equity in the balance sheet, separately from equity attributable to equity holder of THPL.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill, bargain purchase and gain or loss on partial disposal are not recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets/liabilities of the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holder of THPL.

Associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of associates and joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Associates and joint ventures held by or through venture capital organisations, or mutual funds, unit trusts and similar entities are exempted from applying the equity method in the consolidated financial statements and classified as at fair value through profit or loss.

The Group's investments in associates and joint ventures include intangible assets identified and goodwill on acquisition.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currencies at exchange rates at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to functional currencies at exchange rates at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the dates of transactions.

Foreign currency differences arising on translation are recognised in the income statement, except for foreign currency differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below), investments in equity securities designated as fair value through other comprehensive income (2019: fair value through other comprehensive income; 2018: available-for-sale equity), financial liabilities designated as hedges of a net investment in a foreign operation to the extent that the hedge is effective (note 3.8) or qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore Dollar at exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated to Singapore Dollar at average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of the foreign operation and are translated at exchange rates prevailing at the balance sheet date. For acquisitions prior to 1 April 2005, exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Bearer plants are immature plantations stated at acquisition cost which includes costs incurred for field preparation, planting, farming inputs and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations and an allocation of other indirect costs based on planted hectareage.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Subsequent costs

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. Other subsequent expenditure such as repairs and maintenance is recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

	<u>Nature of property, plant and equipment</u>	<u>Useful lives</u>
(a)	Buildings	1 to 60 years
(b)	Leasehold land and improvements, dry docks, floating docks, wharves, slipways, syncrolifts and wet berthages	1 to 99 years
(c)	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts	2 to 30 years (For used freighter aircraft, the Group depreciates them over 20 years minus age of aircraft at point of purchase)
(d)	Marine crafts and vessels	7 to 31 years
(e)	Plant, equipment and machinery (excluding easements)	1 to 60 years
(f)	Furniture, fittings, office equipment, computers, vehicles and others	1 to 30 years
(g)	Bearer plants	15 to 30 years

No depreciation is provided on freehold land, easements (included in plant, equipment and machinery) and leasehold land with a remaining lease period of more than 100 years. No depreciation is provided on construction work-in-progress until the related property, plant and equipment is ready for use.

Depreciation methods, useful lives and residual values are reviewed and adjusted, as appropriate, at each balance sheet date.

3.4 Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement using the straight-line method over the estimated useful lives.

3.5 Intangible assets

Goodwill on consolidation

Goodwill and bargain purchase arise on the acquisition of subsidiaries, associates and joint ventures.

(a) Acquisitions from 1 April 2017

Goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of existing equity interest in the acquiree if the business combination is achieved in stages;

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3.10. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

Gains and losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) Acquisitions prior to 1 April 2017

Goodwill and bargain purchase arising from business acquisitions has been accounted for as follows:

- prior to 1 April 2001, both goodwill and bargain purchase were taken directly to accumulated profits.
- between 1 April 2001 to 31 March 2005, goodwill was stated at cost less amortisation. Bargain purchase was taken directly to accumulated profits.
- after 31 March 2005, goodwill was stated at cost less impairment loss while bargain purchase was taken to income statement.

As part of transition to IFRS, the Group applied an optional exemption and elected not to restate business combinations that occurred prior to the date of transition to IFRS on 1 April 2017. Goodwill arising from acquisitions prior to 1 April 2017 has been carried forward from the previous Financial Reporting Standards in Singapore ("FRS") framework.

Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for natural gas resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:

- researching and analysing exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- examining and testing extraction and treatment methods;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Considerations to third parties to acquire interests in existing exploration and evaluation projects are capitalised as exploration and evaluation assets. The interests in exploration and evaluation projects are accounted for as joint operations.

The Group applies the successful efforts method of accounting for the exploration and evaluation expenditure.

Exploration and evaluation expenditure is charged to the income statement as incurred except in the following circumstances, in which case the expenditure may be capitalised:

- the exploration and evaluation activity is within an area of interest for which it is expected that the expenditure will be recouped by future exploitation or sale; or
- exploration and evaluation activity has not reached a stage which permits reasonable assessment of the existence of commercially recoverable reserves.

Administration costs that are not directly attributable to a specific exploration area are recognised in the income statement as incurred.

As the asset is not available for use, it is not depreciated.

Capitalised exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are neither budgeted or planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated for an area of interest, impairment testing is performed in conjunction with the group of operating assets (representing a cash generating unit) attributed to that area. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the income statement.

Other intangible assets

Other intangible assets that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are amortised in the income statement on a straight-line basis over their estimated useful lives from the date on which they are available for use.

Other intangible assets that have indefinite useful lives or are not ready for use are stated at cost less accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

The estimated useful lives are as follows:

	<u>Nature of intangible assets</u>	<u>Useful lives</u>
(a)	Licence fee	3 to 30 years
(b)	Spectrum and other licences	11 to 16 years
(c)	Computer software	1 to 20 years
(d)	Brand name	4 to Indefinite
(e)	Customer contracts and relationships	1 to 30 years
(f)	Deferred development expenditure	3 to 44 years
(g)	Patents and intellectual property rights	2 to 20 years
(h)	Port use rights	21 to 42 years
(i)	Service concession arrangements	10 to 30 years
(j)	Trademarks	3 to 15 years
(k)	Water rights	Perpetual

Amortisation methods, useful lives and residual values are reviewed and adjusted, as appropriate, at each balance sheet date.

3.6 Biological assets

Biological assets mainly include annual crops, livestock and poultry.

Annual crops

The fruits on trees are valued at fair value less costs to sell, with any changes recognised in the income statement. The fair value amount is an aggregate of the fair valuation of the current financial year and the reversal of the prior year's fair valuation. The fair value takes into account current selling prices and related costs. The calculated value is then discounted by a suitable factor to take into account the agricultural risk until maturity.

The annual crops have been valued using adjusted cost, which is the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximate fair value.

Livestock

Livestock are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the income statement. The fair value of livestock is determined based on valuations by an independent professional valuer using the market prices of livestock of similar age, breed and generic merit. Costs to sell include all costs that would be necessary to sell the assets.

Poultry

Poultry are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the income statement. The fair value of poultry is determined based on estimated market price of livestock of similar age, breed and generic merit. Breeding chickens are carried at fair value, which approximates cost and are amortised over the economic egg-laying lives of the breeding chickens after it starts producing eggs. Costs to sell include all costs that would be necessary to sell the assets.

3.7 Investment properties and properties under development

Investment properties (including those under development) are held for long-term rental yields and/or for capital appreciation and are not occupied substantially by the Group.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in the income statement.

The fair value is determined based on internal valuation or independent professional valuation. Where the fair value of investment properties under development cannot be reliably measured, the property is measured at cost until the earlier of the date at which construction is completed and the date at which fair value becomes reliably measurable.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

If an investment property becomes substantially owner-occupied, it is reclassified to property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

3.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, other short-term highly liquid investments and bank overdrafts. For the purpose of the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and restricted cash.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is recognised in the income statement.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) that are not at fair value through profit or loss ("FVTPL") are recognised initially at fair value, plus or minus, any directly attributable transaction costs. Non-derivative financial instruments that are at FVTPL are recognised initially at fair value and any directly attributable transaction costs are recognised in the income statement when incurred. A trade receivable without a significant financing component is initially measured at its transaction price.

Subsequent to initial recognition, the measurement basis of non-derivative financial instruments are described below.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes and convertible redeemable preference shares that can be converted to shares or redeemed at the option of the holder and/or issuer at varying conditions and redemption amounts.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

On conversion, the financial liability is reclassified to equity. No gain or loss is recognised on conversion.

Financial guarantees

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value plus transaction costs and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of (a) the amount initially recognised less, where appropriate, the cumulative amount of income recognised; and (b) the amount determined in accordance with the expected credit loss model.

Prior to 1 April 2018, financial guarantees were measured at the higher of (a) and the amount that would be recognised if they were accounted for as contingent liabilities.

When financial guarantees are terminated prior to their original expiry date, the carrying amounts of the financial guarantees are transferred to the income statement.

Financial liabilities

(a) Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest method.

(b) Borrowings

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

Policies applicable from 1 April 2018 upon adoption of IFRS 9 Financial Instruments

Financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at fair value through profit or loss (“FVTPL”), amortised cost or fair value through other comprehensive income (“FVOCI”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets at fair value through profit or loss

Financial assets that are held for trading are measured at FVTPL. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the short-term or on initial recognition they are part of a portfolio of identified financial instruments that are managed together for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets which are managed and whose performance is evaluated on a fair value basis and those that are not classified as measured at amortised cost or FVOCI (as described below) are also measured at FVTPL.

A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) is deemed as held-for-trading.

On initial recognition, the Group may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

(b) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets which include other non-current assets, trade and other receivables and cash and bank balances are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(c) Debt investments at fair value through other comprehensive income

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income using the effective interest method, foreign exchange gains and losses and impairment are recognised in the income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the income statement.

(d) Equity investments at fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On derecognition, cumulative gains and losses recognised in other comprehensive income are transferred to accumulated profits.

Impairment of financial assets – Policy applicable from 1 April 2018

The Group recognises loss allowance for expected credit losses in the following financial instruments that are not measured at FVTPL:

- debt investments that are measured at FVOCI;
- debt investments that are measured at amortised cost;
- trade receivables and contract assets;
- lease receivables;
- other receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

Loss allowances of the Group are measured on either of the following bases:

- Simplified approach: Lifetime expected credit losses (“ECL”) that result from all possible default events over the expected life of a financial instrument; or
- General approach: 12-month ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Cumulative changes in lifetime ECL.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables and contract assets, and lease receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments, except for purchased or originated financial assets that are credit-impaired on initial recognition. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Purchased or originated credit-impaired financial assets are financial assets that are credit-impaired at initial recognition. Loss allowance for purchased or originated financial assets that are credit-impaired on initial recognition is measured at an amount equal to cumulative changes in lifetime ECL.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the balance sheet date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- financial assets that are purchased or originated credit-impaired at initial recognition: as the present value of the difference between the cash flows the Group expects to receive at initial recognition and the cash flows that the Group expects to receive subsequent to initial recognition;
- financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Group expects to recover; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

Derivative financial instruments and hedging activities – Policy applicable from 1 April 2018

At the inception of the transaction, the Group documents the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. At hedge inception and on an ongoing basis, the Group also documents its assessment of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items attributable to the hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(a) Cash flow hedges

Changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective, limited to the cumulative change in fair value of the hedged item from inception of the hedge. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction affects the income statement. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in equity is recognised immediately in the income statement. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

(b) Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

(c) Hedges of a net investment in a foreign operation

Foreign currency differences arising on translation of financial liabilities designated as hedges of a net investment in a foreign operation are recognised in the income statement. On consolidation, such foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such foreign currency differences are recognised in the consolidated income statement.

When the hedged net investment is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the consolidated income statement as part of the gain or loss on disposal.

(d) Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised in the income statement.

(e) Other non-trading derivatives

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

Policies applicable prior to 1 April 2018 under FRS 39 *Financial Instruments: Recognition and Measurement*

Financial assets – Policy applicable prior to 1 April 2018

On initial recognition, a financial asset is classified and measured at: FVTPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are described below.

(a) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is acquired principally for the purpose of selling in the short-term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the income statement as incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity. Held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include other non-current assets, trade and other receivables and cash and bank balances which are measured at amortised cost using the effective interest method, less any impairment losses.

(d) Available-for-sale financial assets

The Group's investments in certain equity securities and debt securities are classified as available-for-sale financial assets if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than foreign exchange gains and losses on available-for-sale debt instruments and impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to the income statement.

Impairment of financial assets – Policy applicable prior to 1 April 2018

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual specific basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses in respect of financial assets measured at amortised cost are recognised in the income statement. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Impairment losses in respect of available-for-sale financial assets are recognised by reclassifying the cumulative losses that have been recognised in other comprehensive income and presented in the fair value reserve in equity, to the income statement.

Impairment losses in respect of financial assets measured at amortised cost and available-for-sale debt securities are reversed in the income statement if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities shall not be reversed through the income statement. Any subsequent increase in fair value of such assets is recognised in other comprehensive income and presented in the fair value reserve in equity.

Derivative financial instruments and hedging activities – Policy applicable prior to 1 April 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2020 and 2019, except that embedded derivatives are separated for all host contracts, including host contracts that are financial assets.

Embedded derivatives are separated from host contracts that are not financial assets and accounted for separately if the host contract is not a financial asset and certain criteria are met.

3.9 Leases

During the year ended 31 March 2020, the Group adopted IFRS 16 *Leases*.

On transition to IFRS 16, the Group applied the modified retrospective approach. The cumulative effect of initial application was adjusted to opening accumulated profits at 1 April 2019. Comparative information for the financial years ended 31 March 2019 and 31 March 2018 were not restated and continued to be reported under IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a lease*.

Policies applicable from 1 April 2019 upon adoption of IFRS 16 Leases

(a) As a lessee

The Group recognise right-of-use (“ROU”) assets and lease liabilities at lease commencement dates conveying the right to control the use of the identified assets for a period of time.

For contracts that contain both lease and non-lease components, the consideration is allocated to each lease component on the basis of its relative stand-alone price, and the aggregate stand-alone price of the non-lease components.

For leases of property, the Group has elected not to separate lease and non-lease components and account for them as a single lease component.

Right-of-use assets

A ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

A ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. ROU assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

ROU assets which meet the definition of investment properties are presented within investment properties and accounted for in accordance with note 3.7.

Lease liabilities

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise of:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise the extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities, but are recognised as expenses in the period in which the condition that triggers those payments occur.

A lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimated amount payable under a residual value guarantee, or a change in assessment of whether or not a purchase, extension or termination option will be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or the income statement if the carrying amount of the ROU has been reduced to zero.

Short-term leases and low-value leases

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases and low value leases. Lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term.

(b) As a lessor

IFRS 16 carried forward the accounting requirements of previous accounting standards, IAS 17 and IFRIC 4. The accounting policies applicable to the Group as a lessor for the financial years prior to 1 April 2019 were substantially the same as the accounting policies under IFRS 16.

For contracts that contain both lease and non-lease components, the consideration is allocated to each lease component on the basis of its relative stand-alone price, and the aggregate stand-alone price of the non-lease components.

(i) Lessors of finance leases

Where the Group transfers substantially all the risks and rewards of ownership of an asset to the lessees, this leased asset is classified as a finance lease.

The leased asset is derecognised and the present value of the lease receivable (adjusted for initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in other non-current assets and trade and other receivables.

Finance lease income is recognised in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

(ii) Lessors of operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

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

Contingent rents are recognised in the income statement when earned.

(iii) Intermediate lessors

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, and not with reference to the underlying asset. If a head lease is a short-term lease, then the sub-lease is classified as an operating lease.

Policies applicable prior to 1 April 2019 under IAS 17 and IFRIC 4

(i) Lessees of finance leases

Where the Group assumes substantially all the risks and rewards of ownership of a leased asset, the asset is classified as a finance lease. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Lessees of operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rents are recognised in the income statement in the year in which they are incurred.

(iii) Lessors of finance leases

Where the Group transfers substantially all the risks and rewards of ownership of an asset to the lessees, this leased asset is classified as a finance lease.

The leased asset is derecognised and the present value of the lease receivable (adjusted for initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in other non-current assets and trade and other receivables.

Finance lease income is recognised in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

(iv) Lessors of operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

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

Contingent rents are recognised in the income statement when earned.

3.10 Impairment – non-financial assets

Property, plant and equipment, Intangible assets, Associates and Joint ventures

The recoverable amounts of goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, are estimated each year at the same time, and as and when indicators of impairment are identified.

The carrying amounts of the Group's other non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows from continuing use that are largely independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition is not reversed in the subsequent period.

Goodwill forms part of the carrying amount of an investment in an associate or joint venture. The entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

3.11 Inventories and contract balances

(a) Inventories

Inventories, other than commodities held for trading, are stated at the lower of cost and net realisable value. Cost is calculated on a first-in-first-out basis or by weighted average cost depending on the nature and use of the inventories. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the income statement in the period of the change.

For agricultural produce that is harvested, cost of inventory is stated at fair value less estimated point-of-sale costs at the time of harvest. Thereafter this inventory is carried at the lower of cost and net realisable value.

Development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The write-down to net realisable value is presented as allowance for inventories.

The cost of development properties comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure.

When the development properties for sale are being transferred to investment property, any difference between the fair value of the property and its previous carrying amount at the date of transfer is recognised in the income statement.

(b) Contract balances

A contract asset is recognised when the Group has the right to consideration in exchange for goods or services that has been transferred to a customer. Contract assets are transferred to trade receivables when the consideration for performance obligations are billed.

A contract cost is recognised as an asset when the incremental cost of obtaining or fulfilling a contract with a customer is expected to be recovered. Contract costs are subsequently amortised on a systemic basis that is consistent with the transfer of goods and services to the customers.

A contract liability is recognised when the Group has the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer. Contract liabilities are recognised as revenues when services are provided to customers.

3.12 Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale and are carried at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

3.13 Employee benefits

(a) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

(b) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted from the present value of the defined benefit obligation at the balance sheet date. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

Remeasurements from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in the income statement.

(c) *Share-based payment*

For equity-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in the equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the goods or services received is determined by reference to the fair value of the equity instrument granted at the date of the grant. At each balance sheet date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised in expense and a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made to the original estimate if the actual outcome differs from the estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in liability over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the goods or services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement.

The proceeds received from the exercise of the equity instrument, net of any directly attributable transaction costs, are credited to equity when the equity instruments are exercised.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(e) Other long-term employee benefits

The Group's net obligations in respect of long-term employee benefits other than pension plans is the amount of future benefits that employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.15 Revenue

Sale of goods and rendering of services

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised goods or services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a goods or services that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Rental income under operating leases is recognised in the income statement on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised in the income statement when earned.

Dividend income

Dividend income is recognised in the income statement when the right to receive payment is established.

Interest income

Interest income includes interest on deposits and investments in debt securities and interest arising from various types of lending activities by subsidiaries that are financial institutions. Interest income is recognised as it accrues, using the effective interest method.

Investment gains or losses of financial assets held for trading

Changes in fair values of financial assets held for trading measured at fair value through profit or loss, and financial derivative instruments are recognised as revenue when the changes in fair value arise. On disposal, the difference between the sales proceeds and the carrying amount is recognised as revenue in the income statement.

3.16 Other income

Other income includes interest income, dividend income, gains on disposal of investments in subsidiaries, associates, joint ventures, property, plant and equipment and other financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised when the right to receive payment is established.

3.17 Government grants

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and conditions attached to them will be complied with. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

3.18 Finance expenses

Finance expenses comprise interest expense on borrowings and unwinding of discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

3.19 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, it is presumed that the carrying amount of such investment property will be recovered entirely through sale. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.20 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resell. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is represented as if the operation had been discontinued from the start of the comparative period.

3.21 Dividends to THPL's shareholder

Dividends to THPL's shareholder are recognised when the obligation to dividend payment is established.

4. Critical accounting estimates, assumptions and judgements

Since the last quarter of the financial year ended 31 March 2020, the novel coronavirus pandemic ("COVID-19"), global lockdowns and decline in oil prices led to disruption in major economies and market indices. The assessment of the Group's carrying amounts of assets and liabilities had been impacted by the volatility in prices of stocks, oil, commodity, exchange rates and uncertainty of the global economies.

The Group exercised judgement in determining critical estimates, assumptions and judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

As COVID-19 pandemic continues to evolve, the duration and extent of its impact remains unclear and cannot be reasonably estimated at this time. The estimates and assumptions as described below, represent the Group's best judgement based on relevant information relating to conditions that existed as at 31 March 2020. The Group has considered the impact of COVID-19 and decline in oil prices in the preparation of the Group financial statements. These includes the extent and duration to which future operations and estimated cash flows could be impacted by supply chain, operational and demand disruptions. Should the extent and duration of COVID-19 differ from the Group's best judgement as at the balance sheet date, significant estimates and assumptions used in the preparation of the Group financial statements may be subject to adjustments in future periods.

(a) Impairment of property, plant and equipment and goodwill

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on the higher of fair value less costs to sell and value in use calculations. The value in use calculations require the use of estimates.

(b) Control over subsidiaries

Subsidiaries are entities controlled by the Group. In determining whether the Group controls an entity, significant judgement is required to assess if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(c) Impairment of investments in subsidiaries, associates and joint ventures

The carrying values of investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Group evaluates, amongst other factors, the future profitability of the subsidiaries, associates and joint ventures, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

(d) Fair value of investment properties and properties under development

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investment properties and properties under development are stated at fair value based on valuation performed by independent professional valuers.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, residual method, and/or discounted cash flows, where appropriate.

As described in note 21, valuation reports obtained from valuers for certain properties highlighted the heightened uncertainty of the COVID-19 outbreak on properties' valuation. Given the unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to the valuations than would normally be the case.

The valuation methods and estimates adopted and considered by professional valuers were based on information available and reflective of market conditions as at the balance sheet date. Certain valuation reports have highlighted that given the future uncertainty arising from COVID-19, the valuation of these properties subsequent to the balance sheet date may be subjected to more fluctuation than during normal market conditions.

(e) Fair value estimates for certain financial assets and liabilities and derivative financial instruments

The Group carries a significant amount of financial assets and liabilities and derivative financial instruments at fair value, which require extensive use of accounting estimates and judgement.

While significant components of measurement of financial assets and liabilities classified under level 2 and 3 of the fair hierarchy were determined using verifiable objective evidence (i.e. foreign exchange rates, interest rates), the amount of changes in fair value would differ if different valuation methodologies were applied. Any changes in fair value of these financial assets and liabilities and derivative financial instruments would affect the income statement and other comprehensive income.

In light of COVID-19 pandemic and oil price decline, the Group expanded the coverage of its assessment and valuation of financial assets to include investments that were exposed to sectors at risk and investments with potential liquidity risk. The estimated impact of the pandemic and oil price decline had been factored in the underlying cash flow projections. The weighted average cost of capital used in the valuation models had been appropriately adjusted for the heightened uncertainties.

The impact of COVID-19 on hedge effectiveness of certain derivative contracts are described in note 20.

(f) Impairment of financial assets

Policy applicable from 1 April 2018 (in accordance with IFRS 9 Financial Instruments)

The impairment of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Policy applicable prior to 1 April 2018 (in accordance with FRS 39 Financial Instruments: Recognition and Measurement)

(i) Impairment of available-for-sale financial assets

The Group followed the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when an available-for-sale financial asset was impaired. This determination required significant judgement about whether the decline in fair value below cost was significant or prolonged. The Group evaluated, among other factors, the duration of the decline and the magnitude by which the fair value of an investment was below cost; and the financial health and short-term business outlook of the investee.

(ii) Impairment of loans and receivables

The Group assesses whether there is objective evidence that loans and receivables have been impaired at each balance sheet date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

(g) *Tax expense*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses at each tax jurisdiction.

The Group reviews the carrying amount of deferred tax assets at each balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

5. Revenue

	2020	2019	2018
	\$million	\$million	\$million
Sale of goods	50,479	48,597	41,971
Rendering of services	63,320	61,361	58,087
Dividend income	2,827	2,638	1,946
Interest income	1,934	2,321	3,358
Investment gains/(losses), net	63	(275)	2,084
	<u>118,623</u>	<u>114,642</u>	<u>107,446</u>

Investment gains/(losses) comprise net realised and unrealised gains/(losses) from financial assets held for trading and derivative financial instruments.

The following disclosures on sale of goods and rendering of services of operating subsidiaries, which contributed significantly to the consolidated revenue, are extracted from their respective financial statements.

Olam International Limited and its subsidiaries ("Olam")

Revenue recognition

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

Revenue is recognised when Olam 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 revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognised. Revenue is measured at the consideration promised in the contract with a customer, less discounts and rebates.

Revenue from services rendered is recognised in the accounting period in which services are rendered.

	2020	2019	2018
	\$million	\$million	\$million
Timing of revenue recognition			
Goods transferred at point in time	32,774	30,222	26,069
Services transferred at point in time	213	253	191
Others	6	4	13
	<u>32,993</u>	<u>30,479</u>	<u>26,273</u>

Olam's businesses are organised and managed as five broad segments grouped in relation to different types and nature of products traded. Olam's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The segmentation of products has been done in the following manner:

- Edible Nuts and Spices – Edible Nuts (cashew, peanuts, almonds, hazelnuts, pistachios, walnuts, sesame and beans including pulses, lentils and peas), spices and vegetable ingredients (including pepper, onion, garlic, capsicums and tomato).
- Confectionery and Beverage Ingredients – cocoa and coffee.
- Industrial Raw Materials, Infrastructure and Logistics – cotton, wood products, rubber, fertiliser and Gabon Special Economic Zone (GSEZ including ports and infrastructure).
- Food Staples and Packaged Foods – rice, sugar and sweeteners, grains and animal feed, edible oils, dairy and packaged foods.
- Commodity Financial Services – risk management solutions, market-marking, volatility and asset management, and trade and structured finance.

	2020	2019	2018
	\$million	\$million	\$million
Edible Nuts and Spices	4,436	4,312	4,492
Confectionary and Beverage Ingredients	6,686	7,130	8,137
Industrial Raw Materials, Infrastructure and Logistics	4,247	4,531	3,877
Food Staples and Packaged Foods	17,624	14,506	9,767
	<u>32,993</u>	<u>30,479</u>	<u>26,273</u>

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

Revenue recognition

Revenue is recognised when Singtel satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of goods and services tax, rebates, discounts and sales within Singtel.

Revenue from service contracts (e.g. telecommunications or pay TV fees) are recognised ratably over the contract periods as control over the services passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/bytes of data).

For prepaid cards which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third party dealer which generally coincides with delivery and acceptance of the equipment sold.

Goods and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own. The transaction price is allocated between goods and services based on their relative standalone selling prices. Standalone selling prices are determined by assessing prices paid for standalone equipment and for service-only contracts (e.g. arrangements where customers bring their own equipment). Where standalone selling prices are not directly observable, estimation techniques are used.

Contracts with customers generally do not include a material right. In cases where material rights are granted, specifically in respect to the award of mobile price plan discount vouchers, a portion of the transaction price is deferred as a contract liability and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed.

Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract.

Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

Singtel may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

When Singtel has control of goods or services prior to delivery to a customer, Singtel is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then Singtel is acting as an agent for the other party and revenue is recognised net of any related payments. Singtel typically acts as an agent for digital mobile content such as music, video etc.

For information technology projects, revenue is recognised over time based on the cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then Singtel recognises a contract liability for the difference.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions are recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from sale of advertising space is recognised when the advertising space is filled and sold to customers. Singtel is generally the principal in transactions carried out through the Amobee advertising platforms and therefore reports gross revenue based on the amount billed to customers.

	2020	2019	2018
	\$million	\$million	\$million
Mobile			
- Mobile service ¹	4,855	5,396	5,738
- Sale of equipment	2,567	2,865	2,409
- Handset operating lease income ²	200	140	25
	7,622	8,401	8,172
Data and internet	3,612	3,353	3,441
Infocomm Technology ("ICT") ³			
- Managed services	1,777	1,881	1,920
- Communication engineering	145	119	100
- Business application services	564	485	461
- Cyber security	566	549	527
	3,052	3,034	3,008
Digital businesses ⁴	1,169	1,245	1,113
Fixed voice	705	899	1,084
Pay television	314	373	369
Others ⁵	68	67	81
	16,542	17,372	17,268

¹ Includes revenues from subscription (prepaid/postpaid), interconnect, outbound and inbound roaming, wholesale revenue from MVNOs (Mobile Virtual Network Operators) and mobile content services such as music and video.

² Comprises revenue from lease of handsets to mobile customers. Handset leasing plans in Australia ceased from July 2019.

³ Includes equipment sales related to ICT services.

⁴ Mainly from provisions of digital marketing and advertising services.

⁵ Includes energy reselling fees.

As at 31 March 2020, the transaction price attributable to unsatisfied performance obligations for ICT services rendered by NCS Pte. Ltd. was approximately \$3 billion (2019: \$3 billion) which would substantially be recognised as operating revenue over the next 5 years.

Service contracts with consumers typically range from a month to 3 years, and contracts with enterprises typically range from 1 to 3 years.

Singtel is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, which focus on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales. It also includes Singtel's regional investments (mainly AIS and Intouch in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia), as well as two key digital businesses – mobile financial business, and gaming and digital content business.

Group Enterprise comprises the business groups across Singapore, Australia, the United States of America, Europe and the region, and focuses on growing Singtel's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life focuses on using the latest Internet technologies and assets of Singtel's operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage. It has two key businesses – digital marketing (Amobee) as well as advanced analytics and intelligence capabilities (DataSpark). It also serves as Singtel's digital innovation engine through Innov8.

	2020	2019	2018
	\$million	\$million	\$million
Group Consumer	9,371	9,819	9,711
Group Enterprise	6,026	6,329	6,477
Group Digital Life	1,145	1,224	1,080
	<u>16,542</u>	<u>17,372</u>	<u>17,268</u>

Singapore Airlines Limited and its subsidiaries ("SIA")

Revenue recognition

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, and tour activities, amongst others.

Passenger, cargo and mail sales are recognised as operating revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. Breakage revenue (tickets sold and not uplifted at flight date) is recognised at flight date by estimating a percentage of tickets that will never be utilised, based on historical trends and experience. The value of airway bills is recognised as revenue if unused after one year.

SIA sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, SIA has determined that it is acting as an agent on behalf of other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). SIA, as the agent, recognises revenue at the time of the travel for the net amount representing commission to be retained by SIA for any segments flown by other airlines.

SIA has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

SIA operates a frequent flyer programme called “KrisFlyer” that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, SIA sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

SIA has the following reportable segments:

- (i) The Singapore Airlines segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.
- (ii) The SilkAir segment provides passenger air transportation under the SilkAir brand with a focus on full-service passenger segment serving regional markets.
- (iii) The Budget Aviation segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iv) SIA Engineering Company (“SIAEC”) segment is in the business of providing airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.
- (v) Other services provided by SIA, such as tour activities and sale of merchandise, have been aggregated under the segment “Others”.

	2020	2019	2018
	\$million	\$million	\$million
Singapore Airlines	12,918	13,054	12,760
SilkAir	888	1,011	999
Budget Aviation	1,625	1,711	1,534
SIAEC	445	486	481
Others	100	61	32
	<u>15,976</u>	<u>16,323</u>	<u>15,806</u>

6. Finance expenses

	2020	2019	2018
	\$million	\$million	\$million
Interest expense			
- Bank loans	2,207	1,716	1,282
- Fixed and floating rate notes	1,802	1,628	1,578
- Lease liabilities	409	-	-
	<u>4,418</u>	<u>3,344</u>	<u>2,860</u>
Others	325	371	297
	<u>4,743</u>	<u>3,715</u>	<u>3,157</u>

Interest expense incurred by the Group's financial institution subsidiaries of \$430 million (2019: \$615 million; 2018: \$884 million) is included as part of the Group's cost of sales and is, therefore not included as part of finance expenses.

7. Tax expense

	2020	2019	2018
	\$million	\$million	\$million
Tax recognised in income statement			
Current tax expense			
Current year	3,333	2,845	2,851
Over-provided in prior years	(337)	(218)	(319)
	<u>2,996</u>	<u>2,627</u>	<u>2,532</u>
Deferred tax expense			
Origination and reversal of temporary differences	(104)	150	563
Change in tax rates	8	-	(48)
Recognised as part of gain on disposal of investments in associates in income statement	-	-	(217)
	<u>(96)</u>	<u>150</u>	<u>298</u>
Total tax expense	<u>2,900</u>	<u>2,777</u>	<u>2,830</u>
Reconciliation of effective tax rate			
Profit before share of profits of associates and joint ventures	<u>11,339</u>	<u>13,867</u>	<u>21,298</u>
Tax calculated using Singapore tax rate of 17% (2019 and 2018: 17%)	1,928	2,357	3,621
Net income not subject to tax	(3,988)	(1,109)	(3,329)
Expenses not deductible for tax purposes	3,693	1,058	1,948
Land appreciation tax	314	-	-
Recognition of previously unrecognised tax benefits	(63)	(112)	(7)
Deferred tax benefits not recognised	521	250	226
Effect of different tax rates in other countries	820	629	735
Effect of change in tax rates	8	-	(48)
Over-provided in prior years	(337)	(218)	(319)
Others	4	(78)	3
Total tax expense	<u>2,900</u>	<u>2,777</u>	<u>2,830</u>

8. Profit for the year

(a) Items included in other income:

	2020 \$million	2019 \$million	2018 \$million
Bargain purchase	1,769	-	-
Dividend income	253	98	127
Fair value gains on investment properties	1,853	2,369	2,292
Fair value (losses)/gains on investments mandatorily at FVTPL (net)	(199)	528	-
Comprising:			
- Realised mark-to-market gains on investments sold during the year	2,344	1,515	-
- Unrealised mark-to-market losses on investments held at the end of the year	(2,543)	(987)	-
Fair value (losses)/gains on derivative financial instruments (net)	(826)	783	(717)
Gains on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures	1,200	1,217	3,848
Gains on disposal of available-for-sale financial assets (net)	-	-	4,851
Gains on disposal of property, plant and equipment (net)	350	159	45
Interest income	1,276	966	458
Exchange gains (net)	-	-	2

(b) Items included in cost of sales and expenses:

	Note	2020 \$million	2019 \$million	2018 \$million
Depreciation of property, plant and equipment	11	(6,797)	(6,330)	(6,098)
Depreciation of right-of-use assets	12	(1,451)	-	-
Amortisation of contract costs		(925)	(2,551)	(145)
Amortisation of intangible assets	13	(1,027)	(914)	(718)
Impairment (losses)/reversal (net):				
- Investments in associates, joint ventures and other financial assets		(766)	150	(1,072)
- Property, plant and equipment	11	(280)	(13)	(89)
- Right-of-use assets	12	28	-	-
- Intangible assets	13	(555)	(338)	(143)
- Trade and other receivables		(401)	(477)	(571)
Ineffectiveness on cash flow hedges		(684)	(10)	69
Loss on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures		(1,296)	(308)	(430)
Lease expenses		(824)	-	-
Operating lease expenses		-	(2,568)	(2,625)
Wages and salaries		(13,153)	(13,075)	(13,198)
Contributions to defined contribution plans		(1,250)	(1,176)	(1,142)
Employee share-based compensation expenses		(181)	(180)	(111)
Other staff-related costs and benefits		(1,856)	(1,764)	(1,643)
Exchange losses (net)		(287)	(249)	-

9. Share capital

	2020	2019	2018
	No. of	No. of	No. of
	shares	shares	shares
Fully paid ordinary shares, with no par value:			
At beginning of the year	974,545,560	959,406,660	946,584,470
Issue of shares for cash	18,567,247	15,138,900	12,822,190
At end of the year	<u>993,112,807</u>	<u>974,545,560</u>	<u>959,406,660</u>

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of THPL. All shares rank equally with regard to THPL's residual assets.

Capital management

THPL

THPL's capital comprises its share capital and reserves. The primary objective in capital management is to safeguard the ability to deliver sustainable returns over the long term.

THPL has been assigned an overall corporate credit rating of "Aaa" by Moody's Investors Service, Inc and "AAA" by S&P Global Ratings.

THPL is designated as a Fifth Schedule entity under the Singapore Constitution with a special responsibility to safeguard THPL's past reserves. Reserves in THPL are categorised as current or past reserves, depending on when these have been accumulated.

THPL's past reserves are those accumulated by THPL before the current term of Government.

If THPL's total reserves are less than THPL's past reserves, this will be considered a draw on THPL's past reserves. THPL is required under the Singapore Constitution to seek approval from the President of the Republic of Singapore (the "President") before a draw occurs on THPL's past reserves.

THPL's Chairman and Chief Executive Officer are required to certify THPL's Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals as part of THPL's responsibility to protect THPL's past reserves.

Thus, the President acts as a check under a "two-key" concept to safeguard THPL's past reserves.

There were no changes to THPL's approach to capital management during the year.

The Group

THPL is an investment company that owns and manages its assets based on commercial principles. THPL does not issue any financial guarantees for its portfolio companies' obligations.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies.

Certain operating subsidiaries within the Group are subject to externally imposed capital requirements as required by law and financial loan covenant clauses. The boards and management teams of these subsidiaries are responsible for compliance with the requirements during the financial year.

10. Reserves

(a) Other reserves

Other reserves mainly comprise:

(i) Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by subsidiaries in exchange for the nominal value of shares acquired in respect of acquisition of entities under common control.

(ii) Capital reserve

The capital reserve mainly comprises the Group's share of capital reserves of associates and joint ventures and goodwill on acquisition completed prior to 1 April 2001.

(iii) Other reserves

Other reserves mainly comprise surplus on disposal of investments transferred from accumulated profits.

(b) Fair value reserve

Policy applicable from 1 April 2018

The fair value reserve comprises the cumulative net change in equity and debt investments measured at FVOCI held until the investments are derecognised or upon impairment of debt investments.

Policy applicable prior to 1 April 2018

The fair value reserve comprises the cumulative net change in the fair value of AFS financial assets held until the investments are derecognised or impaired.

(c) Hedging and cost of hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

Cost of hedging reserve comprises time value of options, forward points and foreign currency basis spread separately accounted for as a cost of hedging.

(d) Currency translation reserve

The currency translation reserve comprises:

- (i) foreign currency differences arising from the translation of financial statements of subsidiaries, associates and joint ventures whose functional currencies are different from the functional currency of THPL;
- (ii) foreign currency gains or losses on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and
- (iii) foreign currency differences on monetary items which form part of the Group's net investment in foreign operations.

11. Property, plant and equipment

Cost	Freehold land and buildings \$million	Leasehold land and buildings improvements \$million	Dry docks, floating docks, wharves, slipways, and synchrolift berthages \$million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, fittings, office equipment, computers, vehicles and others \$million	Bearer plants \$million	Construction work-in-progress \$million	Total \$million
At 31 March 2017	1,724	12,565	4,356	22,955	693	61,273	9,716	1,294	15,049	129,625
Effects of adoption of IFRS 1	-	-	-	(10,658)	-	(1,306)	-	-	(8)	(11,972)
At 1 April 2017	1,724	12,565	4,356	12,297	693	59,967	9,716	1,294	15,041	117,653
Acquisition of subsidiaries	88	137	-	-	-	253	22	-	74	574
Purchase price allocation adjustment	-	-	-	-	-	(2)	-	-	-	(2)
Additions	25	283	19	213	-	651	476	212	11,206	13,085
Assets classified as held for sale	(49)	(58)	-	-	-	(124)	(20)	-	-	(251)
Disposal of subsidiaries	(32)	(44)	-	-	-	(355)	(57)	-	(10)	(498)
Disposals	(138)	(59)	(20)	(1,002)	(20)	(952)	(298)	-	(18)	(2,507)
Transfer/Reclassification/Adjustment	124	1,395	562	3,541	1	5,340	901	24	(11,912)	(24)
Transfer from/(to) intangible assets	-	(1)	(81)	-	-	(81)	1	-	(700)	(862)
Write off	-	(41)	-	-	-	(199)	(33)	-	(3)	(276)
Translation differences	(54)	(135)	(4)	(8)	(15)	(1,197)	(303)	1	(83)	(1,798)
At 31 March 2018	1,688	14,042	4,832	15,041	659	63,301	10,405	1,531	13,595	125,094
Acquisition of subsidiaries	5	83	-	-	-	391	8	-	45	532
Additions	31	292	26	325	795	587	373	341	11,212	13,982
Assets classified as held for sale	-	(139)	-	-	-	(36)	-	-	-	(175)
Disposal of subsidiaries	(11)	(340)	(148)	(4)	-	(99)	(336)	-	(549)	(1,487)
Disposals	(14)	(61)	(14)	(1,052)	(14)	(1,021)	(336)	-	(41)	(2,553)
Transfer/Reclassification/Adjustment	167	1,347	75	5,576	24	3,423	708	17	(11,440)	(103)
Transfer from/(to) intangible assets	-	(23)	-	-	-	(69)	-	-	-	(92)
Write off	-	(26)	(1)	-	-	(85)	(20)	-	(54)	(186)
Translation differences	(52)	(85)	(7)	2	3	(1,370)	(225)	(61)	(107)	(1,902)
At 31 March 2019	1,814	15,090	4,763	19,888	1,467	65,022	10,577	1,828	12,661	133,110
Effects of adoption of IFRS 16	-	(1,163)	(45)	36	(786)	(90)	(111)	(64)	(38)	(2,261)
At 1 April 2019	1,814	13,927	4,718	19,924	681	64,932	10,466	1,764	12,623	130,849
Acquisition of subsidiaries	99	742	-	-	-	555	220	-	47	1,663
Additions	9	132	28	309	73	581	453	241	11,383	13,209
Assets classified as held for sale	(15)	-	-	(59)	-	(115)	(2)	-	-	(191)
Disposal of subsidiaries	(2)	(31)	(8)	(7)	-	(246)	(20)	-	(1)	(315)
Disposals	(14)	(124)	(205)	(472)	(51)	(1,035)	(1,107)	(24)	(49)	(3,081)
Transfer/Reclassification/Adjustment	(251)	435	144	5,043	28	4,170	223	12	(10,199)	(395)
Transfer from/(to) intangible assets	-	2	-	-	-	(2)	2	-	(72)	(70)
Write off	-	(9)	(2)	-	-	(348)	(35)	-	(1)	(395)
Translation differences	(27)	(84)	(12)	41	(4)	(1,396)	(389)	(49)	(94)	(2,014)
At 31 March 2020	1,613	14,990	4,663	24,779	727	67,096	9,811	1,944	13,637	139,260

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Notes to the Financial Statements
Years ended 31 March 2020, 2019, 2018

	Note	Freehold land and buildings \$million	Leasehold land and buildings improvements \$million	Dry docks, floating docks, wharves, slipways, and wet berthing \$million	Aircrafts, spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, fittings, office equipment, computers, vehicles and others \$million	Bearer plants \$million	Construction work-in-progress \$million	Total \$million
Accumulated depreciation and impairment losses											
At 31 March 2017		241	4,929	1,781	11,583	214	33,165	6,832	105	6	58,856
Effects of adoption of IFRS 1		-	-	-	(8,511)	-	(877)	-	-	-	(9,388)
At 1 April 2017		241	4,929	1,781	3,072	214	32,288	6,832	105	6	49,468
Depreciation for the year	8(b)	32	454	186	1,055	34	3,265	1,012	60	-	6,098
Impairment loss recognised/(reversed) (net)	8(b)	-	(2)	-	38	-	60	(4)	-	(3)	89
Assets classified as held for sale		(4)	(6)	-	-	-	(24)	(13)	-	-	(47)
Disposal of subsidiaries		(18)	(34)	-	-	-	(254)	(47)	-	(2)	(355)
Disposals		(13)	(40)	(16)	(831)	(19)	(863)	(267)	-	-	(2,049)
Transfer/Reclassification/Adjustment		-	6	-	-	-	(7)	(8)	-	-	(9)
Transfer from/(to) intangible assets	13	-	(27)	(22)	-	-	(27)	(32)	-	-	(49)
Write off		-	(26)	2	-	-	(196)	(32)	-	-	(255)
Translation differences		(3)	(2)	-	(2)	(2)	(219)	(8)	-	-	(968)
At 31 March 2018		235	5,254	1,931	3,332	227	33,532	7,254	157	1	51,923
Depreciation for the year	8(b)	30	483	195	1,247	38	3,249	1,027	61	-	6,330
Impairment loss recognised/(reversed) (net)	8(b)	-	1	-	2	5	3	2	-	-	13
Assets classified as held for sale		-	(53)	-	-	-	(8)	-	-	-	(61)
Disposal of subsidiaries		(1)	(104)	(25)	(1)	-	(272)	(272)	-	-	(457)
Disposals		(2)	(30)	(13)	(824)	(11)	(921)	(316)	-	-	(2,117)
Transfer/Reclassification/Adjustment		7	(13)	-	(8)	-	10	(41)	-	-	(45)
Transfer from/(to) intangible assets	13	-	(20)	(1)	-	-	(18)	(17)	-	(1)	(20)
Write off		(4)	(12)	(2)	1	1	(67)	(164)	(3)	-	(106)
Translation differences		(4)	(12)	(2)	1	1	(627)	(164)	(3)	-	(810)
At 31 March 2019		265	5,504	2,085	3,749	260	35,099	7,473	215	-	54,650
Effects of adoption of IFRS 16		-	(373)	(22)	(6)	(6)	(57)	(32)	-	-	(496)
At 1 April 2019		265	5,131	2,063	3,743	254	35,042	7,441	215	-	54,154
Depreciation for the year	8(b)	20	519	208	1,610	33	3,340	1,024	43	-	6,797
Impairment loss recognised/(reversed) (net)	8(b)	59	18	-	17	-	128	-	52	6	280
Assets classified as held for sale		(6)	-	-	(43)	-	(34)	(1)	-	-	(84)
Disposal of subsidiaries		-	(7)	(1)	(2)	-	(85)	(15)	-	-	(110)
Disposals		(3)	(75)	(101)	(150)	(33)	(970)	(1,100)	(1)	-	(2,433)
Transfer/Reclassification/Adjustment		(49)	103	2	-	-	(3)	(13)	-	-	40
Write off		-	(1)	(2)	-	-	(332)	(32)	-	-	(367)
Transfer from/(to) intangible assets		(8)	(26)	(6)	(1)	(1)	(787)	(307)	(3)	-	(1,139)
Translation differences		(8)	(26)	(6)	(1)	(1)	(787)	(307)	(3)	-	(1,139)
At 31 March 2020		278	5,662	2,163	5,174	253	36,299	6,997	306	6	57,138
Carrying amounts											
At 31 March 2018		1,453	8,788	2,901	11,709	432	29,769	3,151	1,374	13,594	73,171
At 31 March 2019		1,549	9,586	2,678	16,139	1,207	29,923	3,104	1,613	12,661	78,460
At 31 March 2020		1,335	9,328	2,500	19,605	474	30,797	2,814	1,638	13,631	82,122

Property, plant and equipment include:

	Note	2020 \$million	2019 \$million	2018 \$million
Borrowing costs capitalised during the year		131	65	144
Staff costs capitalised during the year		319	283	314
Held for generating operating lease revenue		867	635	164
Acquired under finance lease, sale and leaseback and hire purchase arrangements		-	1,243	352
Pledged to secure banking facilities	29(c)(i)	11,178	8,529	7,452

The Group's carrying amount of aircrafts, aircraft spares and engines, flight simulators and training aircrafts of \$19,605 million as at 31 March 2020, and the impairment charge of \$17 million for the year then ended, was contributed primarily by Singapore Airlines Limited and its subsidiaries ("SIA").

The following disclosures on SIA's impairment assessment are extracted from SIA's financial statements for the year ended 31 March 2020, and SIA's announcement on 29 July 2020.

Singapore Airlines Limited and its subsidiaries ("SIA")

Impairment of aircraft spares

During the year ended 31 March 2020, the carrying amounts of aircraft spares exceeded the recoverable amounts and SIA recognised an impairment loss of \$14.2 million on its aircraft spares.

Impairment test

In light of COVID-19 and its detrimental effect on the travel industry caused by global travel restrictions and border controls, SIA's significant reduction in its capacity has led to a deterioration to its profits and cash flows. This event is an indicator that the property, plant and equipment and intangible assets may be impaired and impairment test was performed on the following CGUs:

(i) *Full Service Carrier ("FSC") CGU*

The recoverable amount of the FSC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by SIA's management covering a five-year period. The financial forecasts which were approved include SIA's management planned recovery from COVID-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period is 4.5%.

(ii) *Low-Cost Carrier (“LCC”) CGU*

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by SIA’s management covering a six-year period (2019: three-year period). The financial forecasts which were approved include SIA’s management planned recovery from COVID-19 related global travel restrictions and border controls. The six-year period reflects the CGU’s steady state of operations arising from the significant committed capital expenditure of the CGU in the forecast period. The post-tax discount rate applied to cash flow projections is 7.0% (2019: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the six-year period (2019: three-year period) is 5.5% (2019: 4.5%).

The calculations of value-in-use for the FSC and LCC CGUs are most sensitive to the following assumptions:

- (i) Yield – The forecast yield is set with regards to the CGU’s historical performance, operation plans and expected economic and market conditions. The forecast yield does not exceed historical yield achieved.
- (ii) Growth rate – The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

The impairment assessment is sensitive to changes to these assumptions and any significant adverse movements in these assumptions could impact the results of the impairment test.

Announcement by SIA subsequent to its financial year ended 31 March 2020

On 29 July 2020, SIA released its financial updates for the first quarter ended 30 June 2020. SIA provided the following information in the Outlook section of its financial updates:

The recovery trajectory in international air travel is slower than initially expected. Industry experts, including International Air Transport Association (“IATA”) and International Civil Aviation Organisation (“ICAO”), have continued to revise downwards their projections for the recovery of global passenger traffic in the near term. Industry forecasts currently expect that it will take between two to four years for passenger traffic numbers to return to pre-pandemic levels.

SIA’s current view for planning purposes is that by the end of financial year ending 31 March 2021, SIA’s passenger capacity may reach less than half of its pre-COVID-19 levels. SIA continues to pursue cost management measures and will also explore additional means to shore up liquidity as necessary. SIA is reviewing the potential shape and size of the network over the longer term given COVID-19 and its impact on the passenger traffic and revenue, which will provide better clarity on the fleet size and mix that SIA will need. This review is likely to lead to a material impairment of the carrying values of older generation aircraft, particularly the A380 aircraft which would account for approximately \$1 billion. SIA expects to complete the review by the half year period ending 30 September 2020.

12. Right-of-use assets

	Note	Freehold land and buildings \$million	Leasehold land and buildings improvements \$million	Dry docks, floating docks, wharves, slipways, synchrolifts and wet berthages \$million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, fittings, office equipment, computers, and vehicles \$million	Others \$million	Total \$million
For the year ended 31 March 2020:										
Depreciation	8(b)	(96)	(763)	(15)	(366)	(68)	(105)	(29)	(9)	(1,451)
Reversal of impairment losses	8(b)	-	19	-	-	-	-	9	-	28
Carrying value at 31 March 2020		446	5,290	330	1,295	1,326	473	126	127	9,413

Addition of right-of-use assets was \$1,634 million for the year ended 31 March 2020.

13. Intangible assets

	Note	Goodwill on consolidation \$million	Licences \$million	Software \$million	Port use, water and other rights \$million	Other intangible assets \$million	Total \$million
Cost							
At 1 April 2017		16,648	3,446	2,011	875	5,217	28,197
Additions		-	1,123	168	1	781	2,073
Acquisition/(disposal) of subsidiaries (net)		2,083	(5)	53	77	854	3,062
Purchase price allocation adjustment		2	-	-	-	65	67
Disposals/Write off		-	(1)	(51)	-	(2)	(54)
Transfer from property, plant and equipment	11	-	-	33	162	667	862
Transfer/Reclassification/ Adjustment		-	-	171	(1)	(170)	-
Translation differences		(358)	(159)	(14)	11	(240)	(760)
At 31 March 2018		18,375	4,404	2,371	1,125	7,172	33,447
Additions		-	130	158	10	508	806
Acquisition/(disposal) of subsidiaries (net)		(22)	-	(150)	55	215	98
Purchase price allocation adjustment		(12)	-	-	-	5	(7)
Disposals/Write off		(9)	-	(38)	-	(38)	(85)
Transfer from property, plant and equipment	11	-	-	2	22	68	92
Transfer/Reclassification/ Adjustment		-	-	158	1,132	(1,290)	-
Translation differences		(206)	(152)	(13)	(29)	(8)	(408)
At 31 March 2019		18,126	4,382	2,488	2,315	6,632	33,943
Additions		3	303	268	51	521	1,146
Acquisition/(disposal) of subsidiaries (net)		676	-	(5)	849	187	1,707
Purchase price allocation adjustment		29	-	-	-	(13)	16
Disposals/Write off		(199)	-	(41)	(192)	(55)	(487)
Transfer from property, plant and equipment	11	-	-	76	-	(6)	70
Transfer/Reclassification/ Adjustment		-	-	148	222	(313)	57
Translation differences		199	(303)	6	(76)	144	(30)
At 31 March 2020		18,834	4,382	2,940	3,169	7,097	36,422

	Note	Goodwill on consolidation \$million	Licences \$million	Software \$million	Port use, water and other rights \$million	Other intangible assets \$million	Total \$million
Accumulated amortisation and impairment losses							
At 1 April 2017		1,215	1,443	1,511	92	1,300	5,561
Amortisation for the year	8(b)	-	245	199	45	229	718
Impairment loss (net)	8(b)	56	-	-	-	87	143
Disposal of subsidiaries		(615)	(4)	(21)	-	(118)	(758)
Disposals/Write off		-	(1)	(50)	-	(1)	(52)
Transfer from property, plant and equipment	11	-	-	-	49	-	49
Translation differences		(15)	(72)	(12)	-	(50)	(149)
At 31 March 2018		641	1,611	1,627	186	1,447	5,512
Amortisation for the year	8(b)	-	257	271	99	287	914
Impairment loss (net)	8(b)	165	-	-	-	173	338
Disposal of subsidiaries		(28)	-	(127)	-	(53)	(208)
Disposals/Write off		(9)	-	(25)	-	(8)	(42)
Transfer from property, plant and equipment	11	-	-	-	2	18	20
Translation differences		(265)	(64)	(9)	(11)	22	(327)
At 31 March 2019		504	1,804	1,737	276	1,886	6,207
Amortisation for the year	8(b)	-	252	311	130	334	1,027
Impairment loss (net)	8(b)	175	-	2	-	378	555
Disposal of subsidiaries		(1)	-	(2)	(24)	(14)	(41)
Disposals/Write off		(4)	-	(38)	-	(22)	(64)
Transfer/Reclassification/Adjustment		-	-	8	81	(89)	-
Translation differences		(1)	(131)	-	(7)	37	(102)
At 31 March 2020		673	1,925	2,018	456	2,510	7,582
Carrying amounts							
At 31 March 2018		17,734	2,793	744	939	5,725	27,935
At 31 March 2019		17,622	2,578	751	2,039	4,746	27,736
At 31 March 2020		18,161	2,457	922	2,713	4,587	28,840

	Note	2020 \$million	2019 \$million	2018 \$million
Exploration and evaluation assets included in other intangible assets		1,354	1,531	1,633
Intangible assets pledged to secure banking facilities	29(c)(iii)	1,378	1,408	2,138

Analysis of amortisation expense included in the income statement:

	2020 \$million	2019 \$million	2018 \$million
Cost of sales	296	259	159
Administrative expenses	171	143	91
Other expenses	560	512	468
	1,027	914	718

Impairment testing for cash-generating units containing goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that goodwill may be impaired. Goodwill is allocated to the Group's cash-generating units ("CGUs") that are expected to benefit from synergies of the business combinations.

The goodwill is mainly attributed to the acquisition of the following subsidiary group:

	2020	2019	2018
	\$million	\$million	\$million
Singtel Optus Pty Limited and its subsidiaries	9,260	9,272	9,279

Singtel Optus Pty Limited and its subsidiaries ("Optus")

The fixed, mobile, cable and broadband networks of Optus, a group of subsidiaries of Singapore Telecommunications Limited, are integrated operationally and accordingly, Optus as a group is a CGU for the purpose of impairment tests for goodwill.

The recoverable value of the CGU including goodwill is determined based on value in use calculations.

The value in use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. Optus has used cash flow projections of 5 years (2019: 5 years; 2018: 5 years). Cash flows beyond the terminal year are extrapolated using the estimated growth rate of 3.0% (2019: 3.0%; 2018: 3.0%) and pre-tax discount rate of 7.1% (2019: 8.4%; 2018: 9.0%). Key assumptions used in the calculation of value in use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which Optus operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

At the respective balance sheet dates, no impairment charge was required for goodwill on acquisition of Optus, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below its carrying value.

14. Biological assets

	Annual crops \$million	Livestock and poultry \$million	Total \$million
At 1 April 2017	324	127	451
Net reductions	(30)	(53)	(83)
Net change in fair value less estimated costs to sell recognised in the income statement	(23)	7	(16)
Capitalisation of expenses	64	70	134
Translation differences	(7)	(7)	(14)
At 31 March 2018	328	144	472
Net reductions	(55)	(33)	(88)
Net change in fair value less estimated costs to sell recognised in the income statement	53	9	62
Capitalisation of expenses	52	61	113
Translation differences	(37)	(10)	(47)
At 31 March 2019	341	171	512
Net reductions	(43)	(63)	(106)
Net change in fair value less estimated costs to sell recognised in the income statement	24	(22)	2
Capitalisation of expenses	42	83	125
Translation differences	(8)	6	(2)
At 31 March 2020	356	175	531

Biological assets are classified under level 3 of the fair value hierarchy.

15. Subsidiaries

(a) Details of significant subsidiaries held directly by THPL:

Name of subsidiary	Principal places of business	Country of incorporation	Effective equity held by the Group		
			2020 %	2019 %	2018 %
Fullerton Fund Investments Pte Ltd	Singapore	Singapore	100	100	100
Fullerton Management Pte Ltd	Singapore	Singapore	100	100	100
Fullerton (Private) Limited	Singapore	Singapore	100	100	100
PSA International Pte Ltd	Singapore	Singapore	100	100	100
¹ Sembcorp Industries Ltd	Singapore	Singapore	49	49	49
Singapore Airlines Limited	Singapore	Singapore	55	56	56
Singapore Power Limited	Singapore	Singapore	100	100	100
² Singapore Technologies Engineering Ltd	Singapore	Singapore	51	51	51
Singapore Technologies Telemedia Pte Ltd	Singapore	Singapore	100	100	100
³ Singapore Telecommunications Limited	Singapore, Australia	Singapore	52	52	52
Temasek Capital (Private) Limited	Singapore	Singapore	100	100	100
Tembusu Capital Pte. Ltd.	Singapore	Singapore	100	100	100

¹ Sembcorp Industries Ltd ("Sembcorp") is a company listed on the Singapore Exchange Securities Trading Limited. As at 31 March 2020, the Group's interest in Sembcorp was 49% (2019 and 2018: 49%). Having considered the absolute size of the Group's holding of voting rights and the relative size and dispersion of holdings of other shareholders, Sembcorp is classified as a subsidiary.

² Held through THPL – 50% (2019 and 2018: 50%) and Temasek Capital (Private) Limited – 1% (2019 and 2018: 1%).

³ Held through THPL – 50% (2019 and 2018: 50%) and Tembusu Capital Pte. Ltd. – 2% (2019 and 2018: 2%).

(b) Nature and extent of significant restrictions on the Group's ability to access assets and settle liabilities

THPL is an investment company that owns and manages its assets based on commercial principles. THPL does not issue any financial guarantees for its portfolio companies' obligations.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies.

Temasek's portfolio companies are legally distinct from one another and from Temasek and have no obligation to pay any amounts due with respect to one another's or Temasek's obligations or to make funds available for such payments. The ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek is subject to, among others, dividend policies set out by listed portfolio companies, availability of profits or funds, restrictions on the payment of dividends contained in each portfolio company's indebtedness, and applicable laws and regulations. Temasek's sources of funds include divestment proceeds, dividends from portfolio companies, distributions from funds, supplemented by proceeds from borrowings and debt issuances. Temasek has occasionally received capital injections from its shareholder.

16. Non-controlling interests

The following tables set out the Group's subsidiaries with material non-controlling interests ("NCI"). The summarised financial information of these subsidiaries are extracted from their respective consolidated financial statements, modified for fair value adjustments on acquisition and alignment to the Group's accounting policies (if any).

	CapitalLand Limited ¹ ("CapitalLand") \$million	Singapore Telecommunications Limited ("Singtel") \$million	Singapore Airlines Limited ("SIA") \$million	Sembcorp Industries Ltd ("Sembcorp") \$million
2020				
Summarised income statement and statement of comprehensive income:				
Revenue	4,118	16,542	15,976	9,618
Profit for the year	1,880	1,052	(169)	217
Other comprehensive income	(526)	(1,065)	(2,568)	(52)
Total comprehensive income	1,354	(13)	(2,737)	165
Summarised balance sheet:				
Non-current assets	64,472	41,779	28,870	17,157
Current assets	16,688	7,176	4,843	6,095
Total assets	81,160	48,955	33,713	23,252
Non-current liabilities	(29,531)	(11,562)	(12,978)	(9,361)
Current liabilities	(12,427)	(10,579)	(11,002)	(6,012)
Total liabilities	(41,958)	(22,141)	(23,980)	(15,373)
Net assets	39,202	26,814	9,733	7,879
Summarised cash flow statement:				
Cash flows from/(used in):				
- operating activities	1,646	5,817	2,732	977
- investing activities	1,794	(2,921)	(4,965)	(451)
- financing activities	(2,156)	(2,446)	1,936	(692)
Net increase/(decrease) in cash and cash equivalents	1,284	450	(297)	(166)
Dividends to NCI included in cash flows from/(used in) financing activities	(500)	(1,376)	(189)	(56)
Ownership interests held by NCI	49%	48%	45%	51%
Attributable to NCI:				
Profit for the year	1,246	493	(52)	96
Net assets	27,876	12,884	4,567	4,917

¹ The summarised financial information of CapitalLand is extracted from CLA Real Estate Holdings Pte. Ltd.'s financial statements. CapitalLand is held through CLA Real Estate Holdings Pte. Ltd., which is an indirect wholly-owned subsidiary of Tembusu Capital Pte. Ltd.

	Singtel \$million	SIA \$million	Sembcorp \$million
2019			
Summarised income statement and statement of comprehensive income:			
Revenue	17,372	16,323	11,689
Profit for the year	3,071	722	332
Other comprehensive income	(133)	185	(221)
Total comprehensive income	2,938	907	111
Summarised balance sheet:			
Non-current assets	41,837	25,005	16,997
Current assets	7,078	5,500	6,324
Total assets	48,915	30,505	23,321
Non-current liabilities	(10,311)	(9,444)	(9,807)
Current liabilities	(8,794)	(7,378)	(5,576)
Total liabilities	(19,105)	(16,822)	(15,383)
Net assets	29,810	13,683	7,938
Summarised cash flow statement:			
Cash flows from/(used in):			
- operating activities	5,368	2,801	739
- investing activities	(2,328)	(5,362)	(1,217)
- financing activities	(3,056)	2,932	(256)
Net increase/(decrease) in cash and cash equivalents	(16)	371	(734)
Dividends to NCI included in cash flows from/(used in) financing activities	(1,373)	(234)	(65)
Ownership interests held by NCI	48%	44%	51%
Attributable to NCI:			
Profit for the year	1,462	342	163
Net assets	14,294	6,305	5,019

	Singtel \$million	SIA \$million	Sembcorp \$million
2018			
Summarised income statement and statement of comprehensive income:			
Revenue	17,268	15,802	9,026
Profit for the year	5,480	1,424	493
Other comprehensive income	(635)	427	(92)
Total comprehensive income	4,845	1,851	401
Summarised balance sheet:			
Non-current assets	41,780	20,903	15,253
Current assets	6,786	4,967	8,492
Total assets	48,566	25,870	23,745
Non-current liabilities	(10,323)	(6,100)	(9,238)
Current liabilities	(8,430)	(6,566)	(6,333)
Total liabilities	(18,753)	(12,666)	(15,571)
Net assets	29,813	13,204	8,174
Summarised cash flow statement:			
Cash flows from/(used in):			
- operating activities	5,955	2,611	650
- investing activities	(1,951)	(4,581)	(92)
- financing activities	(4,009)	1,188	276
Net increase/(decrease) in cash and cash equivalents	(5)	(782)	834
Dividends to NCI included in cash flows from/(used in) financing activities	(1,605)	(160)	(101)
Ownership interests held by NCI	48%	44%	51%
Attributable to NCI:			
Profit for the year	2,610	657	306
Net assets	14,246	6,070	5,278

17. Associates

(a) Details of material associates:

Name of associate	Principal places of business	Country of incorporation	Effective equity held by the Group		
			2020 %	2019 %	2018 %
Held by THPL					
¹ DBS Group Holdings Ltd	Singapore	Singapore	29	29	29
Keppel Corporation Limited	Singapore	Singapore	20	20	20
CapitaLand Limited	China, Singapore	Singapore	*	40	40
Held by Tembusu Capital Pte. Ltd.					
A.S. Watson Holdings Limited	Asia, Western Europe	Cayman Islands	25	25	25
Raffles City China Income Ventures Limited	China	China	28	-	-
Held by PSA International Pte Ltd					
Hutchison Port Holdings Limited	British Virgin Islands	British Virgin Islands	20	20	20
Hutchison Ports Investments S.à.r.l.	Luxembourg	Luxembourg	20	20	20

¹ Held through THPL – 11% (2019 and 2018: 11%) and Maju Holdings Pte. Ltd. – 18% (2019 and 2018: 18%).

* During the year ended 31 March 2020, the Group's effective interest in CapitaLand Limited ("CapitaLand") increased to 51%, and CapitaLand became a subsidiary. CapitaLand is held through CLA Real Estate Holdings Pte. Ltd., which is an indirect wholly-owned subsidiary of Tembusu Capital Pte. Ltd.

(b) The nature and extent of significant restrictions on the Group's ability to access assets and settle liabilities are disclosed in note 15(b).

(c) The Group's share of contingent liabilities of associates is disclosed in note 39.

- (d) The following tables set out the Group's material associates. The summarised financial information of these associates are extracted from their respective consolidated financial statements, modified for fair value adjustments on acquisition and alignment to the Group's accounting policies (if any).

(i) DBS Group Holdings Ltd and its subsidiaries ("DBS")

	2020 \$million	2019 \$million	2018 \$million
Summarised income statement and statement of comprehensive income:			
Total income	14,544	13,183	12,274
Profit for the year	6,429	5,653	4,504
Other comprehensive income	371	(374)	(261)
Total comprehensive income	6,800	5,279	4,243
Less: attributable to non-controlling interests	(39)	(78)	(129)
Total comprehensive income attributable to equity holders of DBS	6,761	5,201	4,114
Summarised balance sheet:			
Total assets	578,946	550,751	517,711
Total liabilities	(527,147)	(500,876)	(467,909)
Net assets	51,799	49,875	49,802
Less: attributable to non-controlling interests	(818)	(830)	(2,344)
Net assets attributable to equity holders of DBS	50,981	49,045	47,458
Group's interest in net assets of DBS:			
At beginning of the year	13,727	13,528	12,805
Effects of adoption of IFRS 16	(28)	-	-
Group's share of:			
- Profit for the year	1,664	1,620	1,267
- Other comprehensive income	176	(158)	(76)
- Total comprehensive income	1,840	1,462	1,191
Dividend income	(1,115)	(1,263)	(468)
At end of the year	14,424	13,727	13,528
Market value ²	13,791	18,725	20,411

² Based on quoted market price at 31 March (Level 1 of the fair value hierarchy).

(ii) Keppel Corporation Limited and its subsidiaries ("Keppel")

	2020 \$million	2019 \$million	2018 \$million
Summarised income statement and statement of comprehensive income:			
Revenue	7,580	5,965	5,964
Profit for the year	761	961	197
Other comprehensive income	(244)	(291)	(68)
Total comprehensive income	517	670	129
Less: attributable to non-controlling interests	(54)	(12)	15
Total comprehensive income attributable to equity holders of Keppel	463	658	144
Summarised balance sheet:			
Non-current assets	17,023	12,721	13,173
Current assets	14,298	13,867	15,513
Non-current liabilities	(7,729)	(6,618)	(6,700)
Current liabilities	(11,947)	(8,393)	(10,012)
Net assets	11,645	11,577	11,974
Less: attributable to non-controlling interests	(435)	(309)	(530)
Net assets attributable to equity holders of Keppel	11,210	11,268	11,444
Group's interest in net assets of Keppel:			
At beginning of the year	2,305	2,340	2,382
Effects of adoption of IFRS 16	(16)	-	-
Group's share of:			
- Profit for the year	46	198	45
- Other comprehensive income	(60)	(125)	(13)
- Total comprehensive income	(14)	73	32
Dividend income	(85)	(108)	(74)
At end of the year	2,190	2,305	2,340
Market value ²	1,961	2,306	2,882

² Based on quoted market price at 31 March (Level 1 of the fair value hierarchy).

(iii) CapitaLand Limited and its subsidiaries ("CapitaLand")

During the year ended 31 March 2020, the Group's effective interest in CapitaLand Limited ("CapitaLand") increased to 51%, and CapitaLand became a subsidiary.

	2019 \$million	2018 \$million
Summarised income statement and statement of comprehensive income:		
Revenue	5,602	4,618
Profit for the year	2,850	2,347
Other comprehensive income	(552)	(410)
Total comprehensive income	2,298	1,937
Less: attributable to non-controlling interests	(996)	(723)
Total comprehensive income attributable to equity holders of CapitaLand	1,302	1,214
Summarised balance sheet:		
Non-current assets	52,201	49,227
Current assets	12,446	12,312
Non-current liabilities	(21,945)	(20,560)
Current liabilities	(9,395)	(8,861)
Net assets	33,307	32,118
Less: attributable to non-controlling interests	(14,354)	(13,705)
Net assets attributable to equity holders of CapitaLand	18,953	18,413
Group's interest in net assets of CapitaLand:		
At beginning of the year	7,335	6,967
Group's share of:		
- Profit for the year	710	625
- Other comprehensive income	(211)	(89)
- Total comprehensive income	499	536
Dividend income	(202)	(168)
At end of the year	7,632	7,335
Market value ²	6,135	6,000

² Based on quoted market price at 31 March (Level 1 of the fair value hierarchy).

(iv) A.S. Watson Holdings Limited and its subsidiaries ("A.S. Watson")

	2020 \$million	2019 \$million	2018 \$million
Summarised income statement and statement of comprehensive income:			
Revenue	23,320	23,141	21,438
Profit for the year	1,842	1,730	1,540
Other comprehensive income	2,031	900	(1,961)
Total comprehensive income	3,873	2,630	(421)
Less: attributable to non-controlling interests	(28)	(24)	(19)
Total comprehensive income attributable to equity holders of A.S. Watson	3,845	2,606	(440)
Summarised balance sheet:			
Non-current assets	38,971	32,012	30,812
Current assets	8,662	7,914	7,357
Non-current liabilities	(6,527)	(2,457)	(2,491)
Current liabilities	(6,959)	(5,429)	(5,055)
Net assets	34,147	32,040	30,623
Less: attributable to non-controlling interests	(58)	(56)	(52)
Net assets attributable to equity holders of A.S. Watson	34,089	31,984	30,571
Group's interest in net assets of A.S. Watson:			
At beginning of the year	7,980	7,626	8,005
Effects of adoption of IFRS 16	(107)	-	-
Group's share of:			
- Profit for the year	452	427	379
- Other comprehensive income	507	225	(489)
- Total comprehensive income	959	652	(110)
Dividend income	(327)	(298)	(269)
At end of the year	8,505	7,980	7,626

(v) Raffles City China Income Ventures Limited and its subsidiaries ("RCCIV")

The following disclosure is extracted from the consolidated financial statements of CLA Real Estate Holdings Pte. Ltd.

	2020 \$million	
Summarised income statement and statement of comprehensive income:		
Revenue	<u>223</u>	
Profit for the year	57	
Other comprehensive income	<u>(75)</u>	
Total comprehensive income	(18)	
Less: attributable to non-controlling interests	<u>(5)</u>	
Total comprehensive income attributable to equity holders of RCCIV	<u>(23)</u>	
Summarised balance sheet:		
Non-current assets	6,214	
Current assets	1,289	
Non-current liabilities	(2,985)	
Current liabilities	<u>(355)</u>	
Net assets	4,163	
Less: attributable to non-controlling interests	<u>(828)</u>	
Net assets attributable to equity holders of RCCIV	<u>3,335</u>	
Group's interest in net assets of RCCIV:		
Acquisition during the period	1,907	
Group's share of:		
- Profit for the year	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">21</td></tr></table>	21
21		
- Other comprehensive income	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">(34)</td></tr></table>	(34)
(34)		
- Total comprehensive income	(13)	
Dividend income	(49)	
Other adjustment	<u>(11)</u>	
At end of the year	<u>1,834</u>	

(vi) Associates held by PSA International Pte Ltd and its subsidiaries ("PSA")

The following disclosure is extracted from the consolidated financial statements of PSA.

	2020	2019	2018
	\$million	\$million	\$million
At beginning of the year	3,419	3,414	3,539
Effects of adoption of IFRS 16	(318)	-	-
Group's share of:			
- Profit for the year	198	148	171
- Other comprehensive income	(51)	(90)	107
- Total comprehensive income	147	58	278
Investment during the year	-	-	1
Dividend income	(94)	(110)	(131)
Repayment of loans	-	(4)	-
Translation differences	(23)	61	(273)
At end of the year	<u>3,131</u>	<u>3,419</u>	<u>3,414</u>

(e) Summarised financial information of the Group's aggregated interest in remaining individually immaterial associates:

	2020	2019	2018
	\$million	\$million	\$million
Group's share of:			
- Profit/(loss) for the year	1,147	(516)	4,313
- Other comprehensive income	196	555	(445)
- Total comprehensive income	<u>1,343</u>	<u>39</u>	<u>3,868</u>
Carrying amount of the Group's aggregated interest in individually immaterial associates	<u>31,348</u>	<u>28,537</u>	<u>27,674</u>

18. Joint ventures

Summarised financial information of the Group's aggregated interest in individually immaterial joint ventures:

		2020	2019	2018
		\$million	\$million	\$million
Group's share of:				
- Profit for the year	(a)	349	2,220	2,319
- Other comprehensive income		(130)	9	481
- Total comprehensive income		<u>219</u>	<u>2,229</u>	<u>2,800</u>
Carrying amount of the Group's aggregated interest in individually immaterial joint ventures		<u>25,783</u>	<u>21,401</u>	<u>22,891</u>

The Group's share of capital commitments and contingent liabilities of joint ventures are disclosed in note 38 and 39 respectively.

- (a) Includes a share of exceptional items from Bharti Airtel Limited ("Airtel"), a joint venture of Singapore Telecommunications Limited, for the year ended 31 March 2020, for provisions made for regulatory costs (including related penalties and interest charges as applicable) arising from (a) an adverse ruling on the definition of Adjusted Gross Revenue which forms the basis for payment of license fee and spectrum usage charges and (b) one time spectrum charge. Airtel continues to make representations to the Indian government and the Supreme Court for reliefs.

19. Financial assets

	2020	2019	2018
	\$million	\$million	\$million
Non-current assets			
Available-for-sale financial assets	-	-	120,075
Financial assets at FVTPL	132,150	129,973	10,780
Financial assets at FVOCI:			
- debt investments	-	5	-
- equity investments	2,501	2,380	-
Financial assets at amortised cost	225	183	-
Held-to-maturity financial assets	-	-	113
	<u>134,876</u>	<u>132,541</u>	<u>130,968</u>
Current assets			
Available-for-sale financial assets	-	-	3,167
Financial assets at FVTPL	16,575	13,656	14,177
Financial assets at FVOCI:			
- debt investments	5	145	-
- equity investments	1	3	-
Financial assets at amortised cost	157	266	-
Held-to-maturity financial assets	-	-	72
	<u>16,738</u>	<u>14,070</u>	<u>17,416</u>
	<u>151,614</u>	<u>146,611</u>	<u>148,384</u>
Financial assets at FVTPL:			
- mandatorily	148,340	143,455	-
- designated	385	174	18,574
- held for trading	-	-	6,383
	<u>148,725</u>	<u>143,629</u>	<u>24,957</u>

Significant exposure to non-functional currencies:

	2020	2019	2018
	\$million	\$million	\$million
US Dollar	66,035	64,449	59,699
Hong Kong Dollar	27,954	27,008	30,916
Euro	13,485	12,507	8,604
Renminbi	7,624	4,963	5,698
Korean Won	5,705	4,461	9,030

Fair value hierarchy

Classification of financial assets at fair value by levels (as defined in note 35):

	Level 1	Level 2	Level 3	Total
	\$million	\$million	\$million	\$million
2020				
Financial assets at FVTPL	80,565	7,310	60,850	148,725
Financial assets at FVOCI:				
- debt investments	5	-	-	5
- equity investments	1,525	8	969	2,502
	<u>82,095</u>	<u>7,318</u>	<u>61,819</u>	<u>151,232</u>
2019				
Financial assets at FVTPL	82,686	9,425	51,518	143,629
Financial assets at FVOCI:				
- debt investments	150	-	-	150
- equity investments	1,322	17	1,044	2,383
	<u>84,158</u>	<u>9,442</u>	<u>52,562</u>	<u>146,162</u>
2018				
Available-for-sale financial assets	87,481	1,949	33,812	123,242
Financial assets at FVTPL	11,297	6,293	7,367	24,957
	<u>98,778</u>	<u>8,242</u>	<u>41,179</u>	<u>148,199</u>

The fair values of financial assets at amortised cost approximate their carrying amounts.

Reconciliation of movements in Level 3 fair values:

	Note	2020 \$million	2019 \$million	2018 \$million
At beginning of the year		52,562	41,179	32,026
Effects of adoption of IFRS 9		-	2,307	-
Net gains recognised in the income statement		2,528	3,365	1,702
Comprising gains/(losses) recognised in the income statement as:				
- revenue		(68)	128	73
- other income		2,733	3,245	2,183
- other expenses		(137)	(8)	(554)
Net gains/(losses) recognised in other comprehensive income		192	(45)	626
Acquisition of subsidiaries, net		381	-	-
Purchases		17,614	17,658	13,940
Sales		(10,786)	(7,577)	(4,924)
Settlements		(144)	(123)	(1,063)
Transfer out of Level 3	(a)	(1,774)	(4,569)	(1,071)
Transfer into Level 3	(b)	708	140	377
Translation differences		538	227	(434)
At end of the year		<u>61,819</u>	<u>52,562</u>	<u>41,179</u>

Financial assets included within Level 3 are valued based on valuation methods in accordance with IFRS, which include adjusted net asset values and approximate fair values.

(a) During the year ended 31 March 2020:

- (i) Financial assets of \$1,066 million (2019: \$3,965 million; 2018: \$1,029 million) were transferred from Level 3 to Level 1 because the securities became listed.
- (ii) A financial asset of \$635 million was reclassified as joint venture due to significant influence obtained.
- (iii) Financial assets of \$33 million (2019: \$493 million; 2018: \$Nil) were transferred from Level 3 to Level 2 as observable market data for fair value measurement inputs became available.

(b) During the year ended 31 March 2020, financial assets of \$512 million (2019: \$25 million; 2018: \$75 million) were transferred to Level 3 from Level 2 as observable market data for fair value measurement inputs became unavailable.

During the year ended 31 March 2018, an associate of \$200 million was reclassified as available-for-sale financial assets due to loss of significant influence over the associate.

20. Derivative financial instruments

	Note	2020		2019		2018	
		Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million
Non-current							
Hedging instruments	(a)	1,701	(2,745)	960	(517)	900	(775)
Non-hedging instruments*		767	(260)	556	(97)	113	(431)
		<u>2,468</u>	<u>(3,005)</u>	<u>1,516</u>	<u>(614)</u>	<u>1,013</u>	<u>(1,206)</u>
Current							
Hedging instruments	(a)	2,091	(1,947)	772	(241)	760	(1,135)
Non-hedging instruments*		2,337	(2,882)	2,417	(1,508)	1,695	(950)
		<u>4,428</u>	<u>(4,829)</u>	<u>3,189</u>	<u>(1,749)</u>	<u>2,455</u>	<u>(2,085)</u>
		<u>6,896</u>	<u>(7,834)</u>	<u>4,705</u>	<u>(2,363)</u>	<u>3,468</u>	<u>(3,291)</u>

(a) Analysis of hedging instruments:

Commodity contracts	1,709	(1,055)	166	(25)	-	-
Cross-currency swaps	1,575	(172)	620	(227)	544	(533)
Currency forwards	351	(91)	178	(75)	376	(715)
Interest-rate swaps	137	(752)	65	(220)	62	(178)
Fuel oil swaps/options	15	(2,594)	698	(194)	668	(21)
Others	5	(28)	5	(17)	10	(463)
	<u>3,792</u>	<u>(4,692)</u>	<u>1,732</u>	<u>(758)</u>	<u>1,660</u>	<u>(1,910)</u>

Fair value hierarchy

Classification of derivative financial instruments carried at fair value by levels (as defined in note 35):

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
2020				
Assets				
Non-current	345	2,122	1	2,468
Current	1,217	3,144	67	4,428
	<u>1,562</u>	<u>5,266</u>	<u>68</u>	<u>6,896</u>
Liabilities				
Non-current	(113)	(2,889)	(3)	(3,005)
Current	(899)	(3,909)	(21)	(4,829)
	<u>(1,012)</u>	<u>(6,798)</u>	<u>(24)</u>	<u>(7,834)</u>

* Derivatives instruments classified as non-hedging are those where hedge accounting is not applied.

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
2019				
Assets				
Non-current	24	1,489	3	1,516
Current	474	2,640	75	3,189
	<u>498</u>	<u>4,129</u>	<u>78</u>	<u>4,705</u>
Liabilities				
Non-current	(6)	(605)	(3)	(614)
Current	(63)	(1,679)	(7)	(1,749)
	<u>(69)</u>	<u>(2,284)</u>	<u>(10)</u>	<u>(2,363)</u>
2018				
Assets				
Non-current	-	973	40	1,013
Current	110	2,234	111	2,455
	<u>110</u>	<u>3,207</u>	<u>151</u>	<u>3,468</u>
Liabilities				
Non-current	-	(847)	(359)	(1,206)
Current	(232)	(1,161)	(692)	(2,085)
	<u>(232)</u>	<u>(2,008)</u>	<u>(1,051)</u>	<u>(3,291)</u>

Reconciliation of movements in Level 3 fair values:

	Derivative assets			Derivative liabilities		
	2020 \$million	2019 \$million	2018 \$million	2020 \$million	2019 \$million	2018 \$million
At beginning of the year	78	151	264	(10)	(1,051)	(242)
Net (losses)/gains recognised in the income statement	(1)	(2)	(123)	-	1	(958)
(Losses)/gains recognised in the income statement as:						
- other income	-	-	(123)	-	1	(958)
- other expenses	(1)	(2)	-	-	-	-
Acquisition of subsidiaries	-	1	2	-	(3)	(2)
Purchases	-	1	75	-	(4)	(69)
Sales	(9)	(10)	(53)	(14)	-	-
Settlements	-	-	(15)	-	-	220
Transfer out of level 3	-	(62)	-	-	1,047	-
Translation differences	-	(1)	1	-	-	-
At end of the year	<u>68</u>	<u>78</u>	<u>151</u>	<u>(24)</u>	<u>(10)</u>	<u>(1,051)</u>

During the year ended 31 March 2019, derivative liabilities of \$1,047 million were transferred from Level 3 to Level 2 as observable market data for fair value measurement inputs became available.

Singapore Airlines Limited and its subsidiaries ("SIA")

SIA has applied cash flow hedge accounting for fuel derivative contracts. Due to the expected significant capacity cuts brought about by the COVID-19 pandemic and the consequential reduction of forecasted jet fuel purchases in the ensuing year, a portion of these forecasted jet fuel purchases, for which hedge accounting had been applied previously, are no longer expected to occur. There is a high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the COVID-19 pandemic and the consequent lifting of global travel restrictions. As a result, determining the associated recovery and forecasted future fuel consumption requires significant judgement. As a result, hedge accounting has been discontinued for these hedging relationships, and the cumulative loss previously recognised in the fair value reserve has been reclassified to the income statement during the year ended 31 March 2020.

21. Investment properties

	2020	2019	2018
	\$million	\$million	\$million
Investment properties			
At beginning of the year	54,223	44,928	38,039
Effects of adoption of IFRS 16	459	-	-
Acquisition of subsidiaries, net	31,090	2,127	1,197
Additions	4,351	7,923	3,654
Disposals	(846)	(810)	(521)
Transfer from property, plant and equipment/properties under development	1,220	356	2,027
Fair value gains recognised as other income in the income statement	2,033	2,312	2,249
Translation differences	529	(61)	(715)
Assets classified as held for sale	(275)	(2,552)	(1,002)
At end of the year	<u>92,784</u>	<u>54,223</u>	<u>44,928</u>
Properties under development			
At beginning of the year	2,095	1,359	1,988
Acquisition of subsidiaries, net	3,205	47	14
Additions	1,175	1,283	1,471
Disposals	-	(98)	(37)
Fair value (losses)/gains recognised as other income in the income statement	(180)	57	43
Transfer to investment properties/inventories	(940)	(353)	(2,061)
Translation differences	(44)	(7)	(59)
Assets classified as held for sale	-	(193)	-
At end of the year	<u>5,311</u>	<u>2,095</u>	<u>1,359</u>
	<u>98,095</u>	<u>56,318</u>	<u>46,287</u>

Investment properties and properties under development are classified under Level 3 of the fair value hierarchy.

	Note	2020 \$million	2019 \$million	2018 \$million
Investment properties and properties under development mortgaged to banks to secure bank loans	29(c)(iv)	22,304	10,742	6,362

Other amounts recognised in the income statement:

	2020 \$million	2019 \$million	2018 \$million
Rental income from investment properties	4,957	2,907	2,320
Direct operating expenses arising from investment properties that generated rental income	(1,289)	(629)	(487)

Mapletree Investments Pte Ltd and its subsidiaries ("Mapletree")

As at 31 March 2020, the fair values of investment properties of \$46,371 million (2019: \$46,976 million; 2018: \$37,422 million) and properties under development of \$1,130 million (2019: \$805 million; 2018: \$410 million) were determined by independent professional valuers. These valuers had appropriate professional qualifications and experience in the location and category of the properties being valued. The fair values are based on the highest and best use basis. It is the intention of Mapletree to hold the investment properties and properties under development on a long term basis.

The valuation reports obtained from the valuers for certain properties have highlighted the heightened uncertainty of the COVID-19 outbreak on the valuation of these properties. Given the unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to the valuations than would normally be the case.

Mapletree is of the view that the valuation methods and estimates adopted and considered by professional valuers were based on information available and reflective of market conditions as at 31 March 2020. Certain valuation reports have highlighted that given the future uncertainty arising from COVID-19, the valuation of these properties subsequent to the balance sheet date may be subjected to more fluctuation than during normal market conditions. Accordingly, Mapletree will continue to monitor the situation.

Fair values of Mapletree's properties under Level 3 of the fair value hierarchy have been generally derived using the following methods:

- Income capitalisation - Properties are valued by capitalising net rental income after property tax at a rate which reflects the present and potential income growth and over the unexpired lease term.
- Discounted cash flow - Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct comparison - Properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with adjustments made for differences in location, tenure, size, shape, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions.
- Residual value - Investment properties under redevelopment or properties under development are valued, as a starting point using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed at balance sheet date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under redevelopment and development.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and properties under development:

Description	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Income capitalisation	<p>Capitalisation rate</p> <ul style="list-style-type: none"> Singapore: 3.5% to 9.5% (2019: 3.6% to 9.0%; 2018: 3.7% to 9.0%) Others: 3.8% to 11.0% (2019: 3.8% to 10.5%; 2018: 3.6% to 11.3%) 	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	<p>Adjusted price</p> <ul style="list-style-type: none"> Singapore: \$26,942 per square metre ("psm") (2019: \$24,374 psm; 2018: \$590 to \$1,725 psm) Others: \$372 to \$14,857 psm (2019: \$333 to \$13,055 psm; 2018: \$329 to \$12,572 psm) 	The higher the adjusted price, the higher the fair value.
Discounted cash flows	Discount rate	<ul style="list-style-type: none"> Singapore: 6.5% to 12.5% (2019: 6.8% to 12.0%; 2018: 7.0% to 12.0%) Others: 3.4% to 15.5% (2019: 3.4% to 15.0%; 2018: 3.4% to 14.0%) 	The higher the discount rate, the lower the fair value.
		<p>Terminal yield</p> <ul style="list-style-type: none"> Singapore: 4.3% to 7.6% (2019: 4.4% to 7.6%; 2018: 4.5% to 6.3%) Others: 3.7% to 11.0% (2019: 3.8% to 10.5%; 2018: 2.8% to 16.5%) 	

Description	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties under redevelopment	Residual value	Gross development valuation <ul style="list-style-type: none"> • Singapore: \$18,014 to \$27,165 psm (2019: \$3,443 to \$17,572 psm; 2018: \$3,379 to \$16,388 psm) 	The higher the gross development valuation, the higher the fair value.
Properties under development	Income capitalisation	Development cost <ul style="list-style-type: none"> • Singapore: \$3,831 to \$4,162 psm (2019: \$541 to \$4,103 psm; 2018: \$3,155 to \$5,649 psm) 	The higher the development cost, the lower the fair value.
Properties under development	Income capitalisation	Capitalisation rate <ul style="list-style-type: none"> • Others: Nil (2019: 10.0% to 13.5%; 2018: Nil) 	The higher the capitalisation rate, the lower the fair value.
Direct comparison	Direct comparison	Adjusted price <ul style="list-style-type: none"> • Others: \$53 to \$195 psm (2019: \$48 to \$395 psm; 2018: \$48 to \$117 psm) 	The higher the adjusted price, the higher the fair value.
Residual value	Residual value	Gross development valuation <ul style="list-style-type: none"> • Others: \$601 to \$1,221 psm (2019: \$534 to \$774 psm; 2018: \$518 to \$736 psm) 	The higher the gross development valuation, the higher the fair value.
Development cost	Development cost	Development cost <ul style="list-style-type: none"> • Others: \$545 to \$960 psm (2019: \$414 to \$693 psm; 2018: \$310 to \$506 psm) 	The higher the development cost, the lower the fair value.

CLA Real Estate Holdings Pte. Ltd. and its subsidiaries ("CLA")

As at balance sheet date, the fair values of investment properties of \$46,079 million (2019: \$6,991 million; 2018: \$5,738 million) and properties under development of \$3,352 million (2019: \$531 million; 2018: \$192 million) were determined by external, independent property valuers, who have the appropriate and recognised professional qualification and recent experience in the location and category of property being valued.

Investment properties, which include those in course of development, are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate, discount rate, comparable market price and occupancy rate. In relying on the valuation reports, CLA has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as the date of valuation.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and properties under development:

Valuation methods	Key unobservable input	Shopping malls %	Commercial %	Integrated developments %	Business park, industrial and logistics %	Lodging %	Inter-relationship between key unobservable input and fair value measurement
Capitalisation approach	Capitalisation rate (net) ¹						
	31 December 2019	4.4 to 7.3	3.5 to 6.0	3.5 to 7.5	5.0 to 9.0	4.5 to 7.0	The estimated fair value varies inversely against the capitalisation rate and increases with higher occupancy rate.
	31 March 2019	-	-	-	-	-	
	31 March 2018	-	-	-	-	-	
	Occupancy rate						
	31 December 2019	58.4 to 100	95.3 to 99.0	68.6 to 99.0	85.0 to 100	90.0 to 95.0	
	31 March 2019	-	-	-	-	-	
	31 March 2018	-	-	-	-	-	
Discounted cash flow approach	Discount rate						
	31 December 2019	5.0 to 13.5	2.9 to 7.8	6.8 to 15.0	6.6 to 21.0	3.8 to 10.7	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher occupancy rate.
	31 March 2019	-	6.0 to 7.8	-	6.8 to 20.0	-	
	31 March 2018	-	6.9 to 7.8	-	7.0 to 20.7	-	
	Terminal yield rate						
	31 December 2019	4.3 to 11.0	3.4 to 6.3	3.7 to 10.0	5.3 to 9.0	3.0 to 8.1	
	31 March 2019	-	5.0 to 7.0	-	5.5 to 10.0	-	
	31 March 2018	-	5.8 to 7.0	-	5.1 to 10.0	-	
	Occupancy rate						
	31 December 2019	52.9 to 100	86.0 to 100	68.6 to 100	50.0 to 100	55.0 to 99.0	
	31 March 2019	-	86.3 to 100	-	62 to 100	-	
	31 March 2018	-	80.9 to 100	-	44.4 to 100	-	

¹ Net yield basis: after deducting property and related expenses

Valuation methods	Key unobservable input	Shopping malls \$million	Commercial \$million	Integrated developments \$million	Business park, industrial and logistics \$million	Inter-relationship between key unobservable input and fair value measurement
Residual value method	Gross development value					
	31 December 2019	193	285	168 to 2,012	92 to 516	
	31 March 2019	-	-	-	47 to 1,018	The estimated fair value increases with higher gross development value and decreases with higher cost to completion.
	31 March 2018	-	-	-	76 to 999	
	Estimated cost to completion					
	31 December 2019	26	93	38 to 350	36 to 109	
	31 March 2019	-	-	-	155 to 283	
	31 March 2018	-	-	-	46 to 215	

22. Deferred tax

Movements in deferred tax assets and liabilities (prior to offsetting of balances):

	Provisions \$million	Tax losses and capital allowances \$million	TWDV ⁽¹⁾ in excess of NBV ⁽²⁾ of assets \$million	Others \$million	Total \$million
Deferred tax assets					
At 31 March 2017	715	307	240	834	2,096
Effects of adoption of IFRS 1 and IFRS 15	-	-	-	26	26
At 1 April 2017	715	307	240	860	2,122
Acquisition/(disposal) of subsidiaries (net)	(104)	132	2	-	30
Recognised in income statement	8	(114)	24	(201)	(283)
Recognised in equity	5	-	-	(28)	(23)
Transfer from/(to)					
current tax payable	12	(20)	-	(26)	(34)
Translation differences	(28)	(6)	(6)	(16)	(56)
At 31 March 2018	608	299	260	589	1,756
Effects of adoption of IFRS 9	29	(4)	-	16	41
At 1 April 2018	637	295	260	605	1,797
Acquisition/(disposal) of subsidiaries (net)	(244)	8	-	(9)	(245)
Recognised in income statement	70	10	56	26	162
Recognised in equity	(6)	1	-	36	31
Transfer from/(to)					
current tax payable	46	(1)	-	(50)	(5)
Translation differences	(16)	(12)	40	3	15
At 31 March 2019	487	301	356	611	1,755
Effects of adoption of IFRS 16	23	(1)	-	562	584
At 1 April 2019	510	300	356	1,173	2,339
Acquisition/(disposal) of subsidiaries (net)	230	(1)	-	63	292
Recognised in income statement	104	153	(32)	23	248
Recognised in equity	2	-	-	432	434
Transfer from/(to)					
current tax payable	(19)	(47)	(6)	-	(72)
Translation differences	(12)	37	(9)	(29)	(13)
At 31 March 2020	815	442	309	1,662	3,228

(1) TWDV - Tax written down value

(2) NBV - Net book value

	Accelerated tax depreciation \$million	Revaluation gains \$million	Others \$million	Total \$million
Deferred tax liabilities				
At 31 March 2017	5,590	473	810	6,873
Effects of adoption of IFRS 1 and IFRS 15	(367)	-	3	(364)
At 1 April 2017	5,223	473	813	6,509
Acquisition/(disposal) of subsidiaries (net)	287	1	26	314
Recognised in income statement	257	116	(141)	232
Recognised in equity	-	230	(1)	229
Transfer from/(to) current tax payable	(1)	-	(25)	(26)
Translation differences	(12)	19	(31)	(24)
At 31 March 2018	5,754	839	641	7,234
Effects of adoption of IFRS 9	(75)	-	75	-
At 1 April 2018	5,679	839	716	7,234
Acquisition/(disposal) of subsidiaries (net)	25	(72)	(22)	(69)
Recognised in income statement	279	33	-	312
Recognised in equity	-	(3)	10	7
Transfer from/(to) current tax payable	44	(13)	(15)	16
Translation differences	22	(15)	8	15
At 31 March 2019	6,049	769	697	7,515
Effects of adoption of IFRS 16	290	-	125	415
At 1 April 2019	6,339	769	822	7,930
Acquisition/(disposal) of subsidiaries (net)	5	718	536	1,259
Recognised in income statement	41	107	4	152
Recognised in equity	(7)	19	-	12
Transfer from/(to) current tax payable	12	(2)	-	10
Translation differences	32	(8)	(16)	8
At 31 March 2020	6,422	1,603	1,346	9,371

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	2020 \$million	2019 \$million	2018 \$million
Deferred tax assets	1,265	820	1,019
Deferred tax liabilities	7,408	6,580	6,497

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

	2020 \$million	2019 \$million	2018 \$million
Deductible temporary differences	4,961	2,703	5,634
Tax losses	7,097	6,338	4,558
	12,058	9,041	10,192

Deductible temporary differences and tax losses are subject to agreement by tax authorities and compliance with tax regulations in respective countries in which certain subsidiaries operate. Deductible temporary differences and tax losses do not expire under current tax legislation except for tax losses amounting to \$2,719 million (2019: \$1,631 million; 2018: \$1,163 million) which will expire between 2020 and 2040 (2019: 2019 and 2037; 2018: between 2018 and 2037).

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

23. Other non-current assets

	Note	2020 \$million	2019 \$million	2018 \$million
Contract assets	26	81	70	203
Contract costs		355	308	371
Loans and bills receivable of financial institution subsidiaries	(a)	3,765	3,079	8,233
Loans to:				
- associates and joint ventures		1,059	433	479
- others		5	161	325
Defined benefit assets		10	-	3
Finance lease receivables		31	8	20
Prepayments		461	547	562
Service concession receivables		1,017	1,061	981
Other receivables		1,939	1,808	985
		<u>8,723</u>	<u>7,475</u>	<u>12,162</u>
Allowance for impairment		(68)	(83)	(340)
		<u>8,655</u>	<u>7,392</u>	<u>11,822</u>

(a) Loans and bills receivable of financial institution subsidiaries

Loans and bills receivable of financial institution subsidiaries (non-current and current (note 25)) include:

	Note	2020 \$million	2019 \$million	2018 \$million
Pledged as collateral for borrowing facilities granted to subsidiaries		5,156	4,327	3,568
Pledged as collateral for bonds issued by a subsidiary	29(c)(v)	-	-	487

24. Inventories

	Note	2020 \$million	2019 \$million	2018 \$million
Bunkers, fuel stocks and general consumables		946	814	668
Commodity inventories		7,211	6,468	6,045
Development properties held for sale	(a)	7,994	150	116
Finished goods		763	1,033	1,021
Raw materials, supplies, engineering products and sundry items		1,194	1,113	1,072
Work-in-progress		386	470	411
		<u>18,494</u>	<u>10,048</u>	<u>9,333</u>
Allowance for inventories		(438)	(477)	(463)
		<u>18,056</u>	<u>9,571</u>	<u>8,870</u>
Carried at:				
Fair value				
- Level 2 of the fair value hierarchy	(b)	4,970	4,027	3,706
- Level 3 of the fair value hierarchy		226	292	390
		<u>5,196</u>	<u>4,319</u>	<u>4,096</u>
Lower of cost and net realisable value		<u>12,860</u>	<u>5,252</u>	<u>4,774</u>
		<u>18,056</u>	<u>9,571</u>	<u>8,870</u>
Inventories recognised as cost of sales		37,814	33,692	29,811
Inventories pledged as collateral to secure bank loans	29(c)(vi)	<u>3,324</u>	<u>143</u>	<u>195</u>

(a) CLA Real Estate Holdings Pte. Ltd. and its subsidiaries ("CLA")

CLA recognises revenue over time for residential projects under progressive payment scheme in Singapore. The progress towards completing the construction is measured in accordance with the accounting policy below. Significant assumptions are required in determining the stage of completion and CLA evaluates them by relying on the work of specialists.

The residential projects have no alternative use for CLA due to contractual restriction, and CLA has enforceable rights to payment arising from the contractual terms. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the income statement in the period in which the circumstances that give rise to the revision become known by CLA's management.

The customer is invoiced on a payment schedule and are typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by CLA exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

- (b) Inventories classified under Level 2 of the fair value hierarchy are valued using valuation techniques with market observable inputs. The models incorporate various inputs including broker quotes for similar transactions, credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities.

25. Trade and other receivables

	Note	2020 \$million	2019 \$million	2018 \$million
Trade receivables	(a)	12,520	11,908	10,988
Allowance for impairment of trade receivables	(b)	(925)	(770)	(759)
Net trade receivables		11,595	11,138	10,229
Advance payments to suppliers		986	1,179	1,197
Amounts due from associates and joint ventures				
- trade		317	150	165
- non-trade		608	292	327
Contract assets	26	6,271	5,542	4,858
Contract costs		190	351	2,382
Grants receivable		322	120	77
Interest and dividend receivables		586	609	618
Loans and bills receivable of financial institution subsidiaries	23(a)	2,167	1,731	7,985
Loans to:				
- associates and joint ventures		32	156	82
- others		441	557	166
Placements and balances with banks by financial institution subsidiaries		274	157	1,458
Prepayments and deposits		2,967	3,026	2,581
Tax prepayments and recoverables		333	187	181
Sundry debtors		1,278	902	830
Other receivables		2,738	2,037	2,854
		31,105	28,134	35,990
Allowance for impairment of other receivables		(260)	(156)	(251)
		30,845	27,978	35,739

(a) Analysis of trade receivables:

	2020	2019	2018
	\$million	\$million	\$million
Not past due and not impaired	7,674	6,920	7,367
Past due but not impaired	3,921	4,218	2,862
Impaired	925	770	759
	<u>12,520</u>	<u>11,908</u>	<u>10,988</u>

(b) Movements in allowance for impairment of trade receivables:

	2020	2019	2018
	\$million	\$million	\$million
At beginning of the year	770	759	712
Effects of adoption of IFRS 9	-	11	-
(Disposal)/Acquisition of subsidiaries (net)	(1)	(5)	2
Allowance recognised as an expense in the income statement	336	198	206
Allowance utilised	(156)	(173)	(143)
Translation differences	(24)	(20)	(18)
At end of the year	<u>925</u>	<u>770</u>	<u>759</u>

(c) Significant exposure to non-functional currencies:

	2020	2019	2018
	\$million	\$million	\$million
US Dollar	2,564	1,914	2,329
Euro	980	539	681
Renminbi	909	176	151
Hong Kong Dollar	634	221	229
Pound Sterling	232	183	267

26. Contract assets and liabilities

	Note	2020	2019	2018
		\$million	\$million	\$million
Contract assets		6,416	5,658	5,131
Allowance for impairment		(64)	(46)	(70)
		<u>6,352</u>	<u>5,612</u>	<u>5,061</u>
Analysed by:				
Non-current	23	81	70	203
Current	25	6,271	5,542	4,858
		<u>6,352</u>	<u>5,612</u>	<u>5,061</u>
Contract liabilities				
Non-current	32	579	629	671
Current	33	5,416	5,165	5,197
		<u>5,995</u>	<u>5,794</u>	<u>5,868</u>

27. Cash and bank balances

	Note	2020 \$million	2019 \$million	2018 \$million
Fixed deposits and short-term investments		49,292	47,255	34,763
Cash on hand and at bank		21,519	13,720	12,271
Cash and bank balances in the consolidated balance sheet		70,811	60,975	47,034
Classified as disposal group held for sale		9	4	-
Less:				
Bank overdrafts	29	(302)	(99)	(135)
Restricted cash		(1,137)	(1,103)	(478)
Cash and cash equivalents in the consolidated cash flow statement		69,381	59,777	46,421
Significant exposure to non-functional currencies:				
US Dollar		9,158	6,994	7,760
Renminbi		4,000	804	783
Euro		1,875	760	1,201
Japanese Yen		899	334	135
Hong Kong Dollar		397	133	68

28. Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale as at 31 March 2020 mainly comprise:

- (a) Investment properties held by CLA Real Estate Holdings Pte. Ltd. and its subsidiaries of \$337 million; and
- (b) Disposal group classified as held for sale by Sembcorp Industries Ltd and its subsidiaries, which comprise mainly property, plant and equipment of \$35 million, trade and other receivables of \$19 million and trade and other payables of \$21 million.

Assets and liabilities classified as held for sale as at 31 March 2019 mainly comprise:

- (a) Investment properties and properties under development held by MJLD Pte. Ltd. and its subsidiaries of JPY 86,783 million (\$1,062 million);
- (b) Disposal group classified as held for sale by Mapletree Investments Pte Ltd and its subsidiaries, which comprise mainly investment properties of \$1,683 million and bank loans of \$659 million; and
- (c) Plant and machinery of \$127 million held by Sembcorp Industries Ltd and its subsidiaries.

Assets and liabilities classified as held for sale as at 31 March 2018 mainly comprise:

- (a) Investment properties held by MJOF Pte. Ltd. and its subsidiaries of \$896 million;
and
- (b) An investment in associate held by Fullerton Management Pte Ltd of \$360 million.

29. Borrowings

	Note	2020 \$million	2019 \$million	2018 \$million
Bank overdrafts	27			
- secured		1	-	28
- unsecured		301	99	107
		302	99	135
Bank loans	(e)			
- secured		30,031	18,189	13,329
- unsecured		46,071	36,470	31,888
		76,102	54,659	45,217
Fixed and floating rate notes	(f)			
- secured		4,106	3,094	2,818
- unsecured		58,098	49,925	45,184
		62,204	53,019	48,002
Commercial bills		3,099	1,803	1,525
Finance lease payable	(g)	-	1,410	504
Lease liabilities		10,512	-	-
Other loans		730	765	836
Total borrowings		152,949	111,755	96,219
Analysed by:				
Non-current liabilities		119,898	88,141	80,418
Current liabilities		33,051	23,614	15,801
Total borrowings		152,949	111,755	96,219

(a) Maturity of borrowings

	Total \$million	Within 1 year \$million	After 1 year but within 5 years \$million	After 5 years \$million
2020				
Bank overdrafts	302	302	-	-
Bank loans	76,102	20,355	46,205	9,542
Fixed and floating rate notes	62,204	7,660	24,989	29,555
Commercial bills	3,099	3,099	-	-
Lease liabilities	10,512	1,597	4,385	4,530
Other loans	730	38	327	365
	<u>152,949</u>	<u>33,051</u>	<u>75,906</u>	<u>43,992</u>
2019				
Bank overdrafts	99	99	-	-
Bank loans	54,659	11,674	32,354	10,631
Fixed and floating rate notes	53,019	9,854	21,371	21,794
Finance lease payable	1,410	89	281	1,040
Commercial bills	1,803	1,803	-	-
Other loans	765	95	207	463
	<u>111,755</u>	<u>23,614</u>	<u>54,213</u>	<u>33,928</u>
2018				
Bank overdrafts	135	135	-	-
Bank loans	45,217	10,949	30,203	4,065
Fixed and floating rate notes	48,002	3,055	24,561	20,386
Finance lease payable	504	57	105	342
Commercial bills	1,525	1,525	-	-
Other loans	836	80	449	307
	<u>96,219</u>	<u>15,801</u>	<u>55,318</u>	<u>25,100</u>

(b) Contractual cash flows

Expected contractual undiscounted cash flows including interest payments of significant borrowings:

	Carrying amount \$million	Cash flows			After 5 years \$million
		Contractual cash flows \$million	Within 1 year \$million	After 1 year but within 5 years \$million	
2020					
Bank loans	76,102	83,491	22,239	51,280	9,972
Notes and commercial bills	65,303	78,584	12,262	31,547	34,775
Lease liabilities	10,512	13,917	1,906	5,321	6,690
	<u>151,917</u>	<u>175,992</u>	<u>36,407</u>	<u>88,148</u>	<u>51,437</u>
2019					
Bank loans	54,659	62,551	12,817	35,796	13,938
Notes and commercial bills	54,822	64,269	13,170	25,145	25,954
	<u>109,481</u>	<u>126,820</u>	<u>25,987</u>	<u>60,941</u>	<u>39,892</u>
2018					
Bank loans	45,217	50,635	12,205	31,710	6,720
Notes and commercial bills	49,527	61,555	6,319	29,327	25,909
	<u>94,744</u>	<u>112,190</u>	<u>18,524</u>	<u>61,037</u>	<u>32,629</u>

(c) Collateralised borrowings

The secured borrowings are collateralised by the following:

- (i) property, plant and equipment (note 11);
- (ii) right-of-use assets (note 12);
- (iii) intangible assets (note 13);
- (iv) investment properties and properties under development (note 21);
- (v) loans and bills receivable of financial institution subsidiaries (note 23(a));
- (vi) inventories (note 24);
- (vii) cash and deposits (note 27); and
- (viii) lien on export documents and pari passu charge on receivables, letter of credit and consumer financing receivables.

(d) Carrying amounts and fair value of borrowings (excluding lease liabilities)

The fair value of borrowings by classes that are carried at amortised cost and whose carrying amounts does not approximate fair value are as follows:-

	2020	2019	2018
	\$million	\$million	\$million
Carrying amounts:			
Notes and commercial bills	65,303	54,822	49,527
Fair value and classification by levels (as defined in note 35):			
- Level 1	19,877	16,642	14,159
- Level 2	44,927	31,083	30,884
- Level 3	3,672	8,952	6,329
Total fair value	68,476	56,677	51,372

(e) Interest rates of bank loans

	2020	2019	2018
	%	%	%
Interest rates of bank loans	0.1 – 12.8	0.1 – 15.5	0.1 – 12.8

(f) Interest rates of fixed and floating rate notes

	2020	2019	2018
	%	%	%
Interest rates of fixed and floating rate notes	0.3 – 10.6	0.5 – 10.9	0.5 – 11.0

(g) Finance lease payable

	2020	2019	2018
	\$million	\$million	\$million
Finance lease payable due:			
Within 1 year	-	153	81
After 1 year but within 5 years	-	510	238
After 5 years	-	1,496	814
	-	2,159	1,133
Less: Future finance charges	-	(749)	(629)
Present value	-	1,410	504
Interest rates	-	0.1% - 16.8%	0.3% - 25.0%

(h) **Reconciliation of movements of liabilities to cash flows from financial activities**

	Bank loans \$million	Fixed and floating rate notes \$million	Commercial bills \$million	Finance lease payable \$million	Other loans \$million	Derivatives ⁽¹⁾ \$million	Loans from associates and joint ventures ⁽²⁾ \$million	Interest payable (note 33) \$million	Total \$million
At 1 April 2017	42,047	46,630	1,510	556	589	(268)	5	677	91,746
Changes from financing cash flows									
Proceeds from borrowings	28,336	4,507	117	18	259	-	144	-	33,381
Repayments of borrowings	(24,922)	(2,071)	-	(96)	(174)	61	(3)	-	(27,205)
Interest paid	(406)	(531)	-	(1)	-	-	-	(2,122)	(3,060)
Total changes from financing cash flows	3,008	1,905	117	(79)	85	61	141	(2,122)	3,116
Non-cash changes									
Acquisition/(disposal) of subsidiaries (net)	1,063	-	-	119	131	-	-	-	1,313
New finance leases	-	-	-	7	-	-	-	-	7
Fair value adjustment	-	(136)	-	-	(2)	109	-	-	(29)
Interest expense	306	647	34	19	5	-	-	2,146	3,157
Others	(1,207)	(1,044)	(136)	(118)	28	11	-	9	(2,457)
Total non-cash changes	162	(533)	(102)	27	162	120	-	2,155	1,991
At 31 March 2018	45,217	48,002	1,525	504	836	(87)	146	710	96,853

(1) Derivatives used for hedging financing activities are presented as part of derivative financial instruments (note 20).

(2) Loans from associates and joint ventures are presented as part of other non-current liabilities (note 32) and trade and other payables (note 33).

TEMASEK HOLDINGS (PRIVATE) LIMITED
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	Bank loans \$million	Fixed and floating rate notes \$million	Commercial bills \$million	Finance lease payable \$million	Other loans \$million	Derivatives ⁽¹⁾ \$million	Loans from associates and joint ventures ⁽²⁾ \$million	Interest payable (note 33) \$million	Total \$million
At 1 April 2018	45,217	48,002	1,525	504	836	(87)	146	710	96,853
Changes from financing cash flows									
Proceeds from borrowings	40,737	8,803	1,017	-	114	-	5	-	50,676
Repayments of borrowings	(30,160)	(3,212)	(713)	(76)	(227)	(6)	(55)	-	(34,449)
Interest paid	(296)	(693)	(29)	-	-	-	-	(3,022)	(4,040)
Total changes from financing cash flows	10,281	4,898	275	(76)	(113)	(6)	(50)	(3,022)	12,187
Non-cash changes									
Acquisition/(disposal) of subsidiaries (net)	(193)	(853)	-	(1)	46	-	-	-	(1,001)
Liability directly associated with disposal group held for sale	(659)	-	-	-	-	-	-	-	(659)
New finance leases	-	-	-	967	-	-	-	-	967
Fair value adjustment	-	90	-	-	-	(223)	-	-	(133)
Interest expense	254	738	62	26	-	-	-	3,018	4,098
Others	(241)	144	(59)	(10)	(4)	35	(2)	(5)	(142)
Total non-cash changes	(839)	119	3	982	42	(188)	(2)	3,013	3,130
At 31 March 2019	54,659	53,019	1,803	1,410	765	(281)	94	701	112,170

(1) Derivatives used for hedging financing activities are presented as part of derivative financial instruments (note 20).

(2) Loans from associates and joint ventures are presented as part of other non-current liabilities (note 32) and trade and other payables (note 33).

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	Bank loans \$million	Fixed and floating rate notes \$million	Commercial bills \$million	Finance lease payable \$million	Lease liabilities \$million	Other loans \$million	Derivatives ⁽¹⁾ \$million	Loans from associates and joint ventures ⁽²⁾ \$million	Interest payable (note 33) \$million	Total \$million
At 31 March 2019	54,659	53,019	1,803	1,410	-	765	(281)	94	701	112,170
Effects of adoption of IFRS 16	-	-	-	(1,410)	10,722	-	-	-	-	9,312
At 1 April 2019	54,659	53,019	1,803	-	10,722	765	(281)	94	701	121,482
Changes from financing cash flows										
Proceeds from borrowings	45,747	7,866	2,168	-	-	30	-	-	-	55,811
Repayments of borrowings	(37,335)	(10,886)	(877)	-	(1,535)	(116)	174	(4)	-	(50,579)
Interest paid	(269)	(759)	(59)	-	(285)	(20)	-	-	(4,043)	(5,435)
Total changes from financing cash flows	8,143	(3,779)	1,232	-	(1,820)	(106)	174	(4)	(4,043)	(203)
Non-cash changes										
Acquisition/(disposal) of subsidiaries (net)	13,028	10,916	-	-	94	22	-	742	186	24,988
New/termination of lease liabilities (net)	-	-	-	-	1,217	-	-	-	-	1,217
Fair value adjustment	-	485	-	-	-	-	(213)	-	-	272
Interest expense	289	756	80	-	324	21	-	-	3,702	5,172
Others	(17)	807	(16)	-	(25)	28	(388)	67	254	710
Total non-cash changes	13,300	12,964	64	-	1,610	71	(601)	809	4,142	32,359
At 31 March 2020	76,102	62,204	3,099	-	10,512	730	(708)	899	800	153,638

(1) Derivatives used for hedging financing activities are presented as part of derivative financial instruments (note 20).

(2) Loans from associates and joint ventures are presented as part of other non-current liabilities (note 32) and trade and other payables (note 33).

30. Provisions

	Note	2020 \$million	2019 \$million	2018 \$million
Contingencies		64	118	106
Warranties		227	239	227
Others	(a)	3,816	3,088	3,322
		<u>4,107</u>	<u>3,445</u>	<u>3,655</u>
Analysed by:				
Non-current liabilities		1,591	890	988
Current liabilities		2,516	2,555	2,667
		<u>4,107</u>	<u>3,445</u>	<u>3,655</u>
(a) Provision for community contributions included in other provisions		<u>1,635</u>	<u>1,657</u>	<u>1,772</u>

Movements in provisions:

	Contingencies \$million	Warranties \$million	Others \$million	Total \$million
At 31 March 2017	112	230	3,071	3,413
Effects of adoption of IFRS 15	(43)	(2)	49	4
At 1 April 2017	69	228	3,120	3,417
Acquisition/(disposal) of subsidiaries (net)	-	1	5	6
Provisions made	45	35	913	993
Provisions utilised	(10)	(35)	(721)	(766)
Translation differences	2	(2)	5	5
At 1 April 2018	106	227	3,322	3,655
Acquisition/(disposal) of subsidiaries (net)	-	(1)	7	6
Provisions made	34	41	241	316
Provisions utilised	(18)	(29)	(481)	(528)
Translation differences	(4)	1	(1)	(4)
At 31 March 2019	118	239	3,088	3,445
Effects of adoption of IFRS 16	-	-	321	321
At 1 April 2019	118	239	3,409	3,766
Acquisition/(disposal) of subsidiaries (net)	(27)	9	26	8
Provisions made	7	6	722	735
Provisions utilised	(32)	(27)	(376)	(435)
Translation differences	(2)	-	35	33
At 31 March 2020	<u>64</u>	<u>227</u>	<u>3,816</u>	<u>4,107</u>

31. Deferred income and liabilities

	Note	2020 \$million	2019 \$million	2018 \$million
Customers' contributions for capital projects		240	258	277
Deferred grants and donations		481	485	201
Deferred gains on sale and leaseback transactions		-	46	55
Unearned revenue		1,848	1,893	2,707
Others	(a)	885	873	917
		3,454	3,555	4,157
Analysed by:				
Non-current liabilities		1,701	1,883	1,993
Current liabilities		1,753	1,672	2,164
		3,454	3,555	4,157

(a) Others mainly comprise:

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

NetLink Trust ("NLT") is a business trust established as part of the Info-communications Media Development Authority of Singapore's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network.

In prior years, Singtel had sold certain infrastructure assets, namely ducts, manholes and exchange buildings ("Assets") to NLT. At Singtel's consolidated level, the gain on disposal of Assets recognised by Singtel is deferred in the balance sheet and amortised over the useful lives of the Assets. The unamortised deferred gain is released to Singtel Group's income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed.

Singtel sold its 100% interest in NLT to NetLink NBN Trust (the "Trust") in July 2017 for cash as well as a 24.8% interest in the Trust. With the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.8% in the Trust which owns all the units in NLT.

32. Other non-current liabilities

	Note	2020 \$million	2019 \$million	2018 \$million
Accrued operating expenses		2,153	2,225	2,267
Advance payments received		31	22	29
Contract liabilities	26	579	629	671
Defined benefit obligations		595	311	488
Deposits from customers		760	415	357
Others		1,339	1,311	1,541
		<u>5,457</u>	<u>4,913</u>	<u>5,353</u>

33. Trade and other payables

	Note	2020 \$million	2019 \$million	2018 \$million
Trade payables		14,279	13,995	12,951
Advance payments received		314	119	130
Accrued operating expenses		8,326	7,829	6,388
Accrued capital expenditures		2,455	1,135	1,457
Amounts due to associates and joint ventures		1,198	343	488
Contract liabilities	26	5,416	5,165	5,197
Deposits from customers	(a)	933	671	11,200
Dividend payable to equity holder of THPL		5,654	5,402	4,303
Interest payable		800	701	710
Others		6,307	6,192	6,546
		<u>45,682</u>	<u>41,552</u>	<u>49,370</u>

(a) Inclusive of amounts designated as
loan collaterals

	-	-	258
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The expected contractual undiscounted cash flows including interest payments of significant trade and other payables (comprising trade payables, accrued operating expenses, deposits from customers) approximate their respective carrying amounts at the balance sheet dates, and are to be settled mainly within one year subsequent to the balance sheet dates.

Significant exposure to non-functional currencies:

	2020 \$million	2019 \$million	2018 \$million
Renminbi	3,083	201	284
US Dollar	1,518	1,876	3,639
Euro	981	694	464
Pound Sterling	536	502	340
Singapore Dollar	220	226	821

34. Financial risk management of financial assets and liabilities

Financial assets comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and bank balances and derivative financial assets. Financial liabilities comprise trade and other payables, borrowings, other non-current liabilities and derivative financial liabilities.

Carrying amounts of financial instruments by categories:

	2020 \$million	2019 \$million	2018 \$million
Financial assets:			
- Available-for-sale	-	-	123,242
- Held-to-maturity	-	-	185
- Held for trading	-	-	6,383
- At FVTPL	148,725	143,629	18,574
- At amortised cost	382	449	-
- Debt investments at FVOCI	5	150	-
- Equity investments at FVOCI	2,502	2,383	-
- Receivables and others	98,657	85,135	82,257
Derivative financial instruments, net	(938)	2,342	177
Financial liabilities	<u>(197,153)</u>	<u>(151,974)</u>	<u>(144,427)</u>

(a) *Financial risk management objectives and policies of Temasek Holdings (Private) Limited (“THPL”)*

THPL is an investment company that owns and manages its assets based on commercial principles. THPL does not issue any financial guarantees for its portfolio companies’ obligations.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies. Financial risk management of these portfolio companies is managed by their management teams and supervised by their respective board of directors.

Disclosures of financial risk management of financial assets and liabilities relating to certain operating subsidiaries which contributed significantly to the consolidated financial assets and liabilities are set out in note 34(d). These disclosures are extracted from the financial risk management section of the respective operating subsidiaries’ financial statements.

The disclosures in the following sections up to note 34(c) relate to risk management objectives and policies of THPL and its Investment Holding Companies (as defined in the following paragraph), together known as “Temasek”.

Investment Holding Companies (“IHCs”) are defined as THPL’s direct and indirect wholly-owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of (1) THPL, (2) Temasek Pte. Ltd., a wholly-owned subsidiary of THPL, and/or (3) wholly-owned subsidiaries of Temasek Pte. Ltd.

The principal activities of THPL and its IHCs are that of investment holding, financing and/or the provision of investment advisory and consultancy services.

THPL Board determines the objectives and overall direction for its risk management framework and functions. Under the Board's guidance, the Chief Executive Officer and Senior Management team promote a culture of risk awareness and balanced risk-taking.

Enterprise risks, including the management of financial risks, are factored into the day to day decision making of Temasek on investments, divestments, company policies and processes. These decisions are taken under the supervision of the Chief Executive Officer and Senior Management team.

Temasek's established approval authorities, company policies and standard operating procedures continue to drive its end-to-end process controls. These procedures also cover Temasek's reporting requirements to the Board, Board Committees and Senior Management to apprise them of the relevant risk issues.

Not all risk considerations can be measured in quantitative terms, especially when such measurements are not available or impractical to compute. The methodology applied in the year ended 31 March 2020, is fundamentally similar to that of previous years.

(b) Financial risk profile of Temasek's portfolio

THPL's portfolio comprises mainly equities. As at 31 March 2020, THPL's net portfolio value of \$306 billion (2019: \$313 billion; 2018: \$308 billion):

- (i) refers to the sum of (1) the market value of investments in publicly-listed securities as of at such specified date and (2) the fair value of investments in unlisted securities, in each case held directly by THPL or indirectly through an IHC, whether such holding is for the short term or the long term; and
- (ii) takes into account the net amount of other assets and liabilities of THPL and its IHCs.

In respect of note 34(b)(i)(2), the fair value of investments in unlisted financial assets is based on valuation methods in accordance with IFRS, and the fair value of investments in unlisted subsidiaries, associates and joint ventures is based on the sum of (1) the proportionate share of the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements and (2) any premium paid, net of any subsequent impairment. In the case of unlisted subsidiaries, associates and joint ventures that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiaries, associates and joint ventures will take into account the market value of the underlying publicly-listed securities which they hold.

The above valuation policy has been approved by the Audit Committee.

Financial risks comprise mainly market risk, liquidity risk and credit risk. Market risks include equity price risk, foreign currency risk and interest rate risk.

As Temasek's portfolio comprises mostly equities, market risk exposure of Temasek's portfolio arises mainly from changes in equity prices, and such risk exposure is reflected in marked-to-market ("MTM") changes of the portfolio, including foreign exchange rate movements of the portfolio. More details are provided in note 34(c)(i).

Temasek has the flexibility to adopt a long-term view on its investments and is lightly geared with minimal liabilities. As such, while its portfolio is exposed to share price movements, Temasek does not necessarily have to liquidate its holdings in response to short-term fluctuations in the markets. With low gearing, interest rate risk exposure due to debt repricing is expected to be relatively low. More details are provided in note 34(c)(i) and (iii).

(c) Financial risk management processes and exposures

(i) Market risk

As a long term investor, Temasek assesses market risk based on the risk of a potential sustained loss of the overall portfolio value, under various stress scenarios driven by significant event risks. For each scenario, Temasek estimates the sustained impact on the intrinsic values of individual investments, in comparison with the original investment theses. The aggregate of these forms the view of the potential sustained loss of the overall portfolio value. The portfolio is managed based on such potential sustained loss and not short term MTM changes.

However, no single risk measure can capture all aspects of market risk in Temasek's portfolio. For a sense of the range of possible returns, Temasek uses Monte Carlo simulation to gauge the 12-month expected distribution of the portfolio.

These risk measures are reported to Temasek's Senior Management and its Board of Directors.

The simulation conducted is calibrated based on the assumption that the recent 3-year history, with most weight assigned to the most recent 6 months, would be indicative of market behaviour over the next 12 months.

As at 31 March 2020, there is a 5-in-6 chance that the forward 12-month return of the portfolio will range between -25% and +45% compared to last year's range of -13% to +18%, assuming that the portfolio composition remains unchanged.

(ii) Foreign currency risk

Foreign currency risk exposures comprise mainly transactional and translational foreign currency risks. Transactional foreign currency risk refers to cash flow related risk arising from Temasek's foreign currency denominated investments and related operating cash flows. Translational foreign currency risk refers to exchange rate impact on the balance sheet when translating Temasek's foreign currency portfolio into its Singapore Dollar functional currency.

It is Temasek's policy not to take positions in currencies with a view to making trading gains from currency movements. Where currency exposures arise naturally in the course of Temasek's business of investing and divesting in foreign currency denominated assets or international businesses, Temasek considers the merits of hedging transactional and translational foreign currency exposures on an economic basis.

Generally, Temasek uses forward contracts primarily to hedge its transactional currency exposures with known cash flow timeline and its translational foreign currency exposure. Such contracts allow Temasek to buy or sell currencies at market determined exchange rates and are executed purely for hedging purposes.

Transactional foreign currency exposures

Temasek's transactional foreign currency risk arises from its foreign currency denominated investments and related cash flows, including divestment cash flows, dividend receipts and operating expenses.

Translational foreign currency exposures

The translational foreign currency exposures of Temasek arise mainly from its investments in portfolio companies. When translating the value of these investments back to its functional currency, Singapore Dollar, it is subjected to volatility in foreign exchange movements.

Due to the long investment holding period, the cost of hedging such balance sheet exposures on a rolling basis can be costly. As such, Temasek only enters into selective currency hedges when the long term cost of the hedging program is expected to be offset by the long term trajectory of the currency.

For all other investments, the foreign currency risk is therefore embedded in the projected risk-adjusted return calculation. Temasek also borrows in foreign currencies within its approved debt issuance limit which provides a partial natural hedge against the translational foreign currency exposure of its portfolio.

There is a 1-in-6 chance that standalone losses from foreign exchange movements may exceed 2.4% of our portfolio value before contribution or offset from other non-foreign-exchange price movements.

(iii) Interest rate risk

Exposure to interest rate risk relates primarily to interest bearing liabilities. Temasek manages the interest rate risk by maintaining a mix of fixed and floating interest bearing liabilities of various maturities. Where necessary, Temasek also enters into derivative financial instruments such as interest rate swaps to hedge against potential interest rate risks, with the prior approval of Temasek's Senior Management Committee.

There is a 1-in-6 chance that standalone losses from interest rate movements may exceed 0.8% of our portfolio value before contribution or offset from other non-interest-rates price movements.

(iv) Counterparty credit risk

Temasek has a counterparty credit risk management framework in place and the exposure to counterparty credit risk is monitored on an ongoing basis.

Counterparty credit risk arises mainly from the following activities:

- placement of cash and fixed deposits with banks;
- MTM gains from financial transactions before settlement of the trades;
- non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades; and
- placement of financial assets in custody of custodians.

The credit exposures arising from the placement of cash and fixed deposits with banks, non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades and placement of financial assets in custody of custodians are the gross market value of the cash or asset transacted. The credit exposure from MTM gains from financial transactions before settlement of the trades is the gross positive MTM, or net position MTM if legal netting arrangements are in place.

Limits on credit exposure are imposed on the counterparties and where appropriate, Temasek seeks to reduce its counterparty's exposures by having in place legally enforceable netting agreements and collateral arrangements. Regular review of approved counterparties is also carried out.

(v) Liquidity risk

The liquidity needs for Temasek to manage its portfolio arise mainly from operational expenses and dividends to its shareholder. Being lightly geared with minimal liabilities recorded at THPL and its IHCs and with a significant part of the investment portfolio comprising tradeable securities, there is no significant liquidity risk.

Temasek manages this liquidity risk through a combination of optimal cash holding and maintenance of credit facilities and borrowings. Excess funds are invested in short-term bank deposits and liquid securities that can be readily convertible to cash if required.

(d) Financial risk management objectives and policies of operating subsidiaries managed by their respective management

THPL does not direct the commercial and operational decisions of its portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies. Financial risk management of these portfolio companies is managed by their management teams and supervised by their respective board of directors.

The following disclosures on financial risk management of financial assets and liabilities relating to certain operating subsidiaries, which contributed significantly to the consolidated financial assets and liabilities, are extracted from their respective financial statements.

CLA Real Estate Holdings Pte. Ltd. and its subsidiaries (“CLA”)

CLA is a subsidiary of Tembusu Capital (Private) Limited.

CLA is exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. CLA’s risk management approach seeks to minimise the potential material adverse effects from these exposures. CLA uses financial instruments such as currency forwards, interest rate swaps and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

Risk management is carried out at each material subsidiary level in accordance with established policies and guidelines approved by the subsidiary’s board of directors.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on CLA’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

CLA’s exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products mainly comprise fixed deposits which yield better returns than cash at bank.

CLA manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. CLA adopts a policy of ensuring that certain percentage of its interest rate risk exposure is at a fixed rate. CLA actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. CLA also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedge.

CLA determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

CLA assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

As all critical terms matched during the period, the economic relationship was 100% effective.

The net fair value loss of interest rate swaps as at balance sheet date was \$89.2 million (2019: \$19.3 million) comprising derivative assets of \$0.8 million (2019: \$1.6 million) and derivative liabilities of \$90.0 million (2019: \$20.9 million).

Sensitivity analysis

For variable rate financial liabilities and interest rate derivative instruments used for hedging, it is estimated that an increase of 100 basis points (2019: 140 basis points) in interest rate at the balance sheet date would lead to a reduction in CLA's profit before tax (and revenue reserves) by approximately \$100.6 million (2019: \$22.7 million). A decrease in 100 basis points (2019: 140 basis points) in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

(ii) Equity price risk

As at balance sheet date, CLA has financial assets at FVOCI in equity securities and is exposed to equity price risk. The securities are listed in Malaysia.

Sensitivity analysis

It is estimated that if the prices for equity securities listed in Malaysia increase by five percentage points with all other variables including tax rate being held constant, CLA's fair value reserves would increase by approximately \$1.9 million. A decrease in five percentage point will have an equal but opposite effect.

(iii) Currency risk

CLA operates internationally and is exposed to various currencies, mainly Chinese Renminbi, Euro, Hong Kong Dollar, Japanese Yen, Malaysian Ringgit, Australian Dollar, US Dollar and Indian Rupee.

CLA maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As at balance sheet date, CLA uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from CLA's net investments in certain subsidiaries in United States of America, Europe and Japan. The carrying amount of these United States Dollars, Euro, Pound Sterling and Japanese Yen denominated borrowings as at balance sheet date was \$1,304 million (2019: \$192.6 million) and fair value of the borrowings was \$1,338 million (2019: \$193.6 million).

CLA uses forward exchange contracts or foreign currency loans to hedge its foreign exchange risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity or foreign currency loans which match CLA's highly probable transactions and investment in the foreign subsidiaries. CLA also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency. The foreign exchange forwards and currency swaps are denominated in the same currency as the highly probable transactions, therefore the economic relationship is 100% effective.

Hedge ineffectiveness may occur due to:

- Changes in timing of the forecasted transaction from what was originally planned; and
- Changes in the credit risk of the derivative counterparty or CLA.

The net fair value gain of the forward exchange and cross currency swap contracts as at balance sheet date was \$68.9 million (2019: loss of \$6.9 million), comprising derivative assets of \$111.0 million (2019: \$2.6 million) and derivative liabilities of \$42.1 million (2019: \$9.5 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis

It is estimated that a five percentage points (2019: two to six percentage points) strengthening in foreign currencies against the respective functional currencies of CLA would decrease CLA's profit before tax by approximately \$11.2 million (2019: \$8.6 million) and increase CLA's other components of equity by approximately \$2.1 million (2019: \$Nil). A five-percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. CLA's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

(b) Credit risk

Credit risk is the risk of financial loss to CLA if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade and other receivables, contract assets and financial assets at amortised cost, CLA has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables and contract assets relate mainly to CLA's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Financial assets at amortised cost relate mainly to amounts owing by related parties. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which CLA is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties.

CLA has a diversified portfolio of businesses and as at balance sheet date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

(i) Trade receivables and contract assets

CLA uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, CLA considers historical loss rates for each category of customers under each business.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with CLA. CLA generally considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when CLA assesses that the debtor fails to make contractual payments. Where receivables are written off, CLA continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the income statement.

(ii) Financial assets at amortised cost

CLA assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The credit quality of trade and other receivables is assessed at CLA's material subsidiary level based on credit policies established by the subsidiary's risk committee. CLA monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units.

(c) Liquidity risk

Liquidity risk is the risk that CLA will not be able to meet its financial obligations as they fall due. CLA actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, CLA maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, CLA strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, CLA will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

At balance sheet date, CLA held the following instruments to hedge exposures to changes in foreign currency and interest rates:

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				Maturity
	Contractual notional amount \$'000	Assets/ (liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in P&L \$'000	
2020							
Cashflow hedges							
Foreign exchange risk							
- Cross currency swaps to hedge foreign currency borrowings	2,483,636	45,410	Derivative financial instruments	45,728	(45,728)	-	USD:SGD1.285 (USD3.274%) Up to April 2029
- Forward contracts to hedge foreign currency borrowings and receivables from divestment proceeds	211,389	4,178	Derivative financial instruments	1,309	(1,312)	(3)	EUR:SGD1.541 HKD:SGD0.176 MYR:SGD0.326 Up to June 2020
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	7,094,854	(89,361)	Derivative financial instruments	(59,710)	59,710	-	1.08% - 2.010% Up to October 2026
Net investment hedges							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	-	(1,303,966)	Borrowings	(16,567)	16,567	-	JPY:SGD0.0124 EUR:SGD1.500 GBP:SGD1.753 Up to September 2026 AUD:SGD0.928
- Forward contracts to hedge net investments in foreign operations	478,420	2,844	Derivative financial instruments	(665)	665	-	USD:SGD1.366 RMB:SGD0.194 JPY:SGD0.0126 EUR:SGD1.512 AUD:SGD0.936 January 2020 to March 2020
- Cross currency swaps to hedge net investments in foreign operations	682,203	15,853	Derivative financial instruments	14,498	(14,498)	-	JPY:SGD0.011 EUR:SGD1.531 KRW:SGD0.00116 Up to April 2023

The following table provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items (net of tax) resulting from cashflow hedge accounting.

	Hedging reserve \$'000
2020	
At beginning of the year	(21,211)
Acquisition of subsidiary	(60,066)
Change in fair value:	
- Foreign exchange risk	(1,125)
- Interest rate risk	(29,155)
Amount reclassified to income statement:	
- Foreign exchange risk	(4,379)
- Interest rate risk	6,633
At end of the year	<u>(109,303)</u>

(d) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in CLA's balance sheets; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheets.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheets.

CLA's derivative transactions that are not transacted through an exchange, are governed by the International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of CLA or the counterparties. In addition, CLA and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet \$'000	Related amount not offset in the balance sheet \$'000	Net amount \$'000
2020					
Types of financial assets					
Interest rate swaps	759	–	759	(5)	754
Forward foreign exchange contracts	8,887	–	8,887	(1,197)	7,690
Cross currency swaps	102,118	–	102,118	(26,181)	75,937
	<u>111,764</u>	<u>–</u>	<u>111,764</u>	<u>(27,383)</u>	<u>84,381</u>
Types of financial liabilities					
Interest rate swaps	(89,964)	–	(89,964)	5	(89,959)
Forward foreign exchange contracts	(1,212)	–	(1,212)	1,197	(15)
Cross currency swaps	(40,856)	–	(40,856)	26,181	(14,675)
	<u>(132,032)</u>	<u>–</u>	<u>(132,032)</u>	<u>27,383</u>	<u>(104,649)</u>
2019					
Types of financial assets					
Interest rate swaps	1,551	–	1,551	–	1,551
Forward foreign exchange contracts	813	–	813	–	813
Cross currency swaps	8,702	–	8,702	–	8,702
	<u>11,066</u>	<u>–</u>	<u>11,066</u>	<u>–</u>	<u>11,066</u>
Types of financial liabilities					
Interest rate swaps	(20,940)	–	(20,940)	–	(20,940)
Forward foreign exchange contracts	(15)	–	(15)	–	(15)
Cross currency swaps	(2,581)	–	(2,581)	–	(2,581)
	<u>(23,536)</u>	<u>–</u>	<u>(23,536)</u>	<u>–</u>	<u>(23,536)</u>

Mapletree Investments Pte Ltd and its subsidiaries (“Mapletree”)

Mapletree is a subsidiary of Fullerton Management Pte Ltd.

Mapletree’s activities expose it to a variety of financial risks. Mapletree uses different methods to measure and manage various types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange, price, interest rate, credit and liquidity risk.

Risk management is carried out under policies approved by Mapletree’s board of directors. Mapletree’s board of directors provides general principles for overall risk management, covering areas such as foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Mapletree’s activities. Mapletree’s Audit and Risk Committee, assisted by the risk management department and/or internal auditors, also evaluates the effectiveness of the system associated with the financial risk management programmes.

(a) Market risk

(i) Foreign exchange risk

Mapletree is exposed to foreign exchange risk on its foreign currency denominated assets and liabilities. This currency exposure is, where practicable and appropriate, managed through borrowings in the same currencies in which the assets and/or investments are denominated as well as currency forwards, currency call/put options and cross currency swap contracts.

Foreign exchange risk is measured through a forecast of highly probable foreign currency expenditure. The objective of the hedges is to minimise the volatility of Mapletree’s currency cost of highly probable transactions. In order to achieve this objective, Mapletree entered into cash flow hedges for the highly probable purchase transactions. The foreign exchange forwards are denominated in the same currency as the highly probable purchase transactions; therefore the hedge ratio is 1:1.

In relation to Mapletree’s investments in foreign subsidiaries, associates and joint ventures whose net assets are exposed to currency translation risks and which are held for long term investment purpose, the differences arising from such translation are recognised in other comprehensive income as foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis and managed primarily through currency forwards, cross currency interest rate swaps or borrowings denominated in the relevant currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

There was no hedge ineffectiveness for the financial year ended 31 March 2020 in relation to the cash flow and net investment hedges.

Mapletree's exposure to currency risk mainly relate to USD exposure for VND functional currency entities, RMB exposure for SGD functional currency entities and EUR exposure for Polish Złoty ("PLN") functional currency entities (2019: USD exposure for VND functional currency entities, RMB exposure for SGD functional currency entities and EUR exposure for PLN functional currency entities; 2018: USD exposure for VND functional currency entities and RMB exposure for SGD functional currency entities).

If Mapletree's USD, RMB and EUR exposure change against the respective functional currencies by 3% (2019: 4.0%; 2018: 5.0%) with all other variables including tax rate being held constant, the effects arising from Mapletree's net currency exposure will be as follows:

	2020 \$million	2019 \$million	2018 \$million
	<u>Increase/(decrease)</u>		
<u>Profit after tax</u>			
USD against VND			
- Strengthened	(11)	(15)	(17)
- Weakened	11	15	17
RMB against SGD			
- Strengthened	8	9	1
- Weakened	(8)	(9)	(1)
EUR against PLN			
- Strengthened	(7)	(25)	-
- Weakened	7	25	-

(ii) Price risk

Mapletree is not exposed to significant equity price risk as it does not hold any significant equity securities which are classified as financial assets at FVOCI.

(iii) Cash flow and interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As Mapletree has no significant interest-bearing assets, Mapletree's income and operating cash flows are substantially independent of changes in market interest rates.

Mapletree is exposed to interest rate risk on its borrowings. Mapletree manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved either through fixed rate borrowings or through the use of floating-to-fixed interest rate swaps and/or interest rate caps. Mapletree enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount.

Mapletree does not hedge 100% of its loans; therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the financial year, the economic relationship was 100% effective.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Mapletree enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item and so, a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, Mapletree uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness has occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

If the interest rates increase or decrease by 0.5% (2019 and 2018: 0.5%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by \$33 million (2019: \$28 million; 2018: \$25 million) and higher by \$33 million (2019: \$28 million; 2018: \$25 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by \$66 million (2019: \$65 million; 2018: \$37 million) and lower by \$68 million (2019: \$68 million; 2018: \$35 million) mainly as a result of higher fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to Mapletree. The major classes of financial assets of Mapletree are bank deposits and trade and other receivables. For trade receivables, Mapletree adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, Mapletree adopts the policy of dealing only with acceptable credit quality counterparties.

Mapletree has no significant concentrations of credit risk. Mapletree has policies in place to ensure that services are made to customers with an appropriate credit history. Security in the form of bankers' guarantees, insurance bonds (issued by bankers or insurers of acceptable credit quality) or cash security deposits are obtained prior to the commencement of the lease.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on Mapletree's statements of financial position, except as follows:

	2020	2019	2018
	\$million	\$million	\$million
Corporate guarantees provided to financial institutions on Mapletree's subsidiaries' and a joint venture's loans	9,170	13,941	7,581

Bank deposits, deposits placed with Mapletree's subsidiary, receivables from Mapletree's subsidiaries and associates and other receivables are subject to immaterial credit losses.

(i) Trade receivables

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, Mapletree considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables. Based on the above, Mapletree's credit risk exposure for trade receivables as at 31 March 2020 and 2019 has been assessed to be immaterial.

Trade receivables are assessed to be in default when one or more events that have a detrimental impact on the estimated future cash flows of that trade debtor have occurred, such as but not limiting to initiation of bankruptcy proceedings or a breach of contract. Trade receivables are impaired (net of security deposits and bankers' guarantees) when the counterparty fails to make payments in accordance with the contractual terms of agreement. Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables are written off, Mapletree continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the income statement.

Mapletree believe that no additional loss allowance is necessary in respect of the remaining trade and other receivables in the view of Mapletree's credit management policy as these receivables arise mainly from tenants with good collection records and there is sufficient security in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

(ii) Financial guarantees

Mapletree has issued financial guarantees to financial institutions for borrowings of its subsidiaries and a joint venture. These guarantees are subject to the impairment requirements of IFRS 9. Mapletree has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Previous accounting policy for impairment of trade receivables

For the financial year ended 31 March 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

Mapletree considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit ratings assigned by international credit-rating agencies. Trade receivables, loan to a non-controlling interest of a subsidiary and loans to a non-related party that are neither past due nor impaired are substantially counterparties with a good collection track record with Mapletree. Other than the above, there is no credit loss allowance for other financial assets at amortised cost as at 31 March 2018.

(c) Liquidity risk

Mapletree adopts prudent liquidity risk management by maintaining sufficient cash and committed bank financing to fund its working capital, financial obligations and expected committed capital expenditure requirements.

(d) Capital risk

Mapletree's objectives when managing capital are to safeguard Mapletree's ability to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value.

Mapletree's board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

As at 31 March 2020 and 2019, Mapletree was required by the financial institutions to maintain a consolidated tangible net worth of not less than \$1.0 billion. As at 31 March 2018, Mapletree was required by the financial institutions to maintain a consolidated tangible net worth of not less than \$1.0 billion and consolidated equity of not less than \$3 billion.

There were no changes in Mapletree's approach to capital management during the financial year.

(e) Derivative financial instruments

Hedging instruments used in Mapletree's hedging strategy in the financial year ended 31 March 2020:

	Contractual notional amount \$million	Assets/ (liabilities) \$million	Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness			Hedge ineffectiveness recognised in income statement \$million	Weighted average hedged rate	Maturity date
				Hedging instrument \$million	Hedged item \$million	Hedge ineffectiveness recognised in income statement \$million			
Cash flow hedges									
<i>Currency risk</i>									
- Currency forwards to hedge quarterly dividend income receivable in foreign currency	21	(1)	Derivative financial instruments	(840)	840	-	SGD: 1.35 USD: 1.00	2020 - 2022	
<i>Foreign currency risk/Interest rate risk</i>									
- Cross currency swaps to hedge floating rate borrowings denominated in foreign currency	1,394	(29)	Derivative financial instruments	(30)	29	(1)	SGD1:GBP1.78 SGD1:HKD5.75 USD1:HKD7.79 SGD1:JPY81.23 HKD1:JPY14.28 0.52% - 4.65%	2021 - 2027	
<i>Interest rate risk</i>									
- Interest rate swaps to hedge floating rate borrowings	8,540	(259)	Derivative financial instruments	(209)	208	(1)	0.19% - 2.86%	2020 - 2028	
Net investment hedges									
<i>Foreign exchange risk</i>									
- Forward contracts to hedge net investments in foreign operations	1,085	8	Derivative financial instruments	6	(6)	-	JPY: 0.01219 USD: 1.3841 CNY: 0.2223 GBP: 1.7277 AUD: 0.9681 INR: 0.01928 EUR: 1.5258	2020	
- Borrowings to hedge net investments in foreign operations	-	(1,192)	Borrowings	(298)	298	-	-	-	
Fair value hedges									
<i>Interest rate risk</i>									
- Interest rate swaps to hedge floating fixed rate borrowings	75	3	Derivative financial instruments	2	(2)	-	3.02%	2023	

Hedging instruments used in Mapletree's hedging strategy in the financial year ended 31 March 2019:

	Contractual notional amount \$million	Assets/ (liabilities) \$million	Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness			Hedge ineffectiveness recognised in income statement \$million	Weighted average hedged rate	Maturity date
				Hedging instrument \$million	Hedged item \$million	Hedge ineffectiveness recognised in income statement \$million			
Cash flow hedges									
<i>Currency risk</i>									
- Currency forwards to hedge quarterly dividend income receivable in foreign currency	19	-	Derivative financial instruments	-	-	-	SGD: 1.32 USD: 1.00	2019 - 2022	
<i>Foreign currency risk/Interest rate risk</i>									
- Cross currency swaps to hedge floating rate borrowings denominated in foreign currency	1,266	12	Derivative financial instruments	(13)	15	2	1.54% - 4.65%	2019 - 2025	
<i>Interest rate risk</i>									
- Interest rate swaps to hedge floating rate borrowings	8,692	(60)	Derivative financial instruments	(66)	66	-	0.13% - 3.89%	2019 - 2028	
Net investment hedges									
<i>Foreign exchange risk</i>									
- Forward contracts to hedge net investments in foreign operations	1,618	-	Derivative financial instruments	(1)	1	-	JPY: 0.0123 USD: 1.3627 AUD: 1.0352 EUR: 1.5258	2019	
- Forward contracts to hedge net investments in foreign operations	-	(684)	Borrowings	16	(16)	-	-	-	
Fair value hedges									
<i>Interest rate risk</i>									
- Interest rate swaps to hedge floating fixed rate borrowings	75	1	Derivative financial instruments	1	(1)	-	3.02%	2023	

Effects of fair value hedges on hedged items are as follows:

	Carrying amount of assets \$million	Financial statement line item that includes hedged item	Accumulated amount for fair value changes \$million
2020			
Fair value hedges			
Interest rate risk			
- Interest rate swaps to hedge fixed rate borrowings	78	Borrowings	3
2019			
Fair value hedges			
Interest rate risk			
- Interest rate swaps to hedge fixed rate borrowings	76	Borrowings	1

Olam International Limited and its subsidiaries (“Olam”)

Olam is a subsidiary of Temasek Capital (Private) Limited.

Olam is exposed to financial risks from its operations and the use of financial instruments. Olam’s board of directors and board risk committee reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Head of Risk. Olam’s board risk committee provides independent oversight to the effectiveness of the risk management process.

Olam’s principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, bonds, cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance Olam’s operations. Olam has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Olam also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from Olam’s operations and its sources of financing.

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

The main risks arising from Olam’s financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. Olam’s board of directors reviews and agrees on the policies for managing each of these risks and they are summarised below:

(a) Commodity price risk

Commodities traded by Olam are subject to fluctuations due to a number of factors that result in price risk. Olam purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. Olam has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

Olam also enters into commodity derivatives for trading purposes. Olam’s trading market risk appetite is determined by the board of directors, with detailed exposure limits recommended by the executive risk committee and approved by the board risk committee.

At balance sheet date, if the commodities price index increased by 1.0% with all other variables held constant, Olam’s profit net of tax would have increased by \$10 million (2019: \$17 million; 2018: \$30 million) given its net long commodity positions, arising as a result of fair value on Olam’s commodity futures, options contracts, physical sales and purchases commitments as well as the inventory held at balance sheet date.

(b) *Credit risk*

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is Olam's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, Olam does not expect to incur material credit losses.

For computation of impairment losses on financial assets, Olam uses a provision matrix as presented below:

Balance Sheet	Expected credit loss
Trade receivables	Expected credit loss is calculated by applying the default sovereign risk rating of the counterparties' country of domicile based on external benchmarks
Loans to joint ventures and associates and other current assets – sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company	
Amount due from subsidiaries	

The carrying amounts of trade receivables, other non-current and current assets, margin accounts with brokers, cash and short-term deposits payments, including derivatives with positive fair value represent Olam's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Cash and bank balances are placed with reputable banks.

Credit risk concentration profile

Olam determines concentrations of credit risk by monitoring the operating segment profile of its trade receivables on an ongoing basis.

Olam has no significant concentration of credit risk with any single customer.

(c) *Foreign currency risk*

Olam trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of Olam's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. Olam primarily utilises foreign currency forward exchange contracts and cross currency interest rate swap to hedge firm commitments.

Olam has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Olam's entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Great Britain Pound ("GBP"), Euro ("EUR"), Australian Dollar ("AUD"), Singapore Dollar ("SGD") and Japanese Yen ("YEN").

The following table demonstrates the sensitivity of Olam's profit net of tax and equity to a reasonably possible change in the USD, GBP, EUR, AUD, SGD and YEN exchange rates, with all other variables held constant.

	Profit net of tax \$million Increase/ (decrease)	Equity \$million Increase/ (decrease)
2020		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	(1)	(6)
EUR – strengthened 0.5%	-	(8)
AUD – strengthened 0.5%	-	1
SGD – strengthened 0.5%	(2)	3
YEN – strengthened 0.5%	(2)	-
2019		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	(1)	(4)
EUR – strengthened 0.5%	-	(8)
AUD – strengthened 0.5%	(1)	3
SGD – strengthened 0.5%	(6)	5
YEN – strengthened 0.5%	(2)	-
2018		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	(1)	(5)
EUR – strengthened 0.5%	2	(6)
AUD – strengthened 0.5%	-	4
SGD – strengthened 0.5%	(7)	6

(d) Liquidity risk

Liquidity risk is the risk that Olam will encounter difficulty in meeting financial obligations associated with its financial liabilities or due to shortage of funds.

To ensure continuity of funding, Olam primarily uses short-term bank facilities that are transaction-linked and self-liquidating in nature. Olam also has a multicurrency medium-term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

(e) Interest rate risk

Olam's exposure to market risk for changes in interest rates relates primarily to its floating rate loans and borrowings. Interest rate risk is managed on an ongoing basis such as hedging the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, Olam's profit net of tax would have changed inversely by \$23 million (2019: \$24 million; 2018: \$28 million).

(f) *Derivative financial instruments and hedge accounting*

Olam applies hedge accounting in accordance with IFRS 9 for certain hedging relationships which qualify for hedge accounting. The effects of applying hedge accounting for expected future sales and purchases on Olam's balance sheet and income statement are as follows:

Financial statement line item	2020		2019		2018	
	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million
Fair value hedge – Commodity contracts						
Hedged item:						
Inventories	1,613	-	1,070	-	1,135	-
Sales and purchase contracts	93	-	190	-	67	-
Hedging instruments:						
Commodity contracts	11	-	5	(5)	56	-
Fair value hedge – Cross currency interest rate swap						
Hedged item:						
Forecasted transactions relating to borrowings denominated in foreign currency	-	(847)	-	-	-	-
Hedging instruments:						
Cross currency interest rate swap	30	(13)	-	-	-	-
Cash flow hedge – Foreign exchange contracts						
Hedged item:						
Forecasted transactions denominated in foreign currency	-	(87)	-	(73)	215	-
Hedging instruments:						
Foreign exchange contracts	-	(2)	5	-	-	(12)
Cash flow hedge – Cross currency interest rate swap						
Hedged item:						
Forecasted transactions relating to borrowings denominated in foreign currency	-	(6)	-	-	-	-
Hedging instruments:						
Cross currency interest rate swap	6	-	-	-	-	-
Cash flow hedge – Interest rate swap						
Hedged item:						
Forecasted transactions denominated in foreign currency	-	(1)	-	-	-	-
Hedging instruments:						
Interest rate swap	19	(1)	-	-	-	-

Fair value hedge – Commodity contracts

Olam is exposed to price risk on the purchase side due to increase in commodity prices, on the sales side and inventory held to decrease in commodity prices. Therefore, Olam applies fair value hedge accounting to hedge its commodity prices embedded in its inventories, sales and purchase contracts and uses commodity derivatives to manage its exposure. Olam determines its hedge effectiveness based on the volume of both hedged item and hedging instruments.

For the relevant commodity derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 3 to 24 months (2019 and 2018: 3 to 24 months). These commodity derivatives held for hedging accounting are used to hedge the commodity price risk related to inventories, sales and purchase contracts. The accumulated amount of fair value hedge adjustments included in the carrying amount of the inventories for the current financial year amounts to \$242 million (2019: \$361 million; 2018: \$178 million).

Fair value hedge – Cross currency interest rate swaps

Olam entered into cross-currency interest rate swap contracts in order to hedge the currency and interest rate exposures of the (i) JPY Term Loans and (ii) AUD and JPY Euro Medium Term Notes (“EMTN”) issued under the EMTN programme of Olam. The hedge on the exposure linked to future interest payments on these EMTNs and term loans are booked at fair value through profit and loss as a fair value hedge. The hedge on currency and interest rate exposure are booked at fair value through profit and loss, and is recorded in “Other expenses” and “Finance costs” respectively in the profit and loss account. At balance sheet date, the AUD cross-currency swap is effective until 2020 while the JPY cross currency swap is effective until 2020 and 2021 and is linked to the payment due date of the EMTNs or term loan. The critical terms of these swap contracts and their corresponding hedged items are matched, and Olam expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

Cash flow hedge – Foreign exchange contracts

For the relevant foreign exchange derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 24 months (2019 and 2018: 24 months). The fair value of these derivatives recorded in other comprehensive income are reclassified through the income statement upon occurrence of the forecasted transactions and this amounts to \$106 million (2019: \$2 million; 2018: \$68 million) for the current financial year. The net hedging gain recognised in other comprehensive income in relation to such transactions amounts to \$2 million (2019: \$5 million; 2018: hedging loss \$12 million) in the current financial year.

Cash flow hedge – Cross currency interest rate swaps

Olam entered into cross-currency swap contracts in order to hedge the currency and interest rate exposures of two JPY term loans draw down by Olam. The hedge on the interest exposure linked to future interest payments on these term loans is booked at fair value through other comprehensive income as a cash flow hedge.

The hedge on currency exposure is booked at fair value through profit and loss, and is recorded in the income statement. At balance sheet date, the remaining cross-currency swap will expire in 2021 and 2023, which is the repayment date of the two JPY term loans. The critical terms of these swap contracts and their corresponding hedged items are matched, and Olam expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

Cash flow hedge – interest rate swaps

Olam entered into interest rate swap contracts to hedge against fluctuation in the international rates (LIBOR) on the floating rate exposure of its Structured Letter of Credit (“SLC”). All interest rate derivative financial instruments are in a cash flow hedge relationship resulting in changes in fair value are recognised in other comprehensive income. At balance sheet date, these hedges are effective until 2020 and 2021 with 1-month to 3-month LIBOR rate ranging from 1.5% to 3.0% per year.

Singapore Telecommunications Limited and its subsidiaries (“Singtel”)

Singtel's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. Singtel's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of Singtel.

Singtel uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The directors of Singtel assume responsibility for the overall financial risk management of Singtel. For the financial year ended 31 March 2020, the Risk Committee and Finance and Investment Committee (“FIC”) of Singtel, which are committees of the Board, assisted the directors of Singtel in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the directors of Singtel.

(i) Foreign exchange risk

The foreign exchange risk of Singtel arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, Singtel's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

Singtel has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are intended to be perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

Singtel's Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. Singtel generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce Singtel's transactional exposure to foreign currency exchange rate fluctuations.

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. Singtel performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and Singtel's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other source of ineffectiveness emerged from these hedging relationships.

All hedge relationships remain effective and there is no hedge relationship in which hedge accounting is no longer applied.

(ii) Interest rate risk

Singtel has cash balances placed with reputable banks and financial institutions which generate interest income for Singtel. Singtel manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

Singtel's borrowings include bank borrowings and bonds. The borrowings expose Singtel to interest rate risk. Singtel seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail Singtel agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2020, after taking into account the effect of interest rate swaps, approximately 72% (2019: 66%; 2018: 67%) of Singtel's borrowings are at fixed rates of interest.

As at 31 March 2020, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by \$15.8 million (2019: \$15.4 million; 2018: \$15.5 million).

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. Singtel performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and Singtel's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other source of ineffectiveness emerged from these hedging relationships.

Interest rate swaps contracts paying fixed rate interest amounts are designated and effective as cash flow hedges in reducing Singtel's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the borrowings occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on borrowings affect the income statement.

Interest rate swap contracts paying floating rate interest rate amounts are designated and effective as fair value hedges of interest rate movements. During the year, the hedge was fully effective in hedging the fair value exposure to interest rate movements. The carrying amount of the bond increased by \$124.7 million (2019: decreased by \$23.5 million) which was included in the income statement at the same time that the fair value of the interest rate swap was included in the income statement.

As at 31 March 2020, \$2.83 billion (2019: \$2.54 billion) of borrowings was designated in fair value hedge relationships. All hedge relationships remained effective and there was no hedge relationship in which hedge accounting could no longer be applied.

(iii) Credit risk

Financial assets that potentially subject Singtel to concentrations of credit risk consist primarily of trade receivables, contract assets, cash and cash equivalents and financial instruments used in hedging activities.

Singtel has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, Singtel obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

Singtel places its cash and cash equivalents with a number of major commercial banks and other financial institutions with high credit ratings. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. Singtel has policies that limit the financial exposure to any one financial institution.

(iv) Liquidity risk

To manage liquidity risk, Singtel monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance Singtel's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, Singtel aims at maintaining funding flexibility with adequate committed and uncommitted credit lines available to ensure that Singtel is able to meet its short-term obligations as they fall due.

(v) Market risk

Singtel has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

35. Fair values

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes and have been obtained from quoted market prices and valuation methods in accordance with IFRS, including discounted cash flow models, counterparties' valuations or option pricing models as appropriate.

The carrying values of the financial assets and liabilities approximate their fair values, unless disclosed separately in the respective notes to the financial statements.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

Fair value hierarchies of various assets and liabilities are disclosed in their respective notes:

- (i) Biological assets (note 14);
- (ii) Financial assets (note 19);
- (iii) Derivative financial instruments (note 20);
- (iv) Investment properties (note 21);
- (v) Inventories (note 24); and
- (vi) Borrowings (note 29).

36. Related party transactions

- (a) Related party transactions with subsidiaries, associates and joint ventures of the Group

The Group entities engage in various transactions in the ordinary course of business with companies related to or associated with the Group at their prevailing market rates or prices and on customary terms and conditions.

Other than the information disclosed elsewhere in the financial statements, there were no other significant transactions that took place between the Group entities and related parties during the financial year.

- (b) Key management personnel remuneration

Key management personnel remuneration of the Group includes paid as well as deferred compensation for directors and senior management of THPL and subsidiaries of the Group. Senior management personnel refer to the persons who have authority and responsibility for planning, directing and controlling the activities as defined and disclosed in the subsidiaries' financial statements.

Key management personnel compensation of the Group:

	2020 \$million	2019 \$million	2018 \$million
Paid and accrued compensation ⁽ⁱ⁾	(584)	(647)	(593)
Deferred incentives ⁽ⁱⁱ⁾	(198)	(267)	(138)
Post employment, termination benefits and share based compensation	(109)	(94)	(76)
	<u>(891)</u>	<u>(1,008)</u>	<u>(807)</u>

- (i) Paid and accrued compensation relates to short term employee benefits such as salaries, fees and paid bonuses.
- (ii) Deferred incentives relates to long term employee benefits such as profit-sharing bonuses, deferred compensation and fair value of unvested long term incentives of up to 12 years and unutilised annual leave accruals.

37. Leases

(a) *Where the Group is a lessee*

Lease extension options

Certain leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in leases to provide operational flexibility. At lease commencement date, and whenever there is a significant event or significant changes in circumstances within the Group's control, the Group assesses whether it is reasonably certain to exercise the extension options.

The following disclosures on extension options are extraction from financial statements of operating subsidiaries. These extension options have not been included in the measurement of lease liabilities as it is not reasonably certain that they will be exercised.

(i) Singapore Airlines Limited and its subsidiaries ("SIA")

Aircraft

SIA leases three B777-300ERs, nine A330-300s and four A380-800s at fixed rental rates. The original lease terms range from eight to 12 years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of five years. In addition, there are three early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

SilkAir (Singapore) Private Limited ("SilkAir") leases two A319-100s, seven A320-200s, and nine B737-800s at fixed rental rates. The original lease terms for the two A319-100s range from 11.2 to 11.5 years, and SilkAir holds options to extend the leases for up to a maximum of three years. The original lease terms for the seven A320-200s range from 6.6 to 11.8 years and SilkAir holds options to extend the leases up to a maximum of three years. The original lease terms for the nine B737-800s range from 9.8 to 10.5 years, and SilkAir holds options to extend the leases for up to a maximum of four years. Sub-leasing is allowed under all the lease arrangements.

As of 31 March 2020, Budget Aviation Holdings ("BAH") Group has leased 24 A320-200s and two A320neos. The lease of two A320neo aircraft were entered into during the year through sale and lease-back agreement to mitigate BAH Group's exposure to residual value risk of the aircraft. BAH Group recorded gross proceeds of \$117.2 million from the sale and leaseback. The original lease terms on the aircraft are for 12 years. None of the lease agreements confer on BAH Group an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

Spare engines

SIA has lease agreements for four GE90-115B engines and two Trent 800 engines with fixed rental rates. The original lease term for each spare engine is approximately six years with extension options of 12 months. As at 31 March 2020, the two Trent 800 engine leases are classified as short-term leases from the effective date of adoption of IFRS 16.

BAH Group leases two spare engines. The original lease terms on the engines are 12 years. Sub-leasing is allowed under all the lease arrangements.

Extension/termination options

SIA has estimated that in relation to aircraft and spare engines, should the extension options be exercised, it would result in an increase in lease liabilities of \$244.8 million, while the exercise of the termination options would result in a decrease in lease liabilities of \$20.9 million.

(ii) Lan Ting Holdings Pte. Ltd. and its Subsidiaries ("Lan Ting")

Lan Ting leases liquefied natural gas ("LNG") vessels, a LNG truck, a LNG storage tank, office premises and office equipment. The leases typically run for a period of 2 to 20 years. There are options for renewal of leases for LNG vessels after their expiry date.

Lease commitments

(a) Where the Group is a lessee

As at 31 March 2020, the Group had lease contracts of \$1,119 million with lease terms that had yet to commence.

(b) Where the Group is a lessor

The Group has classified majority of its leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Undiscounted lease payments to be received after the reporting date and not yet recognised on the balance sheet are as follows:

Operating lease receivables - under IFRS 16

	2020 \$million
Within 1 year	4,811
After 1 year but within 2 years	5,802
After 2 years but within 3 years	1,560
After 3 years but within 4 years	1,047
After 4 years but within 5 years	737
After 5 years	4,479
	<u>18,436</u>

Operating lease receivables - under IAS 17

	2019 \$million	2018 \$million
Within 1 year	3,325	2,953
After 1 year but within 5 years	7,035	6,144
After 5 years	3,893	2,968
	14,253	12,065

38. Capital and other commitments

Capital and other commitments contracted for but not recognised in the financial statements:

	2020 \$million	2019 \$million	2018 \$million
Property, plant and equipment	23,809	28,452	29,314
Investment commitments	26,200	20,537	16,846
Development expenditure	3,946	2,287	1,802
Intangible assets	865	741	759
Credit commitments	64	24	229
Others	929	1,103	730
Share of capital commitments of joint ventures	3,519	3,071	2,955

39. Contingent liabilities

	2020 \$million	2019 \$million	2018 \$million
Guarantees	1,764	1,748	1,739
Guarantees and standby letters of credit undertaken by financial institution subsidiaries	-	-	357
Contingent liabilities directly incurred relating to associates and joint ventures	2,033	-	-
Share of contingent liabilities of associates and joint ventures	9,225	9,285	7,544

Other significant contingent liabilities and undertakings not included in the above table:

Maju Investments (Mauritius) Pte Ltd ("Maju")

On 22 February 2019, Carol Glock filed a petition in Texas District Court, Dallas County, individually and on behalf of a proposed class of investors who purchased stock of FTS International, Inc ("FTSI"), in connection with FTSI's 5 February 2018 Initial Public Offering ("IPO"). The petition asserts claims under the Securities Act of 1933 against, among others, FTSI, certain of its officers and directors, and certain shareholders (including Maju) and seeks damages in excess of US\$1 million (\$1.4 million). FTSI is an associate of Maju and Maju is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited.

The petition alleges that (a) certain statements made in the Registration Statement for the IPO misrepresented and/or omitted material facts about the business, operations, and risks of investing in FTSI; and (b) the value of FTSI shares has declined substantially since the IPO, resulting in damages to plaintiff and the proposed class. The petition also alleges that Maju, together with one other shareholder were control persons (under Section 15 of the Securities Act of 1933) for the foregoing alleged primary violation. Maju has denied these allegations. The outcome of the case remains uncertain as it is in its early stages and there is presently insufficient information to reach any conclusion (including any potential financial impact). Maju will continue to vigorously defend the action.

Temasek Life Sciences Pte Ltd (“TLS”)

On 21 February 2019, Altimeo Asset Management filed a class action complaint in the Southern District of New York against multiple parties, including TLS, in relation to the take-private of Wuxi PharmaTech (Cayman) Inc. (“Wuxi”). TLS is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited.

The complaint alleges that the defendants made false and misleading statements, or omitted to disclose material information, when they failed to disclose that they had plans to spin-off and publicly list Wuxi’s various subsidiaries. TLS has denied the allegations. The outcome of this case remains uncertain as it is in its early stages and there is presently insufficient information to reach any conclusion (including any potential financial impact). TLS will continue to vigorously defend the action.

CLA Real Estate Holdings Pte. Ltd. and its subsidiaries (“CLA”)

Certain subsidiaries of CLA in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at balance sheet date, the outstanding notional amount of the guarantees amounted to \$490.5 million.

Singapore Airlines Limited and its subsidiaries (“SIA”)

(i) Cargo: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, Singapore Airlines Cargo Pte Ltd (“SIA Cargo”), a subsidiary of SIA, and SIA were among several airlines that received notice of investigations by competition authorities in the United States of America (“USA”), European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the “air cargo issues”).

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and SIA, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR 74.8 million (\$135.7 million) was imposed on SIA Cargo and SIA. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the decision.

In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and SIA. In February 2016, EUR 76.4 million (\$119.1 million) comprising the fine amount and returns thereon was refunded to SIA Cargo. In March 2017, the European Commission re-adopted a decision in respect of the same case against the air cargo airlines, imposing a fine of EUR 74.8 million (\$111.8 million) against SIA Cargo and SIA. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the re-adopted decision. The European General Court has yet to issue its decision in respect of the appeal.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and SIA of CHF1.7 million (\$2.3 million) in respect of the air cargo issues. SIA Cargo and SIA have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the USA, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the USA, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and SIA. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. In December 2019, without admitting any liability, SIA Cargo entered into a settlement with the shipper, thereby resolving the claim against SIA Cargo.

In September 2016, one of SIA Cargo's customers filed a claim against SIA Cargo and SIA in the USA after opting out of SIA Cargo's and SIA's class action settlement.

In June 2017, without admitting any liability, SIA Cargo and SIA entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and SIA settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

In December 2018, without admitting any liability, SIA Cargo and SIA entered into a settlement with four out of five claimant groups in the civil damages claim filed in England. In January 2019, the main defendant in the fifth claimant group proceedings discontinued its contribution claim against SIA Cargo and SIA. The entire civil damages claim filed in England has thus been resolved for SIA Cargo and SIA.

Without admitting any liabilities, SIA Cargo and SIA have settled with class and collective action plaintiffs in the United States, Australia, Canada and England, as the case may be, to resolve all liabilities of SIA Cargo and SIA as concerns such lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States and the lawsuit in Germany and the civil damages claims in England and South Korea, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

(ii) *Passengers: Civil Class Actions*

SIA and several other airlines have been named in civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the lawsuit has neither been tried nor the alleged damages quantified, it is premature to make a provision in the financial statements.

The passenger civil class action lawsuit filed in the United States against SIA was resolved in a previous financial period.

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

- (i) Singtel is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. Singtel is vigorously defending all these claims.
- (ii) Bharti Airtel Limited ("Airtel"), a joint venture of Singtel, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, Department of Telecommunications ("DOT"), issued a demand on Airtel Group for Rs. 52.01 billion (\$982 million) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (\$1.59 billion), excluding related interest.

In the opinion of Airtel, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel had filed a petition with Hon'ble High Court of Bombay, which has directed DOT not to take any coercive action until the next date of hearing. The matter is currently pending with the Hon'ble High Court of Bombay.

On 4 July 2019, the Telecom Disputes Settlement and Appellate Tribunal (“TDSAT”) in a similar matter of another unrelated telecom service provider, passed an order providing partial relief and confirming the basis for the balance of the one time spectrum charge. The said telecom service provider filed an appeal in the Hon’ble Supreme Court of India which was dismissed on 16 March 2020. With the ruling, Airtel Group assessed and provided Rs. 56.42 billion (\$1.07 billion) as an exceptional charge in its financial statements as at 31 March 2020, comprising Rs. 18.08 billion (\$0.34 billion) of principal demand and Rs. 38.35 billion (\$0.73 billion) of related interest. Notwithstanding this, Airtel Group intends to continue to pursue its legal remedies.

Other taxes, custom duties and demands under adjudication, appeal or disputes and related interest for some disputes as at 31 March 2020 amounted to approximately Rs. 143.2 billion (\$2.70 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

- (iii) Advanced Info Service Public Company Limited (“AIS”), a joint venture of Singtel, has various commercial disputes and significant litigations which are pending adjudication.

CAT Telecom Public Company Limited (“CAT”) has demanded that AIS’ subsidiary, Digital Phone Company Limited (“DPC”) pay additional revenue share of THB 3.4 billion (\$148 million) arising from the abolishment of excise tax, as well as to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (\$583 million) or to pay the same amount plus interest.

TOT Public Company Limited (“TOT”) has demanded that AIS pay the following:

- (a) additional charges for porting of subscribers from 900MHz to 2100MHz network of THB 41.1 billion (\$1.78 billion) plus interest.
- (b) additional revenue share of THB36.2 billion (\$1.57 billion) plus interest based on gross interconnection income from 2007 to 2015.
- (c) additional revenue share of THB 62.8 billion (\$2.72 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. In January 2020, AIS received the award from the Arbitral Tribunal to pay THB 31.1 billion (\$1.35 billion) and 1.25% interest per month after 30 November 2015. In April 2020, AIS filed a motion to the Central Administrative Court to set aside this award.

As at 31 March 2020, other claims against AIS and its subsidiaries which are pending adjudication amounted to THB 16.1 billion (\$698 million).

The above claims have not included potential interest and penalty.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

- (iv) In October 2017, Intouch Holdings Public Company Limited (“Intouch”) and its subsidiary, Thaicom Public Company Limited (“Thaicom”) received letters from the Ministry of Digital Economy and Society (the “Ministry”) stating that Thaicom 7 and Thaicom 8 satellites (the “Satellites”) are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch is an associate of Singtel. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

40. Significant subsequent events

- (a) On 21 October 2019, Kyanite Investment Holdings Pte. Ltd. (the “Offeror”), an indirect wholly-owned subsidiary of Temasek, announced that it intended to make a voluntary conditional cash partial offer (the “Partial Offer”) to acquire approximately 30.55% of the ordinary shares of Keppel Corporation Limited (“Keppel”) at an offer price of S\$7.35 for each share. Keppel is a Singapore incorporated company listed on the Main Board of the SGX-ST and an associate of Temasek. The offer price of S\$7.35 per share represents an estimated aggregate cash consideration for the Partial Offer of approximately S\$4.1 billion. The making of the Partial Offer was subject to the satisfaction or waiver (at the discretion of the Offeror) of certain pre-conditions, including there being no material adverse change in the financial performance and condition of Keppel and its subsidiaries and associated companies (the “MAC Pre-Condition”).

On 1 August 2020, the Offeror announced that, based on Keppel’s unaudited consolidated financial results for the second quarter and the half year ended 30 June 2020, the MAC Pre-Condition would not be satisfied. On 10 August 2020, the Offeror announced that it would invoke the MAC Pre-Condition, and accordingly, the Partial Offer would not proceed.

- (b) On 8 May 2020, Singapore Airlines Limited (“SIA”) announced a renounceable rights issue (the “Rights Issue”) of (i) up to 1,777,692,486 new ordinary shares (“Rights Shares”) of SIA, at an issue price of S\$3.00 per Rights Share, offered on the basis of three Rights Shares for every two existing ordinary shares of SIA (“SIA Shares”); and (ii) up to approximately S\$3.5 billion in aggregate principal amount of mandatory convertible bonds (“Rights MCBs”) at an issue price of 100 per cent. of the principal amount of the Rights MCBs, offered on the basis of 295 Rights MCBs for every 100 SIA Shares.

In connection with the Rights Issue, THPL (through its wholly-owned subsidiaries) subscribed for (i) THPL’s pro-rata entitlement to 985,959,900 Rights Shares, for an aggregate subscription amount of S\$2,958 million and (ii) S\$3,351 million in aggregate principal amount of Rights MCBs, comprising (a) THPL’s pro-rata entitlement of S\$1,939 million in principal amount of Rights MCBs and (b) S\$1,412 million in principal amount of Rights MCBs that were not subscribed for by other shareholders under the Rights Issue. The 985,959,900 Rights Shares and S\$3,351 million in aggregate principal amount of Rights MCBs were issued to THPL’s wholly-owned subsidiaries on 8 June 2020.

Upon the completion of the Rights Issue, the Group's effective interest in SIA remains at 55.46%¹. In addition, the Group holds S\$3,351 million in aggregate principal amount of Rights MCBs. SIA continues to be consolidated as a subsidiary of the Group.

SIA also disclosed in its offer information statement for the Rights Issue dated 8 May 2020 that it has obtained shareholders' approval for and may undertake a further issuance of up to approximately S\$6.2 billion in aggregate principal amount of mandatory convertible bonds ("Additional MCBs") to be offered to shareholders on a pro-rata basis in one or more further rights issues (the "Additional Issues") at such future dates and times as may be determined by SIA in its sole discretion. According to the offer information statement, SIA envisages that any further Additional Issues will, if undertaken, take place prior to the date falling 15 months after 30 April 2020 (the "Long Stop Date"). THPL (through its wholly-owned subsidiary) has given an undertaking to SIA to, among other things, subscribe for, or procure the subscription of, THPL's pro-rata entitlement to the Additional MCBs and any unsubscribed Additional MCBs remaining after the fulfilment of valid applications by other shareholders in any future Additional Issues undertaken prior to the Long Stop Date.

- (c) On 8 June 2020, Sembcorp Industries Ltd ("SCI") and Sembcorp Marine Ltd ("SCM") announced the proposed recapitalisation of SCM through a S\$2.1 billion renounceable rights issue (the "SCM Rights Issue"), followed by a proposed demerger of the two companies via a distribution *in specie* (the "Proposed Distribution") of SCI's shareholding in the recapitalised SCM to SCI shareholders.

The SCM Rights Issue is backstopped by an undertaking from SCI to subscribe for up to S\$1.5 billion of the SCM rights shares, with the remaining S\$0.6 billion fully backstopped by Startree Investments Pte. Ltd. ("Startree"), a wholly-owned subsidiary of THPL, via a sub-underwriting agreement entered into between Startree and DBS Bank Ltd.

After the completion of the SCM Rights Issue, SCI will undertake a distribution *in specie* of its SCM shares in the recapitalised SCM to SCI shareholders, on a pro rata basis.

As a result of the Proposed Distribution, THPL (which is currently the single largest shareholder of SCI) will become a direct shareholder of SCM. THPL together with Startree may have a shareholding of more than 30%, and up to 58%, in SCM. As such, the approval by SCM shareholders of a whitewash resolution ("Whitewash Resolution") was required to waive their rights to receive a mandatory takeover offer from THPL.

SCM Rights Issue and Whitewash Resolution were approved by SCM shareholders, and the Proposed Distribution was approved by SCI shareholders on 11 August 2020. SCM Rights Issue and Proposed Distribution (collectively, the "Proposed Transactions") are expected to complete in the fourth quarter of 2020.

¹ Based on 2,962,820,810 SIA Shares in issue (excluding SIA Shares held in treasury) as at 9 June 2020.

Prior to the Proposed Transactions, both SCI and SCM were consolidated as subsidiaries. Upon the completion of the Proposed Transactions, SCI remains consolidated as a subsidiary. The accounting classification of SCM will depend on the Group's effective interest in SCM upon the completion of the Proposed Transactions.

- (d) In May 2020, Temasek through its wholly-owned subsidiaries, acquired 5,952,380 shares of BlackRock Inc ("BlackRock"), representing approximately 3.9% of the issued stock of BlackRock as of June 2020, for a purchase consideration of US\$2.5 billion (S\$3.5 billion). BlackRock is a global asset manager with a diversified product offering and client base.

41. Effects of adoption of new accounting standards

IFRS 16 Leases

During the year ended 31 March 2020, the Group adopted IFRS 16 *Leases*.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Under the previous accounting standards, IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a lease*, a lease was classified as a finance lease (on-balance sheet) when the Group assumes substantially all the risks and rewards of ownership of a leased asset. Where the Group has the use of assets under operating leases (off-balance sheet), payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease.

Under IFRS 16, most leases are recognised on the balance sheet as ROU assets and lease liabilities.

Lessor accounting under IFRS 16 remains similar to the previous accounting standards. Lessors continue to classify leases as finance or operating leases.

A practical expedient under IFRS 16 had been applied upon transition to IFRS 16 to grandfather contracts that were classified as leases under the previous accounting standards. Contracts that were not identified as leases under the previous accounting standards were not required to be reassessed to determine if they contain leases under IFRS 16. The definition of a lease under IFRS 16 was applied only to new or modified contracts that were effective on or after 1 April 2019.

Other practical expedients applied at transition:

- accounted for leases of low value assets and short term leases as operating expenses on a straight-line basis;
- excluded initial direct costs from the measurement of the ROU asset at the date of initial application; and
- used hindsight when determining the lease term.

On transition to IFRS 16, the Group applied the modified retrospective approach. The cumulative effect of initial application was adjusted to opening accumulated profits at 1 April 2019. Comparative information for the financial years ended 31 March 2019 and 31 March 2018 were not restated and continued to be reported under IAS 17 and IFRIC 4.

As a lessee

The Group leases leasehold land & buildings, marine crafts and vessels, aircrafts aircraft spares and engines and flight stimulators.

On transition to IFRS 16, an ROU asset is measured at either (i) its carrying amount as if IFRS 16 had been applied since the inception date of the lease, discounted using the incremental borrowing rate at the date of initial application; or (ii) an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.

A lease liability is measured at the present value of the remaining lease payments discounted at its incremental borrowing rate.

Effects of Adoption of IFRS 16

Significant adjustments upon adoption of IFRS 16:

	As at 31 March 2019 \$million	Effects of adoption of IFRS 16 \$million	As at 1 April 2019 \$million
Right-of-use assets	-	9,889	9,889
Lease liabilities	-	10,722	10,722
Finance lease payable	1,410	(1,410)	-
Accumulated profits	211,198	(1,140)	210,058

Reconciliation of operating lease commitments to lease liabilities:

	\$million
Operating lease commitments disclosed as at 31 March 2019	10,066
Discounting effect using weighted average incremental borrowing rate of 4.3%	(1,815)
Finance lease payable reclassified to lease liabilities	1,410
Extension options reasonably certain to be exercised	656
Others	405
Lease liabilities recognised as at 1 April 2019	10,722

42. Adoption of new and revised accounting standards effective for future periods

A number of new standards, interpretations and amendments to standards are effective for the Group's consolidated financial statements for the financial year beginning on or after 1 April 2020.

They are not expected to have a significant impact on the Group's consolidated financial statements.

Effective date for the Group	New standards, interpretations and amendments
1 April 2020	<ul style="list-style-type: none"> • Amendments to References to Conceptual Framework in IFRS Standards • Definition of a Business (Amendments to IFRS 3 <i>Business Combination</i>) • Definition of Material (Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>) • Interest Rate Benchmark Reform (Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i>, IFRS 9 <i>Financial Instruments</i> and IAS 39 <i>Financial Instruments: Recognition and Measurement</i>)
1 April 2021	<ul style="list-style-type: none"> • IFRS 17 <i>Insurance Contracts</i> • COVID-19 - Related Rent Concessions (Amendments to IFRS 16 <i>Leases</i>)
1 April 2022	<ul style="list-style-type: none"> • Classification of Liabilities as Current or Non-current (Amendments to IAS 1 <i>Presentation of Financial Statements</i>)

43. Supplemental non-IFRS financial information (The Group)

For financial years ended up until 31 March 2018, FRS 39 *Financial Instruments: Recognition and Measurement* required available-for-sale financial assets (“AFS”) to be measured at fair value. At each balance sheet date, AFS were remeasured at their fair values. Changes in fair value, other than impairment losses, were recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS were disposed of. When these investments were derecognised, cumulative profits/losses were transferred from equity to the Group income statement. Impairment losses were recognised in the Group income statement.

Since the financial year ended 31 March 2019, the Group has adopted IFRS 9 *Financial Instruments*. The Group had reclassified its investments from AFS to fair value through profit and loss (“FVTPL”) investments or fair value through other comprehensive income (“FVOCI”) investments. At each balance sheet date, FVTPL and FVOCI investments are remeasured at their fair values. Changes in fair value of FVTPL trading and non-trading investments are recognised in the Group income statement. Changes in fair value of FVOCI are recognised in the fair value reserve.

IFRS 9 requires mark-to-market (“MTM”) gains/losses of FVTPL investments, including MTM gains/losses of non-trading FVTPL investments which the Group continues to hold at each balance sheet date (“unrealised MTM gains/losses”), to be recognised in the Group income statement.

About 40% of Temasek’s portfolio are FVTPL investments as at 31 March 2020. Thus, the adoption of IFRS 9 will lead to material fluctuations in the reported profits or losses in the Group income statement due to the year-to-year paper gains or losses. Such market fluctuations do not reflect the potential gains or losses upon a sale.

To facilitate comparisons with past years’ Group net profits, additional non-IFRS information on the amounts of unrealised MTM gains/losses recognised in the Group income statement, and the net profit attributable to equity holder of THPL excluding unrealised MTM gains/losses as shown in table (a) below.

On the Group balance sheet, additional non-IFRS information on the amounts of cumulative unrealised MTM gains at each balance sheet date, and the equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains, are provided as shown in the table (b) below.

As an investor, Temasek aims to deliver sustainable value over the long term. Temasek reports the performance of its portfolio over the longer time horizon, and the corresponding risk-adjusted cost of capital. Temasek does not manage for year-to-year accounting profitability.

The net profit attributable to equity holder of THPL excluding unrealised MTM losses, and the equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains, are not determined in accordance with IFRS as IFRS does not prescribe the methodology of determining these measures. It may not be comparable to those of other companies that may present similar measures and should not be considered in isolation or as an alternative to net profit or equity attributable to equity holder of THPL as an indicator of operating performance.

a) Net profit attributable to equity holder of THPL excluding unrealised MTM losses

Reconciliation of net profit attributable to equity holder of THPL excluding unrealised MTM losses on FVTPL investments (non-IFRS measure) to profit attributable to equity holder of THPL (IFRS measure):

	2020	2019	2018
	\$million	\$million	\$million
Profit attributable to equity holder of THPL	8,838	11,828	21,691
Add: Unrealised MTM losses	2,543	987	-
Net profit attributable to equity holder of THPL excluding unrealised MTM losses	<u>11,381</u>	<u>12,815</u>	<u>21,691</u>

b) Equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains

Reconciliation of equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains (non-IFRS measure) to equity attributable to equity holder of THPL (IFRS measure):

	2020	2019	2018
	\$million	\$million	\$million
Equity attributable to equity holder of THPL	290,503	283,541	272,099
Add/(less) cumulative unrealised MTM losses/(gains) of:			
- FVOCI investments (fair value reserve)	10	74	(44,673)
- FVTPL investments	(32,815)	(37,291)	-
Equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains	<u>257,698</u>	<u>246,324</u>	<u>227,426</u>

Annex A —

Global clearance and settlement

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of DTC, CDP, Euroclear and Clearstream (together, the “Clearance Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearance Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearance System. None of the Issuer, Temasek, the Arrangers, any Dealer, the New York Trustee, the Singapore Trustee, the English Trustee and any exchange, paying or transfer agent (each an “Agent”) or party to the Indenture, the Agency Agreement governed by Singapore law, the Agency Agreement governed by English law, the Singapore Law Trust Deed and/or the English Law Trust Deed will be held responsible or bear any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearance System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearance System(s) applicable for the relevant series.

The Clearance Systems

DTC

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

DTC will take any action permitted to be taken by the holder of a beneficial interest in a Registered Global Note (including, without limitation, the presentation of a Registered Global Note for exchange) only at the direction of one or more participants to whose account with DTC interests in such Registered Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes in respect of which such participant or participants has or have given such direction. If an Event of Default under the Notes occurs, DTC reserves the right to exchange the Registered Global Notes for Definitive Registered Notes bearing the appropriate legend, which it will distribute to the relevant participants. DTC makes payments only in U.S. dollars.

CDP

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

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

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

Clearance and Settlement under the Depository System. Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with

corporate depositors (the “Depository Agents”). Depositors holding Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

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

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

Euroclear and Clearstream

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

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

Book-Entry Ownership

Bearer Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems of any Bearer Series of Notes. In respect of Bearer Notes, as may be specified in the relevant Pricing Supplement, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons will be deposited with CDP or with a common depository on behalf of Euroclear and Clearstream. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of CDP, Euroclear and Clearstream.

Registered Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream or DTC for acceptance in their respective book-entry systems of the Regulation S Global Notes. Each Regulation S Global Note will have a CUSIP, an ISIN or Common Code and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under “Notice to purchasers and holders of Registered Notes and transfer restrictions”.

The Issuer will make applications to DTC for acceptance in its book-entry settlement system of the DTC Restricted Global Notes. Each DTC Restricted Global Note will have a CUSIP number and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out

under “Notice to purchasers and holders of Registered Notes and transfer restrictions”. The custodian with whom the DTC Restricted Global Notes are deposited and DTC will electronically record the principal amount of the DTC Restricted Notes held within the DTC system.

Investors may hold their interests in a Regulation S Global Note through DTC, Euroclear, Clearstream or CDP, as the case may be, directly through such Clearance System if they are participants in such Clearance System, or indirectly through organisations that are participants of such Clearance System. Investors may hold their interests in a DTC Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organisations that are participants in such system.

So long as DTC, Euroclear, Clearstream or CDP, or their respective nominee, is the registered owner or holder of a Global Note, DTC, Euroclear, Clearstream, CDP, or their respective nominee, will be considered as the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed (as applicable) and such Notes. Accordingly, each owner of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearance System and, if a person is not a participant in the relevant Clearance System, on the procedures of the participant through which the person owns its interest in order to exercise any rights of a Noteholder under the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed (as applicable).

Payments in U.S. dollars of principal and interest in respect of DTC Restricted Global Notes registered in the name of DTC’s nominee will be to, or to the order of, its nominee as the registered holder of such DTC Restricted Global Note. In the case of any such payments which are denominated other than in U.S. dollars, payment of such amounts will be made to the Paying Agent who will make payment of all or part of the amount to the beneficial holders of interests in such DTC Restricted Global Note directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant participant’s DTC account as aforesaid, in accordance with instructions received from DTC. The Issuer expects that the nominee will upon receipt of any such payment, immediately credit DTC participants’ accounts with any such payments denominated in U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant DTC Restricted Global Note as shown on the records of DTC. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such DTC Restricted Global Note held through such DTC participants will be governed by standing instructions and customary practices between the participants and owners of beneficial interests, as is the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants and not of the Agents, the New York Trustee, the Issuer or Temasek.

The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, these laws may impair the ability to transfer a beneficial interest in a Registered Global Note to such persons. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may be limited by the lack of a Definitive Registered Note in respect of such interest. The ability of the holder of a beneficial interest in any Registered Note represented by the Registered Global Notes to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a participant or indirect participant in DTC.

None of the Issuer, Temasek, the New York Trustee, the Singapore Trustee, the English Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

Definitive Registered Notes

Registration of title to Registered Notes in a name other than CDP or its nominee or a depository for Euroclear and Clearstream or DTC will not be permitted unless (i) in the case of DTC Restricted Global Notes, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the DTC Restricted Global Notes, or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such, and, in the case of Notes issued under the English Law Trust Deed, the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, (ii) in the case of Regulation S Global Notes deposited with a common depository for Euroclear or Clearstream, Euroclear or Clearstream

is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (iii) in the case of Regulation S Global Notes deposited with CDP, CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention permanently to cease business or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the relevant Master Depository Services Agreement as amended, varied or supplemented from time to time, (iv) an event of default with respect to such series has occurred, (v) in the case of Notes issued under the Indenture, the New York Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of holders of the Notes under the Notes and the New York Trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the New York Trustee to obtain possession of the Notes or (vi) in the case of Notes issued under the Indenture, unless otherwise provided in the relevant Pricing Supplement, a written request for one or more Definitive Registered Notes is made by a holder of beneficial interest in a Registered Global Note, provided that such written notice or request is submitted to the New York Registrar by such holder not less than 30 days prior to the requested date of such exchange or in the case of Notes issued under the English Law Trust Deed or Notes issued under the Singapore Law Trust Deed that are not cleared through CDP, the Issuer provides its consent. In such circumstances, the Issuer will cause sufficient Definitive Registered Notes to be executed and delivered to the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) for completion, authentication and dispatch to the relevant holder(s) of the Notes.

A person having an interest in the relevant Registered Global Note must provide the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) with:

- (i) written instructions and such other information as the Issuer and the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) may require to complete, execute and deliver such Definitive Registered Notes; and
- (ii) in the case of a DTC Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Registered Notes issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Trading within same Clearance System

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Euroclear and/or Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream and will be settled using procedures applicable to conventional Eurobonds in immediately available funds.

Trading between Clearance Systems

Trading between a Euroclear or Clearstream seller and a DTC purchaser involving only Registered Global Notes

Due to time zone differences in their favour, Euroclear and Clearstream participants may employ their customary procedures for transactions in which interests in a Registered Global Note are to be transferred by Euroclear or Clearstream (as the case may be) to a participant in DTC. The seller must send instructions to Euroclear or Clearstream through a Euroclear or Clearstream participant (as the case may be) at least one business day prior to settlement. In these cases, Euroclear or Clearstream will instruct its respective depository to deliver the interests in the Registered Global Note to the DTC participant's account against payment. Payment will include interest (if any) accrued on such interests in the Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. The payment will then be reflected in the account of the Euroclear or Clearstream participant the following day, and receipt of cash proceeds in the Euroclear or Clearstream participant's account would be back-valued to the value date (which would be the preceding day when settlement occurred in New York). Should the Euroclear or Clearstream participant have a line of credit in its respective Clearance System and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended

value date (i.e. the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would be valued instead as at the actual settlement date.

Trading between a DTC seller and a Euroclear or Clearstream purchaser involving only Registered Global Notes

When interests in a Registered Global Note are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a Euroclear or Clearstream participant, as the case may be, at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will then instruct its respective depository to receive such interests against payment. Payment will include interest (if any) accrued on such interest in the Registered Global Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. Payment will then be made by the depository to the participant's account against delivery of the interests in the Note. After settlement has been completed, the interests will be credited to the respective Clearance System, and by the Clearance System, in accordance with its usual procedures, to the Euroclear or Clearstream participant's account. The securities credit will appear the next day (European time) and the cash debit will be back-valued to, and any interest on the Note will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e. the trade fails), the Euroclear or Clearstream cash debit will be valued instead as at the actual settlement date.

Euroclear or Clearstream participants will need to make available to the respective Clearance System the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on-hand or existing lines of credit, as such participants would for any settlement occurring within Euroclear or Clearstream. Under this approach, such participants may take on credit exposure to Euroclear or Clearstream until the interests in the Note are credited to their accounts one day later.

Alternatively, if Euroclear or Clearstream has extended a line of credit to a Euroclear or Clearstream participant, as the case may be, such participant may elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear or Clearstream participants purchasing interests in the Note held in DTC would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the Note were credited to their accounts. However, any interest on the Note would accrue from the value date. Therefore, in many cases the investment income on the interests in the Note held in DTC earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Since the settlement takes place during New York business hours, DTC participants can employ their usual procedures for transferring interests in Registered Global Notes to the respective depositories of Euroclear or Clearstream for the benefit of Euroclear or Clearstream participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently from a trade between participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, Temasek, the New York Trustee, the Singapore Trustee, the English Trustee and any Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Annex B — Form of Pricing Supplement

The form of Pricing Supplement that will be issued in respect of each series of Notes, subject only to the deletion of non-applicable provisions or modifications, as appropriate, is set out below:

[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA AND 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 European Economic Area (“EEA”) or 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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]¹

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET — Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended “MiFID II”)] [MiFID II] and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.]

Pricing Supplement dated

Temasek Financial (I) Limited
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
unconditionally and irrevocably guaranteed by
Temasek Holdings (Private) Limited
Under the US\$25,000,000,000 Guaranteed Global Medium Term Note Programme
Series Number

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated _____ (the “Offering Circular”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. Capitalised terms used herein shall have the meanings given to them in the Offering Circular.

[While the Qualifying Debt Securities (“QDS”) scheme under the Income Tax Act, Chapter 134 of Singapore is subsisting and the conditions for the relevant QDS tax concessions and exemptions are met (as set out in the Offering Circular), holders of the Notes should take note of the following:]²

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “Income Tax Act”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]²

¹ To be inserted unless the Pricing Supplement specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”.

² Insert if and as applicable

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

- | | | |
|-----------|--|--|
| 1 | (i) Issuer: | Temasek Financial (I) Limited |
| | (ii) Guarantor: | Temasek Holdings (Private) Limited |
| 2 | (i) Series Number: | |
| | (ii) [Tranche Number: | |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] | |
| 3 | Specified Currency or Currencies: | |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | |
| | (ii) [Tranche:] | |
| 5 | Issue Price: | % of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)] |
| 6 | (i) Specified Denominations: | [] and integral multiples of [] in excess thereof.

<i>[In the case of English law or Singapore law governed notes, if the Issuer's right to re-denominate the Notes does not apply to this Series, insert: The second and third sentences of Condition 1 do not apply to this Series Number [].]</i> |
| | (ii) Calculation Amount: | |
| 7 | (i) Issue Date: | |
| | (ii) Interest Commencement Date: | |
| 8 | Maturity Date: | <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> ³ |
| 9 | Interest Rate Basis: | [% Fixed Rate]
[[<i>specify reference rate</i>] +/- % Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (<i>specify</i>)]
(further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at Par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Installment]
[Other (<i>specify</i>)] |
| 11 | Change of Interest or Redemption/Payment Basis: | <i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i> |

³ Note that for fixed rate Notes denominated in Renminbi, where the interest payment dates and maturity date are subject to a business day convention, specify an Interest Payment Date falling in or nearest to the relevant month and year.

- 12 (i) Status of the Notes: [Senior/Other (*specify*)]
(ii) Status of the Guarantee: [Senior/Other (*specify*)]
13 Listing: [SGX-ST/Other (*specify*)/None]
14 Method of distribution: [Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

- 15 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Rate: % per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): in each year [adjusted in accordance with [specify *Business Day Convention* and any applicable *Business Centre(s)* for the definition of "*Business Day*"/not adjusted]
- (iii) Fixed Coupon Amount [(s)]: per in nominal amount
(Note: For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards)
- (iv) Broken Amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction: (Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars)⁴
- (vi) Determination Date(s): in each year. *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]**
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 16 **Floating Rate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s):
- (ii) Specified Interest Payment Dates:
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

⁴ For fixed rate Notes denominated in Renminbi, specify: "Actual/365 (Fixed)".

* Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA.

- (iv) Business Centre(s):
- (v) Manner in which the Rate(s) of Interest is/ are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vi) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):
- (viii) Screen Rate Determination:
- Relevant Time:
 - Interest Determination Date: [[TARGET] Business Days in [*specify city*] for [*specify currency*] prior to [the first day in each Interest Accrual Period/ each Interest Payment Date]]
 - Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
 - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
 - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark — *specify if not London*]
 - Benchmark: [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
 - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
 - Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
 - Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (ix) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
 - ISDA Definitions: (if different from those set out in the Conditions):
- (x) Spread [+/–]% per annum
- (xi) Minimum Rate of Interest: % per annum
- (xii) Maximum Rate of Interest: % per annum
- (xiii) Day Count Fraction:
- (xiv) Spread Multiplier:
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

16A Singapore Dollar Notes	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Floating Rate Notes:	
— Manner in which the Rate of Interest is to be determined:	[SIBOR Notes/Swap Rate Notes/Variable Rate Notes/Other]
— Calculation Amount:	[Specify]
— Denomination Amount:	[Specify]
— Interest Commencement Date:	[Specify date(s)]
— Interest Payment Date:	[Specify date(s)]
— Interest Period:	[Specify]
— Interest Denomination Date:	[Business Days in [Singapore] prior to [specify date(s)]
— Relevant Time:	[11.00 a.m. (Singapore time)/Other]
— Relevant Business Day:	[Specify]
— Spread:	[Give details]
— FRN Day Basis:	[Specify]
(ii) SIBOR Notes:	
— Screen Page:	[Give details]
— Reference Banks:	[Specify]
(iii) Swap Rate Notes:	
— Discount/Premium:	[Specify]
— Other terms or special conditions:	[Not applicable/give details]
(iv) Variable Rate Notes:	
— Interest Commencement Date:	[Specify date(s)]
— Interest Payment Date:	[Specify date(s)]
— Interest Period:	[Specify dates]
— Relevant Dealer:	[Specify]
— Other terms or special conditions:	[Not applicable/give details]
(v) Calculation Agent:	[Specify]
17 Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Amortisation Yield:	% per annum
(ii) Day Count Fraction:	
(iii) Any other formula/basis of determining amount payable:	
18 Index Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Index/Formula:	[Give or annex details]
(ii) Calculation Agent responsible for calculating the interest due:	

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:
- (iv) Interest Period(s):
- (v) Specified Interest Payment Dates:
- (vi) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day
Convention/Preceding Business Day
Convention/other *(give details)*]
- (vii) Business Centre(s):
- (viii) Minimum Rate of Interest: % per annum
- (ix) Maximum Rate of Interest: % per annum
- (x) Day Count Fraction:

19 Dual Currency Note Provisions

[Applicable/Not Applicable]
*(If not applicable, delete the remaining
subparagraphs of this paragraph)*

- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:
- (v) Day Count Fraction:

Provisions Relating to Redemption

20 Optional Redemption

[Applicable/Not Applicable] *(If applicable, provide further details, including the amount of spread for purposes of determining the Make Whole Amount (in the case of New York law governed Notes) or the Make Whole Call Reference Rate and the amount of spread for purposes of determining the Optional Redemption Amount (in the case of English law or Singapore law governed Notes))*

21 Optional Tax Redemption

[Applicable/Not Applicable]

22 Additional Call Options

[Applicable/Not Applicable]

[22A Call Option from non-QIB/QP holder

[Applicable. See "Important Information for Investors Relating to the U.S. — Ability of the Issuer to Compel Sale of or Redeem DTC Restricted Global Note" below.] [Not Applicable]

22B (i) Additional Call Option Optional Redemption Date(s):

[Insert date that is three/six/applicable months prior to maturity date]

- (ii) Additional Call Option Optional Redemption Amount(s) of each Note:

Par

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per [●] in nominal amount
- (b) Maximum Redemption Amount: [●] per [●] in nominal amount
- (iv) Additional Call Option Notice Period: The Issuer may, on giving not less than [15] nor more than [30] days' irrevocable notice to the Noteholders, redeem all or some of the Notes on the Additional Call Option Redemption Date.]
- 23 Put Option** [Applicable/Not Applicable]
(If applicable, provide further details)
- 24 Final Redemption Amount of each Note** [per Note of specified denomination/ Other/See Appendix]
- 25 Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

General Provisions Applicable to the Notes

- 26 Form of Notes:** Bearer Notes/Registered Notes
[Delete as appropriate]
- (i) Form of Global Note: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the permanent Global Note]
- [Regulation S Global Note [and DTC Restricted Global Note, each] exchangeable for Definitive Registered Notes only in the limited circumstances specified in the Indenture/Singapore Law Trust Deed/English Law Trust Deed]
- (ii) Applicable TEFRA Rules: [C Rules/D Rules/Not Applicable]
- 27 Financial Centre(s) or other special provisions relating to payment dates:** [Not Applicable/Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(vii) relate]

- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 29 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Yes/No. *If yes, give details*]
- 30 Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s):
- (ii) Instalment Date(s):
- (iii) Minimum Instalment Amount:
- (iv) Maximum Instalment Amount:
- 31 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition] [annexed to this Pricing Supplement] apply]
- 32 Consolidation provisions: [Not Applicable/The provisions [in Condition] [annexed to this Pricing Supplement] apply]
- 33 Other terms or special conditions: [Not Applicable/*give details*]
- 33A Governing Law:

Distribution

- 34 (i) If syndicated, names of Dealers: [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- (iii) Dealer's Commission:
- 35 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 36 Additional selling restrictions: [Not Applicable/The Notes are Section 3(c)(7) securities issued in reliance on an exemption under the U.S. Investment Company Act of 1940, as amended. The eligible investors and transfer restrictions described below in the section entitled "Important Information for Investors Relating to the U.S." apply./The Notes may not be offered, sold or transferred within the United States or to, or for the account or benefit of, U.S. persons./See "Additional Selling Restrictions" below/*give details*]
- 37 Prohibition of Sales to EEA and UK Retail Investors [Applicable/Not Applicable]

Operational Information

- 38 ISIN Code:
- 39 Common Code:
- 40 CUSIP No.:

- 41 Clearing System(s): [CDP] [DTC] [Euroclear and Clearstream, Luxembourg] (if any clearing system(s) other than CDP, DTC or Euroclear and Clearstream, Luxembourg, provide the following information)
- [Name of Clearing System(s)/Identification Number(s)]
- [Note: A member of the Central Moneymarkets Unit Service (the "CMU") operated by the Hong Kong Monetary Authority may act as a custodian for persons seeking to hold bonds through the CMU so long as such CMU member has subscribed to the CMU-Euroclear linkage service (a "Qualifying CMU Member"). Accordingly, any persons seeking to hold a beneficial interest in Notes denominated in Renminbi through the CMU are advised to contact a Qualifying CMU Member to establish eligibility.]
- 42 Delivery: Delivery [against/free of] payment
- 43 The Agents appointed in respect of the Notes are:

General

- 44 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with : [Not Applicable/give details]
- 45 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of , producing a sum of (for Notes not denominated in U.S. dollars): [Not Applicable/US\$]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Issuer's US\$25,000,000,000 Guaranteed Global Medium Term Note Programme.]

[STABILISING

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

[ADDITIONAL SELLING RESTRICTIONS

Each of the Dealers in respect of the series of Notes to be issued under the Programme has represented, acknowledged and agreed that it has complied with the selling restrictions set forth in the section entitled "Plan of Distribution — Selling Restrictions" in the Offering Circular dated and the additional selling restrictions set forth below in the offering of such Notes: [specify applicable additional selling restrictions].]

[IMPORTANT INFORMATION FOR INVESTORS RELATING TO THE U.S.

As described more fully below, there are certain restrictions regarding the Notes which affect potential investors. These restrictions modify the restrictions set forth in the section entitled "Plan of distribution — Selling restrictions — United States" in the Offering Circular dated . These

restrictions include prohibitions on sale or transfer in the offering of the Notes and thereafter to persons in circumstances which would cause either the Issuer or the Guarantor to be required to be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), or the Notes to be required to be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). [References to the “Indenture” shall mean the amended and restated indenture dated as of 12 July 2013 and as further amended and supplemented by a supplemental indenture in relation to the Notes, to be dated as of the date of original issuance of the Notes, in each case among the Issuer, the Guarantor and Deutsche Bank Trust Company Americas as the trustee (the “New York Trustee”).] [References to the “English Law Trust Deed” shall mean the amended and restated trust deed dated 12 July 2013 and as a further amended and supplemented by a supplemental trust deed in relation to the Notes, to be dated the date of original issuance of the Notes, in each case among the Issuer, the Guarantor and DB Trustees (Hong Kong) Limited as the trustee (the “English Trustee”) and references to the “English Agency Agreement” shall mean the agency agreement dated 3 February 2010, as amended and supplemented by the first supplemental agency agreement dated 9 July 2012, among the Issuer, the Guarantor, the English Trustee, Deutsche Bank Luxembourg S.A. as registrar, Deutsche Bank AG, Hong Kong Branch and Deutsche Bank AG, Singapore Branch as initial issuing and paying agent and the other agents named in it, as further amended by a notice of termination of the appointments of the initial registrar, issuing and paying agent and the other agents dated 26 June 2020 and a letter of appointment of Citibank, N.A., London Branch as registrar and Citibank, N.A., London Branch and Citicorp Investment Bank (Singapore) Limited as issuing and paying agent and the other agents dated 26 June 2020, and as further amended and supplemented by a supplemental agency agreement in relation to the Notes, to be dated the date of original issuance of the Notes.]

Eligible Investors

The Notes may only be offered or sold (A) to U.S. persons or persons in the United States who are both “qualified institutional buyers” (each a “QIB”) as defined in Rule 144A under the Securities Act (“Rule 144A”) and “qualified purchasers” (each, a “QP”) as defined in the Investment Company Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, or (B) outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). The terms “U.S. person” and “offshore transaction” have the meanings set forth in Regulation S. Neither the Issuer nor the Guarantor will be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.

Bearer Notes generally may not be offered or sold to a person within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”)), subject to certain exceptions.

A description of the transfer restrictions applicable to the Notes, including Notes initially sold in the United States or to U.S. persons, is set forth below in the section entitled “— Transfer Restrictions”.

DTC Restricted Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Notes offered hereby in reliance on Rule 144A and the exemption provided by Section 3(c)(7) of the Investment Company Act (or any beneficial interest therein), including interests in DTC Restricted Global Notes, will be deemed by its acceptance thereof to have represented and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows:

- (1) Such person (i) is a QIB and a QP; (ii) is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A; and (iv) either (a) is not and is not using the assets of any (i) “employee benefit plan” which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), “plan” which is subject to Section 4975 of the Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.

- (2) Such person (i) was not formed for the purpose of investing in the Issuer (unless each beneficial owner of its securities is a QP); and (ii) is acquiring an interest in the Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements deemed made by such person and for whom such person exercises sole investment discretion.
- (3) Such person understands and acknowledges that the Notes have not been and will not be registered under the Securities Act and accordingly may not be offered or sold as part of its initial distribution within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (4) Such person understands and acknowledges that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” (as such term is defined under the Investment Company Act and related rules) and that the Issuer and the Guarantor have imposed the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Issuer and the Guarantor will qualify for the exemption provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company.
- (5) Such person agrees that its Notes may only be sold, transferred, assigned, pledged or otherwise disposed of in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or to a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction meeting the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S under the Securities Act (including, for the avoidance of doubt, a bona fide sale on the Singapore Exchange Securities Trading Limited) (the “SGX-ST”), provided, that it delivers to the Issuer and the Guarantor an Offshore Transaction Letter substantially in the form appended to [the Indenture] [the English Agency Agreement]. The term “offshore transaction” has the meaning set forth in Regulation S. Such person understands that the transfer restrictions will remain in effect until the Issuer determines, in its sole discretion, to remove them.
- (6) Such person agrees that its Notes may be sold, transferred, assigned, pledged or otherwise disposed of only in minimum denominations of US\$250,000.
- (7) Such person understands that, subject to certain exceptions, to be a QP, entities must have US\$25 million in “investments” as defined in Rule 2a51-1 under the Investment Company Act.
- (8) Such person agrees, upon a proposed transfer of its Notes, to notify any purchaser of such Notes or the executing broker, as applicable, of any transfer restrictions that are applicable to the Notes being sold.
- (9) Such person understands and acknowledges that (i) the [New York] [English] Trustee, the Issuer, the Guarantor and their agents shall not be obligated to recognise any resale or other transfer of the Notes made other than in compliance with the restrictions described herein; and (ii) the Issuer and its agents may require any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Notes to transfer the Notes within 30 days to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S and if the obligation is not met, the Issuer is irrevocably authorised, without any obligation, to sell such Notes on an offshore stock exchange on such terms as the directors of the Issuer think fit, or the Issuer shall be entitled to redeem such Notes at par, being a Redemption Amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date.
- (10) Such person agrees that neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any “directed selling efforts” as defined in Regulation S, or any “general solicitation or general advertising” as defined in Regulation D under the Securities Act, with respect to the Notes.
- (11) Such person understands that the [New York] [English] Trustee, the Issuer and the Guarantor may receive a list of participants holding positions in the Notes from one or more book-entry depositories.

- (12) Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.
- (13) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in [the Indenture] [the English Law Trust Deed]. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

Regulation S Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Notes offered hereby in reliance on Regulation S (or any beneficial interest therein), including interests in Regulation S Global Notes, will be deemed to have represented and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (1) Such person is, at the time of the offer to it of Notes and at the time the buy order originated, outside the United States for purposes of Regulation S.
- (2) Such person is not a U.S. person and is not acquiring the Notes for the account or benefit of a U.S. person.
- (3) Such person is aware that the Notes have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S.
- (4) Such person understands that prior to the end of the expiration of the 40-day distribution compliance period, no exchange, sale, assignment, pledge, transfer or other disposal of interests in a Regulation S Global Note for interests in a DTC Restricted Global Note shall be permitted.
- (5) Such person understands that interests in the Regulation S Global Notes may only be sold, transferred, pledged or otherwise disposed of (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.
- (6) Such person understands that any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognised by the Issuer in respect of the Notes.
- (7) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in [the Indenture] [the English Law Trust Deed]. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

Transfer Restrictions

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act, and have not been registered or qualified under any state securities laws in the United States or the securities laws of any other jurisdiction and, accordingly, may not be offered, resold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available, and except in accordance with the restrictions described below.

Any purchaser of DTC Restricted Global Notes may only sell, transfer, assign, pledge, or otherwise dispose of such Notes in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), *provided* that such purchaser delivers to the Issuer and the Guarantor an Offshore Transaction Letter in the form of Appendix A hereto.

Each transferee, assignee, pledgee or other person acquiring any interest in a DTC Restricted Global Note will be deemed by its acceptance thereof to have made all of the representations and agreements set forth above in the section entitled “— Eligible Investors — DTC Restricted Global Notes”.

Any purchaser of interests in the Regulation S Global Notes may only sell, transfer, assign, pledge, or otherwise dispose of such interests (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.

Each transferee, assignee, pledgee or other person acquiring in any interest in a Regulation S Global Note will be deemed by its acceptance thereof to have made all of the representations and agreements set forth above in the section entitled “— Eligible Investors — Regulation S Global Notes”.

Investor Representation Letters

In the event that any purchaser of DTC Restricted Global Notes that is located within the United States or that is a U.S. person transfers such Notes outside the United States in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), such transferor must execute an Offshore Transaction Letter in the form of Appendix A hereto and cause such letter to be promptly delivered to the Issuer and the Guarantor.

In addition, in the event any Notes are issued in definitive form (“Definitive Notes”) in accordance with the provisions of [the Indenture] [the English Law Trust Deed], such Definitive Notes will bear a legend substantially in the form as provided for in [the Indenture] [the English Law Trust Deed] and before any U.S. person or person located in the United States may take delivery of any such Definitive Notes, such person must deliver to the Issuer and the Guarantor a representation letter substantially in the form as provided for in [the Indenture] [the English Law Agency Agreement].

Ability of the Issuer to Compel Sale of or Redeem DTC Restricted Global Note

The Issuer may, at its option, compel any beneficial owner of interests in the DTC Restricted Global Note to sell its interest in such Notes, or sell such interests on behalf of such holder, or redeem its interests in such Note at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) [the Redemption Date (as defined in the Indenture)] [the date fixed for redemption], if such holder is not a QIB and a QP.

Legend

Each DTC Restricted Global Note representing the Notes will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND THAT NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN “**INVESTMENT COMPANY**” UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF “INVESTMENT COMPANY” UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS BOTH

A **“QUALIFIED INSTITUTIONAL BUYER”** (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A **“QUALIFIED PURCHASER”** (AS DEFINED IN THE INVESTMENT COMPANY ACT), AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A **“QUALIFIED INSTITUTIONAL BUYER”** (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A **“QUALIFIED PURCHASER”** (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (3) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (**“REGULATION S”**) TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, AND UPON CERTIFICATION TO THAT EFFECT BY THE SELLER IN WRITING IN AN OFFSHORE TRANSACTION LETTER IN THE FORM AS PROVIDED FOR IN [THE INDENTURE] [THE AGENCY AGREEMENT ENTERED INTO IN RELATION TO THIS NOTE] OR ANOTHER FORM ACCEPTABLE TO THE ISSUER. THE TERMS **“U.S. PERSON,” “OFFSHORE TRANSACTION”** AND **“DESIGNATED OFFSHORE SECURITIES MARKET”** HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE UNDER THE [INDENTURE] [ENGLISH LAW TRUST DEED] GOVERNING THIS NOTE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. THE ISSUER AND ITS AGENTS MAY REQUIRE ANY PERSON WHO IS REQUIRED TO BE A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER BUT WHO IS NOT A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AT THE TIME IT ACQUIRES THIS NOTE TO TRANSFER THIS NOTE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S WITHIN 30 DAYS. IF THIS NOTE IS NOT SO TRANSFERRED, THE ISSUER IS ENTITLED TO SELL THIS NOTE TO A PURCHASER SELECTED BY THE ISSUER OR REDEEM THIS NOTE FROM SUCH PERSON AT PAR, BEING A REDEMPTION AMOUNT EQUAL TO THE PRINCIPAL AMOUNT PLUS ANY ACCRUED AND UNPAID INTEREST TO (BUT EXCLUDING) THE REDEMPTION DATE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) **“EMPLOYEE BENEFIT PLAN”** AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**“ERISA”**), **“PLAN”** SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **“CODE”**) OR ENTITY WHOSE UNDERLYING ASSETS ARE TREATED AS ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN WITHIN THE MEANING OF ERISA OR THE CODE, OR (B) **GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”)**, OR ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, OR (II) **SUCH PERSON’S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.**

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Each Regulation S Global Note representing the Notes will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN “**INVESTMENT COMPANY**” UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF “INVESTMENT COMPANY” UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, OR (3) AFTER THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD FOLLOWING THE ISSUE DATE OF THE NOTES, TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND SUCH TRANSFEREE WILL THEN HOLD THE ACQUIRED INTERESTS AS INTERESTS IN THE DTC RESTRICTED GLOBAL NOTE. THE TERMS “**U.S. PERSON,**” “**OFFSHORE TRANSACTION**” AND “**DESIGNATED OFFSHORE SECURITIES MARKET**” HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), “PLAN” SUBJECT

TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR ENTITY WHOSE UNDERLYING ASSETS ARE TREATED AS ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN WITHIN THE MEANING OF ERISA OR THE CODE, OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, OR (II) SUCH PERSON'S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.]

Offshore Transaction Letter

To:

Temasek Financial (I) Limited
60B Orchard Road
#06-18 Tower 2
The Atrium @ Orchard
Singapore 238891

as Issuer

Temasek Holdings (Private) Limited
60B Orchard Road
#06-18 Tower 2
The Atrium @ Orchard
Singapore 238891

as Guarantor

With a copy to:

Deutsche Bank Trust Company Americas
Trust & Agency Services
Global Transaction Banking
60 Wall Street, 24th Floor
New York, New York 10005

as Trustee

Re: [] Series of Guaranteed Notes (the “**Notes**”) under the US\$25,000,000,000 Guaranteed Global Medium Term Note Programme

Ladies and Gentlemen:

Reference is hereby made to the Amended and Restated Indenture, dated as of 12 July 2013, and as further amended and supplemented by a [] Supplemental Indenture in relation to the Notes, dated as of the date of original issuance of the Notes (collectively, the “**Indenture**”), among Temasek Financial (I) Limited, as the issuer (the “**Issuer**”), Temasek Holdings (Private) Limited, as the guarantor (the “**Guarantor**”), and Deutsche Bank Trust Company Americas, as the trustee (the “**Trustee**”). Capitalised terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter (an “**Offshore Transaction Letter**”) relates to the sale or other transfer by us of interests in a DTC Restricted Global Note representing the Notes in an offshore transaction pursuant to Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”).

Capitalised terms used but not defined herein shall have the meanings given to them in Regulation S, except as otherwise stated herein.

We acknowledge (or if we are acting for the account of another person, such person has confirmed that it acknowledges) that the Notes have not been and will not be registered under the Securities Act and that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

We hereby certify as follows:

1. The offer and sale of the Notes was not and will not be made to a person in the United States or to a person known by us to be a U.S. Person.
2. Either: (a) at the time the buy order for the Notes was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or (b) the transaction in the Notes was executed in, on or through the facilities of a designated offshore securities market (including the Singapore Exchange Securities Trading Limited), and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States.

3. Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts in the United States with respect to the Notes.
4. The proposed transfer of the Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act or the Investment Company Act.
5. None of the Issuer, the Guarantor or any of their agents participated in the sale of the Notes.
6. If the transfer is in accordance with Rule 904 of Regulation S, and we are a dealer in securities or have received a selling concession, fee or other remuneration in respect of the Notes, and the transfer is to occur during the Distribution Compliance Period (as defined in the Indenture), that the requirements of Rule 904(b)(i) of Regulation S have been satisfied.
7. We agree, prior to the sale of the Notes, to notify the purchaser of such Notes or the executing broker, as applicable, of the transfer restrictions that are applicable to the Notes being sold.
8. We agree that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

[Where there are joint transferors, each must sign this Offshore Transaction Letter. An Offshore Transaction Letter of a corporation must be signed by an authorised officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).]

Very truly yours,

[NAME OF TRANSFEROR]

By: _____

Name:

Title:

Address:

Date:

Annex C — Constitutional safeguards

The following is a general summary of the provisions in the Constitution of Singapore relating to Temasek as a company specified in Part II of the Fifth Schedule to the Constitution as at the date of this Offering Circular. This summary is for general information only and does not purport to be a comprehensive description or exhaustive statement of applicable laws as at the date of this Offering Circular. All references to “CEO” in this Annex C refer to the Chief Executive Officer of Temasek Holdings (Private) Limited.

The Constitution is the supreme law of Singapore. The Constitution provides that the President of Singapore (the “President”), who shall be elected by the citizens of Singapore in accordance with any law made by the Legislature of Singapore, shall be the Head of State. A constitutional framework relating to the safeguarding of reserves (namely, the excess of assets over liabilities) of the Government of Singapore (the “Government”), statutory boards specified in Part I of the Fifth Schedule to the Constitution (each, a “Statutory Board”) and Government companies specified in Part II of the Fifth Schedule to the Constitution (each, a “Fifth Schedule Company”) is set out in the Constitution. The Constitution provides for the President to exercise certain powers over the appointment of directors and the chief executive officer, the budget and certain proposed transactions of a Fifth Schedule Company. Temasek, being a Fifth Schedule Company specified in Part II of the Fifth Schedule to the Constitution, is subject to such powers of the President and the constitutional safeguards summarised below.

Appointment of Directors and Chief Executive Officer

The appointment or removal of any person as a director of Temasek (“Director”) or CEO is not permitted unless the President, acting in his discretion, concurs with such appointment or removal, and without such concurrence of the President, the appointment or removal is void and of no effect. The term of appointment of a Director may not exceed three years. At the expiry of the term of appointment, a Director is eligible for reappointment.

Annual Budgets and Certain Proposed Transactions

Before the commencement of each financial year of Temasek, the Board of Directors is required to present to the President for his approval its annual budget (as well as any supplementary budget) for that financial year, together with a declaration (the “Declaration”) by the chairman (the “Chairman”) of the Board of Directors and the CEO whether the annual budget (or, as the case may be, supplementary budget) when implemented, is likely to draw on the reserves which were not accumulated by Temasek during the current term of office of the Government (the “Past Reserves”). The President, acting in his discretion, may disapprove the annual budget or supplementary budget of Temasek if, in his opinion, the budget is likely to draw on the Past Reserves, except that if he approves any such budget notwithstanding his opinion that the budget is likely to so draw on those reserves, the President is under a duty to cause his opinion to be published in the Government Gazette.

If the President has not approved the annual budget by the first day of the financial year, Temasek:

- (a) shall, within three months of that first day, present to the President a revised budget for that financial year together with the Declaration described above; and
- (b) may, pending the decision of the President, incur expenditure not exceeding one-quarter of the amount provided in the approved budget of Temasek for the preceding financial year.

In addition, if the President does not approve the revised budget, Temasek may during that financial year incur a total expenditure not exceeding the amount provided in the approved budget of Temasek for the preceding financial year; and the budget for the preceding financial year shall have effect as the approved budget for that financial year.

Within six months after the close of a financial year, the Board of Directors is required to present to the President:

- (a) an audited profit and loss account showing the revenue collected and expenditure incurred by Temasek during that financial year, and an audited balance sheet showing the assets and liabilities of Temasek at the end of that financial year; and

- (b) a declaration by the Chairman and CEO whether the audited profit and loss account and balance sheet of Temasek show any drawing on the Past Reserves.

The Board of Directors and the CEO have a duty to inform the President of any proposed transaction of Temasek, which is likely to draw on the Past Reserves. Where the President has been so informed, the President, acting in his discretion, may disapprove the proposed transaction (other than a proposed transaction which the Prime Minister of Singapore appointed under the Constitution (the “Prime Minister”) and the Minister (appointed under the Constitution) responsible for defence, on the recommendations of the Permanent Secretary to the Ministry of Defence and the Chief of Defence Force, certify to be necessary for the defence and security of Singapore), except that if he does not disapprove any such proposed transaction even though he is of the opinion that such proposed transaction is likely to draw on the Past Reserves, the President is under a duty to cause his decision and opinion to be published in the Government Gazette.

General time limit for President to exercise discretionary powers and consequences if President does not exercise his discretion within such time limit

Where the Constitution authorises the President to act in his discretion in assenting to, concurring with, approving, disapproving or confirming any of the constitutional safeguards summarised above (the “Constitutional Safeguards”), the President must signify his decision within a specified period (the “Specified Period”) after his assent, concurrence, approval or confirmation is sought or after he is informed of a proposed transaction which is likely to draw on the Past Reserves. The Specified Period in relation to the Constitutional Safeguards is six weeks, which may be reduced or extended in accordance with the Constitution.

In relation to the Constitutional Safeguards, if the President fails to signify his decision within the Specified Period, the President is deemed to have, at the end of that period, given the assent, concurrence, approval or confirmation sought in that case, or, declined to disapprove a proposed transaction which is likely to draw on the Past Reserves that the President was informed of.

Prime Minister and Chairman to receive President’s grounds and Council’s recommendation if President exercises veto on Constitutional Safeguards

In relation to the Constitutional Safeguards, if the President acts in his discretion to refuse to give the assent, concurrence or approval that was sought or to disapprove a proposed transaction which is likely to draw on the Past Reserves, the President must certify the grounds for his decision to the Prime Minister and send the recommendation of the Council of Presidential Advisers constituted under Part VA of the Constitution (the “Council”) to the Prime Minister. Where the President disapproves the budget, supplementary budget or revised budget of, or a proposed transaction by, Temasek, the President must also send such grounds and recommendation to the Chairman.

Parliament may overrule Presidential veto exercised contrary to Council’s recommendation

In relation to the Constitutional Safeguards, Parliament may, by resolution, overrule the President if (a) the President acts in his discretion to refuse to give the assent, concurrence or approval that was sought or disapprove a proposed transaction which is likely to draw on the Past Reserves and (b) the President’s decision was made contrary to the Council’s recommendation. Such resolution (a) may only be passed on a motion for which notice has been given by a Minister (appointed under the Constitution), (b) may only be moved after the Government causes the President’s grounds (as certified in the manner described in the preceding paragraph) for the decision sought to be overruled to be published in the Government Gazette and sends the recommendation of the Council in relation to that decision to the Speaker of Parliament (who must present the recommendation to Parliament), and (c) must be passed by no less than two-thirds of the total number of Members of Parliament (excluding nominated Members of Parliament). Despite the provision that Parliament may, by resolution, overrule the President as described above in this paragraph, (a) a refusal by the President to approve a budget, revised budget or supplementary budget of Temasek, and (b) a decision by the President to disapprove a proposed transaction by Temasek, cannot be overruled unless the Chairman has made a request to the Cabinet constituted under the Constitution for such a resolution to be moved with respect to the refusal or the decision. If Parliament overrules the President, the President is deemed to have, on the date the overruling resolution was passed, given the assent, concurrence or approval that was sought or never to have disapproved of the proposed transaction which is likely to draw on the Past Reserves, as the case may be.

Council of Presidential Advisers

In relation to the Constitutional Safeguards, the President (a) must consult the Council before exercising any discretionary power conferred on him by the Constitution and (b) must immediately refer to the Council for its recommendation (i) any case where the President's assent, concurrence or approval is sought and which the President is so required to consult the Council and (ii) any proposed transaction which is likely to draw on the Past Reserves that the President is informed of. If the Council fails to give its recommendation within the time limit prescribed by the Constitution, the Council is deemed to have recommended that the President give the assent, concurrence or approval that was sought or not disapprove the proposed transaction which is likely to draw on the Past Reserves, as the case may be. The Council's recommendation to the President must state whether the recommendation is unanimous and if not, the number of votes for and against the recommendation as well as the grounds for the Council's recommendation.

Transfer of Past Reserves

A proposed transfer or transfer by Temasek of any of its reserves to the Government, any Statutory Board or another Fifth Schedule Company shall not be taken into account in determining whether the Past Reserves are likely to be or have been drawn on if:

- (a) in the case of a proposed transfer or transfer of reserves by Temasek to the Government, the Minister (appointed under the Constitution) responsible for finance undertakes in writing to add those reserves of Temasek to the reserves accumulated by the Government before its current term of office;
- (b) in the case of a proposed transfer or transfer of reserves by Temasek to a Statutory Board, that Statutory Board by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Statutory Board before the current term of office of the Government; or
- (c) in the case of a proposed transfer or transfer of reserves by Temasek to another Fifth Schedule Company, the board of directors of that Fifth Schedule Company by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Fifth Schedule Company before the current term of office of the Government.

Any reserves so transferred shall be deemed to form part of the reserves accumulated by the Government, the relevant Statutory Board or, as the case may be, the relevant Fifth Schedule Company before the current term of office of the Government, on the relevant date specified in the Constitution.

Similarly, a proposed transfer or transfer by the Government, any Statutory Board or another Fifth Schedule Company of any of its respective reserves to Temasek shall not be taken into account in determining whether the reserves accumulated by the Government, that Statutory Board or, as the case may be, that Fifth Schedule Company before the current term of office of the Government are likely to be or have been drawn on if the Board of Directors by resolution resolves that those reserves shall be added to the Past Reserves. Any reserves so transferred will be deemed to form part of the Past Reserves.

President's Access to Information

In the exercise of his functions under the Constitution, it is provided under the Constitution that the President shall be entitled, at his request, to any information concerning Temasek which is available to the Board of Directors ("Temasek Information"). The Constitution further provides that the President may request the CEO or a Director to furnish any Temasek Information concerning the reserves of Temasek, and the CEO or Director concerned shall be under a duty to provide the information.

THE ISSUER

Temasek Financial (I) Limited
60B Orchard Road
#06-18 Tower 2
The Atrium@Orchard
Singapore 238891

THE GUARANTOR

Temasek Holdings (Private) Limited
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The Atrium@Orchard
Singapore 238891

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NEW YORK REGISTRAR UNDER THE INDENTURE AND PAYING AGENT IN NEW YORK

Citibank, N.A., London Branch
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Ireland

SINGAPORE TRUSTEE UNDER THE SINGAPORE LAW TRUST DEED

DBS Trustee Limited
12 Marina Boulevard, Level 44
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Singapore 018982

**ISSUING AND PAYING AGENT, PAYING AGENT, CALCULATION AGENT, TRANSFER AGENT,
SINGAPORE REGISTRAR AND SINGAPORE PAYING AGENT IN RELATION TO NOTES
GOVERNED BY SINGAPORE LAW**

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DB Trustees (Hong Kong) Limited
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**ISSUING AND PAYING AGENT, PAYING AGENT, CALCULATION AGENT, TRANSFER AGENT,
ENGLISH REGISTRAR AND ENGLISH PAYING AGENT IN RELATION TO NOTES
GOVERNED BY ENGLISH LAW**

Citibank, N.A., London Branch
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Citigroup Global Markets Singapore Pte Ltd

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