

Temasek Financial (I) Limited

Registration Number: 200408713K

Annual Report
Year ended 31 March 2023

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Directors' report

The directors present their report to the member of Temasek Financial (I) Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2023.

In the opinion of the directors:

- (a) the financial statements set out on pages FS1 to FS20 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Company for the year then ended in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this report, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this report are as follows:

Chia Song Hwee
Rohit Sipahimalani
Tan Sin Oon, Gregory (Appointed on 30 November 2022)
Png Chin Yee
Goh Bee Kheng

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouse and children) in shares, debentures, participatory interests, warrants, share options and contracts to call for or to make delivery of shares in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director(s) and related corporation(s) in which interest(s) is/are held	Description of interest(s)	Holding(s) registered in the name of the director(s), or his/her/their spouse or <u>child/children</u>	
		At 01/04/2022 or date of <u>appointment</u>	At 31/03/2023
<u>Chia Song Hwee</u>			
Singapore Telecommunications Limited	Ordinary shares	1,610	1,610
<u>Rohit Sipahimalani</u>			
Altrium Private Equity Fund I GP Limited	Limited Partner Interests in the Altrium PE Fund I F&F L.P. fund for a commitment amount	US\$1,000,000	US\$1,000,000
Altrium Private Equity Fund II GP Limited	Limited Partner Interests in the Altrium PE Fund II F&F L.P. fund for a commitment amount	US\$1,500,000	US\$1,500,000
Astrea 7 Pte. Ltd.	S\$526 million 4.125% Class A-1 Secured Fixed Rate Bonds due 2032	N.A.	S\$2,325,000
	US\$200 million 6% Class B Secured Fixed Rate Bonds due 2032	N.A.	US\$130,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$750,000	S\$750,000
	US\$210 million 5.5% Class A-2 Secured Fixed Rate Bonds due 2028	US\$200,000	US\$200,000
Astrea V Pte. Ltd.	S\$315 million 3.85% Class A-1 Secured Fixed Rate Bonds due 2029	S\$100,000	S\$850,000
	US\$230 million 4.50% Class A-2 Secured Fixed Rate Bonds due 2029	US\$400,000	US\$400,000
Astrea VI Pte. Ltd.	S\$382 million 3% Class A-1 Secured Fixed Rate Bonds due 2031	S\$250,000	S\$500,000

Name of director(s) and related corporation(s) in which interest(s) is/are held	Description of interest(s)	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2022 or date of appointment	At 31/03/2023
<u>Rohit Sipahimalani (cont'd)</u>			
Fullerton Alternatives Funds VCC	Fullerton Optimised Alpha Fund Class A USD Participating Shares	US\$500,000	US\$500,000
Fullerton Fund Management Company Ltd.	Fullerton Short Term Interest Rate Fund Class C SGD	S\$500,000	S\$500,000
SeaTown Private Strategies GP Pte. Ltd.	Limited Partnership Interests in SeaTown Private Credit Feeder Fund LP	US\$750,000	US\$750,000
Singapore Technologies Telemedia Pte Ltd	S\$500 million 4.2% Subordinated Perpetual Securities	S\$250,000	S\$250,000
Vertex Master Fund II (GP) Pte. Ltd.	Limited Partner Interests in VMII Affiliates Fund LP for a commitment amount	US\$500,000	US\$500,000
<u>Tan Sin Oon, Gregory</u>			
Altrium Private Equity Fund I GP Limited	Limited Partner Interests in the Altrium PE Fund I F&F L.P. fund for a commitment amount	US\$350,000	US\$350,000
Astrea 7 Pte. Ltd.	S\$526 million 4.125% Class A-1 Secured Fixed Rate Bonds due 2032	S\$30,000	S\$30,000
	US\$200 million 6.00% Class B Secured Fixed Rate Bonds due 2032	US\$68,000	US\$68,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$70,000	S\$70,000

Name of director(s) and related corporation(s) in which interest(s) is/are held	Description of interest(s)	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2022 or date of appointment	At 31/03/2023
<u>Tan Sin Oon, Gregory (cont'd)</u>			
CapitaLand Integrated Commercial Trust Management Limited	Unit holdings in CapitaLand Integrated Commercial Trust	1,856	1,856
CapitaLand Investment Limited	Ordinary shares	12,000	12,000
Sembcorp Marine Ltd	Ordinary shares	130,131	N.A.
SIA Engineering Company Limited	Ordinary shares	10,000	10,000
<u>Png Chin Yee</u>			
Altrium Private Equity Fund I GP Limited	Limited Partner Interests in the Altrium PE Fund I F&F L.P. fund for a commitment amount	US\$1,000,000	US\$1,000,000
Altrium Private Equity Fund II GP Limited	Limited Partner Interests in the Altrium PE Fund II F&F L.P. fund for a commitment amount	US\$2,500,000	US\$2,500,000
Astrea 7 Pte. Ltd.	US\$200 million 6.00% Class B Secured Fixed Rate Bonds due 2032	N.A.	US\$60,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$250,000	S\$250,000
	US\$210 million 5.5% Class A-2 Secured Fixed Rate Bonds due 2028	US\$200,000	US\$200,000
	US\$110 million 6.75% Class B Secured Fixed Rate Bonds due 2028	US\$200,000	US\$200,000

Name of director(s) and related corporation(s) in which interest(s) is/are held	Description of interest(s)	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2022 or date of appointment	At 31/03/2023
Png Chin Yee (cont'd)			
Astrea V Pte. Ltd.	US\$230 million 4.50% Class A-2 Secured Fixed Rate Bonds due 2029	US\$400,000	US\$400,000
	US\$140 million 5.75% Class B Secured Fixed Rate Bonds due 2029	US\$200,000	US\$200,000
Singapore Technologies Telemedia Pte Ltd	S\$350 million 5% Subordinated Perpetual Securities	S\$500,000	—
	Combined S\$450 million 4.05% Notes due 2025 ⁽¹⁾	S\$250,000	—
	S\$500 million 4.2% Subordinated Perpetual Securities	S\$500,000	—
Vertex Master Fund II (GP) Pte. Ltd.	Limited Partner Interests in VMII Affiliates Fund LP for a commitment amount	US\$300,000	US\$300,000
Goh Bee Kheng			
Altrium Private Equity Fund I GP Limited	Limited Partner Interests in the Altrium PE Fund I F&F L.P. fund for a commitment amount	US\$500,000	US\$500,000
Altrium Private Equity Fund II GP Limited	Limited Partner Interests in the Altrium PE Fund II F&F L.P. fund for a commitment amount	US\$250,000	US\$250,000
Astrea 7 Pte. Ltd.	US\$200 million 6.00% Class B Secured Fixed Rate Bonds due 2032	N.A.	US\$30,000

Name of director(s) and related corporation(s) in which interest(s) is/are held	Description of interest(s)	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2022 or date of appointment	At 31/03/2023
Goh Bee Kheng (cont'd)			
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$70,000	S\$70,000
	US\$210 million 5.5% Class A-2 Secured Fixed Rate Bonds due 2028	US\$200,000	US\$200,000
Astrea V Pte. Ltd.	US\$140 million 5.75% Class B Secured Fixed Rate Bonds due 2029	US\$200,000	US\$200,000
CapitaLand Integrated Commercial Trust Management Limited	Unit holdings in CapitaLand Integrated Commercial Trust	885	885
CapitaLand Investment Limited	Ordinary shares	2,000	2,000
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton SGD Income Fund Class A	129,104	130,404
Mapletree North Asia Commercial Trust Management Ltd.	Unit holdings in Mapletree North Asia Commercial Trust	120,938	N.A.
MPACT Management Ltd ⁽²⁾	Unit holdings in Mapletree Pan Asia Commercial Trust ⁽³⁾	10,747	10,747
Singapore Technologies Engineering Ltd	Ordinary shares	2,505	2,505
Singapore Telecommunications Limited	Ordinary shares	16,537	16,537
StarHub Ltd	Ordinary shares	2,000	2,000
Temasek Financial (IV) Private Limited	S\$500 million 2.7% coupon Temasek Bond due 2023	S\$6,000	S\$6,000

⁽¹⁾ Comprises S\$300 million Notes issued in 2015 and \$150 million Notes issued in 2016

⁽²⁾ Formerly known as Mapletree Commercial Trust Management Ltd

⁽³⁾ Formerly known as Mapletree Commercial Trust

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

/s/ Png Chin Yee

Png Chin Yee

Director

/s/ Goh Bee Kheng

Goh Bee Kheng

Director

6 July 2023



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Independent auditors' report

Member of the Company
Temasek Financial (I) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temasek Financial (I) Limited (the "Company"), which comprise the balance sheet as at 31 March 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS20.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. In determining whether there are key audit matters to be communicated, we have taken into account if the matters involve significant risk of material misstatement as they relate to areas of complexity or significant management judgement, which would therefore involve difficult or complex auditor judgement. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report as we did not identify areas of complexity or significant management judgement in the financial statements that would involve difficult or complex auditor judgement.

Other Information

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the 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.

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

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



Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

/s/ KPMG LLP

KPMG LLP

Public Accountants and

Chartered Accountants

Name of Engagement Partner: Tan Khai Boon

Singapore

6 July 2023

Balance sheet
As at 31 March 2023

	Note	2023 \$'000	2022 \$'000
Non-current asset			
Loan to related company	5	14,044,662	15,100,106
Current assets			
Cash and bank balances		*	*
Loan to related company	5	699,526	—
		<u>699,526</u>	<u>*</u>
Total assets		<u>14,744,188</u>	<u>15,100,106</u>
Equity			
Share capital	6	*	*
Hedging reserve	7	(652)	(1,029)
Accumulated losses		<u>(4,594,523)</u>	<u>(4,398,093)</u>
Total equity		<u>(4,595,175)</u>	<u>(4,399,122)</u>
Non-current liability			
Borrowings	8	19,197,677	17,357,472
Current liabilities			
Borrowings	8	—	1,978,731
Other payables	9	141,686	153,897
Current tax liabilities		—	9,128
		<u>141,686</u>	<u>2,141,756</u>
Total liabilities		<u>19,339,363</u>	<u>19,499,228</u>
Total equity and liabilities		<u>14,744,188</u>	<u>15,100,106</u>

* Amount is less than \$1,000

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

Income statement
Year ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
Interest income on cash and bank balances		*	*
Other income		339,986	128,357
Finance expenses		(544,037)	(524,919)
Other expenses		(1,507)	(1,602)
Loss before income tax	10	(205,558)	(398,164)
Income tax credit	11	9,128	—
Loss for the year		<u>(196,430)</u>	<u>(398,164)</u>

* Amount is less than \$1,000

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

Statement of comprehensive income
Year ended 31 March 2023

	2023	2022
	\$'000	\$'000
Loss for the year	(196,430)	(398,164)
Other comprehensive income		
<u>Item that is or may be reclassified subsequently to</u>		
<u>the income statement:</u>		
Cash flow hedges		
- reclassified to the income statement	377	436
Other comprehensive income for the year	377	436
Total comprehensive income for the year	<u>(196,053)</u>	<u>(397,728)</u>

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

Statement of changes in equity
Year ended 31 March 2023

	Share capital \$'000	Hedging reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 April 2021	*	(1,465)	(3,999,929)	(4,001,394)
Total comprehensive income for the year				
Loss for the year	—	—	(398,164)	(398,164)
Other comprehensive income				
<u>Item that is or may be reclassified subsequently to the income statement:</u>				
Cash flow hedges – reclassified to the income statement	—	436	—	436
Other comprehensive income for the year	—	436	—	436
Total comprehensive income for the year	—	436	(398,164)	(397,728)
At 31 March 2022	*	(1,029)	(4,398,093)	(4,399,122)
At 1 April 2022	*	(1,029)	(4,398,093)	(4,399,122)
Total comprehensive income for the year				
Loss for the year	—	—	(196,430)	(196,430)
Other comprehensive income				
<u>Item that is or may be reclassified subsequently to the income statement:</u>				
Cash flow hedges – reclassified to the income statement	—	377	—	377
Other comprehensive income for the year	—	377	—	377
Total comprehensive income for the year	—	377	(196,430)	(196,053)
At 31 March 2023	*	(652)	(4,594,523)	(4,595,175)

* Amount is less than \$1,000

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

Cash flow statement
Year ended 31 March 2023

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Loss before income tax	(205,558)	(398,164)
Adjustments for:		
Finance expenses	544,037	524,919
Foreign exchange gain on redemption of bond issue	(148,472)	(27,408)
Interest income	*	*
Unrealised exchange gain	(221,870)	(129,767)
	<u>(31,863)</u>	<u>(30,420)</u>
Changes in:		
Other payables	1,156	(123)
Loan to related company	—	(3,409,770)
Repayment from related company	352,616	—
Cash used in operating activities	<u>321,909</u>	<u>(3,440,313)</u>
Proceeds from borrowings	2,138,625	4,848,336
Repayment of borrowings	(1,913,433)	(909,363)
Interest paid	(547,101)	(498,660)
Net cash (used in)/from operating activities	<u>(*)</u>	<u>*</u>
Cash flows from investing activity		
Interest received	*	*
Net cash from investing activity	<u>*</u>	<u>*</u>
Net increase in cash and cash equivalents	<u>*</u>	<u>*</u>
Cash and cash equivalents at beginning of the year	*	—
Cash and cash equivalents at end of the year	<u>*</u>	<u>*</u>

* Amount is less than \$1,000

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

Notes to the 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 6 July 2023.

1 General information

Temasek Financial (I) Limited (the “Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 60B Orchard Road, #06-18, The Atrium@Orchard, Singapore 238891.

The principal activity of the Company is that of a financing company.

The immediate and ultimate holding companies at the end of the financial year were Temasek Financial Holdings Private Limited and Temasek Holdings (Private) Limited respectively. Both companies are incorporated in the Republic of Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards International (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”).

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in this financial statements unless otherwise specified.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollar which is the Company’s functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates, assumptions 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 the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Adoption of new and amended IFRS and interpretations of IFRS

On 1 April 2022, the Company has adopted new and amended IFRS and interpretations of IFRS that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective IFRS and interpretations of IFRS.

The adoption of these new or amended IFRS and interpretations of IFRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement.

3.2 Financial instruments

A. Non-derivative financial instruments

i. Recognition and initial measurement

Non-derivative financial instruments comprise cash and bank balances, loan to related company, borrowings and other payables.

Cash and bank balances comprise cash balances.

The Company recognises loan to related company, other payables, cash and bank balances on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control and neither transfers nor retains substantially all the risks and rewards of ownership of the asset or the Company transfers substantially all the risks and rewards of ownership of the asset.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss (“FVTPL”), any directly attributable transaction costs. For instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognised in the income statement when incurred.

ii. Classification, subsequent measurement and gains and losses – Financial assets

On initial recognition, a financial asset is classified as measured at FVTPL or amortised cost.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

- | | |
|-------------------------------|---|
| (a) Financial assets at FVTPL | <p>Classification – mandatorily at FVTPL (non-trading)</p> <p>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 fair value through other comprehensive income (“FVOCI”) as described below are measured at FVTPL.</p> |
|-------------------------------|---|

Subsequent measurement and gains and losses

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the income statement. See Note 3.2B for derivatives designated as hedging instruments.

- | | |
|--|---|
| (b) Financial assets at amortised cost | <p>Classification</p> <p>A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:</p> <ul style="list-style-type: none"> • 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. |
|--|---|

Subsequent measurement and gains and losses

These assets 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.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

iii. Classification, subsequent measurement and gains and losses – Financial liabilities

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognised in the income statement.

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.

iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

B. Derivative financial instruments and hedging activities

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The Company has elected to account for the forward points that are excluded from the designation of the hedging instrument in the income statement.

For hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affect the income statement.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the income statement.

3.3 Impairment of financial assets

The Company recognises loss allowance for expected credit losses for cash at bank that is not measured at FVTPL.

Loss allowances of the Company are measured on either of the following bases:

- 12-month expected credit losses (ECL): these are 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
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

General approach

The Company applies the general approach to provide for ECL on cash at bank on initial recognition. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL on case-by-case basis. 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.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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 reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company 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.

3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Interest income

Interest income comprise interest on cash and bank balances and is recognised based on the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit loss.

3.6 Finance expenses

Finance expenses comprise interest expense on borrowings and are recognised based on the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.7 Income tax expense

Income tax expense comprises current and deferred tax. Income 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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 the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2022 and which the Company has not early adopted. The Company is currently assessing the potential impact of adopting these new standards, amendments to standards and interpretations, on the financial statements of the Company. Management anticipates that the adoption of the new standards and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

5 **Loan to related company**

Loan to related company is unsecured, interest-free and has no fixed terms of repayment. It is classified as non-current and measured at FVTPL as repayment is dependent on cash flows from the underlying assets of the related company, except for \$699,526,000 classified as current at balance sheet date as the Company expects to receive payment within the next 12 months.

6 **Share capital**

	2023	2022
	No. of shares	No. of shares
Fully paid ordinary shares, with no par value		
At beginning and end of the financial year	<u>2</u>	<u>2</u>

The holder of ordinary shares is entitled to receive dividends as declared from time to time. At meetings of the Company, every member who is present in person or by proxy, or by attorney or other duly authorised representative shall on a show of hands, have one vote; and on a poll, have one vote per share which he holds or represents. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Company's capital comprises its share capital, accumulated losses and hedging reserve.

The Company is not subject to externally imposed capital requirements.

Realised and unrealised accumulated losses

As part of the Company's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Company also monitors the amount of realised and unrealised accumulated losses to safeguard the Company's ability to declare dividends. All items of losses for 2022 and 2023 are categorised as realised.

7 **Hedging reserve**

The hedging reserve comprises effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges. The amount is subsequently recognised in the income statement as the hedged cash flows affect the income statement.

8 **Borrowings**

	2023	2022
	\$'000	\$'000
Non-current		
Borrowings	<u>19,197,677</u>	<u>17,357,472</u>
Current		
Borrowings	<u>—</u>	<u>1,978,731</u>

The terms and conditions of the borrowings are as follows:

Principal	Year of maturity	Nominal interest rate %	2023		2022	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
US\$0.5 billion	2039	5.375	665,125	658,274	677,100	669,876
S\$0.3 billion	2029	4.0	300,000	299,555	300,000	299,488
S\$0.3 billion	2039	4.2	300,000	299,182	300,000	299,141
S\$0.5 billion	2025	3.785	500,000	499,877	500,000	499,801
S\$0.5 billion	2035	4.0475	500,000	499,336	500,000	499,281
£0.2 billion	2022	4.625	—	—	355,383	355,160
£0.5 billion	2040	5.125	823,059	818,213	888,457	883,051
S\$1.0 billion	2050	4.2	1,000,000	997,946	1,000,000	997,880
US\$1.2 billion	2023	2.375	—	—	1,625,040	1,623,571
US\$0.5 billion	2042	3.375	665,125	651,348	677,100	662,577
EUR0.5 billion	2028	1.5	723,024	721,606	751,141	749,384
US\$1.35 billion	2028	3.625	1,795,838	1,788,049	1,828,170	1,818,932
EUR0.5 billion	2031	0.5	723,024	714,968	751,141	741,832
EUR0.5 billion	2049	1.25	723,024	709,347	751,141	736,490
US\$0.75 billion	2030	1.0	997,688	986,654	1,015,650	1,002,995
US\$1.0 billion	2051	2.25	1,330,250	1,305,770	1,354,200	1,328,656
US\$1.0 billion	2070	2.5	1,330,250	1,315,623	1,354,200	1,339,149
US\$0.75 billion	2031	1.625	997,688	990,533	1,015,650	1,007,563
US\$0.75 billion	2041	2.375	997,688	975,780	1,015,650	992,403
US\$1.0 billion	2061	2.75	1,330,250	1,310,482	1,354,200	1,333,787
S\$1.5 billion	2071	2.8	1,500,000	1,495,259	1,500,000	1,495,186
EUR0.75 billion	2027	3.25	1,084,536	1,081,896	—	—
EUR0.75 billion	2033	3.5	1,084,536	1,077,979	—	—
			19,371,105	19,197,677	19,514,223	19,336,203

These notes are part of a US\$25.0 billion Guaranteed Global Medium Term Note Program (the “Program”). Under the Program, notes issued by the Company are unconditionally and irrevocably guaranteed by its ultimate holding company.

The fair value of the borrowings at the reporting date is \$16,703,696,000 (2022: \$19,308,793,000).

The fair value hierarchy information related to borrowings are disclosed in Note 14.

9 Other payables

	2023 \$'000	2022 \$'000
Interest payable	139,927	153,294
Accrued operating expenses	1,613	603
Other payables	146	—
	<u>141,686</u>	<u>153,897</u>

10 Loss before income tax

The following items have been included in arriving at loss before income tax:

	2023 \$'000	2022 \$'000
Foreign exchange gain - net	191,514	100,949
Foreign exchange gain on redemption of bond issue	148,472	27,408
Finance expenses		
- guaranteed notes	(533,734)	(514,112)
- amortisation of discount on guaranteed notes	(10,303)	(10,807)

11 Income tax credit

	2023 \$'000	2022 \$'000
Current tax credit		
Overprovision in respect of prior years	(9,128)	—

Reconciliation of effective tax rate

Loss before income tax	(205,558)	(398,164)
Income tax using Singapore tax rate of 17% (2022: 17%)	(34,945)	(67,688)
Income not subject to tax	(57,798)	(21,821)
Expenses not deductible for tax purposes	92,743	89,509
Overprovision in respect of prior years	(9,128)	—
	(9,128)	—

12 Significant related party transactions

Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the significant transaction between the Company and its related parties is as follows:

	2023 \$'000	2022 \$'000
Central support service charged by:		
- related company	103	246

Transactions with key management personnel

The Company's directors are employees of the ultimate holding company and/or a related company and no consideration is paid to the ultimate holding company and/or related company for the services rendered by the directors.

13 Financial risk management

Overview

The financial risk management of the Company is handled by a related company on a Temasek portfolio perspective as a whole. Financial risk management is carried out by the related company in accordance with the policies set by the related company for the Temasek portfolio as a whole.

The Company's activities expose it to the following risks:

- market risk
- liquidity risk

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments.

Interest rate risk

The Company is exposed to interest rate risk mainly due to its notes issued. The exposure is managed by maintaining a mix of fixed and floating interest-bearing assets and liabilities of various maturities by a related company at the Temasek portfolio level. Where necessary, the related company also enters into derivative financial instruments such as interest rate swaps to hedge against potential interest rate risks at the Temasek portfolio level, with the prior approval of Temasek's Senior Management Committee.

Foreign currency risk

The Company's exposure to foreign currency risk arises from its financial liabilities which are denominated in foreign currencies mainly in the Euro, Pound Sterling and United States Dollar (2022: Euro, Pound Sterling and United States Dollar) in which the exposure is managed by a related company at the Temasek portfolio level. In general, 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 foreign currency exposures on an economic basis.

The Company's exposure to foreign currency risk is set out below:

	Euro	Pound	United States
	\$'000	Sterling	Dollar
	\$'000	\$'000	\$'000
2023			
Cash and bank balances	*	—	*
Borrowings	(4,305,796)	(818,213)	(9,982,513)
Other payables	(14,257)	(28,660)	(75,145)
	<u>(4,320,053)</u>	<u>(846,873)</u>	<u>(10,057,658)</u>

	Euro \$'000	Pound Sterling \$'000	United States Dollar \$'000
2022			
Cash and bank balances	—	—	*
Borrowings	(2,227,706)	(1,238,211)	(11,779,509)
Other payables	(5,644)	(42,106)	(83,680)
	<u>(2,233,350)</u>	<u>(1,280,317)</u>	<u>(11,863,189)</u>

* Amount is less than \$1,000

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity risk through funding from its ultimate holding company.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
2023					
Non-derivative financial liabilities					
Borrowings	19,197,677	(30,824,324)	(559,599)	(3,740,374)	(26,524,351)
Other payables	141,686	(141,686)	(141,686)	—	—
	<u>19,339,363</u>	<u>(30,966,010)</u>	<u>(701,285)</u>	<u>(3,740,374)</u>	<u>(26,524,351)</u>
2022					
Non-derivative financial liabilities					
Borrowings	19,336,203	(31,022,752)	(2,531,027)	(2,444,441)	(26,047,284)
Other payables	153,897	(153,897)	(153,897)	—	—
	<u>19,490,100</u>	<u>(31,176,649)</u>	<u>(2,684,924)</u>	<u>(2,444,441)</u>	<u>(26,047,284)</u>

The maturity analysis shows the undiscounted cash flows of the Company's financial liabilities on the basis of their earliest possible contractual maturity.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

14 Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy based on the inputs to valuation techniques. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

The different levels are defined as follows:

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

	-----Carrying amount-----				-----Fair value -----		
	Mandatorily at FVTPL – Non-trading \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2023							
Financial asset measured at fair value							
Loan to related company	14,744,188	–	–	14,744,188	–	14,744,188	14,744,188
Fair asset not measured at fair value							
Cash and bank balances	–	*	–	*			
Financial liabilities not measured at fair value							
Borrowings	–	(19,197,677)	–	(19,197,677)	(16,703,696)	–	(16,703,696)
Other payables	–	–	(141,686)	(141,686)			
	–	(19,197,677)	(141,686)	(19,339,363)			

* Amount is less than \$1,000

	-----Carrying amount-----				-----Fair value-----		
	Mandatorily at FVTPL – Non-trading \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2022							
Financial asset measured at fair value							
Loan to related company	15,100,106	–	–	15,100,106	–	15,100,106	15,100,106
Fair asset not measured at fair value							
Cash and bank balances	–	*	–	*			
Financial liabilities not measured at fair value							
Borrowings	–	(19,336,203)	–	(19,336,203)	(19,308,793)	–	(19,308,793)
Other payables	–	–	(153,897)	(153,897)			
	–	(19,336,203)	(153,897)	(19,490,100)			

* Amount is less than \$1,000

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Loan to related company

The fair value of loan to related company is determined based on the lower of the present value of the face value and the recoverable amount of the loan.

(ii) Financial liabilities

The fair value of borrowings, which is determined for disclosure purposes, is determined by reference to quoted prices that are observable for identical liabilities at the reporting date.

The carrying amounts of other financial liabilities with a maturity of less than one year approximate their fair values.

There has been no transfer of the Company's financial assets to/from other levels in 2023 and 2022.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Loan to related company	
	2023	2022
	\$'000	\$'000
At 1 April	15,100,106	11,695,855
Loan during the year	–	3,409,770
Repayment during the year	(352,616)	–
Expenses paid on behalf	(3,302)	(5,519)
At 31 March	<u>14,744,188</u>	<u>15,100,106</u>