

OFFERING CIRCULAR



TEMASEK

Temasek Financial (IV) Private Limited

(Incorporated with limited liability under the laws of Singapore
on 27 August 2015)
(Company Registration Number: 201533091K)

\$55,000,000,000

Guaranteed Medium Term Note Programme
unconditionally and irrevocably guaranteed by

Temasek Holdings (Private) Limited

(Incorporated with limited liability under the laws of Singapore
on 25 June 1974)
(Company Registration Number: 197401143C)

Offering Circular dated 19 July 2021
(First announced on SGXNET on 19 July 2021)

Not for distribution in the United States

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE,
YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.**

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.

Programme for issuing Notes

Under this Guaranteed Medium Term Note Programme (as amended and supplemented from time to time, the "Programme"), Temasek Financial (IV) Private Limited (the "Issuer") may from time to time issue notes (the "Notes") unconditionally and irrevocably guaranteed (the "Guarantee") by Temasek Holdings (Private) Limited (the "Guarantor"). The aggregate principal amount of Notes outstanding will not at any time exceed S\$5,000,000,000 (or the equivalent in other currencies), unless such amount is otherwise increased pursuant to the terms of the Programme.

Listing on SGX-ST

The Guarantor 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.

Credit Ratings

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.

Risk Factors

See "Risk factors" beginning on page 21 for a discussion of certain risks in connection with an investment in the Notes.

Seasoning Framework

In relation to Notes intended to be seasoned for trading by Retail Investors (as defined herein) under the Seasoning Framework (as defined herein), the Notes will initially be issued to Specified Investors (as defined herein) only and cannot be sold to non-Specified Investors before the end of the Seasoning Period (as defined herein). Such Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned. If successfully seasoned, after the end of the Seasoning Period, new Notes ("Post-Seasoning Notes") forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either institutional investors or Relevant Persons (each as defined herein) or both, pursuant to one or more re-taps (as defined herein). The aggregate value of Post-Seasoning Notes issued to Retail Investors through re-taps must not exceed 50% of the total value of the Notes initially issued to Specified Investors only (excluding any amount of Notes issued to the lead manager, arranger and underwriter of the offer for their own accounts).

Offer Pursuant to Exemption

An offer to investors in Singapore under this Programme which is made in reliance on an exemption granted by the Monetary Authority of Singapore (the "MAS") pursuant to the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the "Exemption Regulations for Straight Debentures") is not made in or accompanied by a prospectus that is registered by the MAS. This document constitutes the base document referred to in the Exemption Regulations for Straight Debentures. This base document together with the relevant Pricing Supplement constitute the simplified disclosure document referred to in the Exemption Regulations for Straight Debentures.

Eligibility Criteria

For purposes of offers made pursuant to the Exemption Regulations for Straight Debentures, as at the date of this document, the Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures as follows:

- (i) For a continuous period of the previous five years, debentures issued by entities wholly-owned by the Guarantor were unconditionally and irrevocably guaranteed by the Guarantor and listed for quotation on the SGX-ST.
- (ii) The Guarantor's net assets, as determined from the published audited annual consolidated financial statements for its most recent completed financial year, are not less than S\$500 million and its average net assets, as determined from the published audited annual consolidated financial statements for its three most recent completed financial years, are not less than S\$500 million.
- (iii) Debentures issued in the previous five years by entities wholly-owned by the Guarantor and which are unconditionally and irrevocably guaranteed by the Guarantor satisfy both of the following:
 - (A) the total value of all of those debentures that are or were listed for quotation on the SGX-ST, as at the date they were issued, was not less than S\$1 billion (or its equivalent in a foreign currency); and
 - (B) there has not been a default in the repayment of moneys under any of those debentures.

The relevant Pricing Supplement in respect of each such offer of Notes will also set out how the Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures.

US Selling Restrictions

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"). The Notes may be offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Any series of Notes may be subject to additional selling restrictions, which will be set forth in the relevant Pricing Supplement. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.

Arranger
DBS Bank Ltd.
Dealers

DBS Bank Ltd.

HSBC

OCBC Bank

Standard Chartered Bank (Singapore) Limited

United Overseas Bank Limited

TEMASEK



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.

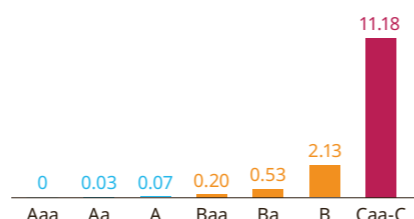
It is very important for you to know more about the credit quality of an issuer before buying its bond.

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: 2001–2020 (%)



Derived from data in Moody's Investors Service, Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021, January 28, 2021

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.

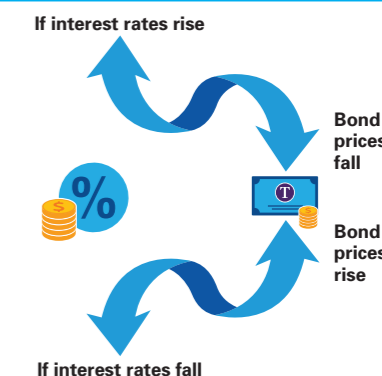
INTEREST RATE RISK

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.

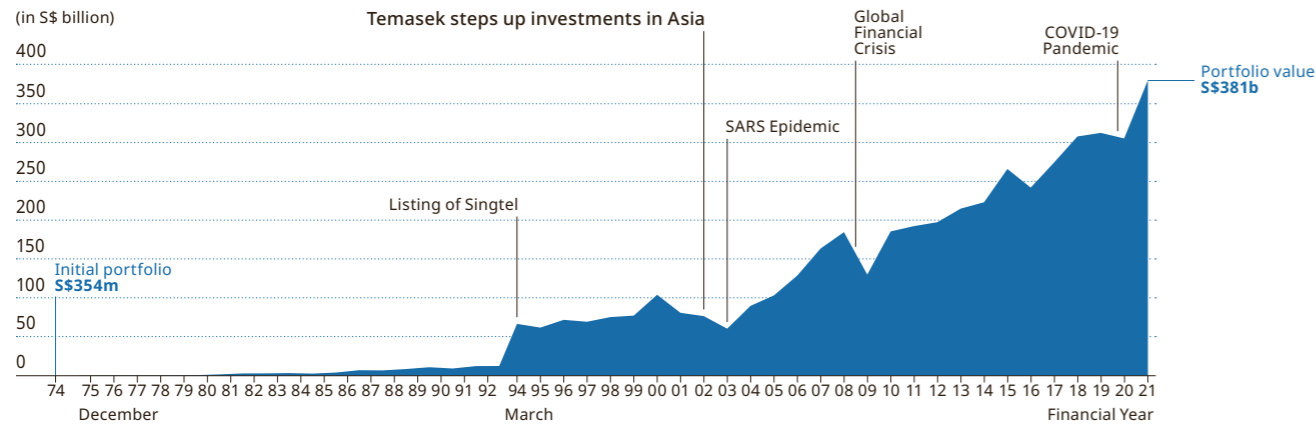
³ "Temasek Bonds" refers to notes that may be issued under Temasek's two Medium Term Note (MTN) programmes, namely the US\$25 billion Guaranteed Global MTN Programme and the S\$5 billion Guaranteed MTN Programme described in the section "Business of Temasek – Credit profile – Debt maturity profile" of 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 19 on Page 6 for details of our IHCs.

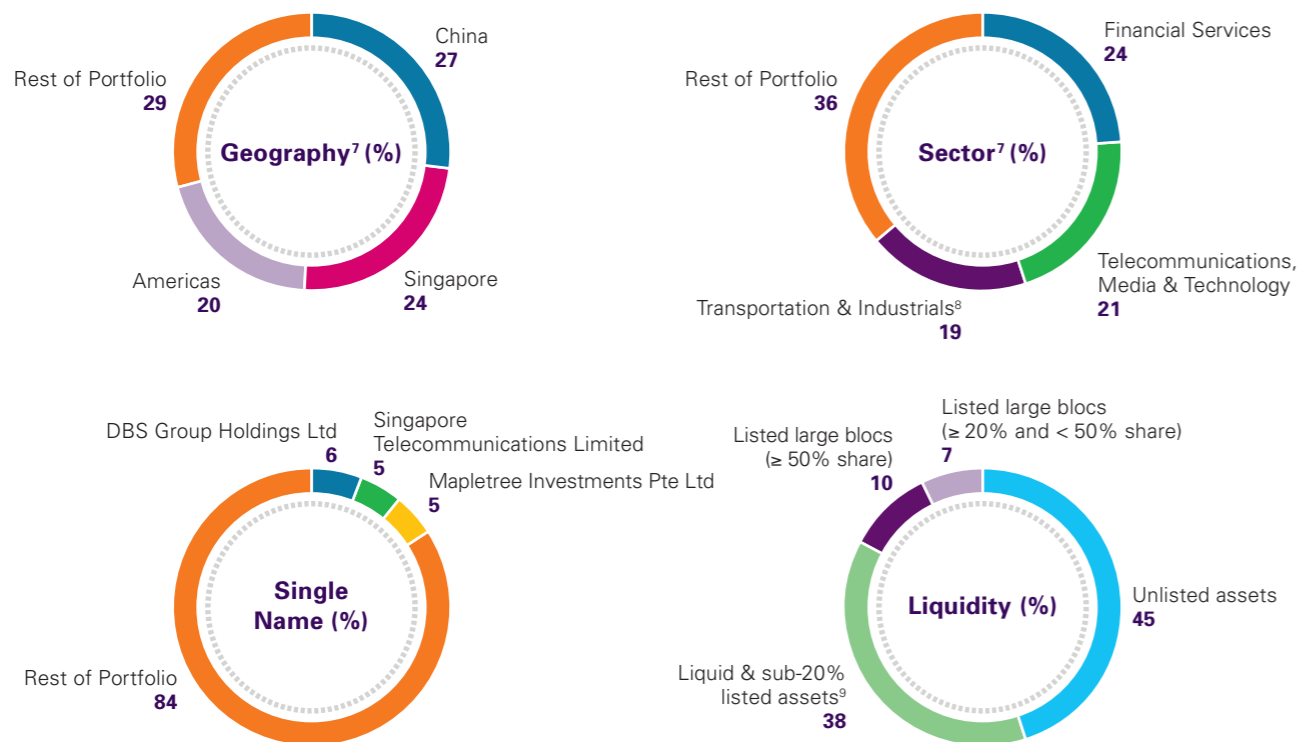
OUR PORTFOLIO

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\$381 billion as at 31 March 2021, with concentrations as shown below.

Concentration Profiles of Portfolio⁶



⁵ References to “we” and “our” refer to Temasek, namely Temasek Holdings (Private) Limited and its IHCs. Please see footnote 19 on Page 6 for details of our IHCs.

⁶ As at 31 March 2021.

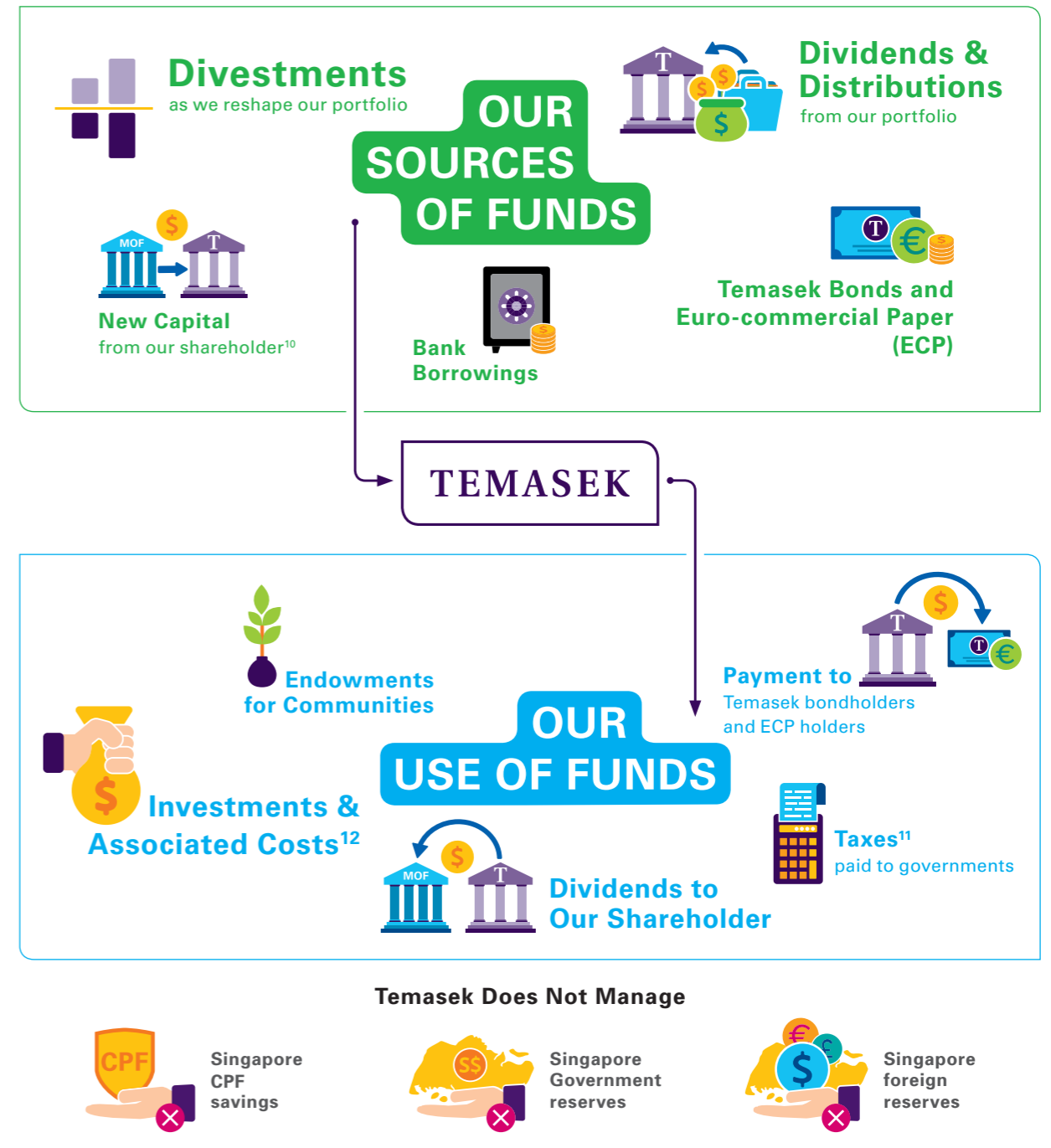
⁷ Distribution based on underlying assets as described in the section “Definitions and Interpretation” of this Offering Circular.

⁸ From the year ended 31 March 2021, the Transportation & Industrials sector includes investments in Energy & Resources.

⁹ Mainly cash and cash equivalents, and investments that each represents a less than 20% interest in a listed company.

INS & OUTS OF TEMASEK

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



¹⁰ The Minister for Finance, which is a body corporate constituted under the Singapore Minister for Finance (Incorporation) Act (Chapter 183).

¹¹ Temasek pays taxes on its net profits.

¹² 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.

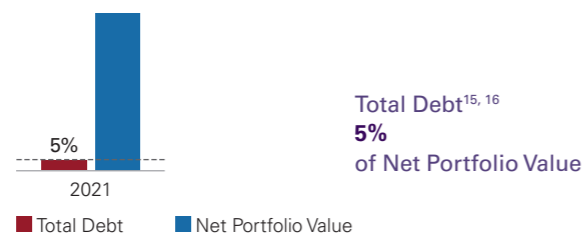
We have been issuing Temasek Bonds to institutional, accredited and other specified investors since 2005. Retail investors in Singapore have been a new group of bond investors and stakeholders for Temasek since 2018¹³.

WHAT ARE TEMASEK'S BORROWINGS?

We have funding flexibility between long and short term debt, through Temasek's two MTN programmes and ECP Programme¹⁴, respectively.

As at 31 March 2021, our Net Portfolio Value was S\$381 billion. Our Total Debt^{15,16} of S\$17.6 billion, which included S\$16.0 billion of Temasek Bonds and S\$1.5 billion of ECP, was about 5% of our Net Portfolio Value.

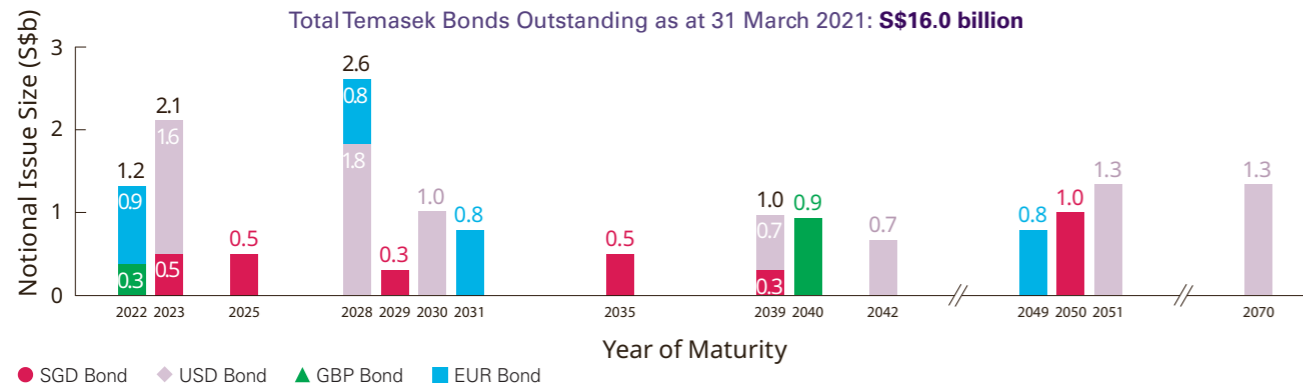
Total Debt^{15,16} over Net Portfolio Value (%)⁶



The longer maturity Temasek Bonds had a weighted average maturity of over 16 years, with the maturity distribution as shown below, while the shorter maturity ECP had a weighted average maturity of above two months.

Maturity Profile of Outstanding Temasek Bonds⁶

Total Temasek Bonds Outstanding as at 31 March 2021: **S\$16.0 billion**



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

⁶ As at 31 March 2021.

¹³ Under Temasek Financial (IV) Private Limited's S\$5 billion Guaranteed MTN Programme.

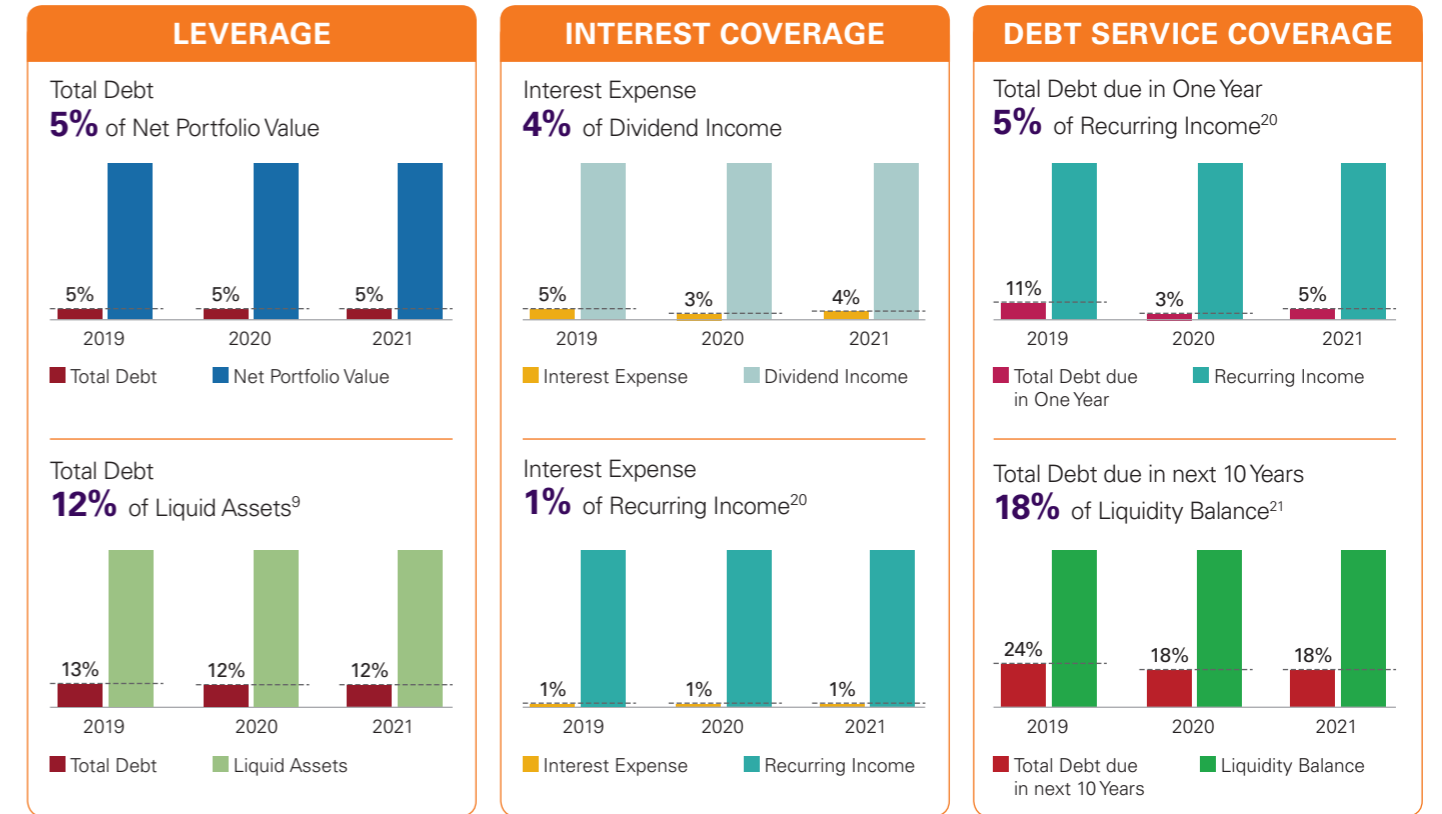
¹⁴ The US\$5 billion ECP Programme described in the section "Business of Temasek – Credit profile – Debt maturity profile" of this Offering Circular.

¹⁵ 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 19 for more information on such financial information.

¹⁶ From the year ended 31 March 2020, the applicable accounting standard (IFRS 16: Leases) has required Temasek to record its leases, comprising mainly office rental, on its balance sheet. This means that Temasek's lease liabilities and interest expense on lease liabilities are included as part of total debt and interest expense respectively. The credit parameters and ratios from the year ended 31 March 2020 reflect this change in accounting standards. 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^{16,17,18,19} 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 ratings²² 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.

⁹ Mainly cash and cash equivalents, and investments that each represents a less than 20% interest in a listed company.

¹⁷ As at or for year ended 31 March.

¹⁸ 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.

¹⁹ 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.

²⁰ Consists of divestments, dividend income, income from investments and interest income.

²¹ 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.

²² 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. In particular, credit ratings are not intended for use by retail investors, and retail investors should not consider the credit ratings in making any investment decision. 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.

Table of Contents

Definitions and Interpretation	viii
Summary	1
Risk factors	21
Use of proceeds	31
Capitalisation	32
Selected financial and other data	33
Management's discussion and analysis of financial condition and results of operations	38
Business of Temasek	49
Board and management	65
The Issuer	78
Terms and conditions of the Notes	81
Form of Notes	110
Certain tax considerations	112
Plan of distribution	116
Notice to purchasers and holders of Registered Notes and transfer restrictions	124
Legal matters	125
Credit ratings	126
Independent public accountants	128
Index to financial statements	129
Annex A — Global clearance and settlement	A-1
Annex B — Trading	B-1
Annex C — Form of Pricing Supplement	C-1
Annex D — Constitutional safeguards	D-1

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in “Definitions and Interpretation”.

Applications for the public offer tranche of Straight Notes and Post-Seasoning Notes are to be made by way of Electronic Applications, as specified in the relevant Pricing Supplement. Prospective investors who wish to apply for the public offer tranche of Straight Notes and Post-Seasoning Notes must have a direct Securities Account with The Central Depository (Pte) Limited (“CDP”) or a securities sub-account and/or investment account with a Depository Agent. Further information will be set out in “Terms and Conditions for Electronic Applications” to be appended to the relevant Pricing Supplement.

Application may be made to the Central Provident Fund (“CPF”) Board for Straight Notes, Seasoned Notes and Post-Seasoning Notes to be included as an investment under the CPF Investment Scheme — Ordinary Account (“CPFIS-OA”). If approval from the CPF Board is obtained, investors may use up to 35% of investible savings in their CPF Ordinary Account (a) to apply for the public offer tranche of the Notes or (b) to purchase the Notes from the market thereafter. The relevant Pricing Supplement will indicate whether prospective investors who are members of the CPF in Singapore may use their CPF Ordinary Account savings to purchase such Notes.

Prospective investors **CANNOT** use their SRS Funds to apply for the initial offer of Straight Notes and Post-Seasoning Notes. Investors with Supplementary Retirement Scheme (“SRS”) accounts should consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase such Notes from the market after the completion of the offer and the listing of such Notes on the SGX-ST using SRS Funds.

In making an investment decision, investors must rely on their own examination of the Issuer and Temasek, the terms of the Programme and any of the terms and conditions of any series of Notes offered thereunder. By receiving this Offering Circular and the relevant Product Highlights Sheet (if any), investors acknowledge that (i) they have not relied on the Arranger, any Dealer, the Trustee, any Agent or any person affiliated with the Arranger, any Dealer, the Trustee or any Agent in connection with their investigation of the accuracy of any information in this Offering Circular or the relevant Product Highlights Sheet (if any) or their investment decision and (ii) 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 the relevant Product Highlights Sheet (if any) 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 Arranger, the Dealers, the Trustee or the Agents.

Certain information in this Offering Circular and the relevant Product Highlights Sheet (if any) 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 such documents or publicly available information is incorporated by reference in this Offering Circular or the relevant Product Highlights Sheet (if any). 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 or the relevant Product Highlights Sheet (if any). 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 “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 either this Offering Circular or the relevant Product Highlights Sheet (if any). Consequently, the financial information

disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) 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, any Pricing Supplement or any Product Highlights Sheet and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular, any Pricing Supplement or any Product Highlights Sheet comes are required by the Issuer, Temasek, the Arranger 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, any Pricing Supplement and/or any Product Highlights Sheet, see "Plan of distribution", "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.

None of the Arranger, the Dealers, the Trustee 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 any Product Highlights Sheet or for any statement made or purported to be made by the Arranger, a Dealer, the Trustee or an Agent or on its behalf in connection with the Issuer, Temasek or the issue and offering of the Notes. The Arranger, each Dealer, the 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 and any Product Highlights Sheet or any such statement. None of this Offering Circular, any Product Highlights Sheet 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 Arranger, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular or any Product Highlights Sheet 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 any Product Highlights Sheet, 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 (other than Straight Notes and Post-Seasoning 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. 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 only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Any series of Notes may be subject to additional selling restrictions. Any additional restrictions on the sale or transfer of any series of Notes will be specified in the relevant Pricing Supplement for such Notes.

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: In respect of offers made pursuant to Sections 274 and/or 275 of the SFA, this Offering Circular has not been registered as a prospectus with 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.

In respect of offers made pursuant to the Exemption Regulations for Straight Debentures, this Offering Circular has not been registered as a prospectus with 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 (including, without limitation, the Product Highlights Sheet) 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 persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Straight Debentures.

In respect of offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures, this Offering Circular has not been registered as a prospectus with 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 (including, without limitation, the Product Highlights Sheet) 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 persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Post-Seasoning Debentures.

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.

Notes of each series (as described in “Summary — Summary of the Programme”) to be issued in bearer form 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 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 Notes (“Definitive 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”) will initially be represented by interests in a global Certificate, without interest coupons (each a “Global Certificate”), 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. Beneficial interests in a Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by CDP, Euroclear or Clearstream. See “Annex A — Global clearance and settlement”. Individual definitive Certificates (“Definitive Certificates”) will otherwise only be available in certain limited circumstances as described herein.

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

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

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or

otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor in the EEA 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 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor in the UK means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

The Issuer has undertaken to immediately disclose to the SGX-ST via SGXNET information which may have a material effect on the price or value of the Notes or on an investor’s decision whether to trade in the 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 FS160 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. In addition, a majority of the Issuer’s and Temasek’s 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. 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 judgments obtained in courts outside Singapore and outside such other jurisdictions. Judgments of foreign courts based upon the civil liability provisions of

foreign securities laws 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 foreign securities laws.

Forward-looking statements

Certain statements in this Offering Circular and the relevant Product Highlights Sheet (if any) 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 D — Constitutional safeguards”, “Business of Temasek” and “Board and management”. These forward-looking statements speak only as at the date of this Offering Circular or the date of the relevant Product Highlights Sheet (if any), as the case may be. 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.

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 and the Issuer 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.

Definitions and Interpretation

For the purpose of this Offering Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“Adyen”	: Adyen NV
“Agency Agreement”	: The agency agreement dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the Issuer, the Guarantor, the Trustee and the Agents
“Agents”	: The agents named in the Agency Agreement
“AIA”	: AIA Group Limited
“Alibaba”	: Alibaba Group Holding Limited
“Arranger”	: DBS Bank Ltd.
“A.S. Watson”	: A.S. Watson Holdings Limited
“ATM”	: Automated teller machine
“ATM Electronic Application”	: Application made by way of ATMs belonging to the relevant Participating Banks in accordance with the terms and conditions of this Offering Circular and the relevant Pricing Supplement
“Avanda Global”	: Avanda Global Multi-Asset Fund
“Azalea”	: Azalea Asset Management Pte. Ltd.
“Bank Danamon”	: PT Bank Danamon Indonesia Tbk
“Bearer Notes”	: Notes in bearer form
“BlackRock”	: BlackRock, Inc.
“C Rules”	: 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 U.S. Internal Revenue Code
“CapitaLand”	: CapitaLand Limited
“CCB”	: China Construction Bank Corporation
“CDP”	: The Central Depository (Pte) Limited
“Certificate”	: A registered certificate representing one or more Registered Notes of the same series, being substantially in the form set out in the Trust Deed and, save as provided in the terms and conditions of the Notes, comprising the entire holding by a holder of Registered Notes of that series
“China”	: People’s Republic of China
“CLA”	: CLA Real Estate Holdings Pte. Ltd.
“Clearstream”	: Clearstream Banking S.A.
“Constitution”	: The Constitution of Singapore
“Coupon”	: Interest coupons relating to interest bearing Bearer Notes
“Couponholders”	: The holders of the Coupons
“CPF”	: Central Provident Fund
“CPFIS-OA”	: CPF Investment Scheme – Ordinary Account
“CUSIP”	: Committee on Uniform Securities Identification
“D Rules”	: Rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code

“DBS”	: DBS Group Holdings Ltd
“Dealers”	: Persons appointed as dealers under the Programme
“Definitive Certificates”	: Registered Notes in definitive form
“Definitive Notes”	: Bearer Notes in definitive form
“Depository Services Agreement”	: The agreement entered into with CDP setting out the terms and conditions for the provision of depository services by CDP
“Directors”	: The directors of the Issuer and/or Temasek, as the case may be
“Electronic Application”	: An ATM Electronic Application, an Internet Electronic Application and other electronic means as may be specified in the “Terms and Conditions for Electronic Applications” to be appended to the relevant Pricing Supplement in respect of the public offer tranche of Straight Notes and Post-Seasoning Notes
“EU”	: The European Union
“EUR” or “Euros”	: The lawful currency of certain nations within the European Union
“Euroclear”	: Euroclear Bank SA/NV
“Exchange Date”	: The date that is 40 days after the later of the Issue Date and the completion of the distribution of the Notes, on which interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note
“Exemption Regulations for Post-Seasoning Debentures”	: Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016, as amended or modified from time to time
“Exemption Regulations for Straight Debentures”	: Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016, as amended or modified from time to time
“FRS”	: Singapore Financial Reporting Standards
“Fullerton Financial Holdings”	: Fullerton Financial Holdings Pte. Ltd.
“FVTPL”	: Fair value through profit or loss
“GDP”	: Gross domestic product
“Global Certificate”	: A global Certificate representing Registered Notes of one or more tranches of the same series
“Global Note”	: A global Note representing Bearer Notes of one or more tranches of the same series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note
“Government”	: The Government of Singapore
“Group”	: References to an entity’s “Group” are to that entity together with its subsidiaries, taken as a whole
“Guarantee”	: The guarantee given by the Guarantor as set out in the Trust Deed
“Guarantor”	: Temasek Holdings (Private) Limited
“Hong Kong dollars”	: The lawful currency of Hong Kong
“ICBC”	: Industrial and Commercial Bank of China Limited

“IFRS”	: International Financial Reporting Standards
“Indian rupees”	: The lawful currency of India
“Institutional Investor”	: Has the same meaning ascribed to it in Section 4A of the SFA
“Internet Electronic Application”	: Application made by way of the internet banking websites of the relevant Participating Banks in accordance with the terms and conditions of this Offering Circular and the relevant Pricing Supplement
“ISIN”	: International Securities Identification number
“Issue Date”	: The date of issue of the Notes
“Issuer”	: Temasek Financial (IV) Private Limited
“ITA”	: Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
“Lan Ting”	: Lan Ting Holdings Pte. Ltd.
“Mapletree”	: Mapletree Investments Pte Ltd
“MAS”	: The Monetary Authority of Singapore
“MOF”	: The Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore
“Moody’s”	: Moody’s Investors Service, Inc.
“MTM”	: Mark-to-market
“Noteholders”	: The holders of the Notes
“Notes”	: The notes to be issued by the Issuer under the Programme
“Olam”	: Olam International Limited
“Participating Banks”	: The banks which are named as “Participating Banks” in the relevant Pricing Supplement in respect of an offer of Straight Notes or Post-Seasoning Notes
“PavCap”	: PavCap I Feeder No. 1 LP
“per cent.” or “%”	: Per centum or percentage
“Permanent Global Note”	: A Global Note representing Bearer Notes of one or more tranches of the same series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in the Trust Deed
“Ping An”	: Ping An Insurance (Group) Company of China, Ltd.
“portfolio companies”	: Companies in which Temasek holds an interest, directly and/or indirectly, through one or more Investment Holding Companies
“Post-Seasoning Notes”	: Notes offered to (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to the Exemption Regulations for Post-Seasoning Debentures after the end of the Seasoning Period pursuant to one or more re-taps
“Pricing Supplement”	: In relation to a series of Notes, a pricing supplement, to be read in conjunction with this Offering Circular, specifying the relevant issue details in relation to such series of Notes

“Product Highlights Sheet”	: The product highlights sheet to be prepared in relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes
“Programme”	: The S\$5,000,000,000 Guaranteed Medium Term Note Programme of the Issuer
“Programme Agreement”	: The programme agreement dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the Issuer, the Guarantor, the Arranger and the Dealers named therein
“PSA”	: PSA International Pte Ltd
“QDS”	: Qualifying debt securities
“Receipt”	: Receipts for the payment of instalments of principal relating to Bearer Notes of which the principal is payable in instalments
“Registered Notes”	: Notes in registered form
“Regulation S”	: Regulation S under the Securities Act
“REIT”	: Real estate investment trust
“Relevant Person”	: Has the same meaning ascribed to it in Section 275(2) of the SFA
“Renminbi”	: The lawful currency of the People’s Republic of China
“Retail Investors”	: Investors in Singapore who are not Institutional Investors or Relevant Persons
“re-tap”	: In relation to offers under the Seasoning Framework, an issuance of new Notes after the end of the Seasoning Period that has the same terms (except for price, original tenor, size and date of issuance) and form the same series as the Notes initially issued to Specified Investors only
“S\$”, “SGD” or “Singapore dollars”	: The lawful currency of the Republic of Singapore
“S&P”	: S&P Global Ratings, a division of The McGraw-Hill Companies, Inc.
“Seasoned Notes”	: Notes offered under the Seasoning Framework which were initially issued to Specified Investors only and which have been successfully seasoned for trading by Retail Investors
“Seasoning Framework”	: The framework for offer of notes provided for by Part VI of Chapter 3 of the Listing Manual of the SGX-ST and the Exemption Regulations for Post-Seasoning Debentures
“Seasoning Period”	: In relation to Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework, the six-month period from the date of listing on the SGX-ST of the initial Notes issued to Specified Investors only
“Seatown Feeder Fund”	: Seatown Singapore Feeder Fund LP
“Seatown Holdings”	: Seatown Holdings International Pte. Ltd.
“Securities Account”	: Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities Act”	: U.S. Securities Act of 1933, as amended or modified from time to time
“Sembcorp”	: Sembcorp Industries Ltd
“Seviora”	: Seviora Holdings Pte. Ltd.

“SFA”	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SFRS(I)”	: Singapore Financial Reporting Standards (International)
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“SGXNET”	: The network of the SGX-ST, a system network used by listed companies in sending information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
“SIA”	: Singapore Airlines Limited
“Singapore”	: The Republic of Singapore
“Singapore Companies Act”	: Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Singtel”	: Singapore Telecommunications Limited
“SP Group”	: Singapore Power Limited
“Specified Currency”	: Such currency as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Pricing Supplement
“Specified Denomination”	: Such denomination of Notes indicated in the relevant Pricing Supplement
“Specified Investors”	: Persons specified under Section 274 or Section 275 of the SFA (or such equivalent terms in the relevant jurisdictions where the Notes are subscribed)
“SRS”	: Supplementary Retirement Scheme
“SRS Funds”	: Moneys contributed to SRS accounts under the SRS
“ST Engineering”	: Singapore Technologies Engineering Ltd
“ST Telemedia”	: Singapore Technologies Telemedia Pte Ltd
“Stabilising Manager(s)”	: The Dealer(s) named as stabilising manager(s) in the relevant Pricing Supplement
“Standard Chartered”	: Standard Chartered PLC
“Sterling” or “GBP”	: The lawful currency of the United Kingdom
“Straight Notes”	: Notes which are offered pursuant to the Exemption Regulations for Straight Debentures
“sub-20% investments”	: Investments in which Temasek holds a stake of less than 20%
“Summer Bloom”	: Summer Bloom Investments Pte Ltd
“TEFRA”	: Tax Equity and Fiscal Responsibility Act of 1982
“Temasek”	: As the context requires, Temasek Holdings (Private) Limited individually or Temasek Holdings (Private) Limited and its Investment Holding Companies collectively
“Temasek Bonds”	: Notes that may be issued under the Programme and Temasek Financial (I) Limited’s US\$25 billion Guaranteed Global Medium Term Note Programme
“Temasek Group”	: Temasek together with its subsidiaries, taken as a whole
“Temasek International”	: Temasek International Pte. Ltd.
“Temporary Global Note”	: A Global Note representing Bearer Notes of one or more tranches of the same series, being substantially in the form set out in the Trust Deed

“TJ (III)”	:	TJ Holdings (III) Pte. Ltd.
“Trust Deed”	:	The trust deed dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the Issuer, the Guarantor and the Trustee
“Trustee”	:	DBS Trustee Limited
“UK”	:	The United Kingdom
“US\$”, “USD” or “U.S. dollars”	:	The lawful currency of the United States of America
“U.S.”, “USA” or “United States”	:	The United States of America
“U.S. Internal Revenue Code”	:	United States Internal Revenue Code of 1986, as amended
“WuXi AppTec”	:	WuXi AppTec Co., Ltd.
“WuXi Biologics”	:	WuXi Biologics (Cayman) Inc.

The terms “Depositor” and “Depository Agent” have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular, where applicable, include the plural and *vice versa*. Words importing the masculine gender, where applicable, include the feminine and neuter genders and *vice versa*. References to persons include corporations.

Any reference to a time of day and dates in this Offering Circular is a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Singapore Companies Act, the SFA, the ITA, the Securities Act, TEFRA or the U.S. Internal Revenue Code or any amendment or modification thereof and not otherwise defined in this Offering Circular, where applicable, has the same meaning ascribed to it under the Singapore Companies Act, the SFA, the ITA, the Securities Act, TEFRA or the U.S. Internal Revenue Code or such amendment or modification thereof, as the case may be.

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 “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.

“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, 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.

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 “Definitions and Interpretation” on page viii. To understand the terms of the Notes, investors should carefully read the section of this Offering Circular entitled “Terms and conditions of the Notes”, 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 13 offices in nine countries.

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

Temasek’s Net Portfolio Value amounted to S\$381 billion as at 31 March 2021, compared to S\$306 billion and S\$313 billion as at 31 March 2020 and 2019, respectively.

As at 31 March 2021, approximately 27% of Temasek’s Net Portfolio Value was in China, 24% in Singapore, 20% in the Americas, 13% in rest of Asia, 12% in Europe, Middle East & Africa and 4% in Australia & New Zealand.

As at 31 March 2021, Temasek’s top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media & technology and transportation & industrials, which comprised 24%, 21% and 19%, 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 2021. 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 that are expected to deliver sustainable returns over the long term. 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, theme 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 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.

A common thread which cuts across the investment themes is Temasek's focus on investing in companies with competitive strengths and distinctive advantages, and the potential to scale beyond their home markets.

In applying these themes, Temasek looks at investments factoring in four key structural trends to shape its long term portfolio construction and guide its investment activity:

- *Digitisation* — Digital technologies are changing end-user business models and leading a sweeping impact across sectors;
- *Sustainable Living* — Eco-conscious solutions are benefitting from sustainability tailwinds, driven by consumer and industrial demand and regulatory changes;
- *Future of Consumption* — Consumption patterns and spend categories are shifting, driven by growing affluence in emerging markets and global demographic forces; and
- *Longer Lifespans* — Markets and industries are developing to meet evolving needs to support quality of longer lives.

Temasek believes digitisation and sustainable living will have a pervasive impact across many sectors. Future of consumption and longer lifespans reflect structural shifts in consumption patterns and growing needs of longevity. Temasek expects to reshape its portfolio increasingly in line with these trends.

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 also takes into account any illiquidity or early stage risks in its risk-adjusted cost of capital.

Temasek's Sustainability Approach

Sustainability is at the core of Temasek's business. Temasek is committed to activating financial, human, natural and social capital to catalyse solutions for a better world and to deliver sustainable returns over the long term. This commitment drives Temasek's focus as an investor, institution and steward.

As an investor, Temasek incorporates environmental, social and governance ("ESG") considerations into its investment decision-making and management. Temasek applies various tools, including an internal carbon price, to assess the possible climate transition impact and to further guide its investment decisions. Temasek's ESG considerations enhance existing investment practices, support investment decision making and safeguard Temasek's reputation. It is well aligned with its objective of generating sustainable returns by investing with a long term view, and frames its engagement with its portfolio companies and fund managers on sustainability priorities. Temasek also looks for opportunities to invest in companies addressing global sustainability challenges, and to help companies transform business models to be more sustainable.

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 is committed to reducing carbon emissions and its overall environmental impact. Since 2020, Temasek has delivered on its pledge to achieve carbon neutrality in its operations. Its total emissions have been offset through recognised and certified carbon offset projects. This is a plan Temasek looks to execute and commit to every year. Temasek also seeks to build a resilient organisation by developing people, capabilities and processes around sustainability and good governance and a sense of purpose.

As a steward, Temasek fosters community partnerships and provides philanthropic gifts to Temasek Trust that seek to uplift lives and build resilience in communities. Temasek supports the sharing of insights and best practices on sustainable development, with the aim of building a sustainable ecosystem across its portfolio with partners from business, government and civil society.

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 solutions and growth.

Investing for Impact and Returns

Temasek seeks to do its part to mitigate and address climate change. Temasek remains committed to its targets to reduce its net portfolio emissions to half of 2010 levels by 2030. Temasek will continue to work towards its ambition for net zero portfolio emissions by 2050.

To drive progress on the climate and carbon front, Temasek has defined a three-pronged approach:

1. Investing in climate-aligned opportunities

Temasek actively seeks out investments with track records of better carbon intensity and efficiency. Temasek is also prepared to work with companies to support their own decarbonisation journeys. These mitigate climate change with clear transition pathways.

2. Enabling carbon negative solutions

Temasek looks to enable carbon negative solutions, such as carbon capture, utilisation and storage as well as nature-based solutions, as and when these become feasible.

3. Encouraging decarbonisation efforts in businesses

Temasek has advanced its dialogue with key portfolio companies on their climate strategies and emissions reduction plans. Together with its portfolio companies, Temasek exchanges knowledge and tools for carbon measurement, physical climate risk assessments and climate-related disclosures according to international standards. Temasek continues to learn and add tools for an evidence-based approach to encourage carbon abatement.

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 27 August 2015. 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 Trust Deed relating to the Notes. The terms and conditions of the Programme Agreement and the Trust Deed 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 (IV) Private Limited
Guarantor	Temasek Holdings (Private) Limited
Description	S\$5,000,000,000 Guaranteed Medium Term Note Programme
Arranger	DBS Bank Ltd.
Dealers	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited
Trustee	DBS Trustee Limited
Issuing and Paying Agent, Paying Agent, Calculation Agent, Transfer Agent and Registrar	DBS Bank Ltd.
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 Singapore dollars, the equivalent amount in another currency determined in accordance with the Programme Agreement) of Notes outstanding at any time shall not exceed S\$5,000,000,000 (or the equivalent in other currencies) which amount may be increased pursuant to the Programme Agreement.

As at the date of this Offering Circular, S\$500,000,000 in aggregate principal amount of 2.70% Guaranteed Notes due 2023 have been issued under the Programme and remain outstanding.

Notes	Notes to be issued under the Programme may be: <ol style="list-style-type: none"> (1) Offered pursuant to Sections 274 and/or 275 of the SFA to Specified Investors (or such equivalent terms in other jurisdictions). (2) Offered pursuant to the Exemption Regulations for Straight Debentures, being Straight Notes which are offered to (a) Retail Investors and (b) either Institutional Investors or Relevant Persons or both. <p>Only Notes which fall within the definition of “straight debenture” in the Exemption Regulations for Straight Debentures may be offered pursuant to the Exemption Regulations for Straight Debentures. As such, Notes offered pursuant to the Exemption Regulations for Straight Debentures must fulfil the following requirements:</p> <ol style="list-style-type: none"> (i) have a fixed term that does not exceed 10 years;
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- (ii) provide for repayment of the principal sum at the end of the fixed term;
- (iii) have periodic interest payments which cannot be deferred;
- (iv) carry a fixed rate of interest, or a floating rate of interest comprising a reference rate and a fixed spread which cannot be decreased (the sum of which may not be less than zero);
- (v) are not convertible into or exchangeable for other securities or securities-based derivatives contracts, equity interests or property, nor attached with options, warrants or similar rights to subscribe for or purchase other securities or securities-based derivatives contracts, equity interests or property;
- (vi) are not redeemable before the end of the fixed term except in the circumstances referred to below;
- (vii) are not asset-backed securities within the meaning of Section 262 of the SFA, or a structured note;
- (viii) are not subordinated to any other debt obligation of the Issuer or the Guarantor; and
- (ix) cannot be written off, whether in whole or in part, except with the approval of a minimum percentage of holders of Notes of the same issue as those Notes, as specified in the terms and conditions of the Notes.

The applicable circumstances referred to in (2)(vi) above are:

- (a) the Notes become redeemable when either the Issuer or the Guarantor incurs or will incur additional taxes, duties or government charges imposed, levied, collected, withheld or assessed by any authority of any country or territory in relation to the Notes, due to (i) a change in a law, regulation, ruling, treaty or administrative pronouncement; or (ii) a change in the application or interpretation of any of the matters mentioned in sub-paragraph (i), and the redemption is for an amount that is at least equal to the sum of the principal amount at par and accrued interest; and
- (b) the redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par; and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

In relation to each offer of Straight Notes, not less than 20% of the Straight Notes are to be issued to Institutional Investors and/or Relevant Persons (excluding any amount of Straight Notes issued or to be issued to the lead manager, arranger and underwriter of the offer for their own accounts).

As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for

Straight Debentures. There is no assurance that the Guarantor will continue to meet the criteria for exemption.

(3) Offered under the Seasoning Framework.

Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be issued to Specified Investors only and cannot be sold to non-Specified Investors before the end of the Seasoning Period. Such Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned. If successfully seasoned, after the end of the Seasoning Period, pursuant to the Exemption Regulations for Post-Seasoning Debentures, Post-Seasoning Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to one or more re-taps. The aggregate value of Post-Seasoning Notes issued to Retail Investors through re-taps must not exceed 50% of the total value of the Notes initially issued to Specified Investors only (excluding any amount of Notes issued to the lead manager, arranger and underwriter of the offer for their own accounts).

Only Notes which fall within the definition of “seasoned debenture” in the Exemption Regulations for Post-Seasoning Debentures may be seasoned for trading by Retail Investors.

As such, Notes intended to be seasoned for trading by Retail Investors must fulfil the following requirements:

- (i) have a fixed term that does not exceed 10 years;
- (ii) provide for repayment of the principal sum at the end of the fixed term;
- (iii) have periodic interest payments which cannot be deferred;
- (iv) carry a fixed rate of interest, or a floating rate of interest comprising a reference rate and a fixed spread which cannot be decreased (the sum of which may not be less than zero);
- (v) are not convertible into or exchangeable for other securities or securities-based derivatives contracts, equity interests or property, nor attached with options, warrants or similar rights to subscribe for or purchase other securities or securities-based derivatives contracts, equity interests or property;
- (vi) are not redeemable before the end of the fixed term except in the circumstances referred to below;
- (vii) are not asset-backed securities within the meaning of Section 262 of the SFA, or a structured note;
- (viii) are not subordinated to any other debt obligation of the Issuer or the Guarantor;
- (ix) cannot be written off, whether in whole or in part, except with the approval of a minimum percentage of

holders of Notes of the same issue as those Notes, as specified in the terms and conditions of the Notes;

- (x) were issued pursuant to an offer made in reliance on an exemption under Sections 274 and/or 275 of the SFA;
- (xi) were part of an issue of Notes the size of which was not less than S\$150 million (or its equivalent in a foreign currency);
- (xii) are listed for quotation on the SGX-ST; and
- (xiii) are made available for trading by investors (including Retail Investors) on the SGX-ST pursuant to the listing rules of the SGX-ST and only after their Seasoning Period.

The applicable circumstances referred to in (3)(vi) above are:

- (a) the Notes become redeemable when either the Issuer or the Guarantor incurs or will incur additional taxes, duties or government charges imposed, levied, collected, withheld or assessed by any authority of any country or territory in relation to the Notes, due to (i) a change in a law, regulation, ruling, treaty or administrative pronouncement; or (ii) a change in the application or interpretation of any of the matters mentioned in sub-paragraph (i), and the redemption is for an amount that is at least equal to the sum of the principal amount at par and accrued interest; and
- (b) the redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par; and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for Post-Seasoning Debentures. There is no assurance that the Guarantor will continue to meet the criteria for exemption.

In each case, Notes will only be offered to non-U.S. persons in offshore transactions (in each case, as defined in Regulation S) in reliance on Regulation S.

Distributions and Application and Payment Procedures

Notes offered to Specified Investors only will be offered from time to time by the Issuer through the Dealers. The Issuer may sell such Notes to the Dealers acting as principals for resale to investors or other purchasers and may also sell Notes directly on its own behalf. Such Notes may be distributed on a syndicated or non-syndicated basis. See "Plan of distribution".

In relation to a series of Straight Notes or Post-Seasoning Notes, one or more Dealers may agree with the Issuer and the Guarantor to procure subscribers for such Notes which are offered (or intended to be offered) to, *inter alia*, Retail Investors on an underwritten basis.

Offers of Straight Notes will comprise a public offer tranche and a placement tranche. Offers of Post-Seasoning Notes may comprise a public offer tranche only or a public offer tranche and a placement tranche.

Applications for the placement tranche of Straight Notes and Post-Seasoning Notes are to be made directly through the relevant Dealer(s) for that series, who will determine, at their discretion, the manner and method for applications. Payment for such Notes is to be made in full on or about the Issue Date, unless otherwise agreed by the Issuer and the relevant Dealer(s).

Applications for the public offer tranche of Straight Notes and Post-Seasoning Notes are to be made by way of Electronic Applications, as specified in the relevant Pricing Supplement. Further information will be set out in “Terms and Conditions for Electronic Applications” to be appended to the relevant Pricing Supplement. The relevant Pricing Supplement will also set out the period during which the offer will be kept open. Payment for such Notes is to be made in full upon application.

In relation to offers of Straight Notes and Post-Seasoning Notes, the Issuer, the Guarantor and the relevant Dealer(s) reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained.

In relation to the offers of Straight Notes and Post-Seasoning Notes, the Issuer will announce the outcome of the offer, and where appropriate, the level of subscription, the basis of allocation and allotment and the subscription rate for the offer, prior to the listing of such Notes on the SGX-ST.

The expenses incurred in connection with the offer of the Notes will not be specifically charged to subscribers for the Notes, unless otherwise disclosed in the relevant Pricing Supplement.

Eligibility under CPF Investment Scheme and Supplementary Retirement Scheme

Application may be made to the CPF Board for Straight Notes, Seasoned Notes and Post-Seasoning Notes to be included as an investment under the CPFIS-OA. If approval from the CPF Board is obtained, investors may use up to 35% of investible savings in their CPF Ordinary Account (a) to apply for the public offer tranche of the Notes or (b) to purchase the Notes from the market thereafter. The relevant Pricing Supplement will indicate whether prospective investors who are members of the CPF in Singapore may use their CPF Ordinary Account savings to purchase such Notes.

Prospective investors **CANNOT** use their SRS Funds to apply for the initial offer of Straight Notes and Post-Seasoning Notes. Investors with SRS accounts should consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase such Notes from the market after the completion of the offer and the listing of such Notes on the SGX-ST using SRS Funds.

Currencies

Euros, Renminbi, Singapore dollars, Sterling, U.S. dollars and, subject to compliance with all relevant laws, regulations and directives, such other Specified Currencies as may be agreed

between the Issuer and the relevant Dealer(s) and specified in the relevant Pricing Supplement.

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.

In relation to Notes offered under the Seasoning Framework, after the end of the Seasoning Period, pursuant to the Exemption Regulations for Post-Seasoning Debentures, new Notes forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to one or more re-taps. Each such re-tap of Notes will have the same terms (except for price, original tenor, size and date of issuance) as the Notes initially issued to Specified Investors only.

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, provided that Straight Notes and Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework must not have a maturity of less than one year.

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. For each series of Notes, the Issue Price will be determined by the Issuer in consultation with the relevant Dealer(s) and where applicable, after a bookbuilding process.

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 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 rules in substantially the same form as the D Rules unless otherwise stated in the relevant Pricing Supplement.

Each series of Registered Notes will, unless otherwise specified in the relevant Pricing Supplement, be represented by a Global Certificate, 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 depositary for, and registered in the name of a nominee 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 Global Certificate of such series may be held only through CDP, Euroclear or Clearstream. Global Certificates will be exchangeable for Definitive Certificates only in the limited circumstances more fully described in “Annex A — Global clearance and settlement”.

Application will be made to have Notes of any series accepted for clearance and settlement through the facilities of CDP and/or Euroclear and Clearstream, as appropriate. 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 “Terms and conditions of the Notes”. 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 or governmental charges (“Taxes”) imposed by or for the account of Singapore (as described in “Terms and conditions of the Notes — 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 “Terms and conditions of the Notes — Taxation”, be required to pay such additional amounts as are necessary to enable holders of Notes not denominated in Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. No such additional amount shall be payable in relation to Notes denominated in

Singapore dollars. See “Terms and conditions of the Notes — 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 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 Specified Denominations indicated in the relevant Pricing Supplement, 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 (other than Straight Notes and Notes offered under the Seasoning Framework) shall be issued in minimum denominations of S\$200,000 (or its equivalent in any other currency) and higher integral multiples of S\$1,000 (or its equivalent as aforesaid).

Unless otherwise stated in the relevant Pricing Supplement, Notes initially issued to Specified Investors only under the Seasoning Framework shall be issued in minimum denominations of S\$200,000 (or its equivalent in any other currency) and higher integral multiples of S\$1,000 (or its equivalent as aforesaid). If successfully seasoned, after the end of the Seasoning Period, such Notes (being Seasoned Notes) will (without the consent of the Trustee, the Noteholders or the Couponholders) be re-denominated to denominations of S\$1,000 (or its equivalent in the relevant currency), unless otherwise stated in the relevant Pricing Supplement.

Unless otherwise stated in the relevant Pricing Supplement, Straight Notes shall be issued in denominations of S\$1,000 (or its equivalent in any other currency).

The Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, 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 “Terms and conditions of the Notes — Form, Denomination and Title”. Prospective investors 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 “Terms and conditions of

the Notes — Consolidation, Merger and Sale of Assets and Substitution” 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 “Terms and conditions of the Notes — Redemption, Purchase and Options — Redemption for Taxation Reasons”.

The Notes 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 (which, unless otherwise specified in the Pricing Supplement, 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), 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.

Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes may only provide for:

- (a) redemption for certain taxation reasons set forth in “Terms and conditions of the Notes — Redemption, Purchase and Options — Redemption for Taxation Reasons”; and
- (b) redemption at the option of the Issuer as set forth in “Terms and conditions of the Notes — Redemption, Purchase and Options — Redemption at the option of the Issuer” where redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par, and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

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.

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 <i>pari passu</i> among themselves and at least <i>pari passu</i> 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. Unlisted series of Notes may also be issued pursuant to the Programme, provided that for so long as the rules of the SGX-ST, the Exemption Regulations for Straight Debentures and/or the Exemption Regulations for Post-Seasoning Debentures (as the case may be) require, all issues of Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes are to be listed on the SGX-ST. 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.
Trading of the Notes	Save as disclosed below, 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). Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be issued to Specified Investors only and traded in board lot sizes of at least S\$200,000 (or its equivalent in foreign currencies). After the end of the Seasoning Period and after receiving confirmation

from the SGX-ST that the Notes are eligible for trading by Retail Investors, subject to fulfilment of the applicable conditions and provided the Issuer does not withdraw the Notes from the Seasoning Framework, the Notes will be seasoned for trading by Retail Investors and such Seasoned Notes will commence trading on the Main Board of the SGX-ST in board lot sizes of S\$1,000 (or its equivalent in foreign currencies).

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Straight Notes will comprise S\$1,000 (or its equivalent in foreign currencies) in principal amount of such Notes.

In relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes, upon the listing of and quotation for such Notes on the Main Board of the SGX-ST, the Notes will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. In addition, settlement of the Notes may be effected over-the-counter in CDP. All dealings in and transactions (including transfers) of the Notes effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” are available from CDP.

Governing Law The Notes will be governed by, and construed in accordance with, the laws of Singapore and shall be issued under the Trust Deed.

Security Codes The Common Code and the ISIN for each series of Notes will be contained in the Pricing Supplement relating thereto. In addition, the Issuer will make an application with respect to any Global Certificate to be accepted for deposit by CDP, Euroclear or Clearstream, 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 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 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 2019, 2020 and 2021. The summary financial information for the Temasek Group as at and for the years ended 31 March 2019, 2020 and 2021 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto included elsewhere in this Offering Circular. The summary financial information for the Issuer as at and for the years ended 31 March 2020 and 2021 is set out in “The Issuer — Selected financial data for the Issuer”.

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 2021 and elected to early adopt *COVID-19-Related Rent Concessions (Amendment to IFRS 16)*. The effects of adoption of the new accounting standards are disclosed in note 2.6 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”.

Summary financial information for the Temasek Group

Summary income statement information

	Year ended 31 March		
	2019	2020	2021
		(S\$ million)	
Revenue	114,642	118,623	110,900
Net expenses ⁽¹⁾	(100,775)	(107,284)	(61,302)
Share of profit of associates and joint ventures, net of tax	4,807	3,877	6,877
Profit before tax	18,674	15,216	56,475
Tax expense	(2,777)	(2,900)	(2,277)
Profit for the year	15,897	12,316	54,198
(Profit)/Loss attributable to non-controlling interests	(4,069)	(3,478)	2,349
Profit attributable to equity holder of Temasek	<u>11,828</u>	<u>8,838</u>	<u>56,547</u>

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		
	2019	2020	2021
	(S\$ million)		
Profit for the year	15,897	12,316	54,198
Other comprehensive income			
Net change in fair value, net of tax, of:			
— Equity investments at fair value through other comprehensive income (“FVOCI”)	(270)	(67)	30
— Debt instruments at FVOCI	(23)	—	—
— Debt instruments at FVOCI reclassified to income statement	(4)	2	—
Others, net ⁽¹⁾	629	(3,137)	400
Total comprehensive income for the year	16,229	9,114	54,628
Total comprehensive income attributable to non-controlling interests	(3,578)	(1,399)	953
Total comprehensive income attributable to equity holder of Temasek	12,651	7,715	55,581

Note:

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

Summary balance sheet information

	As at 31 March		
	2019	2020	2021
	(S\$ million)		
Assets			
Property, plant and equipment	78,460	82,122	77,144
Investments in associates and joint ventures	85,001	87,215	94,081
Non-current financial assets and derivative financial instruments	134,057	137,344	184,837
Investment properties	56,318	98,095	94,266
Other assets ⁽¹⁾	36,460	48,704	48,561
Current assets	118,759	141,451	154,061
Total assets	509,055	594,931	652,950
Equity and Liabilities			
Equity attributable to equity holder of Temasek	283,541	290,503	347,529
Non-controlling interests	47,659	72,553	67,697
Non-current liabilities	103,021	139,060	152,276
Current liabilities	74,834	92,815	85,448
Total equity and liabilities	509,055	594,931	652,950

Note:

- (1) Comprises 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		
	2019	2020	2021
		(S\$ million)	
Cash flows from operating activities	15,825	17,377	7,305
Cash flows used in investing activities	(13,451)	(9,808)	(16,399)
Cash flows from financing activities	10,982	2,035	7,888
Net increase/(decrease) in cash and cash equivalents	13,356	9,604	(1,206)
Cash and cash equivalents at the beginning of the year	46,421	59,777	69,381
Cash and cash equivalents at the end of the year	59,777	69,381	68,175

Other financial information

	As at and for the year ended 31 March		
	2019	2020	2021
	(\$ million, except ratios and percentages)		
Net profit excluding unrealised mark-to-market ("MTM") gains or losses ⁽¹⁾	12,815	11,381	10,988
Adjusted EBITDA ⁽²⁾	30,620	31,777	25,249
Adjusted EBITDA interest coverage ⁽³⁾	8.2	6.7	5.4
Net debt ⁽⁴⁾	51,879	83,266	91,511
Net debt/Adjusted EBITDA ⁽⁵⁾	1.7	2.6	3.6
Net debt/capital ⁽⁶⁾ (%)	13.5	18.7	18.1

Notes:

(1) Since the adoption of IFRS 9 *Financial Instruments* ("IFRS 9") in the year ended 31 March 2019, Temasek records year-to-year changes in the market value of sub-20% investments as profits or losses in its income statement. To facilitate year-to-year comparisons of Temasek'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 gains or losses" is included in this Offering Circular and in note 42 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

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		
	2019	2020	2021
	(\$ million)		
Profit attributable to equity holder of Temasek	11,828	8,838	56,547
Add: Unrealised MTM losses on sub-20% investments*/Less: Unrealised MTM (gains) on sub-20% investments*	987	2,543	(45,559)
Net profit excluding unrealised MTM gains or losses	<u>12,815</u>	<u>11,381</u>	<u>10,988</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 42 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 for the year before finance expenses, tax expense, depreciation and amortisation of property, plant and equipment, right-of-use assets (after adoption of IFRS 16 *Leases* ("IFRS 16") in the year ended 31 March 2020) and intangible assets, and excluding unrealised MTM gains or 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 for the year to Adjusted EBITDA:

	Year ended 31 March		
	2019	2020	2021
	(\$ million)		
Profit for the year	15,897	12,316	54,198
Add: Finance expenses	3,715	4,743	4,688
Add: Tax expense	2,777	2,900	2,277
Add: Depreciation of property, plant and equipment	6,330	6,797	6,982
Add: Depreciation of right-of-use assets	—	1,451	1,521
Add: Amortisation of intangible assets	914	1,027	1,142
Add: Unrealised MTM losses on sub-20% investments*/Less: Unrealised MTM (gains) on sub-20% investments*	987	2,543	(45,559)
Adjusted EBITDA	<u>30,620</u>	<u>31,777</u>	<u>25,249</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 42 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		
	2019	2020	2021
	(\$ million)		
Total debt*	111,755	152,949	160,009
Less: Cash and cash equivalents (excluding bank overdrafts)	(59,876)	(69,683)	(68,498)
Net debt	<u>51,879</u>	<u>83,266</u>	<u>91,511</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 (some of which are familiar to investors generally but which have been included as additional guidance for Retail Investors).

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 2021, Temasek’s top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media & technology and transportation & industrials, which comprised 24%, 21% and 19%, respectively. In terms of geographic exposure, as at 31 March 2021, approximately 27% of Temasek’s Net Portfolio Value was in China, 24% in Singapore, 20% in the Americas, 13% in rest of Asia, 12% in Europe, Middle East & Africa and 4% in Australia & New Zealand. In particular, as at 31 March 2021, the top three countries were China, Singapore and the United States, which accounted for about 27%, 24% and 17% of Temasek’s Net Portfolio Value, respectively. As at 31 March 2021, Temasek’s top three investments were DBS, Singtel and Mapletree, which accounted for about 6%, 5% and 5% of Temasek’s Net Portfolio Value, respectively. As at 31 March 2021, Temasek’s top 10 companies accounted for about 34% of its Net Portfolio Value, and its liquid and listed assets comprised about 55% of its Net Portfolio Value, consisting of 38% of liquid assets and assets comprising investments that each represents a minority interest of less than 20% in a listed company, 7% 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 45% of Temasek’s Net Portfolio Value as at 31 March 2021, 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.

The novel coronavirus (“COVID-19”) pandemic and ensuing mobility restrictions around the world have had an unprecedented adverse impact on the global economy. Global markets experienced significant volatility on the back of lockdowns and widespread business closures in the first half of 2020. Policymakers around the world responded to the crisis through extraordinary fiscal and monetary policies, including through direct support, bridge financing to corporates and households as well as large-scale asset purchase programmes in a bid to prevent systemic financial risks from escalating. These decisive steps supported a rebound in financial markets from the trough in March 2020. Subsequent successes in vaccine trials and the conclusion of the U.S. elections in the fourth quarter of 2020 further boosted sentiment and raised expectations of a robust recovery. The International Monetary Fund (“IMF”) estimates that the global economy contracted 3.3% in 2020, the worst downturn since 1980, according to its April 2021 World Economic Outlook update. Despite the downturn, global equities as measured by the MSCI AC World Index gained 14% for the year, generating some concern over a disconnect between economic reality and risk asset performance.

Despite the rebound of financial markets in 2020 and optimism for global growth, a high degree of uncertainty over the global outlook remains, stemming from new COVID-19 variants with potentially worse virulence, the resurgence of the virus in certain countries, limited supply of vaccines, the

effectiveness of policy responses and evolving financial conditions, among other factors. There continues to be far-reaching impact of the COVID-19 pandemic on communities, with associated volatility in the global economy and disruptions to businesses. Case numbers globally remain high, although the experience in countries where vaccines are being deployed rapidly gives some cause for optimism. In emerging and low-income developing markets, the economic recovery is expected to be more challenged, especially given labour market structures where informal employment is more prevalent, work-from-home and teleworking arrangements are less viable, and access to vaccines and health care in general are more limited. There remains significant uncertainty over the potential long-term effects of the pandemic, including in relation to widening inequality. The pandemic has also exposed vulnerabilities in supply chain dependencies and accelerated the importance of technology. Outside of the pandemic, other macroeconomic, strategic, financial and political risks remain, including U.S.-China tensions and climate-related issues. In addition, risk assets entered 2021 with higher valuations than their historical levels and could also be vulnerable to shifts in sentiment, as well as changes in financial conditions as global central banks normalise monetary policy. Altogether, these risks 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 Base Erosion and Profit Shifting 2.0 requirements to allocate profits to market jurisdictions and payment of global minimum taxes, 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 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 D — 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

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. 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. As a result, it may not be possible for investors to enforce judgments against them or the Issuer or Temasek in courts outside Singapore and outside such other jurisdictions. In particular, investors should be aware that judgments of foreign courts based upon the civil liability provisions of foreign securities laws 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 foreign securities laws.

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 the Trustee 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 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.

Selling and 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, and may not be offered or sold in the United States or to, or for the account or benefit of U.S. persons. The Notes may be offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Noteholders may also not offer or sell the Notes in the United States or to, or for the account or benefit of U.S. persons. 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 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.

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.

Notes offered under the Seasoning Framework may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned or that successful seasoning of the Notes will result in increased trading liquidity in such Notes.

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). The Trust Deed pursuant to which the Notes will be issued does not contain 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 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 the London Interbank Offered Rate ("LIBOR"), Euro Interbank Offered Rate ("EURIBOR"), Singapore Interbank Offered Rate ("SIBOR") and Swap Offer Rate ("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", including as it forms part of UK domestic law by virtue of the EUWA) 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. On 5 March 2021, the United Kingdom Financial Conduct Authority (the “FCA”) announced that: (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021; (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023; (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the “IBA”) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021); and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023). 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 FCA, 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 FCA 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. On 5 March 2021, the FCA announced that certain LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after 31 December 2021 (or, in the case of some more frequently used U.S. Dollar LIBOR settings, immediately after 30 June 2023). Although the FCA does not expect LIBOR to become unrepresentative before the applicable cessation date and intends to consult on requiring the administrator of LIBOR to continue publishing LIBOR of certain currencies and tenors on a non-representative, synthetic basis for a period after the applicable cessation date, there is no assurance that LIBOR, of any particular currency or tenor, will continue to be published or be representative through any particular date.

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. The potential transition away from or the elimination of LIBOR, EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of, or result in other consequences in respect of, any Notes referencing such benchmark.

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.

The market value of the Notes may fluctuate

The trading price of the Notes may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Temasek Group and political, economic, financial and any other factors that can affect the capital markets, the industry sectors that Temasek's investment portfolio has exposure to and the Temasek Group generally. Adverse economic developments in Singapore as well as countries in which the Temasek Group operates or has business dealings could have a material adverse effect on the operating results and/or financial condition of the Temasek Group and the market value of the Notes. As a result, the market price of the Notes may be above or below their issue price.

The Trustee shall not be obliged to take any action on behalf of Noteholders if not indemnified and/or secured to its satisfaction

In certain circumstances (pursuant to Condition 9 (*Events of Default*) of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed, the terms and conditions of the Notes and applicable law, it will be for the Noteholders to take such action directly.

The terms and conditions of the Notes and the provisions of the Trust Deed may be modified

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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

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 2001 and 2020 for issuers with credit ratings of "Aaa", "Aa", "A", "Baa", "Ba", "B" and "Caa" to "C" were 0.00%, 0.03%, 0.07%, 0.20%, 0.53%,

2.13% and 11.18%, 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.

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

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

The performance of contractual obligations by the Issuer and/or the Guarantor is dependent on other parties

The ability of the Issuer and/or the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder, including the performance by the Trustee, the Registrar and/or the Issuing and Paying Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer and/or the Guarantor of their obligations to make payments in respect of the Notes, the Issuer and/or the Guarantor may not, in such circumstances, be able to fulfil their obligations to the Noteholders.

Consequences of non-availability of Definitive Certificates or Definitive Notes in respect of Notes cleared through CDP

The Notes will be in the form of a Global Certificate or Global Note, as the case may be, and no Definitive Certificates or Definitive Notes will be issued under any circumstances unless 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 and no alternative clearing system is available 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 Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system is available or an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the terms and conditions of the Notes has occurred and is continuing.

Prospective investors who wish to apply for the public offer tranche of Straight Notes and Post-Seasoning Notes must have a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. For the purpose of the initial allocation of such Notes, investors under the public offer tranche must already have, or must open, a direct Securities Account

with CDP or a securities sub-account and/or investment account with a Depository Agent. An investor's ability to pledge his interest in the Notes to any person or otherwise take action in respect of his interest may be affected by the lack of any Definitive Certificates or Definitive Notes, as the case may be.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Notes credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor's accounts maintained with it to secure any amounts which may be owing by such investor to it.

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by CDP or (ii) a Global Certificate and such Global Certificate is issued in the name of CDP, (a) notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and (b) notices to the holders of Bearer Notes shall be published in a daily newspaper of general circulation in Singapore (which is expected to be the *Business Times*) or so long as the Notes are listed on the SGX-ST, published on the website of the SGX-ST. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, for notices under (a) above, such investor will have to rely on his Depository Agent to distribute notices to him. The Issuer, the Guarantor, the Arranger, the Dealers and the Trustee accept no responsibility for any failure or delay on the part of the Depository Agents in doing so or in respect of the performance of the contractual duties of any Depository Agent to investors.

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by CDP or (ii) a Global Certificate and such Global Certificate is issued in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by CDP 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 Paying Agent, the Registrar, the Trustee and all other agents of the Issuer, the Guarantor and the Trustee as the holder of such principal amount of Notes standing to the account of such person for all purposes other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate or the bearer of the Global Note, as the case may be. Notes which are represented by the Global Certificate or Global Note, as the case may be, will be exchangeable or transferable only in accordance with the rules and procedures for the time being of CDP. Where the Notes are held by an investor in his direct Securities Account with CDP, payments from the Issuer in respect of the Notes will be credited through CDP. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. The Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Registrar, the Issuing and Paying Agent, the Paying Agent and any other agent accept no responsibility for any failure or delay on the part of the Depository Agents in doing so or in respect of the performance of the contractual duties of any Depository Agent to investors.

Holders of beneficial interests in a Global Certificate or Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled to appoint appropriate proxies. Similarly, holders of beneficial interests in a Global Certificate or Global Note will not have a direct right under the Global Certificate or Global Note to take enforcement action against the Issuer or the Guarantor except in certain limited circumstances in respect of the relevant Notes and will have to rely on their rights under the Trust Deed.

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 2021. The information has been extracted from the consolidated financial statements of Temasek as at 31 March 2021. The information on the Issuer's capitalisation as at 31 March 2021 is set out in "The Issuer—Capitalisation".

	As at 31 March 2021 (S\$ million)
Long term debt	
Total long term debt	<u>132,772</u>
Total equity	
Equity attributable to equity holder of Temasek	347,529
Non-controlling interests	<u>67,697</u>
Total equity	<u>415,226</u>
Capitalisation	<u><u>547,998</u></u>

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 2019, 2020 and 2021. The selected financial data for the Temasek Group as at and for the years ended 31 March 2019, 2020 and 2021 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto included elsewhere in this Offering Circular. The selected financial information for the Issuer as at and for the years ended 31 March 2020 and 2021 is set out in “The Issuer — Selected financial data for the Issuer”.

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 2021 and elected to early adopt *COVID-19-Related Rent Concessions (Amendment to IFRS 16)*. The effects of adoption of the new accounting standards are disclosed in note 2.6 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”.

Selected financial data for the Temasek Group

Selected income statement data

	Year ended 31 March		
	2019	2020	2021
		(S\$ million)	
Revenue	114,642	118,623	110,900
Cost of sales	(85,073)	(87,436)	(80,455)
Gross profit	29,569	31,187	30,445
Other income	7,204	7,253	56,424
Selling and distribution expenses	(3,391)	(3,512)	(2,439)
Administrative expenses	(8,389)	(8,393)	(11,341)
Finance expenses	(3,715)	(4,743)	(4,688)
Other expenses	(7,411)	(10,453)	(18,803)
Share of profit of associates, net of tax	2,587	3,528	5,869
Share of profit of joint ventures, net of tax	2,220	349	1,008
Profit before tax	18,674	15,216	56,475
Tax expense	(2,777)	(2,900)	(2,277)
Profit for the year	15,897	12,316	54,198
(Profit)/Loss attributable to non-controlling interests	(4,069)	(3,478)	2,349
Profit attributable to equity holder of Temasek	11,828	8,838	56,547

Selected statement of comprehensive income data

	Year ended 31 March		
	2019	2020	2021
	(\$ million)		
Profit for the year	15,897	12,316	54,198
Other comprehensive income			
Net change in fair value, net of tax, of:			
— Equity investments at FVOCI	(270)	(67)	30
— Debt instruments at FVOCI	(23)	—	—
— Debt instruments at FVOCI reclassified to income statement	(4)	2	—
Others, net ⁽¹⁾	<u>629</u>	<u>(3,137)</u>	<u>400</u>
Total comprehensive income for the year	16,229	9,114	54,628
Total comprehensive income attributable to non-controlling interests	<u>(3,578)</u>	<u>(1,399)</u>	<u>953</u>
Total comprehensive income attributable to equity holder of Temasek	<u>12,651</u>	<u>7,715</u>	<u>55,581</u>

Note:

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

Selected balance sheet data

	As at 31 March		
	2019	2020	2021
	(S\$ million)		
Assets			
Property, plant and equipment	78,460	82,122	77,144
Right-of-use assets	—	9,413	10,834
Intangible assets	27,736	28,840	27,693
Biological assets	512	531	473
Associates	63,600	61,432	69,550
Joint ventures	21,401	25,783	24,531
Financial assets	132,541	134,876	183,578
Derivative financial instruments	1,516	2,468	1,259
Investment properties	56,318	98,095	94,266
Deferred tax assets	820	1,265	1,878
Other non-current assets	7,392	8,655	7,683
	390,296	453,480	498,889
Current assets	118,759	141,451	154,061
Total assets	<u>509,055</u>	<u>594,931</u>	<u>652,950</u>
Equity attributable to equity holder of Temasek			
Share capital	64,210	69,612	75,266
Other reserves	14,221	14,243	13,959
Fair value reserve	(74)	(10)	128
Hedging and cost of hedging reserve	89	(1,422)	(655)
Currency translation reserve	(6,103)	(4,966)	(6,278)
Accumulated profits	211,198	213,046	265,109
	283,541	290,503	347,529
Non-controlling interests	47,659	72,553	67,697
Total equity	<u>331,200</u>	<u>363,056</u>	<u>415,226</u>
Non-current liabilities			
Borrowings	88,141	119,898	132,772
Derivative financial instruments	614	3,005	1,685
Provisions	890	1,591	1,435
Deferred income and liabilities	1,883	1,701	1,949
Deferred tax liabilities	6,580	7,408	7,055
Other non-current liabilities	4,913	5,457	7,380
	103,021	139,060	152,276
Current liabilities	74,834	92,815	85,448
Total liabilities	<u>177,855</u>	<u>231,875</u>	<u>237,724</u>
Total equity and liabilities	<u>509,055</u>	<u>594,931</u>	<u>652,950</u>

Selected cash flow statement data

	Year ended 31 March		
	2019	2020	2021
	(S\$ million)		
Cash flows from operating activities	15,825	17,377	7,305
Cash flows used in investing activities	(13,451)	(9,808)	(16,399)
Cash flows from financing activities	10,982	2,035	7,888
Net increase/(decrease) in cash and cash equivalents	13,356	9,604	(1,206)
Cash and cash equivalents at the beginning of the year	46,421	59,777	69,381
Cash and cash equivalents at the end of the year	<u>59,777</u>	<u>69,381</u>	<u>68,175</u>

Other financial data

	As at and for the year ended 31 March		
	2019	2020	2021
	(\$ million, except ratios and percentages)		
Net profit excluding unrealised MTM gains or losses ⁽¹⁾	12,815	11,381	10,988
Adjusted EBITDA ⁽²⁾	30,620	31,777	25,249
Adjusted EBITDA interest coverage ⁽³⁾	8.2	6.7	5.4
Net debt ⁽⁴⁾	51,879	83,266	91,511
Net debt/Adjusted EBITDA ⁽⁵⁾	1.7	2.6	3.6
Net debt/capital ⁽⁶⁾ (%)	13.5	18.7	18.1

Notes:

- (1) Since the adoption of IFRS 9 in the year ended 31 March 2019, Temasek records year-to-year changes in the market value of sub-20% investments as profits or losses in its income statement. To facilitate year-to-year comparisons of Temasek'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 gains or losses" is included in this Offering Circular and in note 42 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

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		
	2019	2020	2021
	(\$ million)		
Profit attributable to equity holder of Temasek	11,828	8,838	56,547
Add: Unrealised MTM losses on sub-20% investments*/Less: Unrealised MTM (gains) on sub-20% investments*	987	2,543	(45,559)
Net profit excluding unrealised MTM gains or losses	<u>12,815</u>	<u>11,381</u>	<u>10,988</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 42 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 for the year before finance expenses, tax expense, 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 gains or 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 for the year to Adjusted EBITDA:

	Year ended 31 March		
	2019	2020	2021
		(S\$ million)	
Profit for the year	15,897	12,316	54,198
Add: Finance expenses	3,715	4,743	4,688
Add: Tax expense	2,777	2,900	2,277
Add: Depreciation of property, plant and equipment	6,330	6,797	6,982
Add: Depreciation of right-of-use assets	—	1,451	1,521
Add: Amortisation of intangible assets	914	1,027	1,142
Add: Unrealised MTM losses on sub-20% investments*/Less: Unrealised MTM (gains) on sub-20% investments*	987	2,543	(45,559)
Adjusted EBITDA	<u>30,620</u>	<u>31,777</u>	<u>25,249</u>

* Represents unrealised MTM gains or losses of FVTPL non-trading investments held at the end of the year. For more information, see note 42 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		
	2019	2020	2021
		(S\$ million)	
Total debt*	111,755	152,949	160,009
Less: Cash and cash equivalents (excluding bank overdrafts)	(59,876)	(69,683)	(68,498)
Net debt	<u>51,879</u>	<u>83,266</u>	<u>91,511</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 2019, 2020 and 2021 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 either this Offering Circular or the relevant Product Highlights Sheet (if any). Consequently, the financial information disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) 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\$653 billion as at 31 March 2021. The Temasek Group generated revenue of S\$111 billion and profit attributable to equity holder of Temasek of S\$57 billion for the year ended 31 March 2021.

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.

The COVID-19 pandemic and ensuing mobility restrictions around the world have had an unprecedented adverse impact on the global economy. Global markets experienced significant volatility on the back of lockdowns and widespread business closures in the first half of 2020. Policymakers around the world responded to the crisis through extraordinary fiscal and monetary policies, including through direct support, bridge financing to corporates and households as well as large-scale asset purchase programmes in a bid to prevent systemic financial risks from escalating. These decisive steps supported a rebound in financial markets from the trough in March 2020. Subsequent successes in vaccine trials and the conclusion of the U.S. elections in the fourth quarter of 2020 further boosted sentiment and raised expectations of a robust recovery. The IMF estimates that the global economy contracted 3.3% in 2020, the worst downturn since 1980, according to its April 2021 World Economic Outlook update. Despite the downturn, global equities as measured by the MSCI AC World Index gained 14% for the year, generating some concern over a disconnect between economic reality and risk asset performance.

The IMF expects global growth to come in at 6% in 2021. This rebound is expected to be facilitated by successful vaccine rollouts in several major economies as well as additional fiscal support, especially in the United States. China, which emerged from the pandemic earlier in 2020, is expected to register strong growth in 2021, aided by stability in household income, supportive policy stance and an improved export outlook. For many other countries however, particularly emerging and low-income developing markets, the recovery is expected to be more challenged, especially given labour market structures where informal employment is more prevalent, work-from-home and teleworking arrangements are less viable, and access to vaccines and health care in general are more limited.

A high degree of uncertainty over the global outlook remains, stemming from new COVID-19 variants with potentially worse virulence, limited supply of vaccines, the effectiveness of policy responses and

evolving financial conditions, among other factors. There continues to be far-reaching impact of the COVID-19 pandemic on communities, with associated volatility in the global economy and disruptions to businesses. Case numbers globally remain high, although the experience in countries where vaccines are being deployed rapidly gives some cause for optimism. In emerging and low-income developing markets, the economic recovery is expected to be more challenged, especially given labour market structures where informal employment is more prevalent, work-from-home and teleworking arrangements are less viable, and access to vaccines and health care in general are more limited. There remains significant uncertainty over the potential long-term effects of the pandemic, including in relation to widening inequality. The pandemic has also exposed vulnerabilities in supply chain dependencies and accelerated the importance of technology. Outside of the pandemic, other macroeconomic, strategic, financial and political risks remain, including U.S.-China tensions and climate-related issues. In addition, risk assets entered 2021 with higher valuations than their historical levels and could also be vulnerable to shifts in sentiment, as well as changes in financial conditions as global central banks normalise monetary policy. Altogether, these risks could lead to a more challenging global business environment ahead, with unknown consequences for companies globally.

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 gains or losses” is included in this Offering Circular and in note 42 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\$469.1 billion at current market prices for the 12 months ended 31 December 2020, which is equivalent to GDP per capita of S\$82,503 at current market prices. The following table shows the annual rates of growth in Singapore’s GDP from 2011 to 2020 based on 2015 market prices.

	<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>	<u>2020</u>
Singapore GDP growth (%)	6.3	4.5	4.8	3.9	3.0	3.3	4.5	3.5	1.3	(5.4)

Source: Singapore Department of Statistics

Singapore’s economy contracted 5.4% in 2020, its largest single-year decline since 1961. Large parts of the economy were severely impacted by travel restrictions to control the spread of COVID-19, which effectively resulted in the cessation of international travel, as well as domestic safe-distancing measures. Travel and hospitality-related sectors, building and construction as well as domestic

services were hard hit. On the flip side, manufacturing, modern and public services were bright spots. Manufacturing activity was supported by pandemic-related demand, benefitting the electronics and biomedical segments. Fiscal support played a major role in cushioning the pandemic's impact. The Government mounted a forceful response through the use of fiscal, monetary and macro-prudential measures. The country's fiscal deficit reached S\$65 billion for 2020, or roughly 13% of GDP for the year, which is the largest fiscal deficit since Singapore's independence in 1965. Unemployment peaked in September 2020 at levels close to that witnessed during the 2007-2008 global financial crisis, but below that seen during the 2002-2004 severe acute respiratory syndrome outbreak, and has continued to trend downwards.

Following the shock in 2020, the Singapore economy is expected to experience "above-trend pace of growth" in 2021 according to the MAS's April 2021 Monetary Policy Statement. The positive outlook is driven by a forecasted upturn in external demand as developed nations, in particular the U.S., gradually re-open their economies based on their progress in controlling the pandemic and implementing vaccination programmes, alongside strong fiscal support. Vaccination of the Singapore population kicked off at the start of 2021, with the Government targeting to vaccinate all eligible adult residents by the third quarter of 2021. Domestic services and labour demand are expected to continue to improve, albeit gradually, as the economy moves towards further relaxation of mobility and social distancing restrictions. However, there remains downside risk from possible resurgences of local infections. Uncertainty around the re-opening of borders also remains high, given the state of the pandemic in neighbouring countries and risks associated with virus mutations. The slow pace of recovery in regional economies that continue to see high incidence of COVID-19 cases and slow rates of vaccination is an additional source of concern, especially for Singapore's services exports that are leveraged to regional growth. As a result, the Government continues to support the Singapore economy using fiscal tools. Financial support is expected to be more targeted in 2021, largely aimed at the still-vulnerable sectors in travel and hospitality. Overall, the Ministry of Trade and Industry expects the Singapore economy to expand by between 4.0% and 6.0% in 2021.

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 2019, 2020 and 2021, 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 2018, 2019 and 2020, 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 2019, 2020 and 2021, as appropriate, and, where necessary, made adjustments to the consolidated financial statements in accordance with IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*.

Adoption of new and amended IFRS and interpretations to IFRS for the year ended 31 March 2021

Temasek adopted new and amended IFRS and interpretations to IFRS that were mandatory for application for the year ended 31 March 2021.

For a further discussion of accounting policies of Temasek and its subsidiaries, see note 2.6 and 3 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

Adoption of IFRS 16 for the year ended 31 March 2020

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 of S\$1.1 billion was adjusted to opening accumulated profits, right-of-use assets of S\$9.9 billion and lease liabilities of S\$10.7 billion was recognised on balance sheet as at 1 April 2019. The effects of adoption of IFRS 16 are also disclosed in note 3.9 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

Comparative information for the financial year ended 31 March 2019 was 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*.

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 with effect from the year ended 31 March 2019.

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 and IFRS 15, which are discussed below.

IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1")

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 more than 40% of Temasek's portfolio as at 31 March 2021. Thus, the application of IFRS 9 leads 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 gains or losses" is included in this Offering Circular and in note 42 of Temasek's consolidated financial statements included elsewhere in this Offering Circular.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

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.

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		
	2019	2020	2021
	(\$ million)		
Revenue	114,642	118,623	110,900
Net expenses	(100,775)	(107,284)	(61,302)
Share of profit of associates and joint ventures, net of tax	4,807	3,877	6,877
Profit before tax	18,674	15,216	56,475
Tax expense	(2,777)	(2,900)	(2,277)
Profit for the year	15,897	12,316	54,198
(Profit)/Loss attributable to non-controlling interests	(4,069)	(3,478)	2,349
Profit attributable to equity holder of Temasek	11,828	8,838	56,547

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 reclassification of certain income or expenses to align to the Temasek Group’s classification and alignment of accounting policies for consistent application with Temasek Group’s 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		
	2019	2020	2021
	(\$ million)		
Olam International Limited	30,479	32,993	35,820
Singapore Telecommunications Limited	17,372	16,542	15,644
Singapore Technologies Engineering Ltd	6,698	7,868	7,158
TJ Holdings (III) Pte. Ltd. ⁽¹⁾	772	4,341	6,559
Sembcorp Industries Ltd	11,689	9,618	6,473
PSA International Pte Ltd	4,202	4,120	4,179
Singapore Technologies Telemedia Pte Ltd	3,937	4,132	3,953
Singapore Power Limited	4,325	4,250	3,857
Singapore Airlines Limited	16,323	15,976	3,816

Note:

(1) TJ (III) owns a 100% equity interest in CLA, which in turn holds a 52% (2020: 51%) equity interest in CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020. For the year ended 31 March 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.

	Year ended 31 March		
	2019	2020	2021
	(S\$ million)		
Summer Bloom Investments Pte Ltd ⁽¹⁾	1,425	833	3,529
Mapletree Investments Pte Ltd	3,652	3,119	2,504
Azalea Asset Management Pte. Ltd. ⁽²⁾	173	32	1,668 ⁽²⁾
PavCap I Feeder No. 1 LP	555	214	1,367
PSA International Pte Ltd	1,480	1,463	1,413
Singapore Power Limited	1,172	1,225	1,208
Seatown Singapore Feeder Fund LP	(208)	449	1,081
Singapore Telecommunications Limited	3,746	1,565	754
TJ Holdings (III) Pte. Ltd. ⁽³⁾	759	4,184	(915)
Sembcorp Industries Ltd	420	295	(1,146)
Singapore Airlines Limited	869	(221)	(5,023)

Notes:

(1) Holds minority interests in WuXi AppTec and WuXi Biologics.

(2) Azalea was directly held by Temasek as a subsidiary up till December 2020. Temasek divested Azalea to Seviara in December 2020.

(3) TJ (III) owns 100% equity interest in CLA, which in turn holds a 52% (2020: 51%) equity interest in CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020. For the year ended 31 March 2019, CapitaLand was directly held by Temasek as an associate.

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

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 2019, 2020 and 2021.

Profit/Loss attributable to non-controlling interests

Profit/Loss attributable to non-controlling interests consist of 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 2021 with the year ended 31 March 2020

Revenue

Revenue decreased by S\$7,723 million, or 6.5%, from S\$118,623 million for the year ended 31 March 2020 to S\$110,900 million for the year ended 31 March 2021. The decrease in revenue was principally due to a decrease in revenue from SIA mainly due to a decrease in passenger flown revenue as demand for international air travel remained depressed as a result of the COVID-19 pandemic.

The decrease in revenue was partially offset by:

- an increase in revenue from TJ (III) mainly due to the consolidation of CapitaLand's full year revenue for the year ended 31 March 2021 as compared to CapitaLand's partial-year revenue consolidated for the year ended 31 March 2020; and

- an increase in revenue from Olam mainly due to higher trading volumes and prices in food staples, including grains, rice and edible oils.

Profit before tax

Profit before tax increased by S\$41,259 million, from S\$15,216 million for the year ended 31 March 2020 to S\$56,475 million for the year ended 31 March 2021. The increase in profit before tax was principally due to:

- fair value gains on investments at FVTPL of S\$50,933 million for the year ended 31 March 2021 as compared to fair value losses of S\$199 million for the year ended 31 March 2020, mainly from unrealised MTM gains of S\$45,559 million on sub-20% investments for the year ended 31 March 2021 compared to unrealised MTM losses of S\$2,543 million for the year ended 31 March 2020. The unrealised MTM gains of S\$45,559 million on sub-20% investments for the year ended 31 March 2021 were mainly due to investments held by Temasek, Summer Bloom and Azalea. For more information on “net profit excluding unrealised MTM gains or losses”, see “Summary financial and other information — Other financial information”;
- an increase in profit from Temasek mainly due to unrealised MTM gains on sub-20% investments held by Temasek (which are also included in the preceding item), partially offset by lower dividend income. 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 higher for the year ended 31 March 2021 as compared to the previous year after elimination adjustments; and
- share of profit of associate from Avanda Global due to higher MTM valuation of certain of its underlying investments.

The increase in profit before tax was partially offset by:

- a decrease in profit from TJ (III) mainly due to (i) revaluation losses on its investment properties for the year ended 31 March 2021 as compared to revaluation gains recognised in the year ended 31 March 2020, and (ii) a one-off gain on bargain purchase of CapitaLand during the year ended 31 March 2020 and no such gains occurring in the year ended 31 March 2021; and
- a decrease in profit from SIA due to weaker operating performance attributable to the impact of COVID-19 pandemic and impairment of aircraft.

Tax expense

Tax expense decreased by S\$623 million, or 21.5%, from S\$2,900 million for the year ended 31 March 2020 to S\$2,277 million for the year ended 31 March 2021, primarily due to a tax credit recognised by SIA as a result of higher net loss recorded by SIA in the year ended 31 March 2021.

Profit/Loss attributable to non-controlling interests

Loss attributable to non-controlling interests was S\$2,349 million for the year ended 31 March 2021 compared to a profit attributable to non-controlling interests of S\$3,478 million for the year ended 31 March 2020, representing a change of S\$5,827 million, which was mainly due to share of losses from TJ (III), SIA and Sembcorp that were attributable to non-controlling shareholders of these companies.

Profit attributable to the equity holder of Temasek

As a result of the foregoing factors, profit attributable to the equity holder of Temasek increased by S\$47,709 million from S\$8,838 million for the year ended 31 March 2020 to S\$56,547 million for the year ended 31 March 2021.

Excluding unrealised MTM gains on sub-20% investments of S\$45,559 million for the year ended 31 March 2021 and unrealised MTM losses of S\$2,543 million for the year ended 31 March 2020, profit attributable to the equity holder of Temasek decreased by S\$393 million, or 3.5%, from S\$11,381 million for the year ended 31 March 2020 to S\$10,988 million for the year ended 31 March 2021.

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 mainly due to higher trading volumes in grains; and
- an increase in revenue from 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 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 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 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 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 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.

Excluding unrealised MTM losses on sub-20% investments of S\$2,543 million for the year ended 31 March 2020 and unrealised MTM losses of S\$987 million for the year ended 31 March 2019, profit attributable to the equity holder of Temasek decreased by S\$1,434 million, or 11.2%, from S\$12,815 million for the year ended 31 March 2019 to S\$11,381 million for the year ended 31 March 2020.

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 2019, 2020 and 2021.

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		
	2019	2020	2021
		(S\$ million)	
Cash flows from operating activities	15,825	17,377	7,305
Cash flows used in investing activities	(13,451)	(9,808)	(16,399)
Cash flows from financing activities	10,982	2,035	7,888
Net increase/(decrease) in cash and cash equivalents	13,356	9,604	(1,206)
Cash and cash equivalents at the beginning of the year	46,421	59,777	69,381
Cash and cash equivalents at the end of the year	<u>59,777</u>	<u>69,381</u>	<u>68,175</u>

Year ended 31 March 2021

Cash flows from operating activities for the year ended 31 March 2021 totalled S\$7,305 million. Tax paid for the year ended 31 March 2021 reduced cash flows generated from operating activities by S\$1,913 million.

Cash flows used in investing activities for the year ended 31 March 2021 totalled S\$16,399 million, of which the principal outflows were payments for purchases of property, plant and equipment of S\$9,137 million, primarily by SIA, Singtel, SP Group and ST Telemedia; payments for purchases of financial assets and derivative financial instruments (net) of S\$5,580 million; and payments for purchases of investment properties and properties under development of S\$3,923 million. These cash outflows were partially offset by dividends received from associates and joint ventures of S\$4,464 million.

Cash flows from financing activities for the year ended 31 March 2021 totalled S\$7,888 million, of which the principal inflows resulted from net proceeds from borrowings of S\$15,220 million and

proceeds from the issuance of new shares of S\$5,654 million. These cash inflows were partially offset by interest payments totalling S\$5,131 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S\$10,231 million.

Cash and cash equivalents decreased by S\$1,206 million from S\$69,381 million as at 31 March 2020 to S\$68,175 million as at 31 March 2021.

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, SP Group, 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.

Temasek Group's indebtedness

The following table sets forth the Temasek Group's indebtedness by category and maturity profile as at 31 March 2021.

	Payment due by period⁽¹⁾			
	Total	Less than 1 year	1-5 years	More than 5 years
		(S\$ million)		
Bank loans and bank overdrafts	79,396	17,363	49,831	12,202
Fixed and floating rate notes	65,531	6,107	26,633	32,791
Lease liabilities	12,330	1,638	4,412	6,280
Others ⁽²⁾	<u>2,752</u>	<u>2,129</u>	<u>294</u>	<u>329</u>
Total debt	<u>160,009</u>	<u>27,237</u>	<u>81,170</u>	<u>51,602</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 13 offices in nine countries.

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 D — 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; transportation & industrials; consumer & real estate; and life sciences & agri-food. Temasek also invests in funds with investments across sectors. These investments span across countries and regions, including China; Singapore; the Americas; rest of Asia; Europe, Middle East & Africa; and Australia & New Zealand.

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 that are expected to deliver sustainable returns over the long term. 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, theme 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 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.

A common thread which cuts across the investment themes is Temasek's focus on investing in companies with competitive strengths and distinctive advantages, and the potential to scale beyond their home markets.

In applying these themes, Temasek looks at investments factoring in four key structural trends to shape its long term portfolio construction and guide its investment activity:

- *Digitisation* — Digital technologies are changing end-user business models and leading a sweeping impact across sectors;
- *Sustainable Living* — Eco-conscious solutions are benefitting from sustainability tailwinds, driven by consumer and industrial demand and regulatory changes;
- *Future of Consumption* — Consumption patterns and spend categories are shifting, driven by growing affluence in emerging markets and global demographic forces; and
- *Longer Lifespans* — Markets and industries are developing to meet evolving needs to support quality of longer lives.

Temasek believes digitisation and sustainable living will have a pervasive impact across many sectors. Future of consumption and longer lifespans reflect structural shifts in consumption patterns and growing needs of longevity. Temasek expects to reshape its portfolio increasingly in line with these trends.

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 also takes into account any illiquidity or early stage risks in its risk-adjusted cost of capital.

Temasek's Sustainability Approach

Sustainability is at the core of Temasek's business. Temasek is committed to activating financial, human, natural and social capital to catalyse solutions for a better world and to deliver sustainable returns over the long term. This commitment drives Temasek's focus as an investor, institution and steward.

As an investor, Temasek incorporates ESG considerations into its investment decision-making and management. Temasek applies various tools, including an internal carbon price, to assess the possible climate transition impact and to further guide its investment decisions. Temasek's ESG considerations enhance existing investment practices, support investment decision making and safeguard Temasek's reputation. It is well aligned with its objective of generating sustainable returns by investing with a long term view, and frames its engagement with its portfolio companies and fund managers on sustainability priorities. Temasek also looks for opportunities to invest in companies addressing global sustainability challenges, and to help companies transform business models to be more sustainable.

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 is committed to reducing carbon emissions and its overall environmental impact. Since 2020, Temasek has delivered on its pledge to achieve carbon neutrality in its operations. Its total emissions have been offset through recognised and certified carbon offset projects. This is a plan Temasek looks to execute and commit to every year. Temasek also seeks to build a resilient organisation by developing people, capabilities and processes around sustainability and good governance and a sense of purpose.

As a steward, Temasek fosters community partnerships and provides philanthropic gifts to Temasek Trust that seek to uplift lives and build resilience in communities. Temasek supports the sharing of

insights and best practices on sustainable development, with the aim of building a sustainable ecosystem across its portfolio with partners from business, government and civil society.

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 solutions and growth.

Investing for Impact and Returns

Temasek seeks to do its part to mitigate and address climate change. Temasek remains committed to its targets to reduce its net portfolio emissions to half of 2010 levels by 2030. Temasek will continue to work towards its ambition for net zero portfolio emissions by 2050.

To drive progress on the climate and carbon front, Temasek has defined a three-pronged approach:

1. Investing in climate-aligned opportunities

Temasek actively seeks out investments with track records of better carbon intensity and efficiency. Temasek is also prepared to work with companies to support their own decarbonisation journeys. These mitigate climate change with clear transition pathways.

2. Enabling carbon negative solutions

Temasek looks to enable carbon negative solutions, such as carbon capture, utilisation and storage as well as nature-based solutions, as and when these become feasible.

3. Encouraging decarbonisation efforts in businesses

Temasek has advanced its dialogue with key portfolio companies on their climate strategies and emissions reduction plans. Together with its portfolio companies, Temasek exchanges knowledge and tools for carbon measurement, physical climate risk assessments and climate-related disclosures according to international standards. Temasek continues to learn and add tools for an evidence-based approach to encourage carbon abatement.

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 instil 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 and contact tracing, treatment, protection and prevention and donations.

Portfolio highlights

Temasek's Net Portfolio Value amounted to S\$381 billion as at 31 March 2021, compared to S\$306 billion and S\$313 billion as at 31 March 2020 and 2019, respectively.

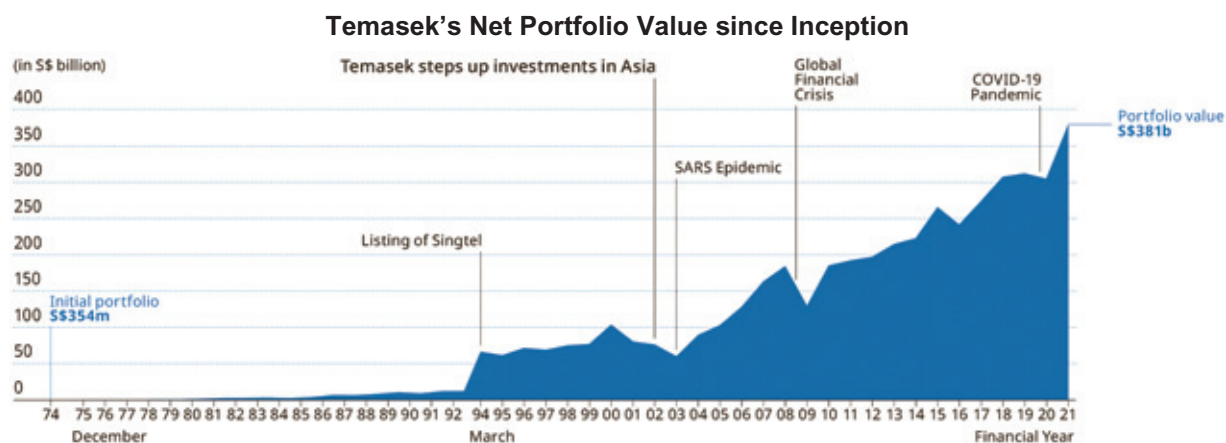
As at 31 March 2021, approximately 27% of Temasek's Net Portfolio Value was in China, 24% in Singapore, 20% in the Americas, 13% in rest of Asia, 12% in Europe, Middle East & Africa and 4% in Australia & New Zealand.

As at 31 March 2021, Temasek's top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media & technology and transportation & industrials, which comprised 24%, 21% and 19%, respectively.

As at 31 March 2021, approximately 50% of Temasek's Net Portfolio Value was denominated in Singapore dollars, 31% in U.S. dollars, 11% in Hong Kong dollars, 2% in Indian rupees, 1% in Renminbi and 5% in other currencies.

As at 31 March 2021, about 55% 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 2021 was 24.53%, as Temasek’s portfolio benefited from the rebound of the global equity market from its March 2020 trough.

Over the long term, annualised 10-year and 20-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2021 were 7% and 8%, respectively. Since inception, annualised 47-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2021 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		
	2019	2020 ⁽¹⁾	2021 ⁽¹⁾
Total debt ⁽¹⁾⁽²⁾ over Net Portfolio Value (%) (as at year end)	5	5	5
Total debt ⁽¹⁾⁽²⁾ over liquid assets ⁽³⁾ (%) (as at year end)	13	12	12
Interest expense ⁽¹⁾ over dividend income ⁽⁴⁾ (%)	5	3	4
Interest expense ⁽¹⁾ over recurring income ⁽⁵⁾ (%)	1	1	1
Total debt ⁽¹⁾⁽²⁾ due in one year or less over recurring income ⁽⁵⁾ (%)	11	3	5
Total debt ⁽¹⁾⁽²⁾ due in next 10 years over liquidity balance ⁽⁶⁾ (%) (as at year end)	24	18	18

Notes:

- (1) From the year ended 31 March 2020, the applicable accounting standard (IFRS 16) has required Temasek to record its leases, comprising mainly office rental, on its balance sheet. This means that Temasek’s lease liabilities and interest expense on lease liabilities are included as part of its total debt and interest expense, respectively. The credit parameters and ratios from 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\$8.5 billion, S\$11.9 billion and S\$8.4 billion for the years ended 31 March 2019, 2020 and 2021, 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 2021, 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

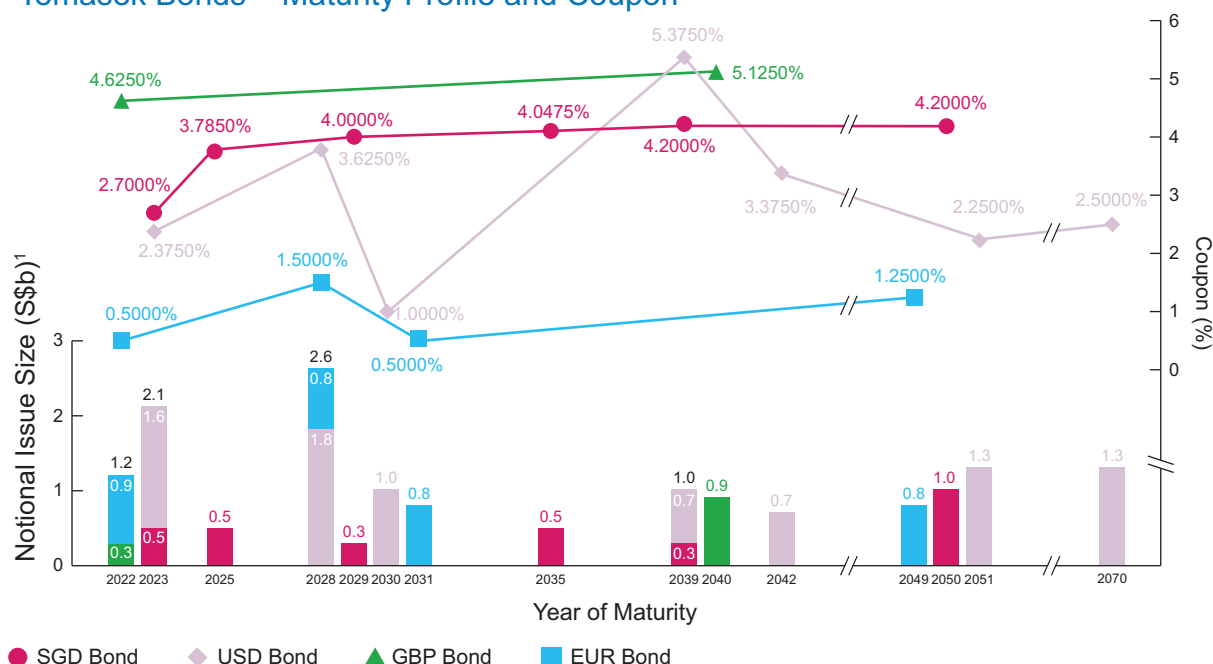
Temasek has issued bonds to institutional, accredited and other investors since 2005 as a form of financial discipline. Retail investors in Singapore were added as a new group of bond investors and stakeholders for Temasek in 2018 upon the Issuer's first issuance of bonds under the Programme. Temasek 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 2019, 2020 and 2021, Temasek's debt comprised (1) notes issued by Temasek Financial (I) Limited under its US\$25 billion Guaranteed Global Medium Term Note Programme (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 S\$13.3 billion, S\$12.1 billion and S\$15.5 billion (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\$1.3 billion, S\$1.2 billion and S\$1.5 billion, respectively, (3) Notes issued by the Issuer under the Programme and fully and unconditionally guaranteed by the Guarantor in the aggregate amount of S\$0.5 billion, S\$0.5 billion and S\$0.5 billion, respectively and (4) lease liabilities in the aggregate amount of nil, S\$0.1 billion and S\$0.1 billion (after adoption of IFRS 16), respectively. As at 31 March 2021, the weighted average maturity of the notes issued under Temasek's MTN programmes was over 16 years, while the weighted average maturity of Temasek's outstanding commercial paper was above two months.

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 2021.

Temasek Bonds – Maturity Profile and Coupon



¹ Exchange rates as at 31 March 2021.

The following table sets forth the maturity profile of the aforesaid notes issued under Temasek's MTN programmes and commercial paper and, for the columns as at 31 March 2020 and 2021 (after adoption of IFRS 16), Temasek's lease liabilities as at the dates indicated.

	As at 31 March		
	2019	2020	2021
	(\$ billion)		
Due in one year or less	4.3	1.3	2.5
Due between one to three years	0.9	3.0	2.5
Due between three to 10 years	5.6	4.0	4.4
Due in more than 10 years	4.3	5.6	8.2

Investment portfolio by sectors

Temasek invests across sectors including financial services; telecommunications, media & technology; transportation & industrials; consumer & real estate; and life sciences & agri-food. 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 2021 (unless otherwise indicated).

Financial Services

Temasek's key investments in the financial services sector were its minority interests in each of DBS, CCB and Adyen. Approximately 24% 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. Approximately 21% of Temasek's Net Portfolio Value was in the TMT sector.

Transportation & Industrials

Temasek's key investments in the transportation & industrials sector were its majority interests in each of PSA, SIA and SP Group. Approximately 19% of Temasek's Net Portfolio Value was in the transportation & industrials sector.

Beginning with the year ended 31 March 2021, the transportation & industrials sector includes investments that in previous years were classified as investments in the energy & resources sector.

Consumer & Real Estate

Temasek's key investments in the consumer & real estate sector were its majority interests in each of Mapletree and TJ (III) (which wholly owns CLA, which in turn holds 52% of CapitaLand as a subsidiary) and its minority interest in A.S. Watson. Approximately 14% of Temasek's Net Portfolio Value was in the consumer & real estate sector.

Life Sciences & Agri-Food

Temasek's key investments in the life sciences & agri-food sector were its majority interest in Olam and its minority interests in WuXi AppTec and WuXi Biologics (held by Summer Bloom) and Celltrion, Inc. Approximately 10% of Temasek's Net Portfolio Value was in the life sciences & agri-food sector.

Multi-Sector Funds

Temasek's key investments in multi-sector funds were its interests in Seatown Feeder Fund, PavCap and Avanda Global. 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 2021. These companies, together with other major funds investments, as described below, accounted for approximately 53% of Temasek's Net Portfolio Value⁽¹⁾ as at 31 March 2021. The list of companies in the table below is sorted in descending order by contribution to Temasek's Net Portfolio Value.

	As at 31 March 2021	
	Major Portfolio Companies Total Market or Book Value⁽²⁾	Effective Interest of the Temasek Group⁽³⁾
	(\$ million)	(%)
DBS Group Holdings Ltd	73,594	29
Singapore Telecommunications Limited	40,278	51
Mapletree Investments Pte Ltd	17,660	100
PSA International Pte Ltd	12,366 ⁽⁴⁾	100
Singapore Airlines Ltd	16,456	55
Singapore Power Limited	11,979	100
Singapore Technologies Telemedia Pte Ltd	4,076 ⁽⁴⁾	100
A.S. Watson Holdings Limited	6,044 ⁽⁴⁾	25
China Construction Bank Corporation	286,440	3
TJ Holdings (III) Pte. Ltd.	7,282 ⁽⁴⁾	100 ⁽⁵⁾
Alibaba Group Holding Limited	826,997	*
Adyen NV	91,348	7
Seviora Holdings Pte. Ltd.	6,559 ⁽⁴⁾	100
Singapore Technologies Engineering Ltd	12,138	51
BlackRock, Inc.	154,749	4
Industrial and Commercial Bank of China Limited	390,315	2
Summer Bloom Investments Pte Ltd	5,289 ⁽⁴⁾	100
AIA Group Limited	197,284	3
Standard Chartered PLC	28,836	16
Ping An Insurance (Group) Company of China, Ltd	294,191	2

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 each of PSA, ST Telemedia, A.S. Watson, TJ (III), Seviaora and Summer Bloom is as at 31 December 2020.
- (5) TJ (III) owns a 100% equity interest in CLA, which in turn holds a 52% (2020: 51%) equity interest in CapitaLand as a subsidiary following CLA's acquisition of CapitaLand during the year ended 31 March 2020. For the year ended 31 March 2019, CapitaLand was directly held by Temasek as an associate.

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

DBS

DBS is a financial services group in Asia, with a presence in 18 markets. Headquartered in Singapore and listed on the SGX-ST, DBS has a growing presence in the three key Asian axes of growth: 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.

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), as well as major investments in five leading mobile operators in the region, the Singtel Group provides a portfolio of services that includes voice, data and video services over fixed and wireless platforms.

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 seven real estate sectors comprising office, retail, industrial, logistics, data centre, residential and lodging in 13 markets across the Asia Pacific region, the United States, the United Kingdom and Europe. Mapletree currently manages four Singapore-listed REITs and five private real estate funds.

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 2020, PSA handled 86.6 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.

SIA

Listed on SGX-ST, SIA is the flag carrier of Singapore, providing full-service and low-cost air passenger transport, as well as air cargo transport. It also provides engineering services to more than 80 airlines through its subsidiary, SIA Engineering Company. When SIA was formed in 1972, it operated a modest fleet of 10 aircraft to just 22 cities in 18 countries. With a commitment to fleet modernisation, product and service innovation and market leadership, SIA quickly distinguished itself as a world-class carrier.

As at 31 March 2021, SIA Group operates a fleet of 168 aircraft. Its passenger network, including SIA, SilkAir and Scoot, covers 60 destinations.

SP Group

SP Group is an energy utility company in Asia Pacific.

With assets of S\$20.4 billion as at 31 March 2021, 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 provides sustainable energy solutions in Singapore and China designed to help customers achieve their sustainability goals, including a large underground district cooling network in Singapore.

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, South Korea and Thailand.

A.S. Watson

A.S. Watson is an international health and beauty omnichannel retailer with over 16,000 stores operating 12 retail brands in 27 markets worldwide with 139 million loyalty customers. The company is headquartered in Hong Kong and is the retail division of CK Hutchison Holdings Limited.

A.S. Watson operates over 8,000 stores in Europe, while its flagship Watson brand operates over 7,500 stores in nine Asian markets. A.S. Watson also operates over 450 other retail-format stores, including supermarkets, consumer electronics and retail appliances.

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.

TJ (III)

TJ (III) wholly owns CLA, which in turn holds 52% 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\$137.7 billion as at 31 March 2021, comprising commercial, retail, business park, industrial and logistics, integrated development, urban development, lodging and residential properties. Present across more than 240 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 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 six REITs and business trusts listed in Singapore and Malaysia — CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust (formerly CapitaLand Retail China Trust), Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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.

Adyen

Adyen is a global payment company listed on the Euronext that allows merchants and businesses to process payments through online, mobile and point-of-sale systems with payment methods including card schemes, mobile wallets, and other local methods. With 24 offices globally, Adyen serves customers worldwide.

Seviora

Seviora is an asset management group, headquartered in Singapore, offering a broad range of multi-asset and multi-strategy investment expertise. Established by Temasek, Seviora is set up as the operational holding company for four existing asset management companies currently wholly-owned by, or affiliated with, Temasek: Azalea, Fullerton Fund Management Company Ltd., InnoVen Capital Pte Ltd and Seatown Holdings.

ST Engineering

ST Engineering is a global technology, defence and engineering group listed on the SGX-ST that specialises in the commercial aerospace, smart cities, defence and public security 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.

BlackRock

BlackRock is a global asset manager listed on the New York Stock Exchange. BlackRock provides asset management, risk management, advisory services, and technology solutions to institutional, intermediary and retail clients worldwide. As at 31 December 2020, BlackRock's assets under management totalled US\$8.68 trillion.

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 15,800 outlets in China, and 426 overseas institutions. The bank has a presence in six continents and 49 countries and regions and was listed on the Stock Exchange of Hong Kong and the Shanghai Stock Exchange in 2006.

Summer Bloom

Summer Bloom holds minority interests in WuXi AppTec and WuXi Biologics.

WuXi AppTec is a global research and development ("R&D") and manufacturing service provider that enables pharmaceutical, biotech and medical device companies worldwide. It is listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange. The company covers the development cycle through four core operations, including small molecule R&D and manufacturing, cell therapy and gene therapy R&D and manufacturing, medical device testing, and clinical services.

WuXi Biologics, a Hong Kong-listed company, is a global open-access biologics technology platform offering end-to-end solutions to empower organizations to discover, develop, and manufacture biologics from concept to commercial manufacturing.

AIA

AIA is an independent pan-Asian life insurance group listed on the Hong Kong Stock Exchange. It has a presence in 18 markets across the Asia Pacific region. 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 38 million individual policies and over 16 million participating members of group insurance schemes.

Standard Chartered

Standard Chartered is an international bank listed on the London Stock Exchange and the Hong Kong Stock Exchange.

Standard Chartered is headquartered in London and has operated for over 160 years. As at 31 December 2020, Standard Chartered was present in 59 markets with the China & North Asia region generating the largest share of Standard Chartered's income in 2020, at 41%.

Ping An

Ping An is a financial services group in China with core business in insurance, banking and asset management, focusing on building financial services, healthcare, auto services, and smart city ecosystems. As at 31 December 2020, Ping An reported 218 million retail customers and 598 million registered internet users. Ping An is listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

Other Major Investments — Funds

Temasek's top three funds investments, as at 31 March 2021, are Seatown Feeder Fund, PavCap and Avanda Global. Seatown Feeder Fund is managed by Seatown Holdings and focuses on absolute returns in alternatives such as multi-asset, public credit and private investment strategies. 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. 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. These funds investments amounted to S\$16.9 billion as at 31 March 2021.

Investments and divestments by Temasek

In the years ended 31 March 2019, 2020 and 2021, Temasek made approximately S\$24 billion, S\$32 billion and S\$49 billion of investments, respectively, and approximately S\$28 billion, S\$26 billion and S\$39 billion of divestments, respectively.

Subsequent to 31 March 2021, Temasek made the following significant investment:

- On 28 May 2021, SIA, a subsidiary of the Temasek Group, undertook a renounceable rights issue (the "Rights Issue") of up to S\$6.2 billion in aggregate principal amount of mandatory convertible bonds ("Rights 2021 MCBs") at an issue price of 100% of the principal amount of the Rights 2021 MCBs, offered on the basis of 209 Rights 2021 MCBs for every 100 ordinary shares of SIA ("SIA Shares").

In connection with the Rights Issue, Temasek (through its wholly-owned subsidiary) subscribed for S\$5,876 million in aggregate principal amount of Rights 2021 MCBs, comprising (a) Temasek's pro-rata entitlement of S\$3,434 million in principal amount of Rights 2021 MCBs and (b) S\$2,441 million in principal amount of Rights 2021 MCBs that were not subscribed for by other shareholders under the Rights Issue. The S\$5,876 million in aggregate principal amount of Rights 2021 MCBs were issued to Temasek's wholly-owned subsidiary on 24 June 2021 (the "SIA Issue Date").

The Rights 2021 MCBs may be redeemed at the option of SIA, in whole or in part, on every six-month anniversary of the SIA Issue Date in cash in accordance with the terms thereof. The Rights 2021 MCBs will be automatically converted to SIA Shares on 8 June 2030 (the "SIA Maturity Date") if they are not redeemed prior to the SIA Maturity Date.

On completion of the Rights Issue on 24 June 2021, Temasek's wholly-owned subsidiary holds S\$9,227 million in aggregate principal amount of mandatory convertible bonds, comprising the Rights 2021 MCBs and the mandatory convertible bonds issued by SIA on 8 June 2020. The Temasek Group's effective interest in SIA remains at 55% and SIA continues to be consolidated as a subsidiary of the Temasek Group.

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 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. The consideration of ESG-related risks, including climate risks, both transition and physical, is an integral part of these processes. For example, Temasek currently applies an internal carbon price of US\$42 per tonne of carbon dioxide equivalent in its investment evaluations in order to account for the potential exposure of an investment to transition risk.

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 2021, the top three countries were China, Singapore and the United States, which accounted for about 27%, 24% and 17% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2021, the top three sectors were financial services, telecommunications, media & technology and transportation & industrials, which accounted for about 24%, 21% and 19% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2021, the top three investments were DBS, Singtel and Mapletree, which accounted for about 6%, 5% and 5% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2021, the top 10 companies accounted for about 34% of Temasek's Net Portfolio Value. The top 10 companies are DBS, Singtel, Mapletree, PSA, SIA, SP Group, ST Telemedia, A.S. Watson, CCB and TJ (III).

Liquid and listed assets comprised about 55% of Temasek's Net Portfolio Value as at 31 March 2021, consisting of 38% of liquid assets and assets comprising investments that each represents a minority interest of less than 20% in a listed company, 7% 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 45% of Temasek's Net Portfolio Value as at 31 March 2021, 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.

Name	Age	Position
Lim Boon Heng	73	Chairman
Cheng Wai Keung	70	Deputy Chairman
Chin Yoke Choong Bobby	69	Director and Chairman, Audit Committee
Fu Chengyu	70	Director
Ho Ching ⁽¹⁾	68	Executive Director and Chief Executive Officer
Lee Ching Yen Stephen	74	Director
Lee Theng Kiat ⁽¹⁾	68	Executive Director
Ng Chee Siong Robert	68	Director
Teo Ming Kian	69	Director
Peter Robert Voser	62	Director
Robert Bruce Zoellick	67	Director

Note:

(1) Ms. Ho Ching will retire from Temasek Holdings (Private) Limited and step down from its Board of Directors with effect from 1 October 2021. Mr. Dilhan Pilay Sandrasegara will succeed Ms. Ho as Executive Director and Chief Executive Officer of Temasek Holdings (Private) Limited with effect from 1 October 2021. Mr. Lee Theng Kiat will retire from his role as Executive Director of Temasek Holdings (Private) Limited at the same time and remain a non-executive member of the Board of Directors of Temasek Holdings (Private) Limited and non-executive Chairman of Temasek International.

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 D — 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 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 currently the Chairman of Singapore Health Services Pte Ltd and Vice Chairman of Singapore-Suzhou Township Development Pte Ltd and is a Director with MOH Holdings Pte Ltd. He also serves as an Advisor to Sumitomo Mitsui Banking Corporation Singapore. 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's Corporate Governance Advisory Committee and sits on the boards of listed companies 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 ("CEO") 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.

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 will retire from Temasek and step down from the Board of Directors of Temasek with effect from 1 October 2021. 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 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 and Singtel. Mr. Lee will retire from his role as Executive Director of Temasek Holdings (Private) Limited with effect from 1 October 2021. Mr. Lee will remain a non-executive member of the Board of Directors of Temasek Holdings (Private) Limited and non-executive Chairman of Temasek International. 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, 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. and Robinhood Markets, Inc. and Chairman of the International Advisory Council for Standard Chartered Bank. He is also a Senior Counselor at Brunswick Geopolitical, a Senior Fellow at the Belfer Centre for Science and International Affairs at Harvard University’s Kennedy School of Government and a Member of the Swiss Re Strategic Council. 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, Ms. Ho Ching, Mr. Lee Ching Yen Stephen, Mr. Lee Theng Kiat and Mr. Ng Chee Siong Robert. Ms. Ho will step down from the Executive Committee on 1 October 2021. 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. Ms. Ho will step down from the Leadership Development and Compensation Committee on 1 October 2021. 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 ⁽¹⁾	68	Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited
Lee Theng Kiat ⁽¹⁾	68	Executive Director of Temasek Holdings (Private) Limited & Chairman of Temasek International
Dilhan Pillay Sandrasegara ⁽¹⁾	58	Executive Director & Chief Executive Officer of Temasek International
Chia Song Hwee	58	Deputy Chief Executive Officer
Jonathon Revill Christopher Allaway	56	Chief Technology Officer
Fidah Alsagoff	56	Joint Head, Enterprise Development Group Head, Life Sciences
Michael John Buchanan	54	Head, Portfolio Strategy & Risk Group Head, Macro Strategy Head, Australia & New Zealand
Chan Wai Ching	58	Chief Corporate Officer Head, Organisation & People
Gregory Lynn Curl	72	President
Nagi Adel Hamiyeh	52	Joint Head, Investment Group Head, Portfolio Development
Steve Howard	55	Chief Sustainability Officer
Hu Yee Cheng Robin	63	Head, International Policy & Governance
Uwe Krueger	56	Head, Industrials, Business Services, Energy & Resources Head, Europe, Middle East & Africa
Ravi Lambah	53	Joint Head, Investment Group Head, Direct Investments Joint Head, Telecommunications, Media & Technology Head, India
Mukul Chawla	45	Joint Head, Telecommunications, Media & Technology Joint Head, North America
Leong Wai Leng	65	Chief Financial Officer Head, Singapore Projects
John William Marren	58	Vice Chairman, North America
Pek Siok Lan	56	General Counsel
Png Chin Yee	45	Deputy Chief Financial Officer
Rohit Sipahimalani	54	Chief Investment Strategist Head, South East Asia
Tan Chong Lee	59	President
Teo Juet Sim Juliet	51	Head, Transportation & Logistics Deputy Head, Portfolio Development
Tham Min Yew Russell	53	Joint Head, Enterprise Development Group Joint Head, Strategic Development
Alan Raymond Thompson	61	Joint Head, Strategic Development
Benoit Valentin	52	Head, Private Equity Fund Investments Head, Impact Investing Deputy Head, Europe, Middle East & Africa
John Joseph Vaske	55	Head, Americas Head, Agribusiness
Nicolas Jean Debetencourt	47	Head, Credit Portfolio

<u>Name</u>	<u>Age</u>	<u>Position</u>
Wu Yibing	54	Joint Head, Enterprise Development Group Head, China
Yeoh Keat Chuan	50	Deputy Head, Enterprise Development Group Deputy Head, Singapore Projects
Michael Zeller	53	Head, Artificial Intelligence Strategy & Solutions

Note:

(1) Ms. Ho Ching will retire from Temasek Holdings (Private) Limited and step down from its Board of Directors with effect from 1 October 2021. Mr. Dilhan Pily Sandrasegara will succeed Ms. Ho as Executive Director and Chief Executive Officer of Temasek Holdings (Private) Limited with effect from 1 October 2021. Mr. Lee Theng Kiat will retire from his role as Executive Director of Temasek Holdings (Private) Limited at the same time and remain a non-executive member of the Board of Directors of Temasek Holdings (Private) Limited and non-executive Chairman of Temasek International.

As Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited, Ms. Ho Ching is responsible for overseeing Temasek's stewardship role, including its constitutional responsibility to protect Temasek's past reserves. Mr. Dilhan Pily Sandrasegara will succeed Ms. Ho as Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited upon her retirement from Temasek and assume this role with effect from 1 October 2021.

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. Mr. Lee will retire from his role as Executive Director of Temasek Holdings (Private) Limited with effect from 1 October 2021. Mr. Lee will continue as Chairman of Temasek International and will remain as a non-executive member of the Board of Directors of Temasek Holdings (Private) Limited in order to provide continuity during Temasek's leadership renewal process and to allow Temasek to continue to tap on Mr. Lee's experience as a business builder and his commercial network.

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. Mr. Sandrasegara will retain his current appointment as Executive Director & Chief Executive Officer of Temasek International when he assumes the position of Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited.

Temasek's senior leadership 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. He will succeed Ms. Ho Ching as Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited with effect from 1 October 2021 while retaining his current appointment as Executive Director & Chief Executive Officer of Temasek International. Since joining Temasek, Mr. Sandrasegara has held various leadership roles, including at various times, 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 serves on the boards of the National Research Foundation in Singapore and Enterprise Singapore. He is also a member of the Future Economy Council, the Financial Centre Advisory Panel of the MAS and the National Jobs Council. He 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. Fidah 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 IMF 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 for Temasek. Ms. Chan is a member of the various management committees of Temasek that decide on investment and non-investment matters for the firm. She heads the global

Organisation and People group and oversees public affairs and community stewardship functions. In addition, she works closely with the Chairman and the remuneration and nominating board committees of Temasek's various portfolio companies on various board matters, which includes the identification of various board capabilities to support the direction of each company's business, management incentive plan designs, executive and non-executive compensation matters, as well as management succession plans. For some companies, she is also a member of the remuneration and nominating committee. Ms. Chan has deep experience in human resources with several large organisations. 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 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. Steve Howard joined Temasek in January 2021 and is currently Chief Sustainability Officer. Prior to joining Temasek, Mr. Howard was Chief Sustainability Officer at IKEA Group and served on IKEA's Executive Group management team from 2011 to 2017. In 2015, Mr. Howard co-founded We Mean Business, a climate change coalition of organisations that helped support the Paris Agreement. Prior to IKEA, Mr. Howard was Founder and Chief Executive Officer of The Climate Group. Before the Climate Group, Mr. Howard consulted on sustainability for major corporations and institutions, working as a partner at ERM Group in London and a Director at URS Corporation. He has worked with various non-governmental organisations and United Nations bodies on a wide range of global sustainability topics. Earlier in his career, Mr. Howard worked at the World Wide Fund for Nature, where he was involved in establishing the Global Forest and Trade Network, chaired the UK Forest Stewardship Council and helped launch and chair The Forest Trust. Mr. Howard is trained as an ecologist and has a Doctor of Philosophy degree in Ecophysiology and Environmental Physics from the University of Nottingham.

Mr. Hu Yee Cheng Robin joined Temasek in December 2016 and is currently Head, International Policy & Governance. 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 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/USA). 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 currently Joint Head, Investment Group; Head, Direct Investments; Joint Head, Telecommunications, 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 30 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, Telecommunications, 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 Vice Chairman, North America. 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. 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 ("M&A"), 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. Her prior roles in Temasek include Head, Financial Services, Senior Managing Director, China, and Senior Managing Director, Portfolio Strategy and Risk Group. 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 degree with First Class Honours from the Nanyang Technological University and is a Chartered Financial Analyst.

Mr. Rohit Sipahimalani joined Temasek in November 2008 and is currently Chief Investment Strategist and Head, South East Asia. He started his career at Temasek as head of the Telecommunications, Media & Technology investment team. 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 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. 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.

Ms. Teo Juet Sim Juliet joined Temasek in April 1996 and is currently Head, Transportation & Logistics and Deputy Head, 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, ReefkNot Investments Pte. Ltd. since November 2018 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 Joint Head, Enterprise Development Group as well as Joint Head, Strategic Development. Mr. Tham was the President of New Enterprises and Ventures at ST Engineering, reporting to the ST Engineering CEO. 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 and supply chain. In addition, he built multiple product development and research and development organisations in Singapore serving global markets. Mr. Tham also served as Head of Global Continuous Improvement and Corporate Sales Operations from 2010 to 2016. Mr. Tham is the Deputy Chairman of Temasek Polytechnic and serves on the boards of Infocomm Media Development Authority and SkillsFuture Singapore (SSG). He is a member of the Singapore Government's Future Economy Council. He formerly served on the board of Energy Market Authority and Committee of the 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 Joint Head, Strategic Development. Mr. Thompson was previously Senior Managing Director, Enterprise Development Group and Joint Head, Private Equity Fund Investments, Managing Director, Portfolio Management, and Managing Director, Telecommunications and Media. 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 International (Europe) Limited in 2014 as a Senior Managing Director. He is currently Head, Private Equity Fund Investments; Head, Impact Investing and Deputy Head, Europe, Middle East & Africa based in London. Prior to this, Mr. Valentin was a Partner at Cinven, a European private equity fund, for eight years. He worked for 12 years for Goldman Sachs in Europe and Asia, including a position as Managing Director for GS Capital Partners, the private equity arm of Goldman Sachs. Earlier positions include Analyst at Clinvest (Credit Lyonnais' M&A arm) and First Lieutenant in the French navy. Mr. Valentin holds an MSc in Business from HEC Paris (École des Hautes Études Commerciales de Paris), France.

Mr. John Joseph Vaske joined Temasek in January 2017 and 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. In his role at Temasek, Mr. Vaske serves on the boards of several portfolio companies including Farmers Business Network, Califia, Rivulis and Eastdil Secured Holdings. 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 ("Carlyle"), 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, Enterprise Development Group and Deputy Head, Singapore Projects at Temasek International. He joined Temasek in October 2017. Mr. Yeoh oversees a number of initiatives related to building enterprises in areas such as cybersecurity, digital services and agri-food. He was previously interim CEO of Ensign Infosecurity, a cybersecurity company majority owned by Temasek, until September 2019. Prior to

joining Temasek, Mr. Yeoh was Managing Director of the Singapore Economic Development Board (“EDB”), the lead government agency for industry development and investment promotion. He is Chairman of D’Crypt as well as Board member of Ensign Infosecurity and Sustenir. Mr. Yeoh is a Glaxo-EDB scholar and graduated with a Masters of Engineering degree in Chemical Engineering (First Class), from Imperial College, University of London. He graduated as a Sloan Fellow from Stanford University’s Graduate School of Business in 2004.

Mr. Michael Zeller joined Temasek in July 2020 and is currently Head, Artificial Intelligence 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 27 August 2015. 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\$55,000,000 comprising 55,000,000 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 S\$500 million 2.70% Guaranteed Notes due 2023 (the "Series 1 Notes"), which were issued pursuant to the Programme. The Series 1 Notes are guaranteed by Temasek.

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 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	58	Director
Goh Bee Kheng	54	Director
Leong Wai Leng	65	Director
Pek Siok Lan	56	Director
Rohit Sipahimalani	54	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 5 September 2016.

Capitalisation

The following table sets forth the Issuer's capitalisation as at 31 March 2021. The information has been extracted from the financial statements of the Issuer as at 31 March 2021.

	As at 31 March 2021 (S\$'000)
Long term debt	
Total long term debt	498,124
Total equity	
Equity attributable to equity holder of Issuer	11,356
Capitalisation	<u>509,480</u>

Selected financial data for the Issuer

The following tables set forth selected financial data for the Issuer as at and for the years ended 31 March 2020 and 2021. The selected financial information for the Temasek Group as at and for the years ended 31 March 2019, 2020 and 2021 is set out in "Selected financial and other data — Selected financial data for the Temasek Group".

The financial statements of the Issuer as at and for the years ended 31 March 2020 and 2021 have been prepared in accordance with IFRS and SFRS(I).

Selected statement of comprehensive income data

	Year ended 31 March	
	2020	2021
	(S\$'000)	
Other income	—	4
Finance expenses	(14,182)	(14,214)
Other expenses	(2,786)	(788)
Loss before income tax	(16,968)	(14,998)
Income tax expense	—	—
Loss for the year, representing total comprehensive income for the year	(16,968)	(14,998)

Selected balance sheet data

	As at 31 March	
	2020	2021
	(S\$'000)	
Non-current asset		
Loan to related company	530,579	515,716
Total asset	530,579	515,716
Equity		
Share capital	55,000	55,000
Accumulated losses	(28,646)	(43,644)
Total equity	26,354	11,356
Non-current liability		
Borrowings	497,410	498,124
Total non-current liability	497,410	498,124
Current liabilities		
Interest payable	5,844	5,807
Accrued operating expenses	971	429
Total current liabilities	6,815	6,236
Total liabilities	504,225	504,360
Total equity and liabilities	530,579	515,716

Selected cash flow statement data

	Year ended 31 March	
	2020	2021
	(S\$'000)	
Cash generated from operating activities	13,500	13,500
Proceeds from borrowings	—	—
Interest paid	(13,500)	(13,500)
Cash flows from operating activities	—	—
Cash flows used in investing activities	—	—
Cash flows from financing activities	—	—
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents at the beginning of the year	—	—
Cash and cash equivalents at the end of the year	—	—

In each of the years ended 31 March 2020 and 2021, the amount of S\$13,500,000 was received from a related company and utilised for payment of interest on the Series 1 Notes.

Others

Save as disclosed in this Offering Circular, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) to be not necessarily indicative of the future operating results or financial condition of the Issuer in respect of the current financial year.

Save as disclosed in this Offering Circular, no event has occurred from 31 March 2021 to 15 July 2021, being the latest practicable date prior to the issue of this Offering Circular, which may have a material effect on the ability of the Issuer or the Temasek Group as a whole to meet its payment obligations under the Notes.

Terms and conditions of the Notes

The following is the text of the terms and conditions (the “Conditions”) of the Notes 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.

Only Notes which fall within the definition of “seasoned debenture” in the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016 (the “Exemption Regulations for Post-Seasoning Debentures”) may be seasoned for trading by Retail Investors under the Seasoning Framework. Only Notes which fall within the definition of “straight debenture” in the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the “Exemption Regulations for Straight Debentures”) may be offered pursuant to the Exemption Regulations for Straight Debentures.

The Notes are constituted by a Trust Deed dated 3 August 2018 (as may be further amended or supplemented as at the date of issue of the Notes (the “Issue Date”), the “Trust Deed”) among Temasek Financial (IV) Private 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 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 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 3 August 2018 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 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 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 Trust Deed and all other provisions in these Conditions and the 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 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. Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes (except for Notes which are intended to be “seasoned debentures” (as defined in the Exemption Regulations for Post-Seasoning Debentures) or intended to be offered pursuant to the Exemption Regulations for Straight Debentures) will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S\$200,000 (or its equivalent in another currency) and integral multiples of S\$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such 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.

Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes which are intended to be “seasoned debentures” will initially be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S\$200,000 (or its equivalent in another currency) and integral multiples of S\$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will be listed and 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. If seasoned for retail trading, after the end of the seasoning period (as defined in the Exemption Regulations for Post-Seasoning Debentures), such Notes will (unless otherwise specified in the relevant Pricing Supplement and without the consent of the Trustee, the Noteholders or Couponholders) be re-denominated to denominations of S\$1,000 (or its equivalent in the relevant currency), subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will then be traded on the SGX-ST in a board lot size of S\$1,000 (or its equivalent in the relevant currency) or such other amount as may be allowed or required from time to time.

Notes which are offered pursuant to the Exemption Regulations for Straight Debentures will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S\$1,000 (or its equivalent in another currency), subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will be listed and traded on the SGX-ST in a minimum board lot size of S\$1,000 (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 SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“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.
- (f) **Consent:** Personal data or information provided to the Issuer, the Guarantor or the Trustee or their agents (whether directly from a person acquiring an interest in the Notes or a Noteholder or indirectly through their agents or otherwise, and whether or not pursuant to a request from the Issuer, the Guarantor or the Trustee or their agents), and personal data or information relating to (if any) employees, officers, shareholders or beneficial owners of any such person acquiring an interest in the Notes or the Noteholder provided by such person or the Noteholder or otherwise collected by or on behalf of the Issuer, the Guarantor or the Trustee in connection with such acquisition or any other matter in relation to the Notes (collectively the "**Data**") may be held by or on behalf of the Issuer, the Guarantor, the Trustee, their Affiliates, their respective agents (each a "**Recipient**") and/or any third party engaged by the Recipient to provide administrative, computer or other services or products. Each of the foregoing persons may collect, use, disclose, process and transfer such Data so as to enable each of the aforesaid persons to: (i) administer, carry out their respective duties and obligations (including, without limitation, operational, administrative or risk management requirements), or to enforce their respective rights and remedies, in connection with any matter in relation to the Notes or any local or foreign order, rule, regulation or law applicable to the respective parties; (ii) implement any corporate action related to the Notes; (iii) carry out internal analysis; (iv) carry out any investor relations communication; and (v) comply with requests from any local or foreign regulator or authority or the Rating Agencies. By acceptance of an interest in a Note, each such person and each Noteholder consents to all such use and warrants that it has obtained legally valid consents from all relevant individuals to allow the Recipients and those third parties to collect, use, disclose, process and/or transfer Data as described above, and also agrees to provide written evidence of such consents upon reasonable request from a Recipient.

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 Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the "Guarantee") are contained in the 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 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 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);

- (bb) if on any Interest Determination Date, 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;
 - (cc) 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 (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (dd) 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 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);

- (bb) 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 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);

- (cc) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (bb) 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;

(dd) 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 (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 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 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 neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

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

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

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

“Reference Rate” means the rate specified as such hereon.

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

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

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

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

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

- (l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of 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 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 Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the U.S. 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 or other guidance adopted in connection therewith ("FATCA"), 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, 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 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). 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) **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
- (d) **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
- (e) **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
- (f) **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 U.S. 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 (or rules or practices) adopted in connection therewith; or
- (g) any combination of items (a) through (f) 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 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 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 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 Trust Deed and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the Trust Deed relating to the redemption of the Notes shall have been satisfied; and
- (d) the Issuer or 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 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 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 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 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 Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. 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.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

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

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust

Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the Trust Deed, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, 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 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 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 Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides. The consolidation of any additional Bearer Notes issued under the 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 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 U.S. Internal Revenue Code of 1986, as amended.

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*) (or, 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) or so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”), published on the website of the SGX-ST (www.sgx.com). 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 such publication is made, in such newspaper or on the website of the SGX-ST 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 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.

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 depository 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 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.

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 CDP, Euroclear and/or Clearstream and/or any other such depository, as applicable, and such clearing agent or depository, 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 will be exchangeable, in whole and not in part, for Definitive Notes (i) if the Permanent Global Note was issued in respect of a D Rules Note or if such exchange is specifically permitted by the relevant Pricing Supplement, at the request of the holder, (ii) if the Permanent Global Note is held on behalf of 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 to permanently cease business or does in fact do so (iii) in the case of a Permanent Global Note 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 and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as a depository for the Notes and to continue performing its duties set out in the relevant Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system is available, or (iv) an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the terms and conditions of the 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 Global Notes, Definitive 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 OF 1986, AS AMENDED) 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, 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 will be represented by interests in a Global Certificate, which may be deposited with, and registered in the name of, CDP or deposited with a common depository for, and registered in the name of a nominee 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 Dealers, 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 Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person and may be held only through CDP or Euroclear and Clearstream, as the case may be. A Global Certificate will be exchangeable for Definitive Certificates only in limited circumstances as more fully described in “Annex A — Global clearance and settlement”.

No beneficial owner of an interest in a Global Certificate will be able to exchange or transfer that interest, except in accordance with the applicable procedures of CDP, Euroclear and/or Clearstream, in each case, to the extent applicable.

Security Codes

Bearer Notes shall be assigned (as applicable) a Common Code and an ISIN. Registered Notes will be assigned (as applicable) a Common Code, ISIN and CUSIP number. If a further issuance of Notes of the same series of Notes is issued, the 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 Trustee or Agent, as the case may be, to the relevant Dealers. The consolidation of any additional Bearer Notes issued under the 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 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 U.S. Internal Revenue 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.

In addition, as the Programme as a whole was arranged by the Arranger, which was a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the “Relevant Notes”) which are debt securities issued under the Programme during the period from the date of this Offering Circular to 31 December 2023 will be 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 Foreign Account Tax Compliance Act

Pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 (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 U.S. Internal Revenue Service (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.**

Plan of distribution

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in the Programme Agreement, Notes offered to Specified Investors only will be offered from time to time for sale through the Dealers and may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealers. The Programme Agreement also provides for such Notes to be issued in syndicated series that are underwritten by two or more Dealers. In relation to a series of Straight Notes or Post-Seasoning Notes, pursuant to the Programme Agreement, one or more Dealers may agree with the Issuer and the Guarantor to procure subscribers for such Notes which are offered (or intended to be offered) to, *inter alia*, Retail Investors on an underwritten basis. 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 Arranger for its 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 Arranger and the Dealers in connection with the offer and sale of such Notes. 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, provided that for so long as the rules of the SGX-ST, the Exemption Regulations for Straight Debentures and/or the Exemption Regulations for Post-Seasoning Debentures (as the case may be) require, all issues of Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes are to be listed on the SGX-ST. No assurances can be given that the Programme will qualify for listing on a stock exchange (other than the SGX-ST). 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 Issue Date until maturity (or early redemption).

In connection with the issue of any series of Notes (other than Straight Notes and Post-Seasoning 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 2021, the Temasek Group had an effective interest of 29% and 16% of DBS and Standard Chartered, respectively. See “Business of Temasek — Major Investments” for more information regarding DBS.

DBS Bank Ltd., which is the Arranger and one of the Dealers under the Programme, is a wholly-owned subsidiary of DBS. DBS Trustee Limited, the Trustee, is a wholly-owned subsidiary of DBS Bank Ltd.

Standard Chartered is the ultimate holding company of Standard Chartered Bank (Singapore) Limited, which is also a Dealer 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.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer (severally, and not jointly) has represented and agreed 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. 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 Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA (each, a “Relevant State”), each Dealer has represented and agreed 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, as amended.

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 l'épargne*) 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

In respect of offers made pursuant to Sections 274 and/or 275 of the SFA, 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.

In respect of offers made pursuant to the Exemption Regulations for Straight Debentures, 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 and material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet), whether directly or indirectly, to persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Straight Debentures.

In respect of offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures, 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 and material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet), whether directly or indirectly, to persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Post-Seasoning Debentures.

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

Prohibition of Sales to UK Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer (severally, and not jointly) has represented and agreed 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 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK 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 UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed 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 the UK except that it may make an offer of such Notes to the public in the UK:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “Public Offer”), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the FCA, or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
 - (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
 - (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
 - (D) at any time in any other circumstances falling within section 86 of the FSMA,
- provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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

Other Regulatory Restrictions

Each Dealer 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 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.

Each Dealer has represented and agreed that it will not offer, sell or deliver the Notes of any identifiable series as part of its distribution at any time or otherwise, except to non-U.S. persons in offshore transactions in reliance on Regulation S, as such terms are defined in Regulation S. 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.

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 rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code, unless the relevant Pricing Supplement specifies that Notes will be issued in accordance 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 U.S. 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 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.

Each purchaser of Notes and each subsequent purchaser of such Notes in resales, 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, resell, pledge, deliver or otherwise transfer such Notes (a) in the United States or to, or for the account or benefit of, a U.S. person and (b) 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. 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:

“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, RESOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).”
4. The Issuer, Temasek, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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 United States federal securities laws. Certain legal matters with respect to the Notes will be passed upon for the Arranger and Dealers by Allen & Gledhill LLP with respect to Singapore law. Certain legal matters with respect to the Notes will be passed upon for the Trustee by WongPartnership LLP with respect to Singapore law.

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 may be specified in the relevant Pricing Supplement, and will not necessarily be the same as the credit ratings assigned to Temasek. Where any credit rating assigned to a series of Straight Notes is a “provisional” or “expected” or “preliminary” rating, the Issuer undertakes to make an announcement on SGXNET of the final credit rating when it is available.

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.

See “Risk factors — Risks related to the Issuer and Temasek — Credit ratings assigned to Temasek are statements of opinion and not investment recommendations” for more details on credit ratings assigned to Temasek and the Notes (if any).

Credit Rating Methodology and Relative Ranking of Credit Ratings

Publications by Moody’s regarding Credit Rating Methodology

The credit rating methodology used by Moody’s is the Investment Holding Companies and Conglomerates methodology that can be found on the website of Moody’s at <https://www.moody.com/> under the Ratings and Assessments tab, Methodologies & Frameworks section, Corporates sub-section. The explanation of the meaning and limitations of the credit rating is available at <https://www.moody.com/Pages/amr002002.aspx>. The relative ranking of the credit ratings assigned by Moody’s is available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Publications by S&P regarding Credit Rating Methodology

The credit rating methodology used by S&P is the Investment Holding Companies methodology that can be found on the website of S&P at <https://www.standardandpoors.com/> under the About Ratings tab, Ratings Criteria and Models section, Corporates sub-section. The explanation of the meaning and limitations of the credit rating and relative ranking of the credit ratings assigned by S&P are available at <https://www.spglobal.com/ratings/en/about/intro-to-credit-ratings>.

Limitations

The general information described above as well as the credit ratings of Moody’s or S&P, as the case may be, should be read in conjunction with the information and details found on the websites of Moody’s (at <https://www.moody.com/>) or S&P (at <https://www.standardandpoors.com/>), as the case may be, including the terms, conditions and restrictions of Moody’s or S&P, as the case may be, regarding the use of credit ratings and related information. In particular, all investors should read the

terms of use found on the websites of Moody's at <https://www.moodys.com/termsfuseinfo.aspx?lang=en&cy=global> and S&P at https://www.standardandpoors.com/en_US/web/guest/regulatory/termsfuse in their entirety (including, without limitation, the relevant terms of use specifying that the credit ratings are not intended for use by retail investors, that it would be reckless for retail investors to consider the credit ratings in making any investment decision and that if in doubt, investors should contact their financial or other professional advisor).

The information contained on the websites of Moody's and S&P does not constitute part of this Offering Circular. None of Temasek, the Issuer, the Arranger, the Dealers or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information and does not accept any responsibility for such information, including whether that information is accurate, complete or up-to-date.

Independent public accountants

The consolidated financial statements of Temasek as at 31 March 2019, 2020 and 2021 and for each of the years in the three-year period ended 31 March 2021, and the financial statements of the Issuer as at and for the years ended 31 March 2020 and 2021 included elsewhere in this Offering Circular have been audited by KPMG LLP, independent auditors, as stated in their report also appearing herein.

Index to financial statements

Consolidated Financial Statements of Temasek

The page references in the Directors' Statement and the Independent Auditors' Report for the financial years ended 31 March 2019, 2020 and 2021 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 FS160.

	Pages
Directors' Statement	F1
Independent Auditors' Report	F2-4
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	FS13-160

Financial Statements of the Issuer

The page references in the Directors' Statement and the Independent Auditors' Report for the financial year ended 31 March 2021 set out on pages FA1 to FA9 and FA10 to FA13, respectively, of this Offering Circular refer to the financial statements set out on pages FSA1 to FSA16.

	Pages
Directors' Statement	FA1-9
Independent Auditors' Report	FA10-13
Balance Sheet	FSA1
Statement of Comprehensive Income	FSA2
Statement of Changes in Equity	FSA3
Cash Flow Statement	FSA4
Notes to the Financial Statements	FSA5-16

The page references in the Directors' Statement and the Independent Auditors' Report for the financial year ended 31 March 2020 set out on pages FB1 to FB9 and FB10 to FB13, respectively, of this Offering Circular refer to the financial statements set out on pages FSB1 to FSB15.

	Pages
Directors' Statement	FB1-9
Independent Auditors' Report	FB10-13
Balance Sheet	FSB1
Statement of Comprehensive Income	FSB2
Statement of Changes in Equity	FSB3
Cash Flow Statement	FSB4
Notes to the Financial Statements	FSB5-15

**TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES
(Registration Number: 197401143C)**

CONSOLIDATED FINANCIAL STATEMENTS

31 March 2021, 2020, 2019

In the opinion of the Directors, the consolidated financial statements of the Group as set out on pages FS1 to FS160 are drawn up so as to present fairly the financial position of the Group as at 31 March 2021, 2020 and 2019, 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
28 June 2021

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 2021, 2020 and 2019, 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 FS160.

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 2021, 2020 and 2019 and the financial performance, changes in equity and cash flow 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 Consolidated 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 financial statements. This other information comprises the Directors' Statement.

**TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES**

*Independent auditors' report
Years ended 31 March 2021, 2020, 2019*

Our opinion on the consolidated 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 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 financial statements of THPL and 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 2021, 2020, 2019*

- 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
28 June 2021

The Group	Note	2021 \$million	2020 \$million	2019 \$million
Revenue	5	110,900	118,623	114,642
Cost of sales		(80,455)	(87,436)	(85,073)
Gross profit		30,445	31,187	29,569
Other income		56,424	7,253	7,204
Selling and distribution expenses		(2,439)	(3,512)	(3,391)
Administrative expenses		(11,341)	(8,393)	(8,389)
Finance expenses	6	(4,688)	(4,743)	(3,715)
Other expenses		(18,803)	(10,453)	(7,411)
Profit before share of profit of associates and joint ventures		49,598	11,339	13,867
Share of profit, net of tax of:				
- Associates		5,869	3,528	2,587
- Joint ventures		1,008	349	2,220
Profit before tax		56,475	15,216	18,674
Tax expense	7	(2,277)	(2,900)	(2,777)
Profit for the year	8	54,198	12,316	15,897
Loss/(profit) attributable to non-controlling interests		2,349	(3,478)	(4,069)
Profit attributable to equity holder of THPL		56,547	8,838	11,828

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

The Group	Note	2021 \$million	2020 \$million	2019 \$million
Profit for the year		54,198	12,316	15,897
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")		30	(67)	(270)
<i>Items that are or may be subsequently reclassified to income statement:</i>				
Net change in fair value, net of tax, of:				
- Debt instruments at FVOCI		-	-	(23)
- Debt instruments at FVOCI reclassified to income statement		-	2	(4)
Cash flow hedges, net of tax		1,267	(2,698)	107
Cost of hedging reserves, net of tax		2	11	(14)
Disposal of investments in subsidiaries, with loss of control		(74)	(5)	1,177
Disposal or dilution of investments in associates and joint ventures		(214)	(602)	149
Share of associates' and joint ventures' reserves		(378)	604	205
Translation differences		(151)	(354)	(773)
Others, net		(52)	(93)	(222)
Total other comprehensive income, net of tax	7	430	(3,202)	332
Total comprehensive income		54,628	9,114	16,229
Total comprehensive income attributable to non-controlling interests		953	(1,399)	(3,578)
Total comprehensive income attributable to equity holder of THPL		55,581	7,715	12,651

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 2021, 2020, 2019

The Group	Note	2021 \$million	2020 \$million	2019 \$million
Non-current assets				
Property, plant and equipment	11	77,144	82,122	78,460
Right-of-use assets	12	10,834	9,413	-
Intangible assets	13	27,693	28,840	27,736
Biological assets	14	473	531	512
Associates	17	69,550	61,432	63,600
Joint ventures	18	24,531	25,783	21,401
Financial assets	19	183,578	134,876	132,541
Derivative financial instruments	20	1,259	2,468	1,516
Investment properties	21	94,266	98,095	56,318
Deferred tax assets	22	1,878	1,265	820
Other non-current assets	23	7,683	8,655	7,392
		<u>498,889</u>	<u>453,480</u>	<u>390,296</u>
Current assets				
Inventories	24	17,675	18,056	9,571
Trade and other receivables	25	29,019	30,845	27,978
Financial assets	19	32,170	16,738	14,070
Derivative financial instruments	20	4,175	4,428	3,189
Cash and bank balances	27	70,080	70,811	60,975
Assets classified as held for sale	28	942	573	2,976
		<u>154,061</u>	<u>141,451</u>	<u>118,759</u>
Total assets		<u>652,950</u>	<u>594,931</u>	<u>509,055</u>
Equity attributable to equity holder of THPL				
Share capital	9	75,266	69,612	64,210
Other reserves	10(a)	13,959	14,243	14,221
Fair value reserve	10(b)	128	(10)	(74)
Hedging and cost of hedging reserve	10(c)	(655)	(1,422)	89
Currency translation reserve	10(d)	(6,278)	(4,966)	(6,103)
Accumulated profits		<u>265,109</u>	<u>213,046</u>	<u>211,198</u>
		<u>347,529</u>	<u>290,503</u>	<u>283,541</u>
Non-controlling interests	16	<u>67,697</u>	<u>72,553</u>	<u>47,659</u>
Total equity		<u>415,226</u>	<u>363,056</u>	<u>331,200</u>
Non-current liabilities				
Borrowings	29	132,772	119,898	88,141
Derivative financial instruments	20	1,685	3,005	614
Provisions	30	1,435	1,591	890
Deferred income and liabilities	31	1,949	1,701	1,883
Deferred tax liabilities	22	7,055	7,408	6,580
Other non-current liabilities	32	7,380	5,457	4,913
		<u>152,276</u>	<u>139,060</u>	<u>103,021</u>
Current liabilities				
Trade and other payables	33	42,966	45,682	41,552
Current tax payable		6,378	4,925	2,968
Borrowings	29	27,237	33,051	23,614
Derivative financial instruments	20	3,164	4,829	1,749
Provisions	30	3,551	2,516	2,555
Deferred income and liabilities	31	2,118	1,753	1,672
Liabilities classified as held for sale	28	34	59	724
		<u>85,448</u>	<u>92,815</u>	<u>74,834</u>
Total liabilities		<u>237,724</u>	<u>231,875</u>	<u>177,855</u>
Total equity and liabilities		<u>652,950</u>	<u>594,931</u>	<u>509,055</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 2021, 2020, 2019

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	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	59,907	14,233	(74)	89	(6,112)	216,555	284,598	50,583	335,181
Balance carried forward	-	-	-	-	-	-	-	-	-

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 2021, 2020, 2019

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 2021, 2020, 2019

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:	-	-	2	(1,425)	-	-	2	-	2
- Equity investments at FVOCI	-	-	-	-	-	-	(1,425)	(1,273)	(2,698)
- Debt investments at FVOCI reclassified to income statement	-	-	-	6	-	-	6	5	11
Cash flow hedges, net of tax	-	-	-	-	3	-	(5)	-	(5)
Cost of hedging reserves, net of tax	-	(8)	-	-	-	-	(526)	(76)	(602)
Disposal of investments in subsidiaries, with loss of control	-	(715)	5	37	147	-	746	(142)	604
Disposal or dilution of investments in associates and joint ventures	-	2	97	(131)	879	(101)	149	(503)	(354)
Share of associates' and joint ventures' reserves	-	-	-	-	149	-	(30)	(63)	(93)
Translation differences	-	6	-	-	-	(36)	(30)	(2,079)	(3,202)
Others, net	-	(715)	64	(1,513)	1,178	(137)	(1,123)	(2,079)	(3,202)
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 2021, 2020, 2019

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	9	5,402	-	-	-	-	-	5,402	-	5,402
Total contributions by and distributions to owners		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.

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
Years ended 31 March 2021, 2020, 2019

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 1 April 2020	69,612	14,243	(10)	(1,422)	(4,966)	213,046	290,503	72,553	363,056
Total comprehensive income	-	-	-	-	-	56,547	56,547	(2,349)	54,198
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	24	-	-	-	24	6	30
Net change in fair value, net of tax, of equity investments at FVOCI	-	-	-	520	-	-	520	747	1,267
Cash flow hedges, net of tax	-	-	-	1	-	-	1	1	2
Cost of hedging reserves, net of tax	-	(121)	-	33	14	-	(74)	-	(74)
Disposal of investments in subsidiaries, with loss of control	-	(127)	-	4	(80)	-	(203)	(11)	(214)
Disposal or dilution of investments in associates and joint ventures	-	(124)	113	209	(532)	(70)	(404)	26	(378)
Share of associates' and joint ventures' reserves	-	-	-	-	(772)	-	(772)	621	(151)
Translation differences	-	(1)	-	-	-	(57)	(58)	6	(52)
Others, net	-	(373)	137	767	(1,370)	(127)	(966)	1,396	430
Total other comprehensive income	-	(373)	137	767	(1,370)	56,420	55,581	(953)	54,628
Total comprehensive income for the year	69,612	13,870	127	(655)	(6,336)	269,466	346,084	71,600	417,684
Balance carried forward									

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 2021, 2020, 2019

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		69,612	13,870	127	(655)	(6,336)	269,466	346,084	71,600	417,684
Transactions with owners, recognised directly in equity Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	49	49
Transfers/Reclassifications		-	(14)	-	-	-	14	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	4,813	4,813
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(4,668)	(4,668)
Dividend (one tier) payable of \$4.45 per share		-	-	-	-	-	(4,507)	(4,507)	-	(4,507)
Issue of ordinary shares	9	5,654	-	-	-	-	-	5,654	-	5,654
Total contributions by and distributions to owners		5,654	(14)	-	-	-	(4,493)	1,147	194	1,341
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	155	155
Acquisition of non-controlling interests without a change in control		-	77	-	-	2	92	171	(956)	(785)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(3,760)	(3,760)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	26	1	-	56	44	127	464	591
Total changes in ownership interests in subsidiaries		-	103	1	-	58	136	298	(4,097)	(3,799)
Total transactions with owners		5,654	89	1	-	58	(4,357)	1,445	(3,903)	(2,458)
At 31 March 2021		75,266	13,959	128	(655)	(6,278)	265,109	347,529	67,697	415,226

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

The Group	2021 \$million	2020 \$million	2019 \$million
Cash flows from operating activities			
Profit before tax	56,475	15,216	18,674
Adjustments for:			
Accretion of government compensation received	(92)	(60)	(33)
Amortisation and impairment losses on intangible assets	2,970	1,582	1,252
Depreciation of property, plant and equipment	6,982	6,797	6,330
Depreciation of right-of-use assets	1,521	1,451	-
Dividend income	(79)	(253)	(98)
Fair value (gains)/losses on investments mandatorily at FVTPL (net)	(50,933)	199	(528)
Fair value (gains)/losses of derivative financial instruments and other financial assets	(134)	920	(829)
Fair value losses/(gains) on investment properties (net)	2,115	(1,853)	(2,369)
Fair value losses/(gains) on biological assets	60	(2)	(62)
(Gains)/losses on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures	(1,918)	96	(909)
Loss on disposal of derivative financial instruments and other financial assets	719	664	522
Losses/(gains) on disposal of property, plant and equipment (net)	128	(350)	(159)
Gains on disposal of investment properties	(40)	(379)	(85)
Impairment of property, plant and equipment (net)	2,250	280	13
Impairment/(reversal of) losses in right-of-use assets	153	(28)	-
Impairment/(reversal of) losses in value of investments in associates, joint ventures and other financial assets	440	766	(150)
Finance expenses	4,688	4,743	3,715
Interest income	(782)	(1,276)	(966)
Bargain purchase from acquisition of subsidiaries	(17)	(1,769)	-
Property, plant and equipment written off	141	28	80
Share-based compensation expenses	160	181	126
Share of profit of associates, net of tax	(5,869)	(3,528)	(2,587)
Share of profit of joint ventures, net of tax	(1,008)	(349)	(2,220)
	17,930	23,076	19,717
Changes in:			
- Assets	(7,327)	(1,278)	(5,517)
- Liabilities	(865)	(2,378)	3,528
Foreign currency translation adjustments	(520)	(7)	327
Cash generated from operating activities	9,218	19,413	18,055
Income tax paid	(1,913)	(2,036)	(2,230)
Net cash from operating activities	7,305	17,377	15,825

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

The Group	Note	2021 \$million	2020 \$million	2019 \$million
Cash flows from investing activities				
Net payments for acquisition of subsidiaries and businesses ⁽¹⁾		(2,366)	1,053	(3,052)
Net proceeds from disposals of subsidiaries and businesses (net of cash disposed of) ⁽¹⁾		(356)	3,155	1,526
Payments for purchases of property, plant and equipment		(9,137)	(12,801)	(12,924)
Proceeds from disposals of property, plant and equipment		1,529	649	550
Payments for purchases of intangible assets		(792)	(1,107)	(813)
Proceeds from disposals of intangible assets		17	484	9
(Payments for purchases)/Proceeds from disposal of interests in associates and joint ventures (net)		(1,831)	(982)	311
(Payments for purchases)/Proceeds from disposals of financial assets and derivative financial instruments (net)		(5,580)	(4,586)	1,773
Payments for purchases of investment properties and properties under development (net)		(3,923)	(2,254)	(7,148)
Loans to associates and joint ventures (net)		(158)	(126)	(208)
Dividends received from associates and joint ventures		4,464	4,552	5,026
Dividends received from financial assets		749	802	307
Interest received		985	1,353	1,192
Net cash used in investing activities		(16,399)	(9,808)	(13,451)
Cash flows from financing activities				
(Payments for acquisition)/Proceeds from partial disposal of interest in subsidiaries without a change in control (net)		(973)	2,755	(519)
Repayments of lease liabilities, finance lease and hire purchase obligations		(1,700)	(1,535)	(76)
Interest paid		(5,131)	(5,435)	(4,040)
Proceeds from borrowings		55,636	55,811	50,676
Repayments of borrowings		(40,416)	(49,044)	(34,373)
Proceeds from capital grants received		327	-	313
Return of capital by subsidiaries to non-controlling interests		(91)	(212)	(92)
Dividend paid to equity holder of THPL		(5,654)	(5,402)	(4,303)
Proceeds from issuance of ordinary shares to equity holder of THPL		5,654	5,402	4,303
Dividends paid to non-controlling interests of subsidiaries		(4,577)	(3,587)	(3,136)
Capital contributions by non-controlling interests of subsidiaries		4,813	3,282	2,229
Net cash from financing activities		7,888	2,035	10,982
Net (decrease)/increase in cash and cash equivalents		(1,206)	9,604	13,356
Cash and cash equivalents at the beginning of the year		69,381	59,777	46,421
Cash and cash equivalents at the end of the year	27	68,175	69,381	59,777

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		
	2021 \$million	2020 \$million	2019 \$million
Acquisition of subsidiaries and businesses			
Non-current assets	3,458	56,747	3,866
Current assets	952	19,784	1,368
Non-current liabilities	(759)	(26,764)	(1,569)
Current liabilities	(1,016)	(12,639)	(522)
	2,635	37,128	3,143
Non-controlling interests	(155)	(23,075)	(113)
Net identifiable assets	2,480	14,053	3,030
Goodwill on acquisition	825	677	488
Amount previously accounted for as associates/ joint ventures	(183)	(5,829)	-
Bargain purchase	(17)	(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	3,105	9,818	3,518
Consideration not yet paid	(52)	(40)	(155)
Consideration paid in previous financial year	(385)	(63)	(22)
Cash received in exchange of Ascendas and Singbridge	-	(3,018)	-
Non-cash consideration	-	(3,018) ^(a)	-
Consideration paid, satisfied in cash	2,668	3,679	3,341
Cash and cash equivalents acquired	(302)	(4,732)	(289)
Net cash outflow/(inflow) from acquisitions	2,366	(1,053)	3,052

^(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	16,035	9,689	2,181
Current assets	4,843	2,726	17,148
Non-current liabilities	(7,341)	(5,231)	(716)
Current liabilities	(4,008)	(1,224)	(13,682)
	9,529	5,960	4,931
Non-controlling interests	(3,760)	(1,143)	(2,077)
	5,769	4,817	2,854
Realisation of reserves and goodwill	46	10	1,679
Equity interests retained	(3,696)	(1,220)	(2,902)
Distribution <i>in specie</i>	(804) ^(b)	-	-
Others	(31)	61	(204)
Gain on disposals (net)	264 ^(c)	102	1,278
Cash consideration received	1,548	3,770	2,705
Cash and cash equivalents disposed of	(1,904)	(615)	(1,179)
Net cash (outflow)/inflow from disposals	(356)	3,155	1,526

^(b) This amount represents a distribution *in specie* of ordinary shares in the capital of Sembcorp Marine Ltd ("SCM") to the non-controlling shareholders of Sembcorp Industries Ltd ("Sembcorp"). The distribution *in specie* to the controlling shareholder of SCI was eliminated upon group consolidation. Following the distribution *in specie* by SCI of its shares in SCM to its shareholders, SCM was reclassified from a subsidiary to an associate of the Group.

^(c) For the year ended 31 March 2021, the net gain on disposals of \$264 million includes (i) a gain of \$830 million from Mapletree Investments Pte Ltd's measurement of retained equity interest at fair value on the date when control was lost for certain of its investments; and (ii) a loss on distribution *in specie* by SCI of its shares in SCM to its shareholders of \$970 million.

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

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements were authorised for issue by the Board of Directors on 28 June 2021.

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; and (e) life sciences and agri-food.

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 consolidated 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 consolidated financial statements shall be deemed to refer to both IFRS and SFRS(I) unless otherwise specified.

2.2 Basis of measurement

The consolidated 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 consolidated 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 2021, 2020 and 2019 refer to the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 respectively.

The consolidated financial statements include the financial statements of THPL drawn up to 31 March 2021 and financial statements of its subsidiaries, associates and joint ventures which have been prepared and audited up to the year ended either 31 March 2021 or 31 December 2020. Management has evaluated the significance of transactions that occurred between 1 January 2021 and 31 March 2021 in respect of those subsidiaries, associates and joint ventures with financial year ended 31 December 2020, and where necessary, made adjustments to the consolidated financial statements. This approach is allowed under IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*.

2.5 Use of estimates and judgements

The preparation of the consolidated 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 consolidated financial statements, is set out in note 4.

2.6 Changes in accounting policies

(a) Adoption of new and amended IFRS and interpretations of IFRS that were mandatory for application

During the year ended 31 March 2021, the Group adopted new and amended IFRS and interpretations of IFRS ("IFRIC") that were mandatory for application. The adoption did not result in substantial changes to the Group accounting policies and had no significant impact on the Group Financial Statements.

- *Amendments to References to Conceptual Framework in IFRS standards*
- *Definition of a Business* (Amendments to IFRS 3)
- *Definition of Material* (Amendments to IAS 1 and IAS 8)
- *Interest Rate Benchmark Reform* (Amendments to IFRS 7, IFRS 9 and IAS 39)

Interest Rate Benchmark Reform

The amendments to IFRS 7 and IFRS 9 provide temporary relief from the application of specific hedge accounting requirements to hedging relationships directly affected by the reform of Interbank Offered Rates (“IBOR”).

The reliefs allow the continuation of hedge accounting that would otherwise be terminated with the introduction of new benchmark interest rates.

The reliefs are applied to (i) hedging relationships that existed at the start of the financial period; or (ii) hedging relationships that were designated thereafter; and (iii) the amount accumulated in the cash flow hedge reserve.

The application of the reliefs had no significant financial impact to the current and prior year. The reliefs will cease to apply when uncertainties from the IBOR reform are no longer present.

(b) Early adoption of COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The Group had elected to early adopt the COVID-19-Related Rent Concessions (Amendment to IFRS 16).

The practical expedient set out in the COVID-19-Related Rent Concessions (Amendment to IFRS 16) allows rent concessions that are direct consequences of the COVID-19 pandemic to be recognised in the income statement in the current financial year, instead of having to account the rent concessions as lease modifications.

For rent concessions to which the Group chose not to apply the practical expedient, or which the practical expedient were not allowed to be applied, the Group assessed whether lease modifications were required.

The amount of rent concession recognised in the Group’s income statement from the application of the practical expedient was \$5.8 million for the year ended 31 March 2021.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the subsidiaries, except as explained in note 2.6, which addresses changes in accounting policies.

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 attributable 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, mutual funds, unit trusts or similar entities are exempted from applying the equity method in the consolidated financial statements and are classified as investments carried 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, 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	6 to 25 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.

At each balance sheet date, depreciation methods, useful lives and residual values are reviewed and adjusted, as appropriate.

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 had 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 the 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 that arose from acquisitions prior to 1 April 2017 had been carried forward from the previous 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	3 to Indefinite
(e)	Customer contracts and relationships	1 to 30 years
(f)	Deferred development expenditure	3 to 41 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

At each balance sheet date, amortisation methods, useful lives and residual values are reviewed and adjusted, as appropriate.

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 in value 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.

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.

Financial assets

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

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 balance sheet 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 balance sheet 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

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.

(f) Hedging relationships directly affected by the reform of Interbank Offered Rates ("IBOR")

A hedge relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the forecast transaction is expected to be highly probable and the hedging relationship is expected to be highly effective (i.e. prospective assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present or when the hedging relationship is discontinued.

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 of \$1,140 million was adjusted to opening accumulated profits, right-of-use assets of \$9,889 million and lease liabilities of \$10,722 million was recognised on the balance sheet as at 1 April 2019.

Comparative information for the financial year ended 31 March 2019 was not required to be restated and continued to be reported under IAS 17 Leases and IFRIC 4 *Determining whether an Arrangement contains a lease*.

Policies applicable for the financial years ended 31 March 2021 and 2020 under 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 ended 31 March 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 for the financial year ended 31 March 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 stand-alone 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

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, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable. 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

The novel coronavirus pandemic ("COVID-19") continues to cause disruption in major economies and market indices. The assessment of the Group's carrying amounts of assets and liabilities had been impacted by uncertainty of the global economies and volatility in prices of stocks, oil, commodities, properties, interest and exchange rates.

The Group exercised judgement in determining critical estimates and assumptions in applying accounting policies that have a significant effect on the amounts recognised in the consolidated 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 that were available at 31 March 2021. The Group had considered the impact of COVID-19 in the preparation of the Group financial statements. These include 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.

Significant impairment of certain property, plant and equipment and goodwill are described in note 11 and note 13 respectively.

(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 independent 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 uncertainty of 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, 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 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

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.

(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

	2021	2020	2019
	\$million	\$million	\$million
Sale of goods	52,245	50,479	48,597
Rendering of services	48,888	63,320	61,361
Dividend income	2,749	2,827	2,638
Interest income	1,574	1,934	2,321
Investment gains/(losses), net	5,444	63	(275)
	<u>110,900</u>	<u>118,623</u>	<u>114,642</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.

	2021	2020	2019
	\$million	\$million	\$million
Timing of revenue recognition			
Goods transferred at point in time	35,561	32,774	30,222
Services transferred at point in time	258	213	253
Others	1	6	4
	<u>35,820</u>	<u>32,993</u>	<u>30,479</u>

In the previous financial year, Olam's businesses were organised and managed as five broad segments grouped in relation to different types and nature of products traded namely: (i) Edible Nuts and Spices, (ii) Confectionery and Beverage Ingredients, (iii) Industrial Raw Materials, Infrastructure and Logistics, (iv) Food Staples and Packaged Foods and (v) Commodity Financial Services.

In the current financial year, Olam announced its re-organisation wherein all businesses are re-organised and managed as three broad segments grouped in line with key customer trends and market opportunities with the aim of unlocking long-term shareholder value. Olam's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The new segmentation has been done in the following manner:

- Olam Food Ingredients ("OFI") – Cocoa, Coffee, Edible Nuts, Spices and Dairy
- Olam Global Agri ("OGA") – Grains, Animal Feeds & Protein, Edible Oil, Rice, Cotton and Commodity Financial Services
- Olam International Limited ("OIL") – De-prioritised business (Sugar, Wood Products, Rubber and Fertiliser and other de-prioritised assets), Gestating business (Olam Palm Gabon, Packaged Foods, Infrastructure and Logistics) and Incubating businesses (Engine 2 growth platforms)

Olam's revenue under the new segmentation:

	2021	2020
	\$million	\$million
Olam Food Ingredients	12,547	12,145
Olam Global Agri	21,516	18,850
Olam International Limited	1,757	1,998
	<u>35,820</u>	<u>32,993</u>

Olam's revenue reported under the previous segmentation:

	2020	2019
	\$million	\$million
Edible Nuts and Spices	4,436	4,312
Confectionery and Beverage Ingredients	6,686	7,130
Industrial Raw Materials, Infrastructure and Logistics	4,247	4,531
Food Staples and Packaged Foods	17,624	14,506
	<u>32,993</u>	<u>30,479</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 such as 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.

	2021	2020	2019
	\$million	\$million	\$million
Mobile			
- Mobile service ¹	4,658	4,855	5,396
- Sale of equipment	2,360	2,567	2,865
- Handset operating lease income ²	134	200	140
	7,152	7,622	8,401
Data and internet	3,405	3,612	3,353
Infocomm Technology ("ICT") ³			
- Managed services	1,950	1,777	1,881
- Communication engineering	564	145	119
- Business application services	592	564	485
- Cyber security	153	566	549
	3,259	3,052	3,034
Digital businesses ⁴	938	1,169	1,245
Fixed voice	546	705	899
Pay television	286	314	373
Others ⁵	58	68	67
	15,644	16,542	17,372

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 2021, the transaction price attributable to unsatisfied performance obligations for ICT services rendered by NCS Pte. Ltd. was approximately \$3 billion (2020: \$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 structured into 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 in AIS and Intouch (which has an equity interest of 40.5% in AIS) 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 ("GDL") 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.

	2021	2020	2019
	\$million	\$million	\$million
Group Consumer	8,789	9,371	9,819
Group Enterprise	5,939	6,026	6,329
Group Digital Life	916	1,145	1,224
	<u>15,644</u>	<u>16,542</u>	<u>17,372</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. Where historical trends and experience are not appropriate, the value of unutilised tickets one year after expiry is recognised as revenue. 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 also 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”.

	2021	2020	2019
	\$million	\$million	\$million
Singapore Airlines	3,422	12,918	13,054
SilkAir	30	888	1,011
Budget Aviation	126	1,625	1,711
SIAEC	163	445	486
Others	75	100	61
	<u>3,816</u>	<u>15,976</u>	<u>16,323</u>

Singapore Technologies Engineering Ltd and its subsidiaries (“STE”)

Revenue recognition

Revenue is measured based on the consideration specified in contracts with customers. STE recognises revenue when it transfers control over a good or service to the customer.

Revenue from sale of goods is recognised when goods are delivered to the customer and the criteria for acceptance have been satisfied. Where applicable, a portion of the contract consideration is received in advance from the customers and the remaining consideration is received after delivery.

Revenue from services rendered are recognised as performance obligations are satisfied. Payments are due from customers based on the agreed billing milestones stipulated in the contracts or based on the amounts certified by the customers.

Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is assessed by reference to assessment of work performed (output method) or the cost incurred relative to total estimated costs (input method) depending on which method commensurates with the pattern of transfer of control to the customer. The related costs are recognised in income statement when they are incurred, unless they relate to future performance obligations.

If the value of services rendered for the contract exceeds payments received from the customer, a contract asset is recognised and presented separately on the balance sheet. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. If the amounts invoiced to the customer exceeds the value of services rendered, a contract liability is recognised and separately presented on the balance sheet.

STE builds specialised assets customised to customers' order for which STE does not have an alternative use. These contracts can span several years.

STE has determined that for contracts where STE has an enforceable right to payment, the customer controls all of the work-in-progress. This is because under those contracts, the assets are at the customer's specification and STE is entitled to reimbursement of costs incurred to date, including a reasonable margin when the contract is terminated by the customer. Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified milestones.

Revenue is recognised over time. The stage of completion is typically assessed by reference to either surveys of work performed (output method) or the cost incurred relative to total estimated costs (input method) depending on which method commensurates with the pattern of transfer of control to the customer.

For contracts where STE does not have an enforceable right to payment, customers do not take control of the specialised asset until they are completed. At the inception of the contract, the customers usually make an advance payment that is not refundable if the contract is cancelled. The advance payment is presented as a contract liability. The rest of the consideration is only billed upon acceptance by the customer.

Revenue is recognised at a point in time when the assets are completed and have been accepted by customers.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, STE adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, STE uses a discount rate that would be reflected separately as a financing income from contract inception.

For contracts with variable consideration (i.e. liquidated damages, bonus and penalty adjustments), revenue is recognised to the extent that it is highly probable that a reversal of previously recognised revenue will not occur. Therefore, the amount of revenue recognised is adjusted for possibility of delays to the projects and ability to meet key performance indicators stipulated in the contract. STE reviews the progress of the projects at each balance sheet date and updates the transaction price accordingly.

STE accounts for modifications to the scope or price of a contract as separate contracts if the modification adds distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, STE combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations to be satisfied. For contract modifications that do not add distinct goods or services, STE accounts for the modification as a continuation of the original contract and recognises a cumulative adjustment to revenue at the date of modification.

STE is organised on a worldwide basis into four major operating segments. Management reviews the segments' operating results regularly in order to allocate resources to the segments and to assess the segments' performance.

The principal activities of these operating segments are outlined below:

- Aerospace: Provides a wide spectrum of aircraft maintenance, engineering and training services for both military and commercial aircraft operators. These services include airframe, component and engine maintenance, repair and overhaul, aircraft design engineering and parts manufacturing, aviation materials, asset management and pilot training.
- Electronics: Specialises in the design, development and delivery of information communications technologies products, solutions and services for Smart Cities connectivity, mobility and security.
- Land Systems: Delivers customised land systems, security solutions and their related through-life support for defence, homeland security and commercial applications.
- Marine: Provides turnkey and sustainable defence and commercial solutions to the marine, offshore and environmental engineering industries.
- Others: Research and development, provision of engineering products and solutions, treasury, investment holding and provision of management, consultancy and other support services.

	2021	2020	2019
	\$million	\$million¹	\$million
Aerospace	2,714	3,450	2,647
Electronics	2,286	2,336	2,144
Land Systems	1,411	1,429	1,282
Marine	710	647	574
Others	37	6	51
	<u>7,158</u>	<u>7,868</u>	<u>6,698</u>

¹ With effect from 1 January 2020, Miltope Corporation was re-organised from Others into Electronics sector and comparatives for 2020 were re-presented in conformance with the current classification.

6. Finance expenses

	2021	2020	2019
	\$million	\$million	\$million
Interest expense			
- Bank loans	2,104	2,207	1,716
- Fixed and floating rate notes	1,665	1,802	1,628
- Lease liabilities	486	409	-
	<u>4,255</u>	<u>4,418</u>	<u>3,344</u>
Others	433	325	371
	<u>4,688</u>	<u>4,743</u>	<u>3,715</u>

Interest expense incurred by the Group's financial institution subsidiaries of \$435 million (2020: \$430 million; 2019: \$615 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

	2021	2020	2019
	\$million	\$million	\$million
Tax recognised in income statement			
Current tax expense			
Current year	3,648	3,333	2,845
Over-provided in prior years	(11)	(337)	(218)
	<u>3,637</u>	<u>2,996</u>	<u>2,627</u>
Deferred tax expense			
Origination and reversal of temporary differences	(1,357)	(104)	150
Change in tax rates	(3)	8	-
	<u>(1,360)</u>	<u>(96)</u>	<u>150</u>
Total tax expense	<u>2,277</u>	<u>2,900</u>	<u>2,777</u>
Reconciliation of effective tax rate			
Profit before share of profits of associates and joint ventures	<u>49,598</u>	<u>11,339</u>	<u>13,867</u>
Tax calculated using Singapore tax rate of 17% (2020 and 2019: 17%)	8,432	1,928	2,357
Net income not subject to tax*	(11,505)	(3,988)	(1,109)
Expenses not deductible for tax purposes	4,351	3,693	1,058
Land appreciation tax	365	314	-
Recognition of previously unrecognised tax benefits	(336)	(63)	(112)
Deferred tax benefits not recognised	631	521	250
Effect of different tax rates in other countries	241	820	629
Effect of change in tax rates	(3)	8	-
Over-provided in prior years	(11)	(337)	(218)
Others	112	4	(78)
Total tax expense	<u>2,277</u>	<u>2,900</u>	<u>2,777</u>

* Includes unrealised mark-to-market gains on investments.

Tax recognised in other comprehensive income

	←----- 2021 -----→		←----- 2020 -----→		←----- 2019 -----→	
For the year ended 31 March	Before tax \$million	Tax (expense)/benefit \$million	Before tax \$million	Tax (expense)/benefit \$million	Before tax \$million	Tax (expense)/benefit \$million
	Net of tax \$million		Net of tax \$million		Net of tax \$million	
Net change in fair value of:						
- Equity investments at FVOCI	27	3	(8)	(59)	(287)	17
- Debt instruments at FVOCI	-	-	-	-	(23)	-
- Debt instruments at FVOCI reclassified to income statement	-	-	2	-	(9)	5
Cash flow hedges	1,603	(336)	(3,266)	568	164	(57)
Cost of hedging reserves	2	-	11	-	(14)	-
Disposal of investments in subsidiaries, with loss of control	(74)	-	(5)	-	1,177	-
Disposal or dilution of investments in associates and joint ventures	(214)	-	(602)	-	149	-
Share of associates' and joint ventures' reserves	(378)	-	604	-	205	-
Translation differences	(151)	-	(354)	-	(773)	-
Others, net	(52)	-	(93)	-	(222)	-
	763	(333)	(3,711)	509	367	(35)
	430		(3,202)		332	

8. Profit for the year

(a) Items included in other income:

	2021 \$million	2020 \$million	2019 \$million
Bargain purchase	17	1,769	-
Dividend income	79	253	98
Fair value gains on investment properties	112	1,894	2,369
Fair value gains/(losses) on investments mandatorily at FVTPL (net)	50,933	(199)	528
Comprising:			
- Realised mark-to-market gains on investments sold during the year	5,374	2,344	1,515
- Unrealised mark-to-market gains/(losses) on investments held at the end of the year	45,559	(2,543)	(987)
Fair value (losses)/gains on derivative financial instruments (net)	(390)	(826)	783
Gains on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures	2,973 ^(a)	1,200	1,217
Gains on disposal of property, plant and equipment	-	350	159
Interest income	782	1,276	966

^(a) Gains on disposal of investments in subsidiaries includes a gain of \$830 million from Mapletree Investments Pte Ltd's measurement of retained equity interest at fair value on the date when control was lost for certain of its investments.

Mapletree Investments Pte Ltd and its subsidiaries ("Mapletree")

During the financial year ended 31 March 2021, Mapletree reviewed the control assessment of its investment in Mapletree Industrial Trust ("MIT"), a Real Estate Investment Trust ("REIT"), following a dilution of its interest in MIT subsequent to an equity fund raising exercise by MIT in July 2020. Having considered that the REIT manager of MIT is a wholly-owned subsidiary of Mapletree, Mapletree evaluated its overall exposure to variable returns arising from both the REIT manager's remuneration and its interest in MIT, and the sustainability of such returns. It was concluded that Mapletree does not have sufficient interest to control MIT and accordingly, the investment in MIT was accounted for as an investment in an associate from the date that control was lost.

Mapletree further reviewed the extent of its control over Mapletree Redwood Data Centre Trust ("MRDCT") and Mapletree Rosewood Data Centre Trust ("MRODCT"), joint ventures between Mapletree and MIT that were accounted for as investments in subsidiaries as at 31 March 2020. Following the loss of control in MIT, Mapletree assessed that control over MRDCT and MRODCT was also lost as Mapletree does not have the ability to affect the variable returns from MRDCT and MRODCT without unanimous consent from MIT. The investments in MRDCT and MRODCT were therefore accounted for as investments in joint ventures from the date that control over MIT was lost.

(b) Items included in cost of sales and expenses:

	Note	2021 \$million	2020 \$million	2019 \$million
Depreciation of property, plant and equipment	11	(6,982)	(6,797)	(6,330)
Depreciation of right-of-use assets	12	(1,521)	(1,451)	-
Amortisation of contract costs		(682)	(925)	(2,551)
Amortisation of intangible assets	13	(1,142)	(1,027)	(914)
Fair value losses on investment properties		(2,227)	(41)	-
Losses on disposal of property, plant and equipment		(128)	-	-
Impairment (losses)/reversal (net):				
- Investments in associates, joint ventures and other financial assets		(440)	(766)	150
- Property, plant and equipment	11	(2,250)	(280)	(13)
- Right-of-use assets	12	(153)	28	-
- Intangible assets	13	(1,828)	(555)	(338)
- Trade and other receivables		(853)	(401)	(477)
Ineffectiveness on cash flow hedges	20	(493)	(684)	(10)
Fair value gains/(losses) on cash flow hedge		382	241	(18)
Losses on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures		(1,055)	(1,296)	(308)
Lease expenses		(446)	(824)	-
Operating lease expenses		-	-	(2,568)
Wages and salaries		(14,239)	(13,153)	(13,075)
Contributions to defined contribution plans		(1,187)	(1,250)	(1,176)
Employee share-based compensation expenses		(160)	(181)	(180)
Other staff-related costs and benefits		(916)	(1,856)	(1,764)
Exchange losses (net)		(230)	(287)	(249)

(c) Government grants

During the year ended 31 March 2021, the Group received grant income from governments of \$2,237 million, of which \$1,450 million had been netted off against related cost of sales and expenses.

9. Share capital

	2021 No. of shares	2020 No. of shares	2019 No. of shares
Fully paid ordinary shares, with no par value:			
At beginning of the year	993,112,807	974,545,560	959,406,660
Issue of shares for cash	19,330,712	18,567,247	15,138,900
At end of the year	<u>1,012,443,519</u>	<u>993,112,807</u>	<u>974,545,560</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

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.

(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 synchrolifts \$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 1 April 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)	(1)	-	-	(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
Acquisition of subsidiaries	36	25	4	-	63	128	23	-	9	288
Additions	40	98	30	157	5	546	282	166	7,968	9,292
Assets classified as held for sale	-	(238)	-	(516)	-	(99)	-	-	-	(853)
Disposal of subsidiaries	(329)	(1,093)	(1,724)	(1,727)	(308)	(1,849)	(185)	-	(787)	(6,275)
Disposals	(25)	(99)	(16)	(1,727)	(30)	(797)	(840)	-	(10)	(3,544)
Transfer/Reclassification/Adjustment	17	417	33	1,722	8	4,555	590	3	(7,483)	(138)
Transfer from/(to) intangible assets	-	-	-	-	-	-	(16)	-	(14)	(30)
Write off	-	(8)	-	(6)	(1)	(1,202)	(100)	-	(77)	(1,394)
Translation differences	23	28	23	(52)	1	2,470	520	95	138	3,246
At 31 March 2021	1,375	14,120	3,013	24,357	465	70,848	10,085	2,208	13,381	139,852

Note	Freehold land and buildings \$million	Leasehold land and buildings improvements \$million	Dry docks, floating docks, wharves, slipways, and wet berthing \$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
Accumulated depreciation and impairment losses										
	235	5,254	1,931	3,332	227	33,532	7,254	157	1	51,923
At 1 April 2018	30	483	195	1,247	38	3,249	1,027	61	-	6,330
Impairment loss recognised (net)	-	1	-	2	5	3	2	-	-	13
Assets classified as held for sale	(1)	(53)	-	-	-	(8)	-	-	-	(61)
Disposal of subsidiaries	(2)	(104)	(25)	(1)	-	(54)	(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	-	(2)	-	-	-	(18)	-	-	-	(20)
Write off	-	(20)	(1)	-	-	(67)	(17)	-	(1)	(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	20	519	208	1,610	33	3,340	1,024	43	-	6,797
Impairment loss recognised (net)	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)
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
Depreciation for the year	33	540	152	1,632	34	3,441	1,093	57	-	6,982
Impairment loss recognised (net)	27	62	5	1,020	-	236	2	489	409	2,250
Assets classified as held for sale	-	(134)	-	(429)	-	(62)	-	-	-	(625)
Disposal of subsidiaries	(25)	(409)	(521)	(245)	(92)	(860)	(159)	-	-	(2,066)
Disposals	(10)	(92)	(11)	(15)	(21)	(738)	(829)	-	-	(1,946)
Transfer/Reclassification/Adjustment	(2)	(6)	-	(15)	-	(5)	(11)	-	-	(39)
Transfer from/(to) intangible assets	-	-	-	-	-	-	(4)	-	-	(4)
Write off	-	(5)	-	(6)	(1)	(1,147)	(94)	-	-	(1,253)
Translation differences	-	12	11	(1)	(1)	1,816	417	17	-	2,271
At 31 March 2021	301	5,630	1,799	7,130	172	38,980	7,412	869	415	62,708
Carrying amounts										
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
At 31 March 2021	1,074	8,490	1,214	17,227	293	31,868	2,673	1,339	12,966	77,144

Property, plant and equipment include:

	Note	2021 \$million	2020 \$million	2019 \$million
Borrowing costs capitalised during the year		182	131	65
Staff costs capitalised during the year		322	319	283
Held for generating operating lease revenue		236	867	635
Acquired under finance lease, sale and leaseback and hire purchase arrangements		-	-	1,243
Pledged to secure banking facilities	29(c)(i)	13,468	11,178	8,529

During the year ended 31 March 2021, the Group recorded an impairment charge of \$2,250 million on property, plant and equipment which was primarily contributed by Singapore Airlines Limited and its subsidiaries ("SIA").

Singapore Airlines Limited and its subsidiaries ("SIA")

Impairment of aircraft

During the year ended 31 March 2021, SIA reviewed the potential shape and size of its overall network to determine the resultant fleet size and mix needed for future operations. As a result, SIA removed 45 surplus older generation aircraft from the operating fleet and recorded an impairment loss of \$1,734 million to write down the aircraft to their estimated recoverable values. Included as part of the amount are the impairments related to owned and leased aircraft, spare engines, spares and inventories, write-off of advanced progress payments for engine overhauls, and additional de-lease costs and other related costs which arose from the impairment review exercise.

The surplus aircraft comprised seven A380s, eleven 777-200/2000ERs, four 777-300s, four 777-300ERs, nine A320s, two A319s and eight 737-800NGs.

Breakdown of the impairment loss:

	Note	2021 \$million
Property, plant and equipment		1,405
ROU assets	12	150
Inventories		45
Provisions		137
Others		(3)
		<u>1,734</u>

Impairment test

In light of the COVID-19 pandemic 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. SIA's management has determined that this event is an indicator that the property, plant and equipment and intangible assets may be impaired. SIA's management's impairment test included 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 (2020: five-year period). The financial forecasts which were approved include SIA's management's 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% (2020: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2020: five-year period) is 4.0% (2020: 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 five-year period (2020: six-year period). The financial forecasts which were approved include SIA's management's 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% (2020: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2020: six-year period) is 5.1% (2020: 5.5%).

Sensitivity analysis

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.

12. Right-of-use assets

	Freehold land and buildings \$million	Leasehold land and buildings and improvements \$million	Dry docks, floating docks, wharves, slipways, and wet syncrolifts berthages \$million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, office equipment, computers, vehicles and others \$million	Port use, water concession and other rights \$million	Others \$million	Total \$million
For the year ended 31 March 2020:										
Depreciation	-	(859)	(15)	(366)	(68)	(105)	(29)	-	(9)	(1,451)
Reversal of impairment losses	-	19	-	-	-	-	9	-	-	28
Carrying value at 31 March 2020	5	5,731	330	1,295	1,326	473	126	-	127	9,413
For the year ended 31 March 2021:										
Depreciation	(1)	(932)	(16)	(298)	(121)	(83)	(35)	(6)	(29)	(1,521)
Impairment losses	-	(3)	-	(150)	-	-	-	-	-	(153)
Carrying value at 31 March 2021	10	5,968	342	2,259	1,440	464	113	137	101	10,834

Right-of-use assets of \$2,775 million (2020: \$1,634 million) was added during the year ended 31 March 2021.

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 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/(to) 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
Additions		-	157	250	17	392	816
Acquisition/(disposal) of subsidiaries (net)		531	-	29	(157)	404	807
Purchase price allocation adjustment		268	-	-	-	-	268
Disposals/Write off		(13)	-	(111)	(17)	(82)	(223)
Transfer from property, plant and equipment	11	-	-	11	-	19	30
Transfer/Reclassification/ Adjustment		(30)	-	188	1	(177)	(18)
Translation differences		(272)	523	(6)	(56)	(165)	24
At 31 March 2021		19,318	5,062	3,301	2,957	7,488	38,126

	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 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
Amortisation for the year	8(b)	-	282	382	153	325	1,142
Impairment loss (net)	8(b)	1,192	-	-	65	571	1,828
Disposal of subsidiaries		-	-	-	(134)	(8)	(142)
Disposals/Write off		(13)	-	(99)	-	(47)	(159)
Transfer from property, plant and equipment	11	-	-	-	-	4	4
Transfer/Reclassification/ Adjustment		-	-	-	-	(15)	(15)
Translation differences		2	248	(2)	(10)	(45)	193
At 31 March 2021		1,854	2,455	2,299	530	3,295	10,433
Carrying amounts							
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
At 31 March 2021		17,464	2,607	1,002	2,427	4,193	27,693

	Note	2021 \$million	2020 \$million	2019 \$million
Exploration and evaluation assets included in other intangible assets		852	1,354	1,531
Intangible assets pledged to secure banking facilities	29(c)(ii)	1,357	1,378	1,408

Analysis of amortisation expense included in the income statement:

	2021 \$million	2020 \$million	2019 \$million
Cost of sales	294	296	259
Administrative expenses	211	171	143
Other expenses	637	560	512
	1,142	1,027	914

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 groups:

	2021	2020	2019
	\$million	\$million	\$million
Singtel Optus Pty Limited and its subsidiaries ("Optus")	9,549	9,260	9,272
Global Cyber Security Business	729	1,097	1,047
Amobee, Inc ("Amobee")	408	991	1,137

During the year ended 31 March 2021, the Group recorded an impairment charge of \$1,192 million on goodwill, which was primarily contributed by the impairment of goodwill of Global Cyber Security Business and Amobee by Singapore Telecommunications Limited and its subsidiaries ("Singtel").

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

Impairment losses on goodwill on acquisition of Global Cyber Security Business and Amobee

As at 31 March 2021, the recoverable values of Amobee and Global Cyber Security Business were assessed to be below their carrying values. Consequently, Singtel recorded non-cash impairment charges of \$532 million (2020: \$195 million; 2019: Nil) and \$309 million (2020 and 2019: Nil) to the goodwill of Amobee and Global Cyber Security Business respectively. The ongoing industry and operational challenges and COVID-19 pandemic have resulted in underperformance of the business plans and impacted the recoverable values of these businesses. The impairment charges were based on Singtel's best estimates. Following the impairment charges, the recoverable amounts of goodwill were equal to the carrying amounts.

Singtel has used cash flow projections of 10 years (2020: 10 years; 2019: 10 years) for Amobee and Global Cyber Security Business. Cash flows beyond the terminal year are extrapolated using the estimated growth rates and pre-tax discount rates stated in the table below.

	Terminal growth rates			Pre-tax discount rates		
	2021	2020	2019	2021	2020	2019
Global Cyber Security Business	3.5%	3.5%	4.0%	11.7%	11.4%	12.0%
Amobee	3.0%	3.0%	3.0%	13.6%	13.7%	14.3%

Optus

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.

The fixed, mobile, cable and broadband networks of Optus, a group of subsidiaries of Singtel, 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 7 years (2020: 5 years; 2019: 5 years). Cash flows beyond the terminal year are extrapolated using the estimated growth rate of 2.5% (2020: 3.0%; 2019: 3.0%) and pre-tax discount rate of 5.9% (2020: 7.1%; 2019: 8.4%). 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.

14. Biological assets

	Annual crops \$million	Livestock and poultry \$million	Total \$million
At 1 April 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
Net reductions	(133)	(56)	(189)
Net change in fair value less estimated costs to sell recognised in the income statement	(81)	21	(60)
Capitalisation of expenses	135	61	196
Translation differences	14	(19)	(5)
At 31 March 2021	291	182	473

Biological assets are classified under level 3 of the fair value hierarchy.

15. Subsidiaries

(a) Details of significant subsidiaries:

Name of subsidiary	Principal places of business	Country of incorporation	Effective equity held by the Group		
			2021 %	2020 %	2019 %
<u>Held directly by THPL</u>					
Fullerton Fund Investments Pte Ltd	Singapore	Singapore	100	100	100
Fullerton Management Pte Ltd	Singapore	Singapore	100	100	100
PSA International Pte Ltd	Singapore	Singapore	100	100	100
¹ Sembcorp Industries Ltd	Singapore	Singapore	49	49	49
² Singapore Airlines Limited	Singapore	Singapore	55	55	56
Singapore Power Limited	Singapore	Singapore	100	100	100
³ Singapore Technologies Engineering Ltd	Singapore	Singapore	51	51	51
Singapore Technologies Telemedia Pte Ltd	Singapore	Singapore	100	100	100
⁴ Singapore Telecommunications Limited	Singapore, Australia	Singapore	51	52	52
Temasek Capital (Private) Limited	Singapore	Singapore	100	100	100
Tembusu Capital Pte Ltd	Singapore	Singapore	100	100	100
<u>Held through Fullerton Management Pte Ltd</u>					
Mapletree Investments Pte Ltd	Singapore	Singapore	100	100	100
<u>Held through Temasek Capital (Private) Limited</u>					
Olam International Limited	Singapore	Singapore	53	54	54
<u>Held through Tembusu Capital Pte Ltd</u>					
⁵ TJ Holdings (III) 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 2021, the Group’s interest in Sembcorp was 49% (2020 and 2019: 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 – 22% (2020: 55%; 2019: 56%) and Tembusu Capital Pte. Ltd. – 33% (2020 and 2019: Nil).

³ Held through THPL – 50% (2020 and 2019: 50%) and Temasek Capital (Private) Limited – 1% (2020 and 2019: 1%).

⁴ Held through THPL – 50% (2020 and 2019: 50%) and Tembusu Capital Pte. Ltd. – 1% (2020 and 2019: 2%).

⁵ TJ Holdings (III) Pte. Ltd. (“TJ (III)”) owns 100% equity interest in CLA Real Estate Holdings Pte. Ltd. (“CLA”), which in turn holds a 52% (2020: 51%) equity interest in CapitaLand Limited (“CapitaLand”) as a subsidiary following CLA’s acquisition of CapitaLand during the year ended 31 March 2020.

(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 summarised financial information of the Group's subsidiaries with material non-controlling interests ("NCI"), which are extracted from their respective consolidated financial statements. In connection with the preparation of Temasek's consolidated financial statements, Temasek may make certain adjustments, including but not limited to fair value adjustments on acquisition, reclassification of certain income or expenses to align to Temasek Group's classification, and alignment of accounting policies for consistent application with Temasek Group's policies. As a result, some of the figures presented below may differ from the amounts presented in the consolidated financial statements of such companies.

	CapitaLand Limited ¹ ("CapitaLand") \$million	Singapore Telecommunications Limited ("Singtel") \$million	Singapore Airlines Limited ("SIA") \$million	Sembcorp Industries Ltd ("Sembcorp") \$million
2021				
Summarised income statement and statement of comprehensive income:				
Revenue	6,533	15,644	3,816	6,473
Profit/(Loss) for the year	(1,719)	560	(4,349)	(1,121)
Other comprehensive income	901	395	1,943	(185)
Total comprehensive income/(loss)	(818)	955	(2,406)	(1,306)
Summarised balance sheet:				
Non-current assets	63,669	41,466	27,909	10,558
Current assets	19,407	6,532	9,672	3,004
Total assets	83,076	47,998	37,581	13,562
Non-current liabilities	32,282	12,350	15,590	7,959
Current liabilities	13,739	9,137	5,713	2,127
Total liabilities	46,021	21,487	21,303	10,086
Net assets	37,055	26,511	16,278	3,476

¹ The summarised financial information of CapitaLand is extracted from TJ Holdings (III) Pte. Ltd.'s financial statements. CapitaLand is held through CLA Real Estate Holdings Pte. Ltd., which in turn is held through TJ Holdings (III) Pte. Ltd., a wholly-owned subsidiary of Tembusu Capital Pte. Ltd.

	CapitaLand ¹ \$million	Singtel \$million	SIA \$million	Sembcorp \$million
2021				
Summarised cash flow statement:				
Cash flows from/(used in):				
- operating activities	1,528	4,176	(3,293)	491
- investing activities	32	(1,233)	(1,314)	(1,281)
- financing activities	1,298	(3,190)	9,737	55
Net increase/(decrease) in cash and cash equivalents	<u>2,858</u>	<u>(247)</u>	<u>5,130</u>	<u>(735)</u>
Dividends to NCI included in cash flows from/(used in) financing activities	<u>(989)</u>	<u>(624)</u>	<u>(14)</u>	<u>(36)</u>
Ownership interests held by NCI	48%	49%	45%	51%
Attributable to NCI:				
Profit/(loss) for the year	(827)	275	(1,946)	(635)
Net assets	<u>26,415</u>	<u>12,896</u>	<u>7,463</u>	<u>1,847</u>

¹ The summarised financial information of CapitaLand is extracted from TJ Holdings (III) Pte. Ltd.'s financial statements. CapitaLand is held through CLA Real Estate Holdings Pte. Ltd., which in turn is held through TJ Holdings (III) Pte. Ltd., a wholly-owned subsidiary of Tembusu Capital Pte. Ltd.

	CapitaLand ¹ \$million	Singtel \$million	SIA \$million	Sembcorp \$million
2020				
Summarised income statement and statement of comprehensive income:				
Revenue	4,118	16,542	15,976	9,618
Profit/(loss) 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	4,378	2,732	977
- investing activities	1,794	(1,482)	(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/(loss) for the year	1,246	493	(52)	96
Net assets	27,876	12,884	4,567	4,917

¹ The summarised financial information of CapitaLand is extracted from TJ Holdings (III) Pte. Ltd.'s financial statements. CapitaLand is held through CLA Real Estate Holdings Pte. Ltd., which in turn is held through TJ Holdings (III) Pte. Ltd., a 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	3,819	2,801	739
- investing activities	(763)	(5,362)	(1,217)
- financing activities	(3,072)	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

17. Associates

(a) Details of material associates:

Name of associate	Principal places of business	Country of incorporation	Effective equity held by the Group		
			2021 %	2020 %	2019 %
<u>Held by THPL</u>					
¹ DBS Group Holdings Ltd	Singapore	Singapore	29	29	29
Keppel Corporation Limited	Singapore	Singapore	20	20	20
CapitaLand Limited	China, Singapore	Singapore	*	*	40
<u>Held by Tembusu Capital Pte Ltd</u>					
A.S. Watson Holdings Limited	Asia, Western Europe	Cayman Islands	25	25	25
Raffles City China Income Ventures Limited	China	China	29	28	-
<u>Held by PSA International Pte Ltd</u>					
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% (2020 and 2019: 11%) and Maju Holdings Pte. Ltd. – 18% (2020 and 2019: 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 in turn is held through TJ Holdings (III) Pte. Ltd., a 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 summarised financial information of the Group's material associates, which are extracted from their respective consolidated financial statements. In connection with the preparation of Temasek's consolidated financial statements, Temasek may make certain adjustments, including but not limited to fair value adjustments on acquisition, reclassification of certain income or expenses to align to Temasek Group's classification, and alignment of accounting policies for consistent application with Temasek's Group policies. As a result, some of the figures presented below may differ from the amounts presented in the consolidated financial statements of such companies.

- (i) DBS Group Holdings Ltd and its subsidiaries ("DBS")

	2021 \$million	2020 \$million	2019 \$million
Summarised income statement and statement of comprehensive income:			
Total income	14,592	14,544	13,183
Profit for the year	5,459	5,726	5,653
Other comprehensive income	262	371	(374)
Total comprehensive income	5,721	6,097	5,279
Less: attributable to non-controlling interests	(35)	(39)	(78)
Total comprehensive income attributable to equity holders of DBS	5,686	6,058	5,201
Summarised balance sheet:			
Total assets	649,938	578,946	550,751
Total liabilities	(595,295)	(527,850)	(500,876)
Net assets	54,643	51,096	49,875
Less: attributable to non-controlling interests	(17)	(818)	(830)
Net assets attributable to equity holders of DBS	54,626	50,278	49,045
Group's interest in net assets of DBS:			
At beginning of the year	14,424	13,727	13,528
Effects of adoption of IFRS 16	-	(28)	-
Group's share of:			
- Profit for the year	1,579	1,664	1,620
- Other comprehensive income	(48)	176	(158)
- Total comprehensive income	1,531	1,840	1,462
Dividend income	(758)	(1,115)	(1,263)
At end of the year	15,197	14,424	13,727
Market value ²	21,403	13,791	18,725

² Based on quoted market price at 31 March (Level 1 of the fair value hierarchy).

(ii) Keppel Corporation Limited and its subsidiaries ("Keppel")

	2021 \$million	2020 \$million	2019 \$million
Summarised income statement and statement of comprehensive income:			
Revenue	6,574	7,580	5,965
Profit/(loss) for the year	(541)	761	961
Other comprehensive income	124	(244)	(291)
Total comprehensive income	(417)	517	670
Less: attributable to non-controlling interests	-	(54)	(12)
Total comprehensive income attributable to equity holders of Keppel	(417)	463	658
Summarised balance sheet:			
Non-current assets	17,520	17,023	12,721
Current assets	14,388	14,298	13,867
Non-current liabilities	(8,863)	(7,729)	(6,618)
Current liabilities	(12,086)	(11,947)	(8,393)
Net assets	10,959	11,645	11,577
Less: attributable to non-controlling interests	(427)	(435)	(309)
Net assets attributable to equity holders of Keppel	10,532	11,210	11,268
Group's interest in net assets of Keppel:			
At beginning of the year	2,190	2,305	2,340
Effects of adoption of IFRS 16	-	(16)	-
Group's share of:			
- Profit for the year	(125)	46	198
- Other comprehensive income	60	(60)	(125)
- Total comprehensive income	(65)	(14)	73
Dividend income	(56)	(85)	(108)
At end of the year	2,069	2,190	2,305
Market value ²	1,976	1,961	2,306

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	
Summarised income statement and statement of comprehensive income:		
Revenue	<u>5,602</u>	
Profit for the year	2,850	
Other comprehensive income	<u>(552)</u>	
Total comprehensive income	2,298	
Less: attributable to non-controlling interests	<u>(996)</u>	
Total comprehensive income attributable to equity holders of CapitaLand	<u>1,302</u>	
Summarised balance sheet:		
Non-current assets	52,201	
Current assets	12,446	
Non-current liabilities	(21,945)	
Current liabilities	<u>(9,395)</u>	
Net assets	33,307	
Less: attributable to non-controlling interests	<u>(14,354)</u>	
Net assets attributable to equity holders of CapitaLand	<u>18,953</u>	
Group’s interest in net assets of CapitaLand:		
At beginning of the year	7,335	
Group’s share of:		
- Profit for the year	<table border="1" style="display: inline-table;"><tr><td style="text-align: right;">710</td></tr></table>	710
710		
- Other comprehensive income	<table border="1" style="display: inline-table;"><tr><td style="text-align: right;">(211)</td></tr></table>	(211)
(211)		
- Total comprehensive income	499	
Dividend income	<u>(202)</u>	
At end of the year	<u>7,632</u>	
Market value ²	<u>6,135</u>	

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")

	2021 \$million	2020 \$million	2019 \$million
Summarised income statement and statement of comprehensive income:			
Revenue	21,334	23,320	23,141
Profit for the year	1,474	1,842	1,730
Other comprehensive income	(1,856)	2,031	900
Total comprehensive income	(382)	3,873	2,630
Less: attributable to non-controlling interests	(18)	(28)	(24)
Total comprehensive income attributable to equity holders of A.S. Watson	(400)	3,845	2,606
Summarised balance sheet:			
Non-current assets	36,687	38,971	32,012
Current assets	9,008	8,662	7,914
Non-current liabilities	(6,062)	(6,527)	(2,457)
Current liabilities	(6,893)	(6,959)	(5,429)
Net assets	32,740	34,147	32,040
Less: attributable to non-controlling interests	(62)	(58)	(56)
Net assets attributable to equity holders of A.S. Watson	32,678	34,089	31,984
Group's interest in net assets of A.S. Watson:			
At beginning of the year	8,505	7,980	7,626
Effects of adoption of IFRS 16	-	(107)	-
Group's share of:			
- Profit for the year	363	452	427
- Other comprehensive income	(463)	507	225
- Total comprehensive income	(100)	959	652
Dividend income	(253)	(327)	(298)
At end of the year	8,152	8,505	7,980

(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.

	2021 \$million	2020 \$million
Summarised income statement and statement of comprehensive income:		
Revenue	407	223
Profit for the year	76	57
Other comprehensive income	261	(75)
Total comprehensive income	337	(18)
Less: attributable to non-controlling interests	(85)	(5)
Total comprehensive income attributable to equity holders of RCCIV	252	(23)
Summarised balance sheet:		
Non-current assets	6,529	6,214
Current assets	1,314	1,289
Non-current liabilities	(3,119)	(2,985)
Current liabilities	(295)	(355)
Net assets	4,429	4,163
Less: attributable to non-controlling interests	(873)	(828)
Net assets attributable to equity holders of RCCIV	3,556	3,335
Group's interest in net assets of RCCIV:		
At beginning of year	1,834	-
Acquisition during the period	-	1,907
Group's share of:		
- Profit for the year	22	21
- Other comprehensive income	116	(34)
- Total comprehensive income	138	(13)
Dividend income	-	(49)
Other adjustment	(18)	(11)
At end of the year	1,954	1,834

(vi) Associates held by PSA International Pte Ltd and its subsidiaries (“PSA”)

The following disclosure is extracted from the consolidated financial statements of PSA.

	2021	2020	2019
	\$million	\$million	\$million
At beginning of the year	3,131	3,419	3,414
Effects of adoption of IFRS 16	-	(318)	-
Group’s share of:			
- Profit for the year	187	198	148
- Other comprehensive income	56	(51)	(90)
- Total comprehensive income	243	147	58
Dividend income	(107)	(94)	(110)
Disposal during the year	(21)	-	-
Repayment of loans	-	-	(4)
Translation differences	(40)	(23)	61
At end of the year	<u>3,206</u>	<u>3,131</u>	<u>3,419</u>

(e) Summarised financial information of the Group’s aggregated interest in remaining individually immaterial associates:

	2021	2020	2019
	\$million	\$million	\$million
Group’s share of:			
- Profit/(loss) for the year	3,843	1,147	(516)
- Other comprehensive income	69	196	555
- Total comprehensive income	<u>3,912</u>	<u>1,343</u>	<u>39</u>
Carrying amount of the Group’s aggregated interest in individually immaterial associates	<u>38,972</u>	<u>31,348</u>	<u>28,537</u>

18. Joint ventures

Summarised financial information of the Group’s aggregated interest in individually immaterial joint ventures:

		2021	2020	2019
		\$million	\$million	\$million
Group’s share of:				
- Profit for the year	(a)	1,008	349	2,220
- Other comprehensive income		(168)	(130)	9
- Total comprehensive income		<u>840</u>	<u>219</u>	<u>2,229</u>
Carrying amount of the Group’s aggregated interest in individually immaterial joint ventures		<u>24,531</u>	<u>25,783</u>	<u>21,401</u>

The Group's share of capital commitments and contingent liabilities of joint ventures are disclosed in note 38 and note 39 respectively.

- (a) The Group's share of profit for the year ended 31 March 2021 included a share of exceptional items from Bharti Airtel Limited ("Airtel"), a joint venture of Singapore Telecommunications Limited, for additional provisions made for regulatory costs on account of the Supreme Court of India's decision on the Adjusted Gross Revenue matter, tax charges from a re-assessment of the carrying amounts of deferred tax balances (including minimum alternate tax credits), asset impairments as well as other provisions partly mitigated by gain on deemed disposal of a subsidiary.

For the year ended 31 March 2020, Airtel's exceptional items included 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.

19. Financial assets

	2021 \$million	2020 \$million	2019 \$million
Non-current assets			
Financial assets at FVTPL	180,839	132,150	129,973
Financial assets at FVOCI:			
- debt instruments	-	-	5
- equity instruments	2,530	2,501	2,380
Financial assets at amortised cost	209	225	183
	<u>183,578</u>	<u>134,876</u>	<u>132,541</u>
Current assets			
Financial assets at FVTPL	30,954	16,575	13,656
Financial assets at FVOCI:			
- debt instruments	-	5	145
- equity instruments	-	1	3
Financial assets at amortised cost	1,216	157	266
	<u>32,170</u>	<u>16,738</u>	<u>14,070</u>
	<u>215,748</u>	<u>151,614</u>	<u>146,611</u>
Financial assets at FVTPL:			
- mandatorily	211,456	148,340	143,455
- designated	337	385	174
	<u>211,793</u>	<u>148,725</u>	<u>143,629</u>

Significant exposure to non-functional currencies:

	2021	2020	2019
	\$million	\$million	\$million
US Dollar	89,421	66,035	64,449
Hong Kong Dollar	35,776	27,954	27,008
Euro	23,137	13,485	12,507
Renminbi	10,752	7,624	4,963
Indian Rupees	7,119	4,920	6,393

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
2021				
Financial assets at FVTPL	123,704	12,890	75,199	211,793
Financial assets at FVOCI:				
- equity instruments	1,651	8	871	2,530
	<u>125,355</u>	<u>12,898</u>	<u>76,070</u>	<u>214,323</u>
2020				
Financial assets at FVTPL	80,565	7,310	60,850	148,725
Financial assets at FVOCI:				
- debt instruments	5	-	-	5
- equity instruments	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 instruments	150	-	-	150
- equity instruments	1,322	17	1,044	2,383
	<u>84,158</u>	<u>9,442</u>	<u>52,562</u>	<u>146,162</u>

The fair values of financial assets at amortised cost approximate their carrying amounts.

Reconciliation of movements in Level 3 fair values:

	Note	2021 \$million	2020 \$million	2019 \$million
At beginning of the year		61,819	52,562	41,179
Effects of adoption of IFRS 9		-	-	2,307
Net gains recognised in the income statement		11,205	2,528	3,365
Comprising gains/(losses) recognised in the income statement as:				
- revenue		(25)	(68)	128
- other income		11,341	2,733	3,245
- other expenses		(111)	(137)	(8)
Net gains/(losses) recognised in other comprehensive income		(99)	192	(45)
(Disposal)/acquisition of subsidiaries, net		(36)	381	-
Purchases		21,450	17,614	17,658
Sales		(15,898)	(10,786)	(7,577)
Settlements		(762)	(144)	(123)
Transfer out of Level 3	(a)	(1,768)	(1,774)	(4,569)
Transfer into Level 3	(b)	902	708	140
Translation differences		(743)	538	227
At end of the year		<u>76,070</u>	<u>61,819</u>	<u>52,562</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 2021:

- (i) Financial assets of \$1,514 million (2020: \$1,066 million; 2019: \$3,965 million) were transferred from Level 3 to Level 1 because the securities became listed.
- (ii) Financial assets of \$69 million (2020: \$33 million; 2019: \$493 million) 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 2021:

- (i) Financial assets of \$781 million (2020: \$512 million; 2019: \$25 million) were transferred to Level 3 from Level 2 as observable market data for fair value measurement inputs became unavailable.
- (ii) Investments in associates of \$121 million (2020: Nil; 2019: \$74 million) were reclassified as financial assets due to loss of significant influence over the associates.

20. Derivative financial instruments

	Note	2021		2020		2019	
		Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million
Non-current							
Hedging instruments	(a)	663	(1,401)	1,701	(2,745)	960	(517)
Non-hedging instruments*		596	(284)	767	(260)	556	(97)
		<u>1,259</u>	<u>(1,685)</u>	<u>2,468</u>	<u>(3,005)</u>	<u>1,516</u>	<u>(614)</u>
Current							
Hedging instruments	(a)	467	(499)	2,091	(1,947)	772	(241)
Non-hedging instruments*		3,708	(2,665)	2,337	(2,882)	2,417	(1,508)
		<u>4,175</u>	<u>(3,164)</u>	<u>4,428</u>	<u>(4,829)</u>	<u>3,189</u>	<u>(1,749)</u>
		<u>5,434</u>	<u>(4,849)</u>	<u>6,896</u>	<u>(7,834)</u>	<u>4,705</u>	<u>(2,363)</u>

* These instruments are classified as non-hedging as hedge accounting has not been applied.

(a) Analysis of hedging instruments:

		2021		2020		2019	
		Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million
Cross-currency swaps		450	(494)	1,575	(172)	620	(227)
Fuel oil swaps/options	(i)	260	(328)	15	(2,594)	698	(194)
Interest-rate swaps		253	(676)	137	(752)	65	(220)
Currency forwards		88	(142)	351	(91)	178	(75)
Commodity contracts		72	(250)	1,709	(1,055)	166	(25)
Others		7	(10)	5	(28)	5	(17)
		<u>1,130</u>	<u>(1,900)</u>	<u>3,792</u>	<u>(4,692)</u>	<u>1,732</u>	<u>(758)</u>

- (i) Fuel oil swaps/options are primarily contributed by Singapore Airlines Limited and its subsidiaries ("SIA"). SIA's strategy for managing the risk on fuel price aims to provide SIA with protection against sudden and significant increases in jet fuel prices. The following disclosures are extracted from SIA's consolidated financial statements.

Singapore Airlines Limited and its subsidiaries ("SIA")

SIA has applied cash flow hedge accounting to the derivatives which are considered to be highly effective hedging instruments. A net fair value loss before tax of \$183.6 million (2020: \$2,577.9 million; 2019: gain of \$553.3 million), with a related deferred tax credit of \$31.2 million (2020: \$438.2 million; 2019: deferred tax expense of \$92.8 million), were included in the hedging reserve in respect of these contracts.

Due to the significant capacity cuts brought about by the COVID-19 pandemic and the expected impact on the near-term forecasted jet fuel purchases, SIA is now in an overhedged position. Where the occurrences of these forecasted jet fuel purchases are no longer highly probable, hedge accounting has been discontinued. For discontinued hedges, where the forecast jet fuel purchases are no longer expected to occur, a loss of \$497.3 million (2020: \$709.8 million; 2019: Nil) previously recognised in the hedging reserve was reclassified to the income statement (note 8(b)).

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
2021				
Assets				
Non-current	-	1,219	40	1,259
Current	491	3,609	75	4,175
	<u>491</u>	<u>4,828</u>	<u>115</u>	<u>5,434</u>
Liabilities				
Non-current	(77)	(1,606)	(2)	(1,685)
Current	(1,045)	(2,091)	(28)	(3,164)
	<u>(1,122)</u>	<u>(3,697)</u>	<u>(30)</u>	<u>(4,849)</u>
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>
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>

Reconciliation of movements in Level 3 fair values:

	Derivative assets			Derivative liabilities		
	2021 \$million	2020 \$million	2019 \$million	2021 \$million	2020 \$million	2019 \$million
At beginning of the year	68	78	151	(24)	(10)	(1,051)
Net (losses)/gains recognised in the income statement	2	(1)	(2)	(1)	-	1
Acquisition of subsidiaries	-	-	1	-	-	(3)
Purchases	37	-	1	(5)	-	(4)
Sales	8	(9)	(10)	-	(14)	-
Transfer out of level 3	-	-	(62)	-	-	1,047
Translation differences	-	-	(1)	-	-	-
At end of the year	115	68	78	(30)	(24)	(10)

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.

21. Investment properties

	2021 \$million	2020 \$million	2019 \$million
Investment properties			
At beginning of the year	92,784	54,223	44,928
Effects of adoption of IFRS 16	-	459	-
Acquisition/(disposal) of subsidiaries, net	(6,730)	31,090	2,127
Additions	2,586	4,351	7,923
Disposals	(312)	(846)	(810)
Transfer from property, plant and equipment/properties under development	2,428	1,220	356
Fair value gains/(losses) recognised as other income/expenses in the income statement	(2,143)	2,033	2,312
Translation differences	447	529	(61)
Assets classified as held for sale	(46)	(275)	(2,552)
At end of the year	89,014	92,784	54,223
Properties under development			
At beginning of the year	5,311	2,095	1,359
Acquisition/(disposal) of subsidiaries, net	58	3,205	47
Additions	2,229	1,175	1,283
Disposals	-	-	(98)
Fair value gains/(losses) recognised as other income/expenses in the income statement	28	(180)	57
Transfer to investment properties/inventories	(2,417)	(940)	(353)
Translation differences	43	(44)	(7)
Assets classified as held for sale	-	-	(193)
At end of the year	5,252	5,311	2,095
	94,266	98,095	56,318

Investment properties and properties under development are classified under Level 3 of the fair value hierarchy.

	Note	2021 \$million	2020 \$million	2019 \$million
Investment properties and properties under development mortgaged to banks to secure bank loans	29(c)(iii)	23,610	22,304	10,742

Other amounts recognised in the income statement:

	2021 \$million	2020 \$million	2019 \$million
Rental income from investment properties	5,049	4,957	2,907
Direct operating expenses arising from investment properties that generated rental income	(1,434)	(1,289)	(629)

The Group's investment properties and properties under development are primarily contributed by Mapletree Investments Pte Ltd and TJ Holdings (III) Pte. Ltd. Their valuation methodologies are extracted from their respective consolidated financial statements.

Mapletree Investments Pte Ltd and its subsidiaries ("Mapletree")

As at 31 March 2021, the fair values of investment properties of \$42,957 million (2020: \$46,371 million; 2019: \$46,976 million) and properties under development of \$1,606 million (2020: \$1,130 million; 2019: \$805 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 independent valuers for certain properties have highlighted that, with the heightened uncertainty of the COVID-19 outbreak, a degree of caution should be attached to the valuations as they may be subjected to more fluctuation subsequent to 31 March 2021 than during normal market conditions.

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 2021. Certain valuation reports have highlighted that with the uncertainty of COVID-19, the valuation of these properties subsequent to the balance sheet date may be subjected to more fluctuation than during normal market conditions and have recommended to keep the valuation of these properties under frequent review.

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	Capitalisation rate <ul style="list-style-type: none"> Singapore: 3.5% to 9.5% (2020: 3.5% to 9.5; 2019: 3.6% to 9.0%) Others: 2.6% to 11% (2020: 3.8% to 11.0%; 2019: 3.8% to 10.5%) 	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	Adjusted price <ul style="list-style-type: none"> Singapore: \$27,599 per square metre ("psm") (2020: \$26,942 psm; 2019: \$24,384 psm) Others: \$1,860 to \$15,222 psm (2020: \$372 to \$14,857 psm; 2019: \$333 to \$13,055 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% (2020: 6.5% to 12.5%; 2019: 6.8% to 12.0%) Others: 2.3% to 16% (2020: 3.4% to 15.5%; 2019: 3.4% to 15.0%) 	The higher the discount rate, the lower the fair value.
	Terminal yield	<ul style="list-style-type: none"> Singapore: 3.8% to 7.8% (2020: 4.3% to 7.6%; 2019: 4.4% to 7.6%) Others: 2.7% to 11% (2020: 3.7% to 11.0%; 2019: 3.8% to 10.5%) 	The higher the terminal yield, the lower the fair value.

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: \$18,115 psm (2020: \$18,014 to \$27,165 psm; 2019: \$3,443 to \$17,572 psm) Development cost <ul style="list-style-type: none"> • Singapore: \$4,164 psm (2020: \$3,831 to \$4,162 psm; 2019: \$541 to \$4,103 psm) 	The higher the gross development valuation, the higher the fair value.
Properties under development	Income capitalisation	Capitalisation rate <ul style="list-style-type: none"> • Others: Nil (2020: Nil; 2019: 10.0% to 13.5%) 	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	Adjusted price <ul style="list-style-type: none"> • Others: \$59 to \$1,241 psm (2020: \$53 to \$195 psm; 2019: \$48 to \$395 psm) 	The higher the adjusted price, the higher the fair value.
	Residual value	Gross development valuation <ul style="list-style-type: none"> • Others: \$556 to \$17,478 psm (2020: \$601 to \$1,221 psm; 2019: \$534 to \$774 psm) Development cost <ul style="list-style-type: none"> • Others: \$389 to \$6,009 psm (2020: \$545 to \$960 psm; 2019: \$414 to \$693 psm) 	The higher the gross development valuation, the higher the fair value. The higher the development cost, the lower the fair value.

TJ Holdings (III) Pte. Ltd. and its subsidiaries ("TJ (III)")

As at balance sheet date, the fair values of investment properties of \$45,673 million (2020: \$46,079 million; 2019: \$6,991 million) and properties under development of \$2,819 million (2020: \$3,352 million; 2019: \$531 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. The outbreak of the COVID-19 pandemic has impacted market activity in many property sectors in the countries that TJ (III) operates in. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of certain investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 31 December 2020 only. Values may change more rapidly and significantly than during normal market conditions. In relying on the valuation reports, TJ (III) 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 2020	4.4 to 10.0	3.5 to 5.8	4.0 to 7.5	5.0 to 9.0	4.8 to 5.3	The estimated fair value varies inversely against the capitalisation rate and increases with higher occupancy rate.
	31 December 2019	4.4 to 7.3	3.5 to 6.0	4.8 to 7.5	5.0 to 9.0	4.5 to 7.0	
	31 March 2019	-	-	-	-	-	
	Occupancy rate						
	31 December 2020	45.0 to 100	55.9 to 99.0	68.0 to 100	81.0 to 100	91.4 to 95.0	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher 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	-	-	-	-	-		
Discounted cash flow approach	Discount rate						
	31 December 2020	5.1 to 10.0	3.1 to 7.8	6.8 to 15.0	7.0 to 20.0	3.9 to 11.0	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher occupancy 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	
	31 March 2019	-	6.0 to 7.8	-	6.8 to 20.0	-	
	Terminal yield rate						
	31 December 2020	4.4 to 10.5	3.5 to 6.1	4.2 to 7.8	5.0 to 9.0	3.0 to 8.0	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher occupancy rate.
	31 December 2019	4.3 to 11.0	3.4 to 6.3	4.2 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	-	
	Occupancy rate						
31 December 2020	45.0 to 99.0	55.9 to 98.5	61.0 to 90.0	87.0 to 99.0	45.0 to 98.0	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher 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	-		

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	Lodging \$million	Inter-relationship between key unobservable input and fair value measurement
Residual value method							
	Gross development value						
	31 December 2020	-	280 to 587	1,978	92	55 to 131	
	31 December 2019	193	285 to 516	168 to 2,012	92	-	
	31 March 2019	-	-	-	47 to 1,018	-	The estimated fair value increases with higher gross development value and decreases with higher cost to completion.
	Estimated cost to completion						
	31 December 2020	-	71 to 161	267	44	31 to 129	
	31 December 2019	26	93 to 109	38 to 350	36	-	
	31 March 2019	-	-	-	155 to 283	-	

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 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
Acquisition/(disposal) of subsidiaries (net)	(9)	(57)	(78)	(21)	(165)
Recognised in income statement	283	460	73	389	1,205
Recognised in equity	-	-	-	(362)	(362)
Transfer from/(to) current tax payable	30	(5)	-	(1)	24
Translation differences	26	(25)	4	(7)	(2)
At 31 March 2021	1,145	815	308	1,660	3,928

⁽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 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
Acquisition/(disposal) of subsidiaries (net)	(28)	(26)	4	(50)
Recognised in income statement	(147)	4	(12)	(155)
Recognised in equity	-	(49)	9	(40)
Transfer from/(to) current tax payable	1	1	(14)	(12)
Translation differences	(59)	29	21	(9)
At 31 March 2021	6,189	1,562	1,354	9,105

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:

	2021 \$million	2020 \$million	2019 \$million
Deferred tax assets	1,878	1,265	820
Deferred tax liabilities	7,055	7,408	6,580

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

	2021 \$million	2020 \$million	2019 \$million
Deductible temporary differences	2,206	4,961	2,703
Tax losses	8,580	7,097	6,338
	10,786	12,058	9,041

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.

Deductible temporary differences and tax losses are subject to agreement by tax authorities and compliance with tax regulations in the countries in which certain subsidiaries operate in. Deductible temporary differences and tax losses do not expire under current tax legislation except for tax losses amounting to \$3,769 million (2020: \$2,719 million; 2019: \$1,631 million) which will expire between 2021 and 2040 (2020: 2020 and 2040; 2019: 2019 and 2037).

23. Other non-current assets

	Note	2021 \$million	2020 \$million	2019 \$million
Loans and bills receivable of financial institution subsidiaries	(a)	3,270	3,765	3,079
Loans to:				
- associates and joint ventures		1,433	1,059	433
- others		53	5	161
Service concession receivables		934	1,017	1,061
Other receivables		1,220	1,939	1,808
		<u>6,910</u>	<u>7,785</u>	<u>6,542</u>
Allowance for impairment		(394)	(68)	(83)
		<u>6,516</u>	<u>7,717</u>	<u>6,459</u>
Contract assets	26	91	81	70
Contract costs		409	355	308
Defined benefit assets		-	10	-
Finance lease receivables		22	31	8
Prepayments		645	461	547
		<u>7,683</u>	<u>8,655</u>	<u>7,392</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	2021 \$million	2020 \$million	2019 \$million
Pledged as collateral for borrowing facilities granted to subsidiaries	29(c)(iv)	<u>4,608</u>	<u>5,156</u>	<u>4,327</u>

24. Inventories

	Note	2021 \$million	2020 \$million	2019 \$million
Bunkers, fuel stocks and general consumables		927	946	814
Commodity inventories		7,381	7,211	6,468
Development properties held for sale	(a)	7,594	7,994	150
Finished goods		700	763	1,033
Raw materials, supplies, engineering products and sundry items		1,231	1,194	1,113
Work-in-progress		357	386	470
		<u>18,190</u>	<u>18,494</u>	<u>10,048</u>
Allowance for inventories		(515)	(438)	(477)
		<u>17,675</u>	<u>18,056</u>	<u>9,571</u>
Carried at:				
Fair value				
- Level 2 of the fair value hierarchy	(b)	5,183	4,970	4,027
- Level 3 of the fair value hierarchy		231	226	292
		<u>5,414</u>	<u>5,196</u>	<u>4,319</u>
Lower of cost and net realisable value		12,261	12,860	5,252
		<u>17,675</u>	<u>18,056</u>	<u>9,571</u>
Inventories recognised as cost of sales		39,200	37,814	33,692
Inventories pledged as collateral to secure bank loans	29(c)(v)	3,132	3,324	143

(a) TJ Holdings (III) Pte. Ltd. and its subsidiaries ("TJ (III)")

TJ (III) 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 TJ (III) evaluates them by relying on the work of specialists.

The residential projects have no alternative use for TJ (III) due to contractual restriction, and TJ (III) 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 TJ (III)'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 TJ (III) 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	2021 \$million	2020 \$million	2019 \$million
Trade receivables	(a)	11,998	12,520	11,908
Allowance for impairment of trade receivables	(b)	(858)	(925)	(770)
Net trade receivables		11,140	11,595	11,138
Advance payments to suppliers		863	986	1,179
Amounts due from associates and joint ventures				
- trade		307	317	150
- non-trade		1,003	608	292
Contract assets	26	4,814	6,271	5,542
Contract costs		152	190	351
Grants receivable		303	322	120
Interest and dividend receivables		619	586	609
Loans and bills receivable of financial institution subsidiaries	23(a)	1,700	2,167	1,731
Loans to:				
- associates and joint ventures		35	32	156
- others		335	441	557
Placements and balances with banks by financial institution subsidiaries		522	274	157
Prepayments and deposits		3,667	2,967	3,026
Tax prepayments and recoverables		429	333	187
Sundry debtors		927	1,278	902
Other receivables		2,494	2,738	2,037
		29,310	31,105	28,134
Allowance for impairment of other receivables		(291)	(260)	(156)
		29,019	30,845	27,978

(a) Analysis of trade receivables:

	2021	2020	2019
	\$million	\$million	\$million
Not past due and not impaired	7,513	7,674	6,920
Past due but not impaired	3,627	3,921	4,218
Impaired	858	925	770
	<u>11,998</u>	<u>12,520</u>	<u>11,908</u>

(b) Movements in allowance for impairment of trade receivables:

At beginning of the year	925	770	759
Effects of adoption of IFRS 9	-	-	11
(Disposal)/Acquisition of subsidiaries (net)	(155)	(1)	(5)
Allowance recognised as an expense in the income statement	311	336	198
Allowance utilised	(251)	(156)	(173)
Translation differences	28	(24)	(20)
At end of the year	<u>858</u>	<u>925</u>	<u>770</u>

(c) Significant exposure to non-functional currencies:

US Dollar	1,690	2,564	1,914
Renminbi	1,282	909	176
Euro	602	980	539
Hong Kong Dollar	322	634	221
Pound Sterling	<u>302</u>	<u>232</u>	<u>183</u>

26. Contract assets and liabilities

	Note	2021	2020	2019
		\$million	\$million	\$million
Contract assets		4,965	6,416	5,658
Allowance for impairment		(60)	(64)	(46)
		<u>4,905</u>	<u>6,352</u>	<u>5,612</u>
Analysed by:				
Non-current	23	91	81	70
Current	25	4,814	6,271	5,542
		<u>4,905</u>	<u>6,352</u>	<u>5,612</u>
Contract liabilities				
Non-current	32	937	579	629
Current	33	3,355	5,416	5,165
		<u>4,292</u>	<u>5,995</u>	<u>5,794</u>

27. Cash and bank balances

	Note	2021 \$million	2020 \$million	2019 \$million
Fixed deposits and short-term investments		39,584	49,292	47,255
Cash on hand and at bank		30,496	21,519	13,720
Cash and bank balances in the consolidated balance sheet		70,080	70,811	60,975
Classified as disposal group held for sale		25	9	4
Less:				
Bank overdrafts	29	(323)	(302)	(99)
Restricted cash		(1,607)	(1,137)	(1,103)
Cash and cash equivalents in the consolidated cash flow statement		68,175	69,381	59,777

Significant exposure to non-functional currencies:

	2021 \$million	2020 \$million	2019 \$million
US Dollar	9,566	9,158	6,994
Renminbi	5,072	4,000	804
Hong Kong Dollar	1,755	397	133
Euro	1,296	1,875	760
Japanese Yen	746	899	334

28. Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale as at 31 March 2021 mainly comprise:

- (a) Financial assets held by Sheares Healthcare Group Pte. Ltd. and its subsidiaries of \$321 million;
- (b) Investment properties held by TJ Holdings (III) Pte. Ltd. and its subsidiaries of \$229 million; and
- (c) Aircraft and spares of \$99 million held by Singapore Airlines Limited and its subsidiaries.

Assets and liabilities classified as held for sale as at 31 March 2020 mainly comprise:

- (a) Investment properties held by TJ Holdings (III) 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.

29. Borrowings

	Note	2021 \$million	2020 \$million	2019 \$million
Bank overdrafts	27			
- secured		2	1	-
- unsecured		321	301	99
		323	302	99
Bank loans	(e)			
- secured		32,628	30,031	18,189
- unsecured		46,445	46,071	36,470
		79,073	76,102	54,659
Fixed and floating rate notes	(f)			
- secured		5,088	4,106	3,094
- unsecured		60,443	58,098	49,925
		65,531	62,204	53,019
Commercial bills		1,891	3,099	1,803
Finance lease payable	(g)	-	-	1,410
Lease liabilities		12,330	10,512	-
Other loans		861	730	765
Total borrowings		160,009	152,949	111,755
Analysed by:				
Non-current liabilities		132,772	119,898	88,141
Current liabilities		27,237	33,051	23,614
Total borrowings		160,009	152,949	111,755

(a) Maturity of borrowings

	Total \$million	Within 1 year \$million	After 1 year but within 5 years \$million	After 5 years \$million
2021				
Bank overdrafts	323	323	-	-
Bank loans	79,073	17,040	49,831	12,202
Fixed and floating rate notes	65,531	6,107	26,633	32,791
Commercial bills	1,891	1,891	-	-
Lease liabilities	12,330	1,638	4,412	6,280
Other loans	861	238	294	329
	<u>160,009</u>	<u>27,237</u>	<u>81,170</u>	<u>51,602</u>
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>

(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	
2021					
Bank loans	79,073	86,466	18,730	56,634	11,102
Notes and commercial bills	67,422	84,477	10,091	32,802	41,585
Lease liabilities	12,330	16,180	2,045	5,930	8,204
	<u>158,825</u>	<u>187,123</u>	<u>30,866</u>	<u>95,366</u>	<u>60,891</u>
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>

(c) Collateralised borrowings

The secured borrowings are collateralised by the following:

- (i) property, plant and equipment (note 11);
- (ii) intangible assets (note 13);
- (iii) investment properties and properties under development (note 21);
- (iv) loans and bills receivable of financial institution subsidiaries (note 23(a));
- (v) inventories (note 24);
- (vi) cash and bank balances (note 27); and
- (vii) 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 their fair values are as follows:

	2021 \$million	2020 \$million	2019 \$million
Carrying amounts:			
Notes and commercial bills	67,422	65,303	54,822
Fair value and classification by levels (as defined in note 35):			
- Level 1	13,222	19,877	16,642
- Level 2	52,880	44,927	31,083
- Level 3	4,212	3,672	8,952
Total fair value	70,314	68,476	56,677

(e) Interest rates of bank loans

	2021 %	2020 %	2019 %
Interest rates of bank loans	0.2 – 19.0	0.1 – 12.8	0.1 – 15.5

(f) Interest rates of fixed and floating rate notes

	2021 %	2020 %	2019 %
Interest rates of fixed and floating rate notes	0.4 – 10.6	0.3 – 10.6	0.5 – 10.9

(g) Finance lease payable

	2021 \$million	2020 \$million	2019 \$million
Finance lease payable due:			
Within 1 year	-	-	153
After 1 year but within 5 years	-	-	510
After 5 years	-	-	1,496
	-	-	2,159
Less: Future finance charges	-	-	(749)
Present value	-	-	1,410
Interest rates	-	-	0.1% - 16.8%

(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 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	-	90	-	967	-	-	-	-	967
Fair value adjustment	-	-	-	-	-	(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).

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Notes to the Financial Statements
Years ended 31 March 2021, 2020, 2019

	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).

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Notes to the Financial Statements
Years ended 31 March 2021, 2020, 2019

	Bank loans \$million	Fixed and floating rate notes \$million	Commercial bills \$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 1 April 2020	76,102	62,204	3,099	10,512	730	(708)	899	800	153,638
Changes from financing cash flows									
Proceeds from borrowings	41,218	12,838	782	-	201	-	597	-	55,636
Repayments of borrowings	(31,249)	(7,335)	(1,984)	(1,700)	(43)	197	(2)	-	(42,116)
Interest paid	(620)	(756)	(21)	(272)	(59)	-	-	(3,403)	(5,131)
Total changes from financing cash flows	9,349	4,747	(1,223)	(1,972)	99	197	595	(3,403)	8,389
Non-cash changes									
Acquisition/(disposal) of subsidiaries (net)	(7,143)	(1,008)	-	52	(12)	-	-	(14)	(8,125)
New/termination of lease liabilities (net)	-	-	-	3,100	-	-	-	-	3,100
Fair value adjustment	(15)	(316)	-	1	-	320	-	-	(10)
Interest expense	661	723	33	382	60	-	-	3,264	5,123
Others	119	(819)	(18)	255	(16)	486	(170)	47	(116)
Total non-cash changes	(6,378)	(1,420)	15	3,790	32	806	(170)	3,297	(28)
At 31 March 2021	79,073	65,531	1,891	12,330	861	295	1,324	694	161,999

(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	2021 \$million	2020 \$million	2019 \$million
Contingencies		78	64	118
Warranties		194	227	239
Others	(a)	4,714	3,816	3,088
		<u>4,986</u>	<u>4,107</u>	<u>3,445</u>
Analysed by:				
Non-current liabilities		1,435	1,591	890
Current liabilities		3,551	2,516	2,555
		<u>4,986</u>	<u>4,107</u>	<u>3,445</u>
(a) Provision for community contributions included in other provisions		<u>2,534</u>	<u>1,635</u>	<u>1,657</u>

Movements in provisions:

	Contingencies \$million	Warranties \$million	Others \$million	Total \$million
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	<u>118</u>	<u>239</u>	<u>3,088</u>	<u>3,445</u>
Effects of adoption of IFRS 16	-	-	321	321
At 1 April 2019	<u>118</u>	<u>239</u>	<u>3,409</u>	<u>3,766</u>
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>
Acquisition/(disposal) of subsidiaries (net)	2	(36)	(81)	(115)
Provisions made	13	37	3,660	3,710
Provisions utilised	(5)	(33)	(2,655)	(2,693)
Translation differences	4	(1)	(26)	(23)
At 31 March 2021	<u>78</u>	<u>194</u>	<u>4,714</u>	<u>4,986</u>

31. Deferred income and liabilities

	Note	2021 \$million	2020 \$million	2019 \$million
Customers' contributions for capital projects		228	240	258
Deferred grants and donations		821	481	485
Deferred gains on sale and leaseback transactions		-	-	46
Unearned revenue		2,057	1,848	1,893
Others	(a)	961	885	873
		<u>4,067</u>	<u>3,454</u>	<u>3,555</u>
Analysed by:				
Non-current liabilities		1,949	1,701	1,883
Current liabilities		2,118	1,753	1,672
		<u>4,067</u>	<u>3,454</u>	<u>3,555</u>

(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	2021 \$million	2020 \$million	2019 \$million
Accrued operating expenses		3,374	2,153	2,225
Advance payments received		225	31	22
Contract liabilities	26	937	579	629
Defined benefit obligations		704	595	311
Deposits from customers		471	760	415
Others		1,669	1,339	1,311
		<u>7,380</u>	<u>5,457</u>	<u>4,913</u>

33. Trade and other payables

	Note	2021 \$million	2020 \$million	2019 \$million
Trade payables		13,651	14,279	13,995
Advance payments received		304	314	119
Accrued operating expenses		8,332	8,326	7,829
Accrued capital expenditures		2,191	2,455	1,135
Amounts due to associates and joint ventures		1,622	1,198	343
Contract liabilities	26	3,355	5,416	5,165
Deposits from customers		961	933	671
Dividend payable to equity holder of THPL		4,507	5,654	5,402
Interest payable		694	800	701
Others		7,349	6,307	6,192
		<u>42,966</u>	<u>45,682</u>	<u>41,552</u>

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 would mostly be settled within one year from the balance sheet dates.

Significant exposure to non-functional currencies:

	2021 \$million	2020 \$million	2019 \$million
Renminbi	3,249	3,083	201
US Dollar	1,681	1,518	1,876
Pound Sterling	364	536	502
Singapore Dollar	334	220	226
Euro	331	981	694

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:

	2021 \$million	2020 \$million	2019 \$million
Financial assets:			
- At FVTPL	211,793	148,725	143,629
- At amortised cost	1,425	382	449
- Debt instruments at FVOCI	-	5	150
- Equity instruments at FVOCI	2,530	2,502	2,383
- Receivables and others	95,713	98,657	85,135
Derivative financial instruments, net	585	(938)	2,342
Financial liabilities	<u>(204,830)</u>	<u>(197,153)</u>	<u>(151,974)</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 2021, 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 2021, THPL's net portfolio value of \$381 billion (2020: \$306 billion; 2019: \$313 billion):

- (i) refers to the sum of (1) the market value of investments in publicly-listed securities as 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 2021, there is a 5-in-6 chance that the forward 12-month return of the portfolio will range between -16% and +26% compared to last year's range of -25% to +45% (2019: -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, liabilities and related cash flows. Translational foreign currency risk refers to the 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 a known cash flow and timeline and manage 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. The value of these investments when translated back to its Singapore dollar functional currency, is subject 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 projected 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 1.7% (2020: 2.4%; 2019: 0.9%) 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. With the prior approval of Temasek's Senior Management Committee, Temasek also enters into derivative financial instruments such as interest rate swaps to hedge against interest rate risk.

There is a 1-in-6 chance that standalone losses from interest rate movements may exceed 0.2% (2020: 0.8%; 2019: 0.1%) 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 those operating subsidiaries which contributed significantly to the consolidated financial assets and liabilities are extracted from their respective financial statements:

- (i) TJ Holdings (III) Pte. Ltd. and its subsidiaries
- (ii) Mapletree Investments Pte Ltd and its subsidiaries
- (iii) Olam International Limited and its subsidiaries
- (iv) Singapore Telecommunications Limited and its subsidiaries

TJ Holdings (III) Pte. Ltd. and its subsidiaries (“TJ (III)”)

TJ (III) is a subsidiary of Tembusu Capital (Private) Limited.

TJ (III) is exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. TJ (III)'s risk management approach seeks to minimise the potential material adverse effects from these exposures. TJ (III) 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. In response to COVID-19, TJ (III) has also increased the monitoring of the economic environment, operational risks and impact of the pandemic on its businesses.

(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 TJ (III)'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

TJ (III)'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.

TJ (III) manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. TJ (III) adopts a policy of ensuring that certain percentage of its interest rate risk exposure is at a fixed rate. TJ (III) 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. TJ (III) 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.

TJ (III) 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. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then TJ (III) assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

TJ (III) 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. Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition.

When all critical terms matched during the period, the economic relationship is considered 100% effective.

The net fair value loss of interest rate swaps as at balance sheet date was \$174.5 million (2020: \$89.2 million) comprising derivative assets of Nil (2020: \$0.8 million) and derivative liabilities of \$174.5 million (2020: \$90.0 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 (2020: 100 basis points) in interest rate at the balance sheet date would lead to a reduction in TJ (III)'s profit before tax by approximately \$128.4 million (2020: \$100.6 million). A decrease in 100 basis points (2020: 100 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, TJ (III) has financial assets at FVOCI and at FVTPL in equity securities and is exposed to equity price risk. The securities are listed in Malaysia and Singapore and are accounted for at FVOCI and FVTPL respectively.

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, TJ (III)'s fair value reserves would increase by approximately \$0.9 million (2020: \$1.0 million). A decrease in five percentage point will have an equal but opposite effect.

(iii) Foreign currency risk

TJ (III) operates internationally and is exposed to various currencies, mainly Chinese Renminbi, Euro, Japanese Yen, Malaysian Ringgit, Australian Dollars, US Dollars and Indian Rupee.

TJ (III) 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, TJ (III) 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 TJ (III)'s net investments in certain subsidiaries in United States of America, Europe and Japan. The carrying amount of these US Dollars, Euro, Pound Sterling and Japanese Yen denominated borrowings as at balance sheet date was \$1,359.8 million (2020: \$1,304.0 million) and fair value of the borrowings was \$1,367.6 million (2020: \$1,338.1 million).

TJ (III) uses forward exchange contracts or foreign currency loans to hedge its foreign currency 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 TJ (III)'s highly probable transactions and investment in the foreign subsidiaries. TJ (III) 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 TJ (III).

The net fair value gain of the forward exchange and cross currency swap contracts as at balance sheet date was \$2.2 million (2020: \$68.9 million), comprising derivative assets of \$93.1 million (2020: \$111.0 million) and derivative liabilities of \$95.3 million (2020: \$42.1 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 (2020: five percentage points) strengthening in foreign currencies against the respective functional currencies of TJ (III) would decrease TJ (III)'s profit before tax by approximately \$29.0 million (2020: \$11.2 million) and increase TJ (III)'s other components of equity by approximately \$1.7 million (2020: \$2.1 million). A five-percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. TJ (III)'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 TJ (III) 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, TJ (III) 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 TJ (III)'s customers who bought its residential units and tenants from its office 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 TJ (III) 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.

TJ (III) 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

TJ (III) reviews the customers' credit risk taking into account the aging of the outstanding receivables, amount of security deposit available as well as any indication of credit default, and assesses the amount of specific allowance for doubtful receivable required for each customer.

TJ (III) 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. When determining the expected credit loss rates, TJ (III) considers historical loss rates for customer grouped by industry sector and forward-looking macroeconomic factors like country's gross domestic product (GDP), which affect the ability of the customers to settle the receivables.

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 TJ (III). Where receivables are written off, TJ (III) continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the income statement. During the year, TJ (III) temporarily extended the credit terms for specific customers with liquidity constraints or as stipulated by government legislation as a direct result of the COVID-19 pandemic. All extensions were granted within current sales limits after careful evaluation of the creditworthiness of the customer and each customer that was granted an extension is closely monitored for credit deterioration.

(ii) Financial assets at amortised cost

TJ (III) 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 TJ (III)'s material subsidiary level based on credit policies established by the subsidiary's risk committee. TJ (III) 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. Where a customer has been granted a temporary extension in the credit period as a result of the COVID-19 pandemic, the past-due status is based on the extended credit period.

(c) Liquidity risk

Liquidity risk is the risk that TJ (III) will not be able to meet its financial obligations as they fall due. TJ (III) 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, TJ (III) maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, TJ (III) strives to maintain available banking facilities to meet working capital and funding needs. As part of its financing strategy, TJ (III) diversifies its borrowings by tapping debt capital markets at the appropriate window and putting in place banking facilities. TJ (III) has been actively managing its liquidity position amid the COVID-19 pandemic. As at balance sheet date, TJ (III) has approximately \$15.3 billion (2020: \$13.1 billion) of total cash and available undrawn facilities held under TJ (III)'s treasury vehicles, which is sufficient to support TJ (III)'s funding requirements for the next 24 months.

At balance sheet date, T.J (III) 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		Weighted average hedge forex rate/ interest rate (%)
2021								
Cashflow hedges								
Foreign exchange risk								
- Cross currency swaps to hedge foreign currency borrowings	2,770,760	8,535	Derivative financial instruments	(26,208)	26,208	-	USD: SGD1.307 (USD 2.605%) JPY: SGD0.0120 (JPY 1.040%) HKD: SGD0.1702 (HKD 2.85%)	February 2021 to November 2030
- Forward contracts to hedge foreign currency borrowings and receivables from divestment proceeds	15,107	(611)	Derivative financial instruments	611	(611)	-	EUR: SGD1.564	February 2021
Interest rate risk								
- Interest rate swaps to hedge floating rate borrowings	7,951,195	(174,509)	Derivative financial instruments	(99,349)	99,349	(356)	1.37%	March 2021 to October 2026

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES

Notes to the Financial Statements
Years ended 31 March 2021, 2020, 2019

	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%) November 2020 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 February 2020 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% February 2020 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 AUD:SGD0.928 August 2020 to September 2026
- 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 April 2020 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	
	2021	2020
	\$'000	\$'000
At beginning of the year	(109,303)	(21,211)
Acquisition of subsidiary	-	(60,066)
Change in fair value:		
- Foreign exchange risk	(28,860)	(1,125)
- Interest rate risk	(62,204)	(29,155)
Amount reclassified to income statement:		
- Foreign exchange risk	17,631	(4,379)
- Interest rate risk	(3,092)	6,633
At end of the year	<u>(185,828)</u>	<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 TJ (III)'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.

TJ (III)'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 TJ (III) or the counterparties. In addition, TJ (III) 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
2021					
Types of financial assets					
Forward foreign exchange contracts	5,536	-	5,536	(5,439)	97
Cross currency swaps	87,600	-	87,600	(8,897)	78,703
	<u>93,316</u>	<u>-</u>	<u>93,136</u>	<u>(14,336)</u>	<u>78,800</u>
Types of financial liabilities					
Interest rate swaps	(174,511)	-	(174,511)	-	(174,511)
Forward foreign exchange contracts	(6,611)	-	(6,611)	5,439	(1,172)
Cross currency swaps	(88,685)	-	(88,685)	8,897	(79,788)
	<u>(269,807)</u>	<u>-</u>	<u>(269,807)</u>	<u>14,336</u>	<u>(255,471)</u>
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>

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 risks.

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, where practicable and appropriate, is 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 2021 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, INR and RMB exposures for SGD functional currency entities and EUR exposure for Polish Złoty ("PLN") functional currency entities (2020: USD exposure for VND functional currency entities, RMB exposure for SGD functional currency entities and EUR exposure for 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).

If Mapletree's USD, INR, RMB and EUR exposure change against the respective functional currencies by 3% (2020: 3%; 2019: 4.0%) with all other variables including tax rate being held constant, the effects arising from Mapletree's net currency exposure will be as follows:

	2021 \$million	2020 \$million	2019 \$million
	<u>Increase/(decrease)</u>		
<u>Profit after tax</u>			
USD against VND			
- Strengthened	(9)	(11)	(15)
- Weakened	9	11	15
INR against SGD			
- Strengthened	5	1	*
- Weakened	(5)	(1)	*
RMB against SGD			
- Strengthened	5	8	9
- Weakened	(5)	(8)	(9)
EUR against PLN			
- Strengthened	(2)	(7)	(25)
- Weakened	2	7	25

*No significant exposure for the financial year

(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. Mapletree has no significant interest rate risk arising from interest-bearing assets.

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 critical terms matched during the financial year, the economic relationship is deemed to be 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.

Hedges directly affected by interest rate benchmark reform

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR reform transition. On 5 March 2021, the Financial Conduct Authority ("FCA") formally announced the dates for the cessation of all LIBOR benchmark settings currently published by the ICE Benchmark Administration. The transition into the new benchmark rates may occur at different times for the hedged item and hedging instruments, which may impact the hedging relationship. Mapletree applied the amendments to IFRS 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform.

There is no hedge ineffectiveness in relation to the IBOR reform recognised for the financial year.

Mapletree is actively engaging with its lenders and derivative counterparties to modify floating rate instruments to transit into the new benchmark rates.

If the interest rates increase or decrease by 0.5% (2020 and 2019: 0.5%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by \$29 million (2020: \$33 million; 2019: \$28 million) and higher by \$29 million (2020: \$33 million; 2019: \$28 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by \$41 million (2020: \$66 million; 2019: \$65 million) and lower by \$42 million (2020: \$68 million; 2019: \$68 million) mainly as a result of higher or lower 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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:

	2021	2020	2019
	\$million	\$million	\$million
Corporate guarantees provided to financial institutions on Mapletree's subsidiaries' and a joint venture's loans	9,822	9,170	13,941

Bank deposits, deposits placed with Mapletree's subsidiary, receivables from Mapletree's subsidiaries and associates and joint venture 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 such as asset class and geographic location 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 2021, 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 believes 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.

(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 2021, 2020 and 2019, Mapletree was required by the financial institutions to maintain a consolidated tangible net worth of not less than \$1 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 2021:

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in income statement \$million	Weighted average hedged rate	Maturity date
	Assets/ (liabilities) \$million	Financial statement line item	Hedging instrument \$million	Hedged item \$million			
Cash flow hedges							
<i>Foreign currency risk/Interest rate risk</i>							
- Cross currency swaps to hedge floating rate borrowings denominated in foreign currency	1,727	(1) Derivative financial instruments	44	(44)	-	SGD1: GBP1.78 SGD1: HKD5.75 USD1: HKD7.79 SGD1: JPY81.2 HKD1: JPY14.28 0.00% - 4.65%	2021 - 2027
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	6,949	(146) Derivative financial instruments	13	(12)	1	0.15% - 2.86%	2021 - 2028
Net investment hedges							
<i>Foreign exchange risk</i>							
- Forward contracts to hedge net investments in foreign operations	1,082	(22) Derivative financial instruments	(15)	15	-	JPY0.01224 USD 1.3627 CNY 0.2222 GBP 1.7277 AUD 0.9848 INR 0.0193 EUR 1.5589 KRW 0.00121 MYR 3.3299	2021 - 2024
- Borrowings to hedge net investments in foreign operations	-	(950) Borrowings	(44)	44	-	-	-

Hedging instruments used in Mapletree's hedging strategy in the financial year ended 31 March 2020:

	----- Carrying amount -----		Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in income statement \$million	Weighted average hedged rate	Maturity date
	Contractual notional amount \$million	Assets/ (liabilities) \$million	Financial statement line item	Hedging instrument \$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	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	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	----- Carrying amount -----		Changes in fair value used for calculating hedge ineffectiveness			Hedge ineffectiveness recognised in income statement \$million	Weighted average hedged rate	Maturity date
		Assets/ (liabilities) \$million	Financial statement line item	Hedging instrument \$million	Hedged item \$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	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
2021			
Fair value hedges			
Interest rate risk			
- Interest rate swaps to hedge fixed rate borrowings	-	-	-
<hr/>			
2020			
Fair value hedges			
Interest rate risk			
- Interest rate swaps to hedge fixed rate borrowings	78	Borrowings	3
<hr/>			
2019			
Fair value hedges			
Interest rate risk			
- Interest rate swaps to hedge fixed rate borrowings	76	Borrowings	1
<hr/>			

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 Olam’s board of directors, with detailed exposure limits recommended by Olam’s executive risk committee and approved by Olam’s 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 \$7 million (2020: \$10 million; 2019: \$17 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	
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 and deposits 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 Pounds ("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)
2021		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	-	(3)
EUR – strengthened 0.5%	2	(18)
AUD – strengthened 0.5%	-	3
SGD – strengthened 0.5%	(6)	3
YEN – strengthened 0.5%	(5)	-
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)	-

(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 \$27 million (2020 restated: \$25 million; 2019: \$24 million).

(f) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage Olam's exposure to risks associated with foreign currency and commodity price. Certain derivatives are also used for trading purposes. Olam has master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other.

As at balance sheet date, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 38 months (2020 and 2019: 1 and 24 months). The power purchase agreement (2020 and 2019: 10 years) in the previous financial year has been cancelled in the current financial year.

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	2021		2020		2019		
	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	Assets \$million	Liabilities \$million	
Fair value hedge – Commodity contracts							
Hedged item:							
Inventories	Inventories	1,755	-	1,613	-	1,070	-
Sales and purchase contracts	Derivative assets/(liabilities)	171	-	93	-	190	-
Hedging instruments:							
Commodity contracts	Derivative financial instruments	7	-	11	-	5	(5)
Fair value hedge – Cross currency interest rate swap							
Hedged item:							
Forecasted transactions relating to borrowings denominated in foreign currency	Borrowings	-	(1,394)	-	(847)	-	-
Hedging instruments:							
Cross currency interest rate swap	Derivative financial instruments	46	(6)	30	(13)	-	-
Cash flow hedge – Foreign exchange contracts							
Hedged item:							
Forecasted transactions denominated in foreign currency	Reserves	33	-	-	(87)	-	(73)
Hedging instruments:							
Foreign exchange contracts	Derivative financial instruments	-	(9)	-	(2)	5	-
Cash flow hedge – Cross currency interest rate swap							
Hedged item:							
Forecasted transactions relating to borrowings denominated in foreign currency	Reserves	-	-	-	(6)	-	-
Hedging instruments:							
Cross currency interest rate swap	Derivative financial instruments	-	-	6	-	-	-
Cash flow hedge – Interest rate swap							
Hedged item:							
Forecasted transactions denominated in foreign currency	Reserves	-	(1)	-	(1)	-	-
Hedging instruments:							
Interest rate swap	Derivative financial instruments	-	(1)	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 (2020 and 2019: 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 \$178 million (2020: \$242 million; 2019: \$361 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 income statement. As at balance sheet date, the cross-currency swap is effective until 2025 and is linked to the payment due date of the term loans or EMTNs. 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 38 months (2020 and 2019: 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 \$20 million (2020: \$106 million; 2019: \$2 million) for the current financial year. The net hedging loss recognised in other comprehensive income in relation to such transactions amounts to \$9 million (2020: \$2 million; 2019: hedging gain \$5 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 other expenses in the income statement. 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. As at balance sheet date, these hedges are effective until 2021 (2020: 2020 and 2021) with 1-month to 3-month LIBOR rate ranging from 0.2% to 1.6% (2020: 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 2021, 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 the 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 2021, after taking into account the effect of interest rate swaps, approximately 81% (2020: 72%; 2019: 66%) of Singtel's borrowings are at fixed rates of interest.

As at 31 March 2021, 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 \$11.3 million (2020: \$15.8 million; 2019: \$15.4 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 decreased by \$12.8 million (2020: 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 2021, \$1.60 billion (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.

The maximum exposure to credit risk for trade receivables and contract assets were as follows:

	2021	2020	2019
	\$million	\$million	\$million
Individuals	2,290	2,196	2,269
Corporations and others	2,030	2,175	2,403
	<u>4,320</u>	<u>4,371</u>	<u>4,672</u>

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

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 to 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 consolidated 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:

	2021 \$million	2020 \$million	2019 \$million
Paid and accrued compensation ⁽ⁱ⁾	563	584	647
Deferred incentives ⁽ⁱⁱ⁾	200	198	267
Post employment, termination benefits and share based compensation	130	109	94
	893	891	1,008

- (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 777-300ERs, three A330-300s, four A380-800s, six A350-900s, one 787-10 and eight 737-800s at fixed rental rates. The lease of six A350-900s and one 787-10 were entered into during the year through sale and leaseback arrangements, recording gross proceeds of \$1,230.5 million. The leases of eight 737-800s were novated from SilkAir during the year. The original lease terms range from eight to thirteen 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, leases for the A330-300s, A350-900s and 787-10s include 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, three A320-200s, and one 737-800 at fixed rental rates. The original lease terms for the two A319-100s range from 11.2 to 11.5 years, which SilkAir holds options to extend the leases up to a maximum of 3 years. The original lease terms for the three A320-200s range from 6.7 to 11.8 years and SIA holds options to extend the leases up to a maximum of 3 years. The original lease term for the 737-800 is for 10.1 years, and SilkAir holds options to extend the lease up to a maximum of 4 years. Sub-leasing is allowed under all the lease arrangements.

As of 31 March 2021, Budget Aviation Holdings ("BAH") Group has leased 24 A320-200s and two A320neos. The leases of two A320neo aircraft were entered into during the prior financial year through sale and lease-back agreement to mitigate the BAH Group's exposure to residual value risk of the aircraft. The original lease terms on the aircraft are for 12 years and there are options to extend the leases up to 3 to 4 months for certain 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, six Trent 1000-J engines and six Trent TXWB-84 with fixed rental rates. The original lease term for the GE90-115B engines is approximately six years with extension options of 12 months. The original lease terms for the T1000-J and Trent TXWB-84 engines are ten years with extension options of up to 36 months. The four GE90-115B engine leases are due to expire on 30 April 2021.

BAH Group leases one spare engine. The lease term on the engine is 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 \$245.0 million (2020: \$244.8 million), while the exercise of the termination options would result in a decrease in lease liabilities of \$20.9 million (2020: \$20.9 million).

Lease commitments

(a) Where the Group is a lessee

As at 31 March 2021, the Group had lease contracts of \$1,044 million (2020: \$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 balance sheet date and not yet recognised on the balance sheet are as follows:

Operating lease receivables - under IFRS 16

	2021	2020
	\$million	\$million
Within 1 year	4,240	4,811
After 1 year but within 2 years	3,088	5,802
After 2 years but within 3 years	2,090	1,560
After 3 years but within 4 years	1,328	1,047
After 4 years but within 5 years	1,049	737
After 5 years	3,531	4,479
	<u>15,326</u>	<u>18,436</u>

Operating lease receivables - under IAS 17

	2019 \$million
Within 1 year	3,325
After 1 year but within 5 years	7,035
After 5 years	3,893
	<u>14,253</u>

38. Capital and other commitments

Capital and other commitments contracted for but not recognised in the consolidated financial statements:

	2021 \$million	2020 \$million	2019 \$million
Property, plant and equipment	20,923	23,809	28,452
Investment commitments	27,619	26,200	20,537
Development expenditure	3,312	3,946	2,287
Intangible assets	845	865	741
Credit commitments	58	64	24
Others	690	929	1,103
Share of capital commitments of joint ventures	4,392	3,519	3,071

39. Contingent liabilities

	2021 \$million	2020 \$million	2019 \$million
Guarantees	1,722	1,764	1,748
Contingent liabilities directly incurred relating to associates and joint ventures	2,249	2,033	-
Share of contingent liabilities of associates and joint ventures	9,699	9,225	9,285

The contingent liabilities relating to Maju Investments (Mauritius) Pte Ltd and Temasek Life Sciences Pte Ltd, as described below, were discharged during the financial year, or shortly after the end of the financial year ended 31 March 2021.

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 asserted claims under the Securities Act of 1933 against, among others, FTSI, certain of its officers and directors, and certain shareholders (including Maju) and sought damages in excess of US\$1 million (\$1.4 million). FTSI was an associate of Maju. Maju is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited. During the year ended 31 March 2021, Maju divested its entire equity stake in FTSI.

The petition alleged 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 had declined substantially since the IPO, resulting in damages to plaintiff and the proposed class. The petition also alleged 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.

In April 2021, the case was fully and finally settled without admission of any liability or fault by FTSI, Maju or any of the other settling parties and without any contribution to the settlement amount by Maju. Maju is no longer exposed to any potential liability that could have arisen from the petition.

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 alleged 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 had denied the allegations.

In October 2020, the complaint was successfully dismissed. With the dismissal of the case by the court, TLS is no longer exposed to any liability that could have arisen from the complaint.

Other significant contingent liabilities and undertakings not included in the table above:

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, 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 United States, 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 United States, 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 United States 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 (\$955 million) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (\$1.54 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. 18.08 billion (\$332 million) of principal demand as well as 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 2021 amounted to approximately Rs. 102.8 billion (\$1.89 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 (\$146 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 (\$577 million) or to pay the same amount plus interest.

In January 2021, CAT’s demand in respect of transferring telecommunications systems under the Concession Agreement from DPC or to pay THB 13.4 billion (\$577 million) plus interest at 7.5% per annum was dismissed by the Arbitration Committee. CAT is eligible to appeal within 90 days.

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 (\$1.77 billion) plus interest.
- (b) additional revenue share of THB36.2 billion (\$1.55 billion) plus interest based on gross interconnection income from 2007 to 2015.
- (c) additional revenue share of THB 62.8 billion (\$2.70 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 (\$1.33 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 which was followed by TOT’s appeal to the Central Administrative Court to increase the award to THB 62.8 billion (\$2.70 billion).

- (d) additional revenue share from disputes on roaming rates from 2013 to 2015 of THB 16.3 billion (\$698 million).

As at 31 March 2021, other claims against AIS and its subsidiaries which are pending adjudication amounted to THB 13.2 billion (\$567 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.

In November 2020, Intouch and Thaicom received notices from the Ministry requesting for replacement of the de-orbited Thaicom 5 satellite, or compensation equivalent to the value of satellite at THB 7.8 billion (\$335 million) plus fines and interest. The cases are pending arbitration.

TJ Holdings (III) Pte. Ltd. and its subsidiaries (“TJ (III)”)

Certain subsidiaries of the TJ (III) 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 \$892.5 million (2020: \$490.5 million).

40. Significant subsequent events

- (a) On 28 May 2021, Singapore Airlines Limited (“SIA”), a subsidiary of the Group, undertook a renounceable rights issue (the “Rights Issue”) of up to approximately \$6.2 billion in aggregate principal amount of mandatory convertible bonds (“Rights 2021 MCBs”) at an issue price of 100% of the principal amount of the Rights 2021 MCBs, offered on the basis of 209 Rights 2021 MCBs for every 100 ordinary shares of SIA (“SIA Shares”).

In connection with the Rights Issue, THPL (through its wholly-owned subsidiary) subscribed for \$5,876 million in aggregate principal amount of Rights 2021 MCBs, comprising (a) THPL’s pro-rata entitlement of \$3,434 million in principal amount of Rights 2021 MCBs and (b) \$2,441 million in principal amount of Rights 2021 MCBs that were not subscribed for by other shareholders under the Rights Issue. The \$5,876 million in aggregate principal amount of Rights 2021 MCBs were issued to THPL’s wholly-owned subsidiary on 24 June 2021 (the “Issue Date”).

The Rights 2021 MCBs may be redeemed at the option of SIA, in whole or in part, on every six-month anniversary of the Issue Date in cash in accordance with the terms thereof. The Rights 2021 MCBs will be automatically converted to SIA Shares on 8 June 2030 (the “Maturity Date”) if they are not redeemed prior to the Maturity Date.

On completion of the Rights Issue on 24 June 2021, THPL’s wholly-owned subsidiary holds \$9,227 million in aggregate principal amount of mandatory convertible bonds, comprising the Rights 2021 MCBs and the mandatory convertible bonds issued by SIA on 8 June 2020. The Group’s effective interest in SIA remains at 55%¹ and SIA continues to be consolidated as a subsidiary of the Group.

- (b) On 22 March 2021, CapitaLand Limited (“CapitaLand”) and its existing controlling shareholder, CLA Real Estate Holdings Pte. Ltd. (“CLA”) jointly announced a scheme of arrangement (“Scheme”) pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore:
- i. To effect a proposed restructuring of CapitaLand’s business to consolidate its investment platforms, as well as its lodging business, into CapitaLand Investment Management (“CLIM”), which is to be listed by introduction on the Singapore Exchange (SGX).
 - ii. To place the real estate development business of CapitaLand under private ownership, to be fully held by CLA through the proposed privatisation of CapitaLand on completion of the Scheme.

¹ Based on 2,964,972,975 SIA Shares in issue (excluding SIA Shares held in treasury and the Special Share held by the Minister for Finance) as at 21 May 2021.

As part of the proposed Scheme that is subject to shareholders and regulatory approvals, CapitaLand expects to distribute approximately 48%¹ of shares in CLIM to all shareholders of CapitaLand (excluding CLA) (the “Eligible Shareholders”). As this is a 1-1 distribution, the share ownership ratio in CLIM immediately after the issuance of the CLIM shares would be equal to the Eligible Shareholders’ existing ownership in CapitaLand.

CapitaLand expects to continue to own a 52%¹ interest upon listing of CLIM. CapitaLand would also distribute in specie 388.2 million units in CapitaLand Integrated Commercial Trust (“CICT DIS”), representing in aggregate 6.0% of CICT’s outstanding units, bringing its current 28.9% stake in CICT to 22.9%. CLA will not participate in the distribution of the CICT units, and its entitlement to the CICT units is expected to be distributed to the Eligible Shareholders as part of the Scheme.

Eligible Shareholders are expected to receive \$4.102 per share in cash and scrip for every one CapitaLand share they own.

- (c) On 24 June 2021, Sembcorp Marine Ltd (“SCM”), an associate of the Group, announced a proposed \$1.5 billion renounceable rights issue (the “Rights Issue”) at an issue price of \$0.08 per rights share, offered on the basis of three rights shares for every two existing shares held by entitled shareholders of SCM. SCM is listed on the Main Board of the Singapore Stock Exchange Securities Trading Limited. Temasek Holdings (Private) Limited (“THPL”), through its wholly-owned subsidiary, Startree Investments Pte. Ltd. (“Startree”), has an interest representing approximately 43% of the issued and paid-up ordinary shares in the capital of SCM. The Rights Issue is expected to be completed in the third quarter of 2021.

Startree had entered into an undertaking agreement with SCM on 24 June 2021 (“Undertaking Agreement”) to subscribe for or procure the subscription of its *pro rata* entitlement to the rights shares in relation to its existing shareholding in SCM, and to subscribe for or procure the subscription of such number of excess rights shares which, when aggregated to its *pro rata* entitlement to the rights shares, represents not more than 67% of the total number of rights shares.

As a result of the Rights Issue and the Undertaking Agreement, Startree may have a resultant shareholding of between 43% and 57%, in SCM, after completion of the Rights Issue.

Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (the “Code”), where any person (defined to include any body corporate) who, together with persons acting in concert with that person, holds not less than 30% but not more than 50% of the voting rights of a company and such person, or any person acting in concert with him, acquires, in any period of six months, additional shares carrying more than 1% of the voting rights of the company, such person is required to make a mandatory general offer for all the shares in the company which the person and/or persons acting in concert do not already own or control.

¹ Final percentage will vary depending on the total number of Shares held by the Eligible Shareholders as at the Record Date. The “Record Date” shall mean a record date to be announced by CapitaLand on which the Transfer Books and the Register of Members of CapitaLand will be closed in order to determine the entitlements of the Eligible Shareholders in respect of the Scheme.

The fulfilment by Startree of its obligations under the Undertaking Agreement may result in THPL and its concert parties (as determined under the Code, and collectively, the “Temasek Concert Party Group”) increasing its shareholding in SCM by more than 1% (the “Relevant Event”). Accordingly, in such event, unless the obligation is otherwise waived by the Securities Industry Council in accordance with the provisions of the Code, the Temasek Concert Party Group would incur an obligation to make a mandatory general offer (the “Compliance Offer”) for the remaining shares not already owned or controlled by the Temasek Concert Party Group, at the highest price at which the Temasek Concert Party Group has acquired shares in the six months preceding the Compliance Offer and during the period of the Compliance Offer. The Group’s interest in SCM may accordingly further increase if it is required to undertake the Compliance Offer.

The accounting classification of SCM will be re-assessed upon completion of the Rights Issue, Undertaking Agreement and Compliance Offer.

Non-Binding Memorandums of Understanding entered on 24 June 2021

- i. Keppel Corporation Limited (“Keppel”), an associate of the Group, and SCM entered into a non-binding memorandum of understanding to commence exclusive negotiations with a view to combining Keppel Offshore & Marine Ltd. (“KOM”) and SCM (“Potential Combination”); and
- ii. Keppel and Kyanite Investment Holdings Pte Ltd, a wholly-owned subsidiary of Temasek, entered into a non-binding memorandum of understanding with a view to selling KOM’s legacy rigs and associated receivables to a separate entity to be formed.

The two proposed transactions will be inter-conditional and pursued concurrently. The discussions are at a preliminary stage and there is no assurance that the discussions will lead to definitive agreements being entered into nor is there any certainty that the Potential Combination will occur. Any definitive agreements that the respective parties may agree upon may also be conditional in nature and are likely to be subject to the approval of the shareholders of both SCM and Keppel.

41. 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 2021.

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 2021	<ul style="list-style-type: none"> • Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) • Amendments to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021
1 April 2022	<ul style="list-style-type: none"> • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) • Reference to the Conceptual Framework (Amendments to IFRS 3) • Subsidiary as a First-time Adopter (Amendments to IFRS 1) • Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9) • Taxation in Fair Value Measurements (Amendments to IAS 41)
1 April 2023	<ul style="list-style-type: none"> • IFRS 17 <i>Insurance Contracts and amendments to IFRS 17 Insurance Contracts</i> • Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

42. 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.

More than 40% of Temasek’s portfolio are FVTPL investments as at 31 March 2021. Thus, the application of IFRS 9 leads 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 gains/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 gains/losses

Reconciliation of net profit attributable to equity holder of THPL excluding unrealised MTM gains/losses on FVTPL investments (non-IFRS measure) to profit attributable to equity holder of THPL (IFRS measure):

	2021	2020	2019
	\$million	\$million	\$million
Profit attributable to equity holder of THPL	56,547	8,838	11,828
Unrealised MTM (gains)/losses	(45,559)	2,543	987
Net profit attributable to equity holder of THPL excluding unrealised MTM (gains)/losses	<u>10,988</u>	<u>11,381</u>	<u>12,815</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):

	2021	2020	2019
	\$million	\$million	\$million
Equity attributable to equity holder of THPL	347,529	290,503	283,541
Cumulative unrealised MTM (gains)/losses of:			
- FVOCI investments (fair value reserve)	(128)	10	74
- FVTPL investments	(74,525)	(32,815)	(37,291)
Equity attributable to equity holder of THPL excluding cumulative unrealised MTM gains	<u>272,876</u>	<u>257,698</u>	<u>246,324</u>

TEMASEK FINANCIAL (IV) PRIVATE LIMITED

Registration Number: 201533091K

Financial Statements
Year ended 31 March 2021

Directors' statement

The directors present their statement to the member of Temasek Financial (IV) Private Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2021.

In the opinion of the directors:

- (a) the financial statements set out on pages FSA1 to FSA16 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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, Chapter 50, International Financial Reporting Standards and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Chia Song Hwee
Leong Wai Leng
Rohit Sipahimalani
Pek Siok Lan
Png Chin Yee (Fang Jingyi)
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, Chapter 50 (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:

<u>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	<u>Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children</u>	
		<u>At 01/04/2020</u>	<u>At 31/03/2021</u>
<u>Chia Song Hwee</u>			
Singapore Telecommunications Limited	Ordinary shares	1,160	1,160
<u>Goh Bee Kheng</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\$500,000	US\$500,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$70,000	S\$70,000
	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
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton S\$ Income Fund A	115,442	124,284
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	10,747	10,747
Mapletree North Asia Commercial Trust Management Ltd.	Unit holdings in Mapletree North Asia Commercial Trust	113,211	113,211
Singapore Technologies Engineering Ltd	Ordinary shares	2,505	2,505
Singapore Telecommunications Limited	Ordinary shares	15,177	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

<u>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At	At
		<u>01/04/2020</u>	<u>31/03/2021</u>
<u>Leong Wai Leng</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\$500,000	US\$500,000
Ascendas Funds Management (S) Limited	Ascendas Real Estate Investment Trust S\$200 million 2.47% Notes due 2023	S\$250,000	S\$250,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$336,000	S\$336,000
	US\$110 million 6.75% Class B 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\$214,000	S\$214,000
	US\$230 million 4.50% Class A-2 Secured Fixed Rate Bonds due 2029	US\$200,000	US\$200,000
Astrea VI Pte. Ltd.	S\$382 million 3.00% Class A-1 Secured Fixed Rate Bonds Due 2031	–	S\$105,000
	US\$228 million 3.25% Class A-2 Secured Fixed Rate Bonds Due 2031	–	US\$200,000
	US\$130 million 4.35% Class B Secured Fixed Rate Bonds Due 2031	–	US\$400,000
CapitaLand Limited	Ordinary shares	40,000	40,000
CapitaLand Treasury Limited	S\$350 million 4.30% Fixed Rate Notes due 2020 ("Series No: P1-DBS-0001L")	S\$500,000	–

<u>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	<u>Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children</u>	
		<u>At 01/04/2020</u>	<u>At 31/03/2021</u>
<u>Leong Wai Leng (cont'd)</u>			
CapitaLand Treasury Limited (cont'd)	S\$500 million 3.80% Fixed Rate Notes due 2024 ("Series No: 2")	S\$500,000	–
	S\$500 million 3.08% Fixed Rate Notes due 2027 ("Series No: 3")	S\$250,000	–
CapitaMalls Asia Treasury Limited	S\$250 million 3.70% Fixed Rate Notes due 2022	S\$250,000	–
CapitaLand Integrated Commercial Trust Management Ltd. ^{Note 1}	Unit holdings in CapitaLand Integrated Commercial Trust	689,700	689,700
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	116,357	39,057
	S\$175 million 3.11% Fixed Rate Notes due 2026	S\$250,000	S\$250,000
Mapletree North Asia Commercial Trust Management Ltd.	Unit holdings in Mapletree North Asia Commercial Trust	136,896	–
Mapletree Industrial Trust Management Ltd.	Unit holdings in Mapletree Industrial Trust	49,164	450
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	686,835	–
Mapletree Real Estate Advisors Pte Ltd	Unit holdings in MUSEL - Great Cities Logistics (US) Trust	371	371
	Unit holdings in MUSEL - Great Cities Logistics (Europe) Trust	371	371
	Mapletree Global Student Accommodation Pte Trust - USD - Class A units	1,685	1,685

<u>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	 Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		<u>At 01/04/2020</u>	<u>At 31/03/2021</u>
<u>Leong Wai Leng (cont'd)</u>			
Mapletree Real Estate Advisors Pte Ltd (cont'd)	Mapletree Global Student Accommodation Pte Trust - GBP - Class B units	1,685	1,685
Mapletree Treasury Services Limited	S\$250 million 3.58% Notes due 2029	–	S\$250,000
	S\$300 million 3.15% Notes due 2031	S\$250,000	S\$250,000
Singapore Airlines Limited	Ordinary shares	3,800	9,800
	S\$500 million 3.22% Notes due 2020	S\$250,000	–
	S\$200 million 3.145% Notes due 2021	S\$250,000	S\$250,000
	S\$600 million 3.16% Notes due 2023	S\$250,000	S\$250,000
	S\$3.496 billion Mandatory Convertible Zero-Coupon Bonds due 2030	–	17,000
Singapore Technologies Engineering Ltd	Ordinary shares	41,000	41,000
Singapore Technologies Telemedia Pte Ltd	Combined S\$450 million 4.05% Notes due 2025 ^{Note 2}	S\$250,000	S\$250,000
Singapore Telecommunications Limited	Ordinary shares	22,027	22,027
StarHub Ltd.	Ordinary shares	43,870	36,000
STT GDC Pte. Ltd.	S\$400 million 3.13% Notes due 2028	–	S\$500,000
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>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At	At
		<u>01/04/2020</u>	<u>31/03/2021</u>
<u>Pek Siok Lan</u>			
Astrea III Pte. Ltd.	US\$170 million 4.65% Class A-2 Secured Fixed Rate Notes due 2026	US\$200,000	US\$200,000
Astrea IV Pte. Ltd.	US\$210 million 5.5% Class A-2 Secured Fixed Rate Bonds due 2028	US\$600,000	US\$600,000
Astrea V Pte. Ltd.	S\$315 million 3.85% Class A-1 Secured Fixed Rate Bonds due 2029	S\$50,000	S\$50,000
Astrea VI Pte. Ltd.	US\$130 million 4.35% Class B Secured Fixed Rate Bonds due 2031	–	US\$200,000
Mapletree Real Estate Advisors Pte Ltd	Unit holdings in MUSEL - Great Cities Logistics (US) Trust	185	185
	Unit holdings in MUSEL - Great Cities Logistics (Europe) Trust	185	185
Mapletree Treasury Services Limited	S\$250 million 3.58% Notes due 2029	S\$250,000	S\$250,000
Singapore Technologies Engineering Ltd	Ordinary shares	5,000	5,000
Singapore Technologies Telemedia Pte Ltd	S\$350 million 5% Subordinated Perpetual Securities	S\$250,000	S\$250,000
	S\$375 million 4.1% Subordinated Perpetual Securities	–	S\$500,000
Singapore Telecommunications Limited	Ordinary shares	3,350	3,350
STT GDC Pte. Ltd.	S\$400 million 3.13% Notes due 2028	–	S\$250,000

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	At
		<u>01/04/2020</u>	<u>31/03/2021</u>
<u>Pek Siok Lan (cont'd)</u>			
TeleChoice International Limited	Ordinary shares	90,000	90,000
<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
Astrea III Pte. Ltd.	US\$100 million Class B Secured Fixed Rate Notes due 2026	US\$200,000	US\$24,437
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
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
Mapletree Treasury Services Limited	S\$625 million 4.5% Perpetual Securities issued in 2017	S\$500,000	S\$500,000
Singapore Technologies Telemedia Pte Ltd	S\$350 million 5% Subordinated Perpetual Securities issued in 2019	S\$500,000	S\$500,000
	Combined S\$450 million 4.05% Notes due 2025 ^{Note 2}	–	S\$250,000

<u>Name of director(s) and related corporation(s) in which interest(s) is/are held</u>	<u>Description of interest(s)</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		<u>At 01/04/2020</u>	<u>At 31/03/2021</u>
<u>Png Chin Yee (cont'd)</u>			
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
<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
Astrea III Pte. Ltd.	US\$170 million Class A-2 Secured Fixed Rate Notes due 2026	US\$800,000	US\$800,000
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\$100,000
	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 3.00% Class A-1 Secured Fixed Rate Bonds due 2031	–	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
Note 1	CapitaLand Commercial Trusted was merged with CapitaLand Mall Trust (renamed CapitaLand Integrated Commercial Trust) with effect from 3 November 2020. CapitaLand Commercial Trust was subsequently delisted from SGX-ST on 3 November 2020		
Note 2	Comprises S\$300 million Notes issued in 2015 and S\$150 million Notes issued in 2016.		

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/ Leong Wai Leng

Leong Wai Leng

Director

/s/ Goh Bee Kheng

Goh Bee Kheng

Director

2 July 2021

Independent auditors' report

Member of the Company
Temasek Financial (IV) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temasek Financial (IV) Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2021, the 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 FSA1 to FSA16.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), International Financial Reporting Standards ("IFRSs") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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' Statement.

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, IFRSs and SFRS(I)s, 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

2 July 2021

Balance sheet
As at 31 March 2021

	Note	2021 \$'000	2020 \$'000
Non-current asset			
Loan to related company	5	515,716	530,579
Total asset		515,716	530,579
Equity			
Share capital	6	55,000	55,000
Accumulated losses		(43,644)	(28,646)
Total equity		11,356	26,354
Non-current liability			
Borrowings	7	498,124	497,410
Current liabilities			
Interest payable		5,807	5,844
Accrued operating expenses		429	971
		6,236	6,815
Total liabilities		504,360	504,225
Total equity and liabilities		515,716	530,579

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

Statement of comprehensive income
Year ended 31 March 2021

	Note	2021 \$'000	2020 \$'000
Other income		4	–
Finance expenses		(14,214)	(14,182)
Other expenses		(788)	(2,786)
Loss before income tax	8	(14,998)	(16,968)
Income tax expense	9	–	–
Loss for the year, representing total comprehensive income for the year		(14,998)	(16,968)

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

Statement of changes in equity
Year ended 31 March 2021

	Note	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 April 2019		25,000	(11,678)	13,322
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(16,968)	(16,968)
Transaction with owner, recorded directly in equity				
<u>Contribution by owner</u>				
Issue of ordinary shares	6	30,000	–	30,000
At 31 March 2020		55,000	(28,646)	26,354
At 1 April 2020		55,000	(28,646)	26,354
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(14,998)	(14,998)
At 31 March 2021		55,000	(43,644)	11,356

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

Cash flow statement
Year ended 31 March 2021

	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Loss before income tax	(14,998)	(16,968)
Adjustment for:		
Finance expenses	14,214	14,182
	(784)	(2,786)
Changes in:		
Accrued operating expenses	(579)	417
Loan to related company	14,863	15,869
Cash generated from operating activities	13,500	13,500
Interest paid	(13,500)	(13,500)
Net cash from operating activities	–	–
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of the year	–	–
Cash and cash equivalents at end of the year	–	–

Significant non-cash transaction

The following is a significant non-cash transaction which was not included under financing activity in the cash flow statement:

	2021	2020
	\$'000	\$'000
Proceeds from issuance of shares	–	30,000

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 2 July 2021.

1 General information

Temasek Financial (IV) Private Limited (the “Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 60B Orchard Road, #06-18 Tower 2, 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 International Financial Reporting Standards (“IFRSs”) and Singapore Financial Reporting Standards International (“SFRS(I)s”).

All references to IFRSs and SFRS(I)s 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 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.

In the last quarter of the previous financial year, the outbreak of the Covid-19 pandemic and lockdowns worldwide led to disruption in all major economies and global market indices. Large falls in pricing across global markets and volatile commodity prices and exchange rates were observed. Estimating the full extent of Covid-19's impact on the economies remains inherently uncertain.

The estimates and assumptions represent management's best judgements based on available information at the reporting date which are relevant to fair value measurements and impairment assessment.

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 2020, the Company adopted new and amended IFRS and interpretations to IFRS ("INT 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 INT IFRS.

The adoption of these new or amended IFRS and INT 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

Non-derivative financial instruments

i. Recognition and initial measurement

Non-derivative financial instruments comprise cash and bank balances, loan to related company, borrowings, interest payable and accrued operating expenses.

Cash and bank balances comprise cash balances.

The Company recognises loan to related company and 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 as described below or fair value through other comprehensive income ("FVOCI") are measured at FVTPL.</p> <p>Subsequent measurement and gains and losses</p> <p>These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the income statement.</p> |
| (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. <p>Subsequent measurement and gains and losses</p> <p>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.</p> |

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.

3.3 Impairment of financial assets

The Company recognises loss allowance for expected credit losses for cash at bank that are 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. 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.

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); and
- 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 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 or receipts 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.

3.6 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 2020 and which the Company has not early adopted. The Company is currently assessing the potential impact of adopting these new 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.

6 Share capital

	2021	2020
	No.	No.
	of shares	of shares
Fully paid ordinary shares, with no par value		
At beginning of the financial year	55,000,000	25,000,000
Issue of ordinary shares	–	30,000,000
At end of the financial year	<u>55,000,000</u>	<u>55,000,000</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.

During the previous financial year, the issued and paid-up ordinary share capital of the Company was increased by \$30,000,000 from \$25,000,000 to \$55,000,000 by way of an allotment and issue of 30,000,000 new ordinary shares in the share capital of the Company to its immediate holding company.

Capital management

The Company's capital comprises its share capital and reserves.

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 2020 and 2021 are categorised as realised.

7 Borrowings

	2021	2020
	\$'000	\$'000
Borrowings	498,124	497,410

The terms and conditions of the borrowings are as follows:

		Nominal interest rate	2021		2020	
			Face value	Carrying amount	Face value	Carrying amount
Principal	Year of maturity	%	\$'000	\$'000	\$'000	\$'000
\$500,000,000	2023	2.70	500,000	498,124	500,000	497,410

The notes issued are part of a S\$5 billion Guaranteed Medium Term Note Programme established on 3 August 2018. Under the programme, the 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 \$525,560,000 (2020: \$515,435,000).

The fair value hierarchy information related to borrowings are disclosed in Note 12.

8 Loss before income tax

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

	2021	2020
	\$'000	\$'000
Foreign exchange gain - net	4	-
Finance expenses		
- guaranteed notes	(13,500)	(13,500)
- amortisation of transaction costs on guaranteed notes	(714)	(682)
Legal and professional fees	(271)	(2,060)
	<hr/>	<hr/>

9 Income tax expense

	2021	2020
	\$'000	\$'000
Current tax expense		
Current year	-	-
	<hr/>	<hr/>
<i>Reconciliation of effective tax rate</i>		
Loss before income tax	(14,998)	(16,968)
	<hr/>	<hr/>
Income tax using Singapore tax rate of 17% (2020: 17%)	(2,550)	(2,885)
Income not subject to tax	*	-
Expenses not deductible for tax purposes	2,550	2,885
	<hr/>	<hr/>
	<hr/>	<hr/>

* Amount is less than \$1,000

10 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:

	2021	2020
	\$'000	\$'000
Central support service charged by:		
- related company	13	314
	<hr/>	<hr/>

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.

11 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 does not have significant exposure to foreign currency risk as majority of its monetary financial instruments are denominated in the Singapore Dollar.

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:

	Carrying amount \$'000	Cash flows		
		Contractual cash flows \$'000	Within 1 year \$'000	Between 1 to 5 years \$'000
2021				
<i>Non-derivative financial liabilities</i>				
Borrowings	498,124	(534,693)	(7,693)	(527,000)
Interest payable	5,807	(5,807)	(5,807)	–
Accrued operating expenses	429	(429)	(429)	–
	504,360	(540,929)	(13,929)	(527,000)
2020				
<i>Non-derivative financial liabilities</i>				
Borrowings	497,410	(548,156)	(7,656)	(540,500)
Interest payable	5,844	(5,844)	(5,844)	–
Accrued operating expenses	971	(971)	(971)	–
	504,225	(554,971)	(14,471)	(540,500)

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.

12 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	Total carrying amount \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2021						
Financial asset measured at fair value						
Loan to related company	515,716	–	515,716	–	515,716	515,716
Financial liabilities not measured at fair value						
Borrowings	–	(498,124)	(498,124)	(525,560)	–	(525,560)
Interest payable	–	(5,807)	(5,807)			
Accrued operating expenses	–	(429)	(429)			
	–	(504,360)	(504,360)			
2020						
Financial asset measured at fair value						
Loan to related company	530,579	–	530,579	–	530,579	530,579
Financial liabilities not measured at fair value						
Borrowings	–	(497,410)	(497,410)	(515,435)	–	(515,435)
Interest payable	–	(5,844)	(5,844)			
Accrued operating expenses	–	(971)	(971)			
	–	(504,225)	(504,225)			

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 as at 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 2021 and 2020.

The following table presents the changes in Level 3 instrument:

	Loan to related company	
	2021	2020
	\$'000	\$'000
At 1 April	530,579	516,448
Repayment during the year	(14,863)	(15,869)
Proceeds from issuance of shares	–	30,000
At 31 March	515,716	530,579

TEMASEK FINANCIAL (IV) PRIVATE LIMITED

(Registration Number: 201533091K)

Financial Statements
Year ended 31 March 2020

Directors' statement

The directors present their statement to the member of Temasek Financial (IV) Private Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2020.

In the opinion of the directors:

- (a) the financial statements set out on pages FSB1 to FSB15 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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, Chapter 50, International Financial Reporting Standards and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Chia Song Hwee
Leong Wai Leng
Rohit Sipahimalani
Pek Siok Lan
Png Chin Yee (Fang Jingyi) (Appointed on 20 March 2020)
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, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, 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:

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		<u>At 01/04/2019 or date of appointment</u>	<u>At 31/03/2020</u>
<u>Chia Song Hwee</u>			
Singapore Telecommunications Limited	Ordinary shares	2,970	1,160
<u>Goh Bee Kheng</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\$500,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$70,000	S\$70,000
	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
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton S\$ Income Fund A – S\$	115,442	115,442
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	10,747	10,747
Mapletree North Asia Commercial Trust Management Ltd.	Unit holdings in Mapletree North Asia Commercial Trust	110,000	113,211
Singapore Technologies Engineering Ltd	Ordinary shares	2,505	2,505
Singapore Telecommunications Limited	Ordinary shares	15,177	15,177
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

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		<u>At 01/04/2019 or date of appointment</u>	<u>At 31/03/2020</u>
<u>Leong Wai Leng</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\$500,000
Ascendas Funds Management (S) Limited	Ascendas Real Estate Investment Trust S\$200 million 2.47% Notes due 2023	S\$250,000	S\$250,000
Astrea III Pte. Ltd.	S\$228 million Class A-1 Secured Fixed Rate Notes due 2026	S\$250,000	–
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$328,000	S\$336,000
	US\$110 million 6.75% Class B 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\$214,000
	US\$230 million 4.50% Class A-2 Secured Fixed Rate Bonds due 2029	–	US\$200,000
CapitaLand Limited	Ordinary shares	–	40,000
CapitaLand Treasury Limited	S\$350 million 4.30% Fixed Rate Notes due 31 August 2020 ("Series No: P1-DBS-0001L")	–	S\$500,000
	S\$500 million 3.80% Fixed Rate Notes due 2024 ("Series No: 2")	–	S\$500,000
	S\$500 million 3.08% Fixed Rate Notes due 2027 ("Series No: 3")	–	S\$250,000

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	<u>Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children</u>	
		<u>At 01/04/2019 or date of appointment</u>	<u>At 31/03/2020</u>
<u>Leong Wai Leng (cont'd)</u>			
CapitaMalls Asia Treasury Limited	S\$250 million 3.70% Fixed Rate Notes due 2022	–	S\$250,000
CapitaLand Commercial Trust Management Limited	3.17% Fixed Rate Notes due 5 March 2024	–	S\$250,000
CapitaLand Mall Trust Management Limited	Unit holdings in CapitaLand Mall Trust	–	689,700
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton S\$ Income Fund D – US\$	78,039.694	–
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	98,705	116,357
	S\$175 million 3.11% Fixed Rate Notes due 2026	S\$250,000	S\$250,000
Mapletree North Asia Commercial Trust Management Ltd.	Unit holdings in Mapletree North Asia Commercial Trust	135,000	136,896
Mapletree Industrial Trust Management Ltd.	Unit holdings in Mapletree Industrial Trust	48,420	49,164
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	677,293	686,835
Mapletree Real Estate Advisors Pte Ltd	Unit holdings in MUSEL - Great Cities Logistics (US) Trust	371	371
	Unit holdings in MUSEL - Great Cities Logistics (Europe) Trust	371	371
	Mapletree Global Student Accommodation Pte Trust - USD - Class A units	–	1,685

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	<u>Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children</u>	
		<u>At 01/04/2019 or date of appointment</u>	<u>At 31/03/2020</u>
<u>Leong Wai Leng (cont'd)</u>			
Mapletree Real Estate Advisors Pte Ltd	Mapletree Global Student Accommodation Pte Trust - GBP - Class B units	–	1,685
Mapletree Treasury Services Limited	3.5% Fixed Rate Notes due 3 September 2031	–	S\$250,000
Singapore Airlines Limited	Ordinary shares	4,800	3,800
	S\$500 million 3.22% Fixed Rate Notes due 9 July 2020	S\$250,000	S\$250,000
	S\$200 million 3.145% Fixed Rate Notes due 2021	S\$250,000	S\$250,000
	S\$600 million 3.16% Fixed Rate Notes due 2023	–	S\$250,000
Singapore Technologies Engineering Ltd	Ordinary shares	41,000	41,000
Singapore Technologies Telemedia Pte Ltd	S\$300 million 4.05% Notes due 2025	S\$250,000	S\$250,000
Singapore Telecommunications Limited	Ordinary shares	22,027	22,027
StarHub Ltd.	Ordinary shares	27,870	43,870
Vertex Master Fund II (GP) Pte. Ltd.	Limited Partner Interests in VMII Affiliates Fund LP for a commitment amount	–	US\$500,000
<u>Pek Siok Lan</u>			
Astrea III Pte. Ltd.	S\$228 million Class A-1 Secured Fixed Rate Notes due 2026	S\$250,000 ^{#1}	–
	US\$170 million Class A-2 Secured Fixed Rate Notes due 2026	US\$200,000 ^{#1}	US\$200,000 ^{#1}

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2019 or date of <u>appointment</u>	At 31/03/2020
<u>Pek Siok Lan (cont'd)</u>			
Astrea IV Pte. Ltd.	US\$210 million 5.5% Class A-2 Secured Fixed Rate Bonds due 2028	US\$600,000	US\$600,000
Astrea V Pte. Ltd.	S\$315 million 3.85% Class A-1 Secured Fixed Rate Bonds due 2029	–	S\$50,000
Mapletree Real Estate Advisors Pte Ltd	Unit holdings in MUSEL - Great Cities Logistics (US) Trust	185	185
	Unit holdings in MUSEL - Great Cities Logistics (Europe) Trust	185	185
Singapore Technologies Engineering Ltd	Ordinary shares	5,000	5,000
Singapore Technologies Telemedia Pte Ltd	S\$350 million 5% Subordinated Perpetual Securities issued in 2019	S\$250,000	S\$250,000
Singapore Telecommunications Limited	Ordinary shares	3,350	3,350
TeleChoice International Limited	Ordinary shares	90,000	90,000
<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
Astrea III Pte. Ltd.	US\$100 million Class B Secured Fixed Rate Notes due 2026	US\$200,000	US\$200,000
Astrea IV Pte. Ltd.	S\$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028	S\$250,000	S\$250,000

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	 Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2019 or date of <u>appointment</u>	At 31/03/2020
<u>Png Chin Yee (cont'd)</u>			
Astrea IV Pte. Ltd.	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
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
Mapletree Treasury Services Limited	S\$625 million 4.5% Perpetual Securities issued in 2017	S\$500,000	S\$500,000
Singapore Technologies Telemedia Pte Ltd	S\$350 million 5% Subordinated Perpetual Securities issued in 2019	S\$500,000	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
<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
Astrea III Pte. Ltd.	S\$228 million Class A-1 Secured Fixed Rate Notes due 2026	S\$1,500,000	–
	US\$170 million Class A-2 Secured Fixed Rate Notes due 2026	US\$800,000	US\$800,000

<u>Name of directors and related corporations in which interests are held</u>	<u>Description of interests</u>	Holding(s) registered in the name of the director(s), or his/her/their spouse or child/children	
		At 01/04/2019 or date of <u>appointment</u>	At 31/03/2020
<u>Rohit Sipahimalani</u> (cont'd)			
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
	US\$230 million 4.50% Class A-2 Secured Fixed Rate Bonds due 2029	–	US\$400,000
Vertex Master Fund II (GP) Pte. Ltd.	Limited Partner Interests in VMII Affiliates Fund LP for a commitment amount	–	US\$500,000

#1 Held through investment holding company

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/ Leong Wai Leng

Leong Wai Leng
Director

/s/ Goh Bee Kheng

Goh Bee Kheng
Director

22 July 2020

Independent auditors' report

Member of the Company
Temasek Financial (IV) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temasek Financial (IV) Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2020, the 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 FSB1 to FSB15.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), International Financial Reporting Standards ("IFRSs") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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' Statement.

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, IFRSs and SFRS(I)s, 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: Tran Phuoc

Singapore

22 July 2020

Balance sheet
As at 31 March 2020

	Note	2020 \$	2019 \$
Non-current asset			
Loan to related company	5	530,578,913	516,448,456
Total asset		<u>530,578,913</u>	<u>516,448,456</u>
Equity			
Share capital	6	55,000,000	25,000,000
Accumulated losses		(28,646,003)	(11,677,821)
Total equity		<u>26,353,997</u>	<u>13,322,179</u>
Non-current liability			
Borrowings	7	497,409,840	496,728,118
Current liabilities			
Interest payable		5,843,836	5,843,836
Accrued operating expenses		971,240	554,323
		<u>6,815,076</u>	<u>6,398,159</u>
Total liabilities		<u>504,224,916</u>	<u>503,126,277</u>
Total equity and liabilities		<u>530,578,913</u>	<u>516,448,456</u>

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

Statement of comprehensive income
Year ended 31 March 2020

	Note	2020	2019
		\$	\$
Finance expenses		(14,181,722)	(6,130,669)
Other expenses		(2,786,460)	(3,545,516)
Loss before income tax	8	(16,968,182)	(9,676,185)
Income tax expense	9	–	–
Loss for the year, representing total comprehensive income for the year		(16,968,182)	(9,676,185)

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

Statement of changes in equity
Year ended 31 March 2020

	Note	Share capital \$	Accumulated losses \$	Total equity \$
At 1 April 2018		5,000,000	(2,001,636)	2,998,364
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(9,676,185)	(9,676,185)
Transaction with owner, recorded directly in equity				
<u>Contribution by owner</u>				
Issue of ordinary shares	6	20,000,000	–	20,000,000
At 31 March 2019		<u>25,000,000</u>	<u>(11,677,821)</u>	<u>13,322,179</u>
At 1 April 2019		25,000,000	(11,677,821)	13,322,179
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(16,968,182)	(16,968,182)
Transaction with owner, recorded directly in equity				
<u>Contribution by owner</u>				
Issue of ordinary shares	6	30,000,000	–	30,000,000
At 31 March 2020		<u>55,000,000</u>	<u>(28,646,003)</u>	<u>26,353,997</u>

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

Cash flow statement
Year ended 31 March 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Loss before income tax	(16,968,182)	(9,676,185)
Adjustment for:		
Finance expenses	14,181,722	6,130,669
	(2,786,460)	(3,545,516)
Changes in:		
Accrued operating expenses	416,917	405,170
Loan to related company	15,869,543	(495,909,654)
Cash generated from/(used in) operating activities	13,500,000	(499,050,000)
Proceeds from borrowings	–	499,050,000
Interest paid	(13,500,000)	–
Net cash from operating activities	–	–
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of the year	–	–
Cash and cash equivalents at end of the year	–	–

Significant non-cash transaction

The following is a significant non-cash transaction which was not included under financing activity in the cash flow statement:

	2020	2019
	\$	\$
Proceeds from issuance of shares	30,000,000	20,000,000

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 22 July 2020.

1 General information

Temasek Financial (IV) Private Limited (the “Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 60B Orchard Road, #06-18 Tower 2, 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 International Financial Reporting Standards (“IFRSs”) and Singapore Financial Reporting Standards International (“SFRS(I)s”).

All references to IFRSs and SFRS(I)s 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.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollar which is the Company’s functional currency.

2.4 Use of estimates, assumptions and judgements

The preparation of 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.

In the last quarter of the financial year, the outbreak of the Covid-19 pandemic and lockdowns worldwide led to disruption in all major economies and global market indices. Large falls in pricing across global markets and volatile commodity prices and exchange rates were observed. Estimating the full extent of Covid-19’s impact on the economies remains inherently uncertain.

The estimates and assumptions represent management's best judgements based on available information at the balance sheet date which are relevant to fair value measurements and impairment assessment.

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 2019, the Company adopted new and amended IFRS and interpretations to IFRS ("INT 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 INT IFRS.

The adoption of these new or amended IFRS and INT 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 balance sheet 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

Non-derivative financial instruments

i. Recognition and initial measurement

Non-derivative financial instruments comprise cash and bank balances, loan to related company, borrowings, interest payable and accrued operating expenses.

Cash and bank balances comprise cash balances.

The Company recognises cash and bank balances and loan to related company 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 as described below or fair value through other comprehensive income ("FVOCI") are measured at FVTPL.</p> <p>Subsequent measurement and gains and losses</p> <p>These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the income statement.</p> |
| (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. <p>Subsequent measurement and gains and losses</p> <p>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.</p> |

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.

3.3 Impairment of financial assets

The Company recognises loss allowance for expected credit losses for cash at bank that are 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. 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.

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); and
- 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 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 or receipts 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.

3.6 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 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 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 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.

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 balance sheet 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 on or after 1 April 2020 and which the Company has not early adopted. The Company is currently assessing the potential impact of adopting these new 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.

6 Share capital

	2020	2019
	No.	No.
	of shares	of shares
Fully paid ordinary shares, with no par value		
At beginning of the financial year	25,000,000	5,000,000
Issue of ordinary shares	30,000,000	20,000,000
At end of the financial year	55,000,000	25,000,000

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.

During the financial year, the issued and paid-up ordinary share capital of the Company was increased by \$30,000,000 from \$25,000,000 to \$55,000,000 by way of an allotment and issue of 30,000,000 new ordinary shares in the share capital of the Company to its immediate holding company.

In 2019, the issued and paid-up ordinary share capital of the Company was increased by \$20,000,000 from \$5,000,000 to \$25,000,000 by way of an allotment and issue of 20,000,000 new ordinary shares in the share capital of the Company to its immediate holding company.

Capital management

The Company's capital comprises its share capital and reserves.

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 2019 and 2020 are categorised as realised.

7 Borrowings

	2020	2019
	\$	\$
Borrowings	497,409,840	496,728,118

The terms and conditions of the borrowings are as follows:

Principal	Year of maturity	Nominal interest rate %	2020		2019	
			Face value	Carrying amount	Face value	Carrying amount
			\$	\$	\$	\$
\$500,000,000	2023	2.70	500,000,000	497,409,840	500,000,000	496,728,118

The notes issued are part of a S\$5 billion Guaranteed Medium Term Note Programme established on 3 August 2018. Under the programme, the notes issued by the Company are unconditionally and irrevocably guaranteed by its ultimate holding company.

The fair value of the borrowings at the balance sheet date is \$515,435,000 (2019:\$508,760,000).

The fair value hierarchy information related to borrowings are disclosed in Note 12.

8 Loss before income tax

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

	2020	2019
	\$	\$
Finance expenses		
- guaranteed notes	13,500,000	5,843,836
- amortisation of transaction costs on guaranteed notes	681,722	286,833
Legal and professional fees	2,059,858	2,527,390

9 Income tax expense

	2020	2019
	\$	\$
Current tax expense		
Current year	—	—
 <i>Reconciliation of effective tax rate</i>		
Loss before income tax	(16,968,182)	(9,676,185)
Income tax using Singapore tax rate of 17% (2019: 17%)	(2,884,591)	(1,644,951)
Expenses not deductible for tax purposes	2,884,591	1,644,951

10 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:

	2020	2019
	\$	\$
Central support service charged by:		
- related company	313,739	565,232

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.

11 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 may also enter into derivative financial instruments to hedge against potential interest rate risks at the Temasek portfolio level.

Foreign exchange risk

The Company does not have significant exposure to foreign exchange risk as majority of its monetary financial instruments are denominated in the Singapore Dollar.

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:

	Carrying amount \$	Cash flows		
		Contractual cash flows \$	Within 1 year \$	Between 1 to 5 years \$
2020				
<i>Non-derivative financial liabilities</i>				
Borrowings	497,409,840	548,156,164	7,656,164	540,500,000
Interest payable	5,843,836	5,843,836	5,843,836	–
Accrued operating expenses	971,240	971,240	971,240	–
	<u>504,224,916</u>	<u>554,971,240</u>	<u>14,471,240</u>	<u>540,500,000</u>
2019				
<i>Non-derivative financial liabilities</i>				
Borrowings	496,728,118	561,656,164	7,656,164	554,000,000
Interest payable	5,843,836	5,843,836	5,843,836	–
Accrued operating expenses	554,323	554,323	554,323	–
	<u>503,126,277</u>	<u>568,054,323</u>	<u>14,054,323</u>	<u>554,000,000</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.

12 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 \$	Amortised cost \$	Total carrying amount \$	Level 2 \$	Level 3 \$	Total \$
2020						
Financial asset measured at fair value						
Loan to related company	530,578,913	–	530,578,913	–	530,578,913	530,578,913
Financial liabilities not measured at fair value						
Borrowings	–	(497,409,840)	(497,409,840)	(515,435,000)	–	(515,435,000)
Interest payable	–	(5,843,836)	(5,843,836)			
Accrued operating expenses	–	(971,240)	(971,240)			
	–	(504,224,916)	(504,224,916)			
2019						
Financial asset measured at fair value						
Loan to related company	516,448,456	–	516,448,456	–	516,448,456	516,448,456
Financial liabilities not measured at fair value						
Borrowings	–	(496,728,118)	(496,728,118)	(508,760,000)	–	(508,760,000)
Interest payable	–	(5,843,836)	(5,843,836)			
Accrued operating expenses	–	(554,323)	(554,323)			
	–	(503,126,277)	(503,126,277)			

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 as at balance sheet 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 2020 and 2019.

The following table presents the changes in Level 3 instrument:

	Loan to related company	
	2020	2019
	\$	\$
At 1 April	516,448,456	3,147,517
(Repayment)/Loan during the year	(15,869,543)	495,909,654
Expenses paid on behalf	–	(2,608,715)
Proceeds from issuance of shares	30,000,000	20,000,000
At 31 March	<u>530,578,913</u>	<u>516,448,456</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 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 Arranger, any Dealer, the Trustee and any exchange, paying or transfer agent (each an “Agent”) or party to the Agency Agreement and/or the 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

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 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 Certificate or 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. All trades executed on the SGX-ST shall settle on the second business day following the transaction date, save for Notes to be offered to Specified Investors only in respect of which market participants may mutually agree on a different settlement period if necessary.

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. Market participants may mutually agree on a different settlement period for over-the-counter trades.

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 Arranger, the Dealers, the Trustee, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Custody Arrangements with Depository Agents

Definitive Certificates or Definitive Notes will not be issued to individual holders of Notes (except in the limited circumstances described in the provisions of the Global Certificate or the Global Note, as the case may be).

The Notes represented by a Global Certificate or Global Note will be credited to the accounts of the Noteholders with CDP. For so long as the Notes are represented by a Global Certificate or Global Note, as the case may be, held through CDP, the Depository Agents and individual Noteholders with direct Securities Accounts will be treated as holders of the Notes for all purposes other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate or Global Note, as the case may be.

Clearing Fees

With effect from 1 June 2014, a clearing fee for the trading of Notes on the Main Board of the SGX-ST is payable at the rate of 0.0325 per cent. of the transaction value. The clearing fee may be subject to goods and services tax at the prevailing rate.

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 series of Notes in bearer form. 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/or Clearstream, as the case may be.

Registered Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems of the Global Certificate. Each Global Certificate will have 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".

Investors may hold their interests in a Global Certificate through CDP, Euroclear or Clearstream, 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.

So long as Euroclear or Clearstream, or their respective nominee, is the registered owner or holder of a Global Certificate, Euroclear, Clearstream, or their respective nominee, will be considered as the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Trust Deed and such Notes. For so long as a Global Certificate is registered in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes represented by such Global Certificate (in which regard any certificate or other document issued by CDP 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 considered as the holder of such principal amount of Notes standing to the account of such person other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the registered holder of the Global Certificate shall be considered as the holder of such Notes in accordance with and subject to the terms of the Global Certificate. Accordingly, each owner of a beneficial interest in a Global Certificate 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 Trust Deed.

None of the Issuer, Temasek, the Arranger, the Dealers, the 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 Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Definitive Certificates

Registration of title to Registered Notes in a name other than CDP or its nominee or a depository for Euroclear and Clearstream will not be permitted unless (i) in the case of a Global Certificate 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, (ii) in the case of a Global Certificate 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 and no alternative clearing system is available 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 Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system is available, or (iii) an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the terms and conditions of the Notes has occurred and is continuing. In such circumstances, the Issuer will cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holder(s) of the Notes.

A person having an interest in the relevant Global Certificate must provide the Registrar with written instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates.

Trading within same Clearance 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.

Annex B — Trading

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.

Save as disclosed below, 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).

Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be issued to Specified Investors only and traded in board lot sizes of at least S\$200,000 (or its equivalent in foreign currencies). After the end of the Seasoning Period and after receiving confirmation from the SGX-ST that the Notes are eligible for trading by Retail Investors, subject to fulfilment of the applicable conditions and provided the Issuer does not withdraw the Notes from the Seasoning Framework, the Notes will be seasoned for trading by Retail Investors and such Seasoned Notes will commence trading on the Main Board of the SGX-ST in board lot sizes of S\$1,000 (or its equivalent in foreign currencies).

For purposes of trading on the Main Board of the SGX-ST, each board lot of Straight Notes will comprise S\$1,000 (or its equivalent in foreign currencies) in principal amount of such Notes.

In relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes, upon the listing and quotation of the Notes on the Main Board of the SGX-ST, the Notes will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. In addition, settlement of the Notes may be effected over-the-counter in CDP. All dealings in and transactions (including transfers) of the Notes effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” are available from CDP.

Unless otherwise stated in the relevant Pricing Supplement, in respect of Notes denominated in Singapore dollars and accepted for clearance by CDP, dealings in the Notes will be carried out in Singapore dollars and will be effected for settlement through CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the second business day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts.

An investor may open a direct Securities Account with CDP or a securities sub-account with any Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

In addition, in respect of Notes which are accepted for clearance by CDP, the Notes will be represented by a Global Certificate or Global Note deposited with and (in the case of the Global Certificate) registered in the name of CDP and, except in the limited circumstances described in the provisions of the Global Certificate or Global Note, as the case may be, owners of interests in Notes represented by the Global Certificate, or Global Note as the case may be, will not be entitled to receive Definitive Certificates or Definitive Notes, as the case may be, in respect of their individual holdings of Notes. Accordingly, prospective investors who wish to subscribe for the public offer tranche of Straight Notes and Post-Seasoning Notes must already have, or must open, a Securities Account with CDP directly.

Prospective investors who wish to open an individual Securities Account with CDP directly must submit their application online through CDP’s website at <https://investors.sgx.com>. The processing time for the application of a new CDP account with direct crediting service will take within two business days, if the application is in order and if no further information is required from CDP.

Further details can be obtained from CDP’s website as stated above. Information on CDP’s website does not constitute a part of this Offering Circular. Prospective investors can also call CDP’s hotline at +65 6535 7511 on Mondays to Fridays from 8.30 a.m. to 5.00 p.m. and on Saturdays from 8.30 a.m. to 12.00 noon.

In respect of Notes which are accepted for clearance by CDP, for so long as the Notes are represented by the Global Certificate or Global Note held through CDP, interest payable on the Notes will be

determined based on each Noteholder's aggregate holdings in his direct Securities Account. CDP will credit payments of interest and principal (where applicable) to a Noteholder into the bank account linked to his Securities Account, or send the Noteholder a cheque by ordinary mail if there is no such link. Investors who wish to apply for a bank account to be linked to their Securities Account may apply online through CDP's website or submit a completed application form which may be obtained from CDP. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with interest and principal payments. The Issuer, Temasek, the Arranger, the Dealers, the Trustee, the Registrar, the Issuing and Paying Agent or any other agent accept no responsibility for any failure or delay on the part of any Depository Agent in doing so or in respect of the performance of the contractual duties of any Depository Agent to any investor.

Annex C — 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:

[Preliminary Pricing Supplement dated *[date]*

This Preliminary Pricing Supplement is a preliminary document in draft form and the information herein is not complete and is subject to further amendments and completion in the final Pricing Supplement to be announced or otherwise disseminated on SGXNET. Under no circumstances shall this Preliminary Pricing Supplement constitute an offer to sell or any solicitation of an offer to buy any securities in any jurisdiction. No offer or agreement to purchase or subscribe for any of the Notes may be made on the basis of this Preliminary Pricing Supplement. This Preliminary Pricing Supplement does not contain or have attached to it any form of application that will facilitate the making by any person of an offer of the Notes or the acceptance of such an offer by any person. The Notes may not be offered until the final Pricing Supplement and the Product Highlights Sheet relating to the offer are announced or otherwise disseminated on SGXNET. A person to whom a copy of this Preliminary Pricing Supplement is issued must not circulate or transfer this copy to any other person. No reliance may be placed for any purpose whatsoever on the information contained in this Preliminary Pricing Supplement or on its completeness. By accepting this Preliminary Pricing Supplement, you agree to be bound by the restrictions set out herein.]¹

Pricing Supplement dated *[date]*

(Announced on SGXNET on *[date]*)

**Temasek Financial (IV) Private Limited
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
unconditionally and irrevocably guaranteed by
Temasek Holdings (Private) Limited
Under the S\$5,000,000,000 Guaranteed 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 [●] 2021 (the “Offering Circular”). Capitalised terms used herein shall have the meanings given to them in the Offering Circular.

[This Pricing Supplement shall be supplemented by, and read together with, a supplement (the “**Issue Details Supplement**”) substantially in the form set out in Appendix C hereto, to be issued on or before the Issue Date]². This Pricing Supplement [(as supplemented by the Issue Details Supplement)]³ contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

[This offer to investors in Singapore under the Programme is made in reliance on an exemption granted by the Monetary Authority of Singapore (the “MAS”) pursuant to the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the “Exemption Regulations for Straight Debentures”). It is not made in or accompanied by a prospectus that is registered by the MAS. This document constitutes the pricing supplement referred to in the Exemption Regulations for Straight Debentures. This Pricing Supplement together with the base document constitute the simplified disclosure document referred to in the Exemption Regulations for Straight Debentures.

¹ To be inserted in Preliminary Pricing Supplement for offers of Straight Notes and Post-Seasoning Notes only

² To be inserted only if relevant. An Issue Details Supplement will be issued only where (i) to provide for flexibility in terms of the issue size in the Pricing Supplement, and/or (ii) other administrative details (such as the ISIN and Common Code) are not available at the time when the Pricing Supplement is issued. The final issue size and such other details will be included in the Issue Details Supplement when they are made available any time on or before the Issue Date

³ To be inserted only if relevant. See comment in footnote 2 above

The Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures as follows:

- (i) For a continuous period of five years immediately before the time of the offer, debentures issued by entities wholly-owned by the Guarantor were unconditionally and irrevocably guaranteed by the Guarantor and listed for quotation on the SGX-ST;
- (ii) The Guarantor's net assets, as determined from the published audited annual consolidated financial statements for its most recent completed financial year, are not less than S\$500 million and its average net assets, as determined from the published audited annual consolidated financial statements for its three most recent completed financial years, are not less than S\$500 million; and
- (iii) Debentures issued in the period of five years immediately before the time of the offer by entities wholly-owned by the Guarantor and which are unconditionally and irrevocably guaranteed by the Guarantor satisfy both of the following: (A) the total value of all of those debentures that are or were listed for quotation on the SGX-ST, as at the date they were issued, was not less than S\$1 billion (or its equivalent in a foreign currency) and (B) there has not been a default in the repayment of moneys under any of those debentures.]⁴

[This Pricing Supplement relates to an offer of Notes which are intended to be seasoned for trading by Retail Investors under the Seasoning Framework. The Notes will initially be issued to Specified Investors only and cannot be sold to non-Specified Investors before the end of the Seasoning Period. The Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the Seasoning Period. If successfully seasoned, after the end of the Seasoning Period, new Notes forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by, among others, Retail Investors, pursuant to one or more re-taps.]⁵

[This Pricing Supplement relates to a re-tap of Series [●] Notes (originally issued on [date]). The Notes were initially issued to Specified Investors only and have been seasoned and are eligible for trading by Retail Investors on the Main Board of the SGX-ST. The Notes are being offered or sold to or made the subject of an invitation for subscription or purchase by [Retail Investors only/Retail Investors, Institutional Investors and Relevant Persons] pursuant to one or more re-taps.]⁶

[As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for Post-Seasoning Debentures.]⁷

[Notification under Section 309B of the SFA: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor in the EEA 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 [(as amended, the "Insurance Distribution Directive")], where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 [(as amended, the "Prospectus Regulation")]. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁸

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any

⁴ This legend is to be included for offers of Straight Notes, and is to appear on the front cover of the Pricing Supplement

⁵ This legend is to be included for initial offer of Notes to Specified Investors which are intended to be seasoned

⁶ This legend is to be included for offers of Post-Seasoning Notes

⁷ This legend is to be included for initial offer of Notes to Specified Investors which are intended to be seasoned and for offers of Post-Seasoning Notes

⁸ To be inserted unless the Pricing Supplement specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable"

retail investor in the United Kingdom (“UK”). For these purposes, a retail investor in the UK means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97][the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of [Regulation (EU) 2017/1129][the Prospectus Regulation] as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]⁹

[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.)]

[UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); 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”)] [distributor] should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook 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.]

[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:]¹⁰

[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.]¹¹

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

⁹ To be inserted unless the Pricing Supplement specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”

¹⁰ Insert if and as applicable

¹¹ Insert if and as applicable

Note that only Notes which fall within the definition of “seasoned debenture” in the Exemption Regulations for Post-Seasoning Debentures may be seasoned for trading by Retail Investors under the Seasoning Framework and that only Notes which fall within the definition of “straight debenture” in the Exemption Regulations for Straight Debentures may be offered pursuant to the Exemption Regulations for Straight Debentures.]

- | | | |
|-----------|--|--|
| 1 | (i) Issuer: | Temasek Financial (IV) Private 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>[[●] / See the information set out in Appendix A[, as supplemented by the Issue Details Supplement to be issued on or before the Issue Date]¹²</i> |
| | (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 | Specified Denominations: | |
| 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]¹³</i> |
| 9 | Interest Rate Basis: | [% Fixed Rate]
[[specify reference rate] +/-% Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at Par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)] |
| 11 | Change of Interest or Redemption/Payment Basis: | <i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i> |
| 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] |

¹² To be inserted only if relevant. See comment in footnote 2 above

¹³ Straight Notes and Notes offered under the Seasoning Framework must not have a maturity of less than one year

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
- (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)
- (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]¹⁴
- (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)]
- (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]]

¹⁴ Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA.

- 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]
(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (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] (If not applicable, delete the remaining subparagraphs of this paragraph)
(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] (If not applicable, delete the remaining subparagraphs of this paragraph)
(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 Make Whole Call Reference Rate and the amount of spread for purposes of determining the Optional Redemption Amount)*
- 21 Optional Tax Redemption** [Applicable/Not Applicable]
- 22 Additional Call Options** [Applicable/Not Applicable]
- 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]

	[Global Certificate exchangeable for Definitive Certificates only in the limited circumstances specified in the Trust Deed]
(ii) Applicable TEFRA Rules:	[D Rules/C Rules/Not Applicable]*
	* Where D Rules are applicable, a Note must be issued in the form of a Temporary Global Note exchangeable upon certification of non-U.S. beneficial ownership for a Permanent Global Note or for Definitive Notes.
27 Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>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</i>]
28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i>]
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. <i>If yes, give details</i>]
30 Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i>]
(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/ <i>give details</i>]
Distribution	
34 (i) If syndicated, names of Dealers:	[Not Applicable/ <i>give names</i>]
(ii) Stabilising Manager (if any):	[Not Applicable/ <i>give name</i>]
(iii) Dealer's Commission:	
35 If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i>]
36 Additional selling restrictions:	[Not Applicable/See "Additional Selling Restrictions" below/ <i>give details</i>]
37 Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
38 Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

Operational Information

- 39** ISIN Code:
- 40** Common Code:

- 41 Clearing System(s): [CDP] [Euroclear and Clearstream, Luxembourg] (if any clearing system(s) other than CDP or Euroclear and Clearstream, Luxembourg, provide the following information)
[Name of Clearing System(s)/Identification Number(s)]
- 42 Delivery: Delivery [against/free of] payment
- 43 The Agents appointed in respect of the Notes are:
- 44 Credit ratings: See “Credit ratings” of the Offering Circular and “Credit ratings” in Appendix A

General

- 45 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with : [Not Applicable/give details]
- 46 The aggregate principal amount of Notes issued has been translated into Singapore dollars at the rate of , producing a sum of (for Notes not denominated in Singapore dollars): [Not Applicable/S\$]
- 47 Other terms: [Not Applicable/See the information set out in Appendix [A]]

[SIGNIFICANT CHANGES

Save as disclosed in the Offering Circular and below, no event has occurred from 31 March [●] to **[date]**, being the latest practicable date prior to the issue of this Pricing Supplement, which may have a material effect on the ability of the Issuer or the Temasek Group as a whole to meet its payment obligations under the Notes.

[Disclose significant changes, if any]]¹⁵

[LISTING APPLICATION

This Pricing Supplement [(as supplemented by the Issue Details Supplement)]¹⁶ comprises the final terms required to list the issue of Notes described herein pursuant to the Issuer’s S\$5,000,000,000 Guaranteed Medium Term Note Programme.]

Approval in-principle has been received for the listing of, and quotation for, the Notes described herein on the SGX-ST. Admission to the Official List of the SGX-ST is 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 the Notes. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

[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.]¹⁷

¹⁵ To include for offers of Straight Notes if there are any significant changes since the date of the Offering Circular

¹⁶ To be inserted only if relevant. See comment in footnote 2 above

¹⁷ To include other than for Straight Notes and Post-Seasoning 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 “Plan of distribution — Selling Restrictions” in the Offering Circular and the additional selling restrictions set forth below in the offer of such Notes:

[specify applicable additional selling restrictions]

Appendix A — Other Terms

(Note: Items set out below may be applicable for offers of Straight Notes or Post-Seasoning Notes. If not applicable, state “Not Applicable” or delete item)

- Offer : The Issuer will offer and issue [up to] [S]\$(●) in aggregate principal amount of Notes pursuant to the Public Offer and Placement (each as defined below),
provided that:
(1) The Issuer shall not be under any obligation to issue any Notes if the Allocation Condition is not satisfied.
“Allocation Condition” means that no Note shall be issued unless [not less than 20% of the Notes are issued to Institutional Investors and Relevant Persons (excluding any amount of Notes issued or to be issued to the Dealers for their own accounts).]¹⁸ / [The total of (i) the value of the Notes to be issued to Retail Investors and (ii) the value, as at the date of issue, of Notes previously issued to Retail Investors through re-taps (if any), does not exceed 50% of the total value, as at the date of issue, of the Notes initially issued to Specified Investors only (excluding Notes issued to the Dealers for their own accounts).]¹⁹
(2) Subject to the Allocation Condition, the Issuer and the Guarantor may, at their discretion and in consultation with the Dealers, re-allocate the aggregate principal amount of Notes offered between the Public Offer and the Placement (the “Re-allocation”).
The actual aggregate principal amount of the Notes to be issued and the allocation between the Public Offer and the Placement (if any) will be finalised on or prior to the Issue Date [and set out in the Issue Details Supplement]²⁰. Unless indicated otherwise, all information in the Offering Circular and this Pricing Supplement assumes that no Notes have been re-allocated between the Public Offer and the Placement [and *[insert any other relevant condition]*]²¹.
[insert any other conditions]
- Public Offer : The offering of [up to] [S]\$(●) in aggregate principal amount of Notes at the Issue Price to Retail Investors in Singapore through Electronic Applications[, subject to the Re-allocation [and *[insert any other conditions]*]] described in “Offer” above].
- Placement : The offering of [up to] [S]\$(●) in aggregate principal amount of Notes at the Issue Price to Institutional Investors and other investors[, subject to the Re-allocation [and *[insert any other conditions]*]] described in “Offer” above].
- Plan of Distribution : *[insert description in relation to the Notes]*
- Application and Payment Procedures : Applications for Notes offered through the Public Offer must be made by way of Electronic Applications. Applications for Notes offered through the Placement may only be made directly through the Dealers who will determine, at their discretion, the manner and method for applications under the Placement.
The Notes will be issued in minimum denominations of [S]\$1,000 and integral multiples of [S]\$1,000 in excess thereof. *[indicate if any minimum subscription amount]*

¹⁸ Applicable only for offers made pursuant to the Exemption Regulations for Straight Debentures

¹⁹ Applicable only for offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures

²⁰ To be inserted only if relevant. See comment in footnote 2 above

²¹ To be inserted only if relevant. See comment in footnote 2 above

The Issuer, the Guarantor and the Dealers reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications for the Notes.

Applications for Notes under the Public Offer may be made from **[●]** [a.m./p.m.] on **[date]** to **[●]** [a.m./p.m.] on **[date]** (or such other time(s) and date(s) as the Issuer and the Guarantor may, at their absolute discretion, decide with the approval of the SGX-ST (if required) and in consultation with the Dealers and subject to any limitation under any applicable laws). See “Expected Timetable of Key Events” below for more details.

Prospective investors applying for Notes under the Public Offer must do so by way of Electronic Applications and follow the application procedures set out in “Terms and Conditions for Electronic Applications” in Appendix B of this Pricing Supplement.

Prospective investors applying for the Notes under the Placement must contact the Dealers directly.

- Participating Banks : *[insert Participating Banks]*
- Expenses charged to subscriber : The expenses incurred in connection with the offer of the Notes will not be specifically charged to subscribers for the Notes.
[insert any administrative fee payable in connection with Electronic Applications]
- Credit ratings : *[insert if credit rating(s) are obtained for the Notes]*
- Eligibility under CPF Investment Scheme : *[indicate whether the Notes will be eligible under the CPF Investment Scheme]*
- Eligibility under Supplementary Retirement Scheme : *[indicate whether the Notes will be eligible under the Supplementary Retirement Scheme]*
- Estimated proceeds from the offer : *[insert estimated amount of gross proceeds]*
- Use of proceeds : *[insert intended use of proceeds]*

EXPECTED TIMETABLE OF KEY EVENTS

- Announcement on SGXNET of [the Offering Circular]²², the Pricing Supplement and the Product Highlights Sheet: **[date]**
- Opening date and time for applications for the Notes under the Placement: After announcement on SGXNET of [the Offering Circular,] the Pricing Supplement and the Product Highlights Sheet on **[date]**
- Opening date and time for applications for the Notes under the Public Offer: **[date] at [time]**
- Last date and time for applications for the Notes under the Public Offer [and the Placement]: **[date] at [time]**
- Balloting of applications under the Public Offer, if necessary (in the event of an oversubscription of the Notes under the Public Offer). Commence returning or refunding application moneys to unsuccessful or partially successful applicants: **[date]**

²² References to announcement of the Offering Circular can be removed if the Offering Circular has already been announced and does not need to be further announced at the time of issuance

Expected announcement on SGXNET of results of the Public Offer and the Placement: **[date]**

Expected Issue Date: **[date]**

Expected date and time of commencement of trading of the Notes on the Main Board of the SGX-ST: **[date]**

The above timetable is indicative only and is subject to change. As at the date of this Pricing Supplement, the Issuer does not expect the above timetable to be modified. However, the Issuer and the Guarantor may, at their absolute discretion with the approval of the SGX-ST (if required), and in consultation with the Dealers, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer and the Guarantor will, in consultation with the Dealers, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

Appendix B — Terms and Conditions for Electronic Applications
[to be inserted]

[Appendix C — Issue Details Supplement

The form of Issue Details Supplement that will be issued in respect of each series of Notes where applicable, subject only to the deletion of non-applicable provisions or modifications, as appropriate, is set out below:

Issue Details Supplement dated **[date]**

Temasek Financial (IV) Private Limited
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
unconditionally and irrevocably guaranteed by
Temasek Holdings (Private) Limited
Under the S\$5,000,000,000 Guaranteed Medium Term Note Programme
Series Number [●]

Reference is made to the Pricing Supplement issued by the Issuer on **[date]** in respect of the Series **[●]** Notes (the “Pricing Supplement”).

This document constitutes the Issue Details Supplement referred to in the Pricing Supplement. Capitalised terms used herein shall have the meanings given to them in the Offering Circular and the Pricing Supplement.

The Pricing Supplement shall be supplemented on the Issue Date in respect of the Notes by the terms set out below.

- 1 Aggregate Nominal Amount:
 - (i) Series: [S]\$[●]
 - (ii) [Tranche:] [S]\$[●]
- 2 Offer: The Issuer [has exercised the right of Re-allocation *[insert any other applicable condition]*] and will offer and issue [S]\$[●] in aggregate principal amount of Notes pursuant to the Public Offer and Placement, to be allocated as follows:
 - (a) [S]\$[●] in aggregate principal amount of Notes to the Public Offer; and
 - (b) [S]\$[●] in aggregate principal amount of Notes to the Placement.
- 3 ISIN Code: [●]
- 4 Common Code: [●]
- 5 Other terms: [●] / [Not Applicable]]²³

²³ To be inserted only if relevant. See comment in footnote 2 above

Annex D — 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 D 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.

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