

A photograph of the interior of the Orchard Road shopping mall, showing a large, curved, multi-level walkway with a glass and steel structure. The walkway is illuminated with warm lights and has a lush green wall of plants on the left side. People are walking on the walkway.

Connecting You to Private Equity

ASTREA IV ANNUAL REPORT FY18/19

Notes to the Annual Report

1. Unless otherwise stated, all capitalised terms in this report follow the same definitions as the Prospectus dated 5 June 2018 relating to the offering and issue of the Bonds (the "Prospectus") and a reference to a Clause number in this report means the corresponding Clause number in the "Priority of Payments" section of the Prospectus.
2. Certain monetary amounts in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.
3. All figures are calculated based on the information available as at 31 March 2019.
4. EUR:USD exchange rate of 1:1.12285 as at 31 March 2019.
5. USD:CNY exchange rate of 1:6.72020 as at 31 March 2019.
6. All figures are in US\$ unless otherwise stated.
7. Net Asset Value ("NAV") calculations are based on the most recent net asset value of all Fund Investments as reported by the General Partner ("GP") or manager of the applicable Fund Investment, and adjusted for distributions received and capital calls made, up to 31 March 2019.
8. Charts used in this report may not be to scale.
9. The date of this report is 21 May 2019.



Contents



Overview

- 02 Chairman's Inaugural Address
- 05 Key Figures & Highlights as at 31 March 2019
- 06 Astrea IV
- 15 Board of Directors of Astrea IV Pte. Ltd.
- 17 About Azalea and the Astrea Platform



Manager's Report

- 19 Private Equity Market Overview for FY 18/19
- 22 Portfolio NAV Movements
- 23 Portfolio Highlights
- 24 Portfolio Schedule
- 25 Fund Level Analysis
- 26 Investee Companies Level Analysis
- 27 Top General Partners by NAV
- 31 Astrea IV Investee Companies Case Studies



Financial Statements & Additional Information

- 36 FY 18/19 Audited Financial Statements
- 71 Directory

Chairman's Inaugural Address



Dear Bondholders,

It is my pleasure to present to you Astrea IV's first Annual Report for the financial year ended 31 March 2019.

ASTREA IV

The launch of Astrea IV in 2018 was a significant milestone in the development of Singapore's bond market. The transaction was both innovative and ground-breaking. Astrea IV was the first listed retail bond in Singapore backed by cash flows from private equity funds. Astrea IV successfully targeted retail, institutional and high net-worth investors. We were heartened by the strong demand we received for the bonds. It is our hope that this paves the way for further issuances and new products in the market.

FY18/19 RESULTS

The private equity funds portfolio value underpinning the Astrea IV issuance stood at US\$929 million as at 31 March 2019. Our portfolio comprises mainly private equity buyout and growth capital funds in the United States of America, Europe and Asia. During the year, the portfolio benefited from a strong exit environment, generating US\$269 million in distributions. The portfolio also enjoyed fair value gains of US\$56 million during the year. We continue to see the portfolio shaping out well.

FIRST DISTRIBUTION

Astrea IV made its first payment of interest to Bondholders on 14 December 2018. At the same time, US\$40 million was placed into the Reserves Accounts and this amounts to 10% of the principal amount of Class A-1 and Class A-2 Bonds.

RATINGS

I am delighted to announce that global ratings agency Fitch Ratings ("Fitch") has upgraded the ratings assigned to the Astrea IV Class A-1 Bonds from Asf to A+sf in May 2019. This upgrade bears testament to the quality and cash generative nature of the Astrea IV PE portfolio.

AWARDS

I am also pleased to highlight that Astrea IV has received The Asset Triple A Country Awards 2018 — Most Innovative Deal, Singapore.

OUR COMMITMENT TO INVESTOR EDUCATION

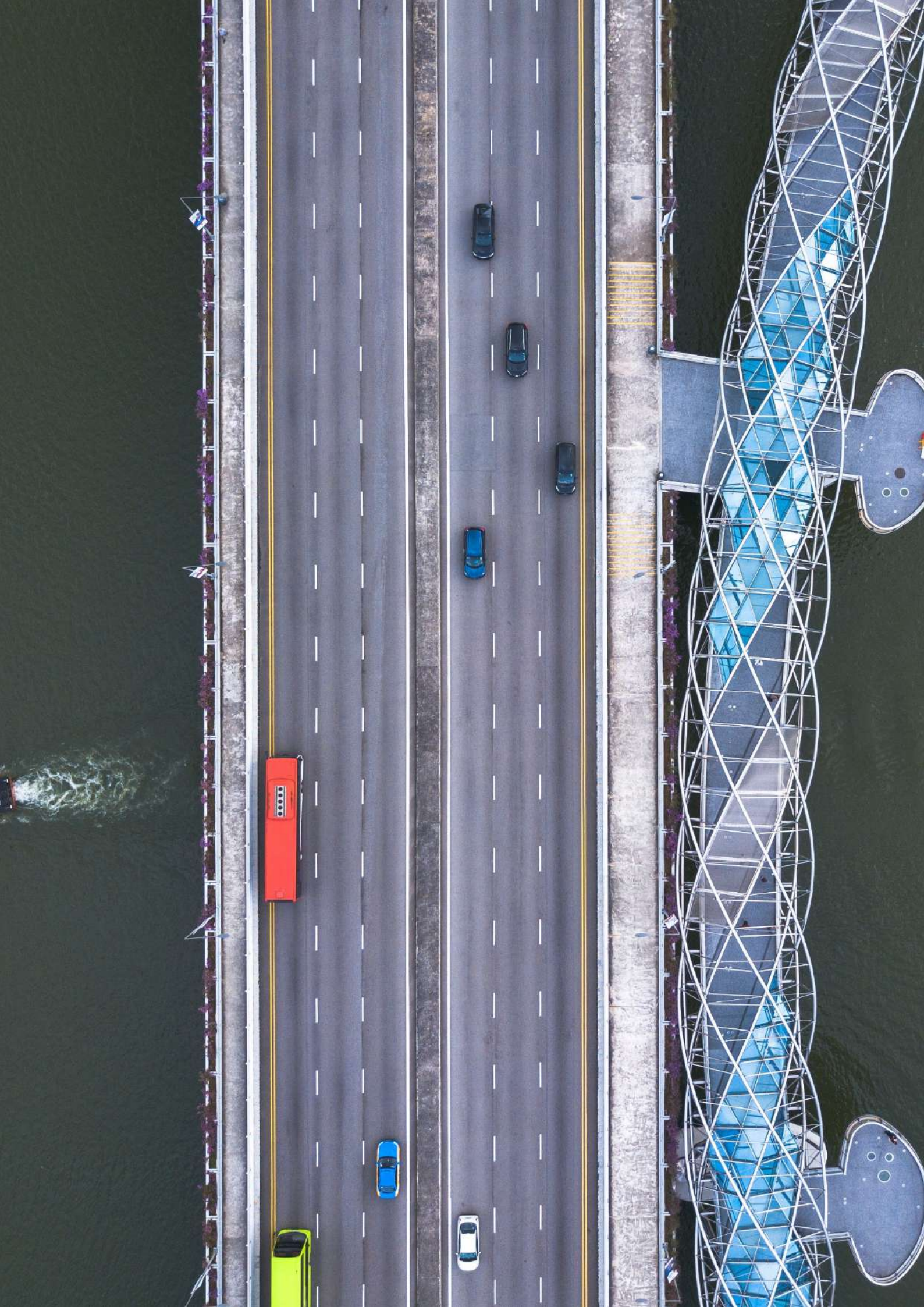
In January 2019, we held the inaugural Astrea Investor Day to provide updates on the listed Astrea PE Bonds and distribution reports. This is part of our continuing efforts to provide general investor education. We have also set up a dedicated online resource hub at www.astrea.com.sg/a4/. From time to time, we will collate information, analyses and materials from industry sources that provide insights into the world of investing in private equity funds. For greater effect and outreach, this resource base may be supplemented by videos or guides on the fundamentals of investing in private equity funds. These initiatives demonstrate our commitment to investor education and improving investors' knowledge about private equity funds.

ACKNOWLEDGEMENTS

Finally, on behalf of the Board and the Manager, I would like to thank our Bondholders and business partners, who have contributed to the successful launch of Astrea IV. The Board looks forward to the continued support of all its stakeholders.

Yours sincerely,
Dr TEH Kok Peng
Chairman
21 May 2019





Key Figures & Highlights as at 31 March 2019

All figures are in US\$ unless otherwise stated

Private Equity Funds Portfolio



\$929m

Portfolio Net Asset Value ("NAV")

2018: \$1,098m



\$269m

Fund Investments Distributions



\$44m

Fund Investments Capital Calls



20%

Net Distributions⁽¹⁾ as % of
Portfolio NAV at 31 March 2018

Bonds and Reserves



\$499m

Total Bonds Outstanding⁽²⁾



\$40m

Paid into Reserves Accounts
on 1st Distribution Date
(being 14 December 2018)



A+sf / A (sf)

Current Rating of
Class A-1 Bonds⁽³⁾
by both Fitch and S&P



10%

Reserves Accounts Balances
as % of outstanding principal
amount of all Class A-1 & A-2
Bonds

Notes:

1. Net Distributions are Fund Investments Distributions less Fund Investments Capital Calls.
2. Class A-1 Notes principal amount of S\$242 million converted at USD:SGD exchange rate of 1:1.3545 as at 31 March 2019.
3. Fitch upgraded the Class A-1 Bonds from A+sf to A+sf in May 2019.

Astrea IV

Summary

Summary of the Bonds

Bonds	Bonds Issued	Interest Rate (p.a.) (%)	Interest Rate Step-Up ⁽¹⁾ (p.a.) (%)	Scheduled Call Date	Maturity Date	Ratings ⁽²⁾ (Fitch / S&P)
Class A-1	S\$242,000,000	4.35	1.0	14 June 2023	14 June 2028	A+sf / A (sf)
Class A-2	US\$210,000,000	5.50	1.0	14 June 2023	14 June 2028	Asf / Not rated
Class B	US\$110,000,000	6.75	N/A	N/A	14 June 2028	BBBsf / Not rated



▶ **First listed retail bond in Singapore backed by cash flows from Private Equity ("PE") Funds**



▶ **Launched in June 2018 with a total portfolio value of US\$1.1 billion invested in 36 PE Funds**



▶ **Three Classes of Bonds ("PE bonds") totalling US\$501⁽³⁾ million were issued to investors**



▶ **All Bonds are rated investment grade**

▶ **The Class A-1 Bonds are rated by Fitch and Standard & Poor's Ratings Services ("S&P")**

▶ **The Class A-2 Bonds and Class B Bonds were rated by Fitch**

▶ **The Class A-1 Bonds were upgraded from Asf to A+sf in May 2019 by Fitch**

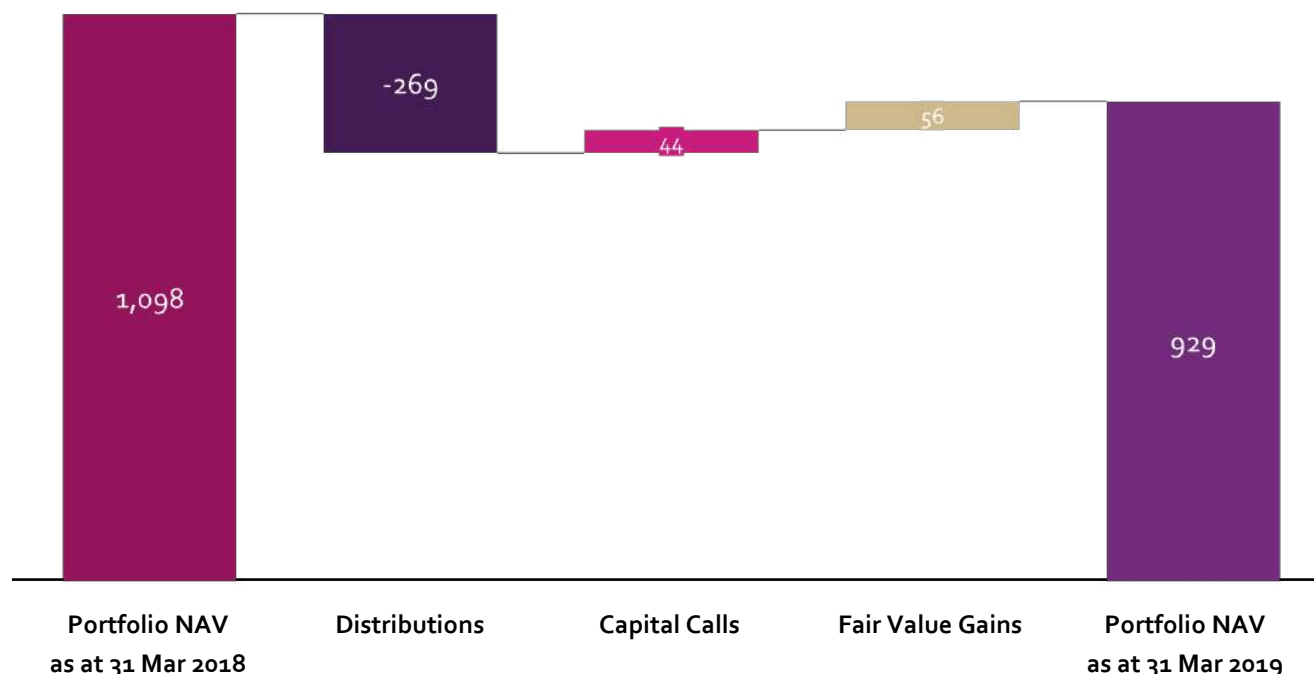
Notes

1. One-time interest rate step-up will apply if relevant Bonds are not redeemed by the Scheduled Call Date.
2. Ratings as at 21 May 2019.
3. Class A-1 Bonds Principal Amount of S\$242 million converted into US\$181 million at USD:SGD exchange rate of 1:1.337 as at 4 June 2018.

Astrea IV

Summary

Portfolio Activity for the Financial Year Ended 31 March 2019



FY 18/19 Summary of Financial Results

Astrea IV Pte. Ltd. and its subsidiaries (the "Group") issued US\$501 million of Astrea IV Bonds on 14 June 2018. As at 31 March 2019, the reported principal amount of the Astrea IV Bonds was US\$499 million which included the effect of the translation of the SGD-denominated Class A-1 Bonds. At the end of the financial year, the outstanding principal amount of the Astrea IV Bonds, net of cash in the Reserves Accounts, was US\$460 million. None of the Astrea IV Bonds are expected to be repaid within the next 12 months.

The Group ended the financial year on a positive note with a net profit of US\$33 million. This was largely due to the fair value gain in the Group's Fund Investments of US\$56 million during the financial year. The Group also recognised finance expenses of US\$22 million.

As at 31 March 2019, the value of the Fund Investments stood at US\$929 million. The Fund Investments also generated distributions of US\$269 million which enabled the Group to meet all its ongoing obligations. At the end of the financial year, the Group held cash of US\$132 million, including amounts in Reserves Accounts. The cash in the Reserves Accounts were placed into fixed deposits.

As part of its liquidity risk management, the Group has available facilities from DBS Bank Ltd., which can be utilised for funding capital drawdowns for its Fund Investments and to meet operating expenses including the payment of interest on Astrea IV Bonds. There were no drawdowns from the facilities during the financial year.

The Group has EUR exposure arising from its Fund Investments and SGD exposure arising from Class A-1 Bonds. Both the EUR and SGD exposures are hedged by currency forward contracts entered with counterparties with high credit rating.

The audited financial statements for the year ended 31 March 2019 can be found on page 36 onwards.

Astrea IV

Highlights from First Semi-Annual Distribution Report to Bondholders dated 14 December 2018

First Distribution Date Payment



Semi-Annual Interest Paid to Bondholders

Astrea IV Pte. Ltd. made its first semi-annual payment of interest on 14 December 2018. Please refer to the Semi-Annual Distribution Report to Bondholders for the Distribution Date of 14 December 2018 for further details. This report is available at: www.astrea.com.sg/a4. The next interest payment date will be 14 June 2019.

Reserves Accounts



US\$40 million Reserved for Class A as Scheduled

As part of the Priority of Payments on the first Distribution Date, US\$40 million was paid into the Reserves Accounts which represents 10% of the total combined principal amount of Class A-1 and Class A-2 Bonds⁽¹⁾⁽²⁾.

Loan to Value Ratio



Maximum Loan-to-Value ("LTV") Ratio of 50% not Exceeded

On the first Distribution Date, Total Net Debt⁽³⁾ was US\$464 million. This resulted in an LTV Ratio of 44.3%, which did not exceed the Maximum LTV Ratio of 50%. As such, no additional reserves other than US\$40 million were paid into the Reserves Accounts.

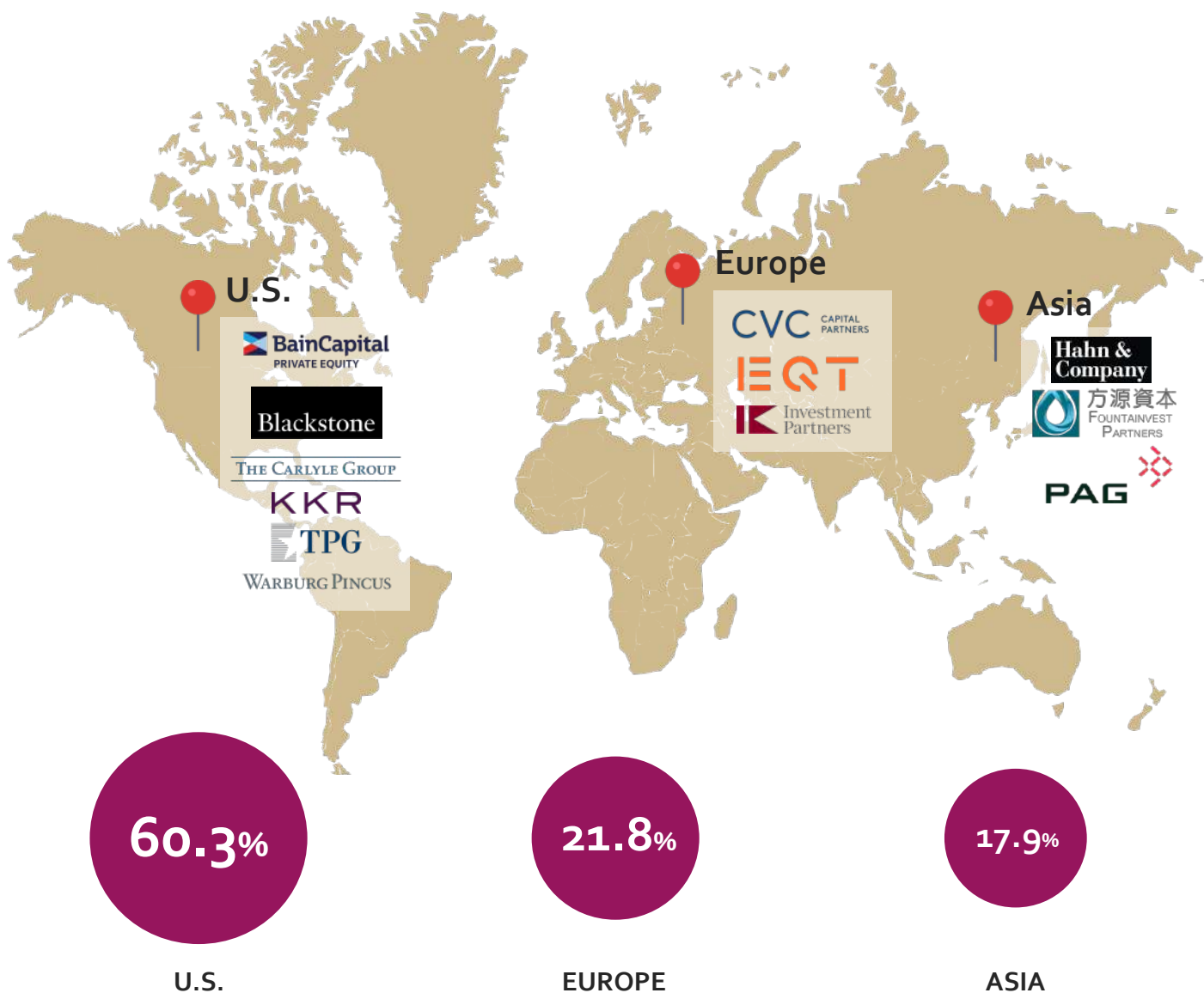
Notes:

1. Class A-1 Bonds Principal Amount of S\$242 million is hedged at USD:SGD blended forward rate of 1.31677.
2. The Reserves Account Balances are co-mingled.
3. Total Net Debt is the total amount of Bonds and Liquidity and Capital Call Facility loans outstanding less total Reserves Balance and Payments to Reserves Accounts.



Astrea IV

Portfolio Summary by Fund Region as at 31 March 2019



The Astrea IV portfolio is diversified across 36 PE funds that are managed by 27 GPs⁽¹⁾. It contains quality PE funds managed by well-established GPs.

The majority of the portfolio is still U.S.-focused at 60.3% and the buyout strategy comprises 87.3% of the portfolio as of 31 March 2019.

The weighted average fund age of the portfolio is 7 years — the majority of the portfolio comprises funds from 2011-2014 vintage years. The large exposure to mature funds ensures that the portfolio is cash flow generative.

As of 31 December 2018, it consisted of investments in 546 underlying investee companies — a decrease from 596 at launch, signalling strong divestment activities.

Notes:

1. Selected GPs are presented above. For the full list of GPs, please refer to page 24.

Astrea IV

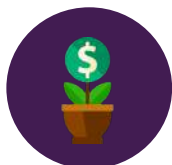
Portfolio Summary by Fund Strategy as at 31 March 2019



87.3%

Buyout

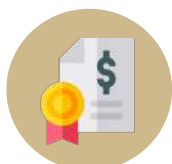
Purchase of controlling stakes in companies that results in control over the companies' assets and operations



11.2%

Growth Equity

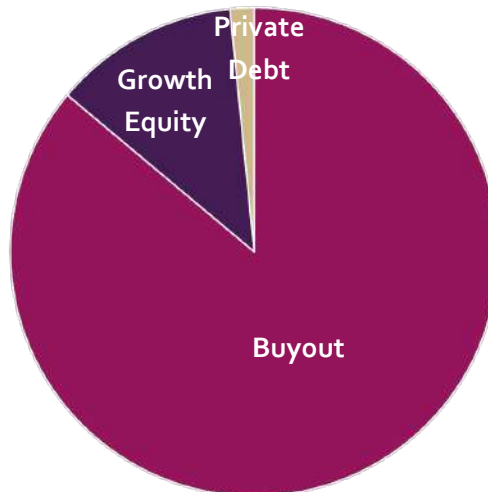
Investments in profitable but still maturing companies which are seeking capital to expand or enter into new markets



1.5%

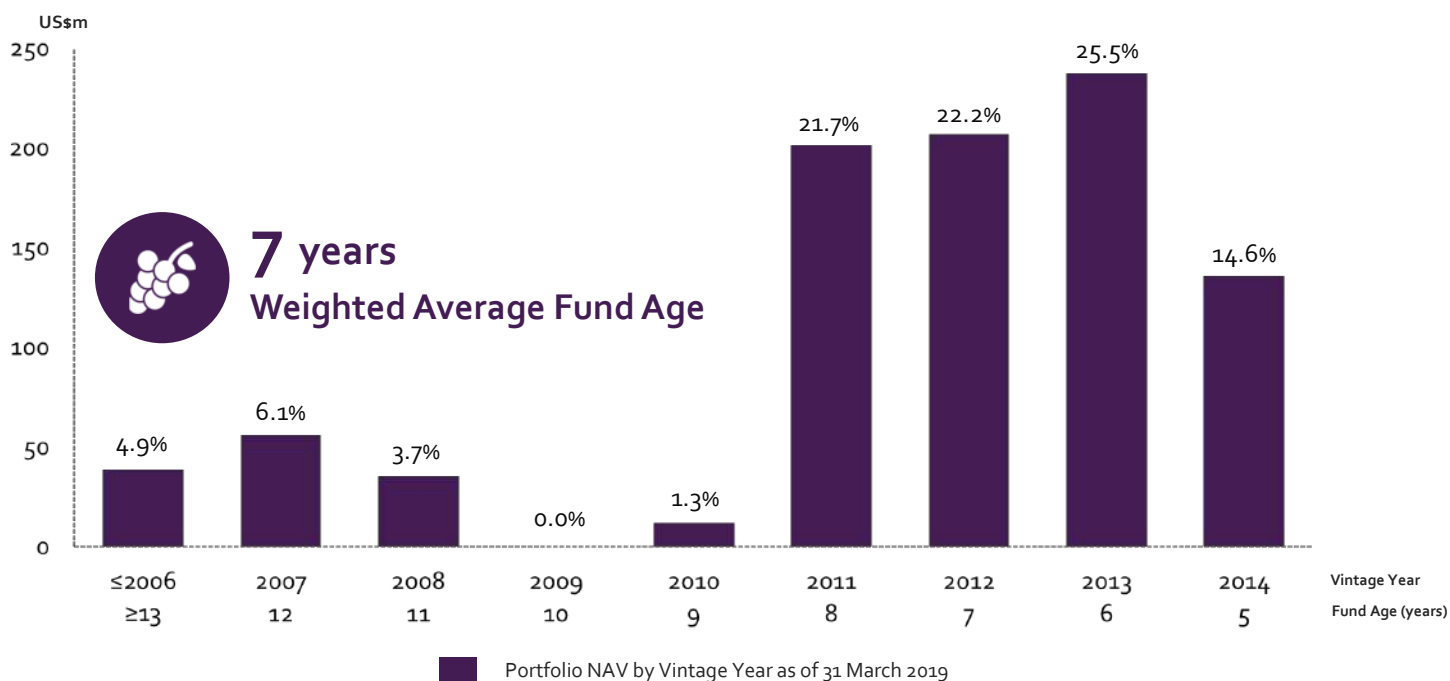
Private Debt

Investments in illiquid credit instruments to provide capital financing for companies



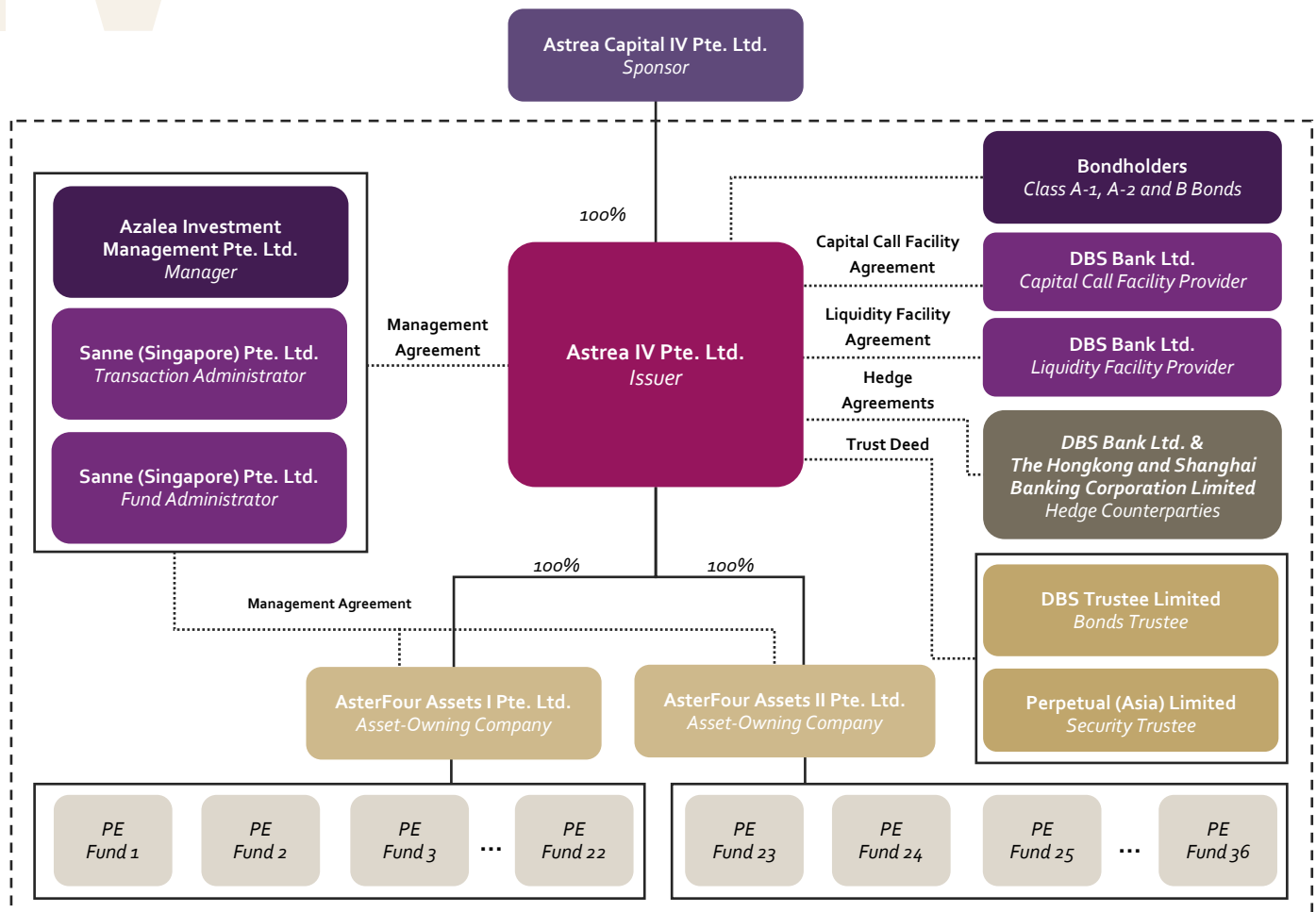
Astrea IV

Portfolio Summary by Vintage as at 31 March 2019



Astrea IV

Structure



Manager

Azalea Investment Management Pte. Ltd.

Provides management services to the Issuer and Asset Owning Companies



Sponsor

Astrea Capital IV Pte. Ltd.

Initiated Astrea IV and selected the 36 Fund Investments



Capital Call Facility Provider

DBS Bank Ltd.

Provides a facility which can be drawn if insufficient cash available to fund capital calls



Transaction Administrator

Sanne (Singapore) Pte. Ltd.

Provides administrative services for the overall transaction



Issuer

Astrea IV Pte. Ltd.

Issued 3 classes of Bonds



Liquidity Facility Provider

DBS Bank Ltd.

Provides a facility which can be drawn if insufficient cash available to meet certain expenses such as bond interest payments



Fund Administrator

Sanne (Singapore) Pte. Ltd.

Provides administrative services in respect of the Fund Investments



Asset Owning Companies

AsterFour Assets I Pte. Ltd.
AsterFour Assets II Pte. Ltd.

Collectively hold the 36 Fund Investments



Bonds Trustee

DBS Trustee Limited

Trustee for the Bondholders

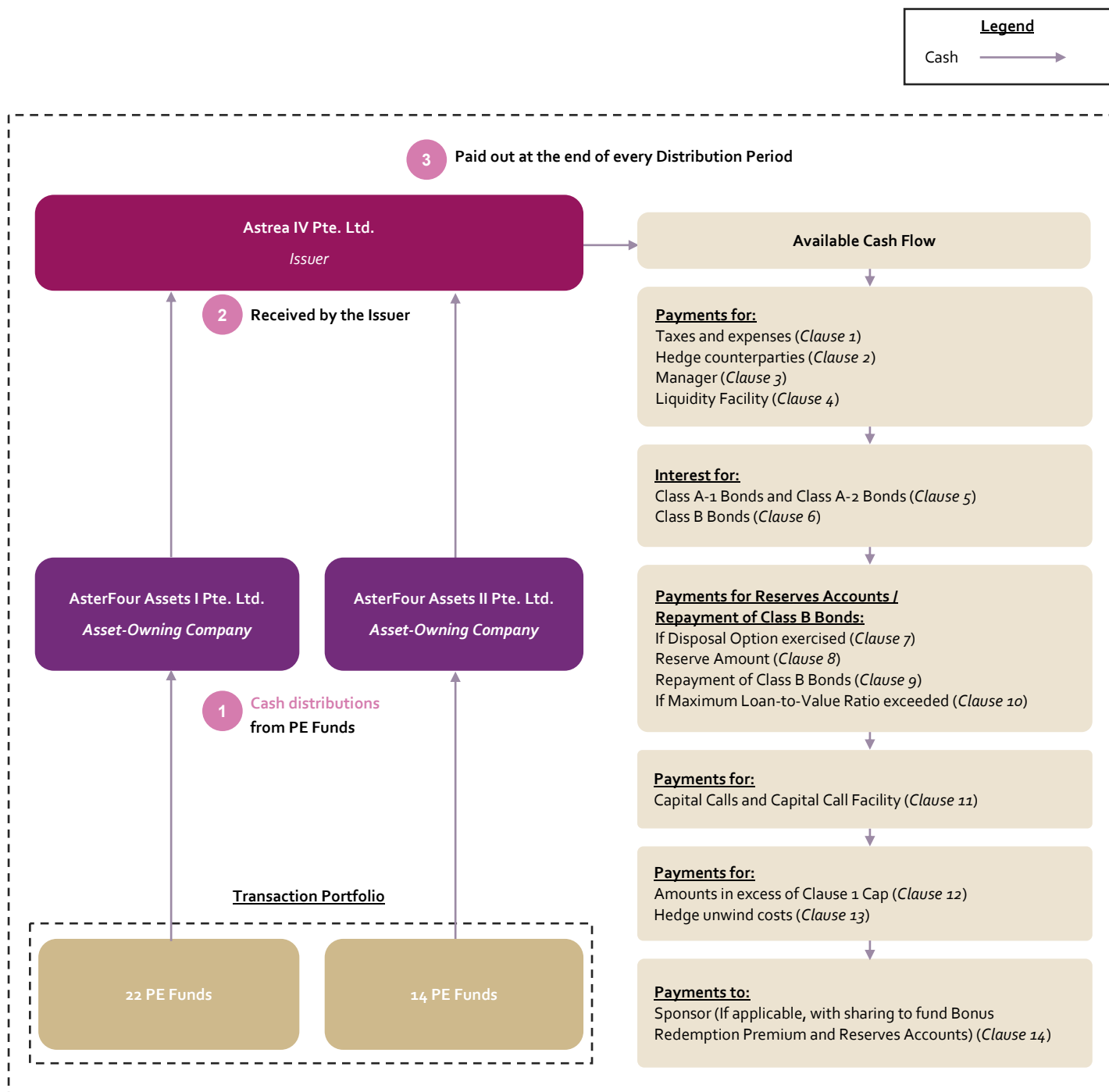
Security Trustee

Perpetual (Asia) Limited

Trustee for the Secured Parties

Astrea IV

Priority of Payments



Astrea IV is backed by cash flows generated from the Fund Investments. Distributions from the Fund Investments will be used to fund capital calls. The net cash flows will be distributed up to the Issuer, Astrea IV Pte. Ltd.

At each semi-annual Distribution Date, the cash balances held by the Issuer will be used to cover expenses and other payments as well as to pay for the interest and principal due on the Bonds in accordance to the Priority of Payments.



Astrea IV

Sponsor

Astrea Capital IV Pte. Ltd. is the sponsor to Astrea IV Pte. Ltd.. The Sponsor is a wholly-owned subsidiary of Azalea Asset Management Pte. Ltd. ("Azalea"), which provides the Sponsor with management support via its subsidiary Azalea Investment Management Pte. Ltd.

The Issuer is a wholly-owned subsidiary of the Sponsor.

Role of the Sponsor

The Sponsor selected the Fund Investments for acquisition by the Asset Owning Companies.

The Sponsor, as the Authorised Representative of the Issuer under the Management Agreement, is authorised by the Issuer to provide instructions to the Manager on certain key matters relating to the Fund Investments.

Board of Directors of Astrea IV Pte. Ltd.

The Manager, Azalea Investment Management Pte. Ltd., reports to the Board. The Board approves the semi-annual Distribution Date Reports and regulatory reports. The Board of Astrea IV Pte. Ltd. comprises 8 members.

Dr TEH Kok Peng, *Chairman*

Dr TEH Kok Peng is Senior Adviser of China International Capital Corporation Limited, a joint-venture investment bank listed on HKSE. Before his retirement in 2011, he was President of GIC Special Investments from April 1999 to June 2011. Prior to this, he was concurrently Deputy Managing Director of Monetary Authority of Singapore (MAS) and Deputy Managing Director of GIC. He began his career with the World Bank.

He is also the chairman of Lu International (Singapore) Financial Asset Exchange Pte Ltd as well as a board member of Sembcorp Industries Ltd and Fullerton Health Corporation. He also chairs the board of East Asian Institute, National University of Singapore. He is an Advisory Board Member/Adviser to CMC Corporation, Jasper Ridge Partners and Campbell & Lutyens. He recently joined the Global Economic and Financial Advisory Council of CDPOQ, Montreal, Canada.

Dr Teh did his undergraduate studies at La Trobe University, Melbourne, and his graduate studies at Oxford University.

Ms Margaret LUI-CHAN, *Director*

Ms Margaret LUI-CHAN Ann Soo is Chief Executive Officer and Executive Director of Azalea since 2015. She successfully led the team to complete the development and launch of the Astrea III and Astrea IV PE bonds in 2016 and 2018 respectively. The Astrea PE bonds, being an innovative product, were the first private equity based bonds to be listed on a major stock exchange. Ms Lui-Chan was previously with Temasek since 1985 in various investment roles including private equity, portfolio management, corporate finance and restructuring roles. Her last appointment at Temasek was Senior Managing Director. In 2010, she was seconded to SeaTown Holdings Pte Ltd as its Chief Operating Officer. Subsequently in 2012, she joined another Temasek affiliate, Pavilion Capital Pte Ltd as its Chief Operating Officer. She was responsible for the start-up operations of both these investment management companies which are indirectly wholly-owned by Temasek.

She currently sits on the board of Sembcorp Industries Limited and chairs the Marine Services Supervisory Committee of PSA International. She also serves on the Board of Trustees and Finance Committee of the

Singapore Institute of Technology and heads its investment committee. Ms Lui-Chan is also a member of the Singapore Exchange's Listing Advisory Committee.

Ms Lui-Chan holds a Bachelor of Accountancy degree from the National University of Singapore. She attended the Advanced Management Programme at Wharton School of the University of Pennsylvania.

Mr Adrian CHAN Pengee, *Director*

Mr Adrian CHAN Pengee is Head of the Corporate Department and a Senior Partner at Lee & Lee.

He is a board member of the Accounting and Corporate Regulatory Authority and chairs its Panel of the Institute of Corporate Law. He is a member of the Legal Service Commission, the Pro-Enterprise Panel and serves as an independent director on several SGX-listed companies. The SGX has appointed him to the Catalist Advisory Panel to review Catalist Sponsor and Registered Professional applications and he is currently also Vice-Chairman of the Singapore Institute of Directors and a Council member of the Law Society of Singapore.

Mr Chan holds a Bachelor of Laws from the National University of Singapore.

Mr Kunnasagaran CHINNIAH, *Director*

Mr Kunnasagaran CHINNIAH retired in September 2013, as the Managing Director/Global Co-Head of Portfolio, Strategy & Risk Group with GIC Special Investments, the private equity arm of GIC. He joined GIC in 1989 and has held various positions with the Special Investments Department of GIC in their North American, European and Asian regions, including Regional Manager of the North America and European Divisions of the Special Investments Department. From 1997 to 2008, he was responsible for private equity investments in Asia.

His present appointments include being a director of Changi Airport International, Keppel Infrastructure Fund Management and some companies in India. He is also a member of the Hindu Endowments Board in Singapore.

Mr Chinniah is a Chartered Financial Analyst and holds a Bachelor's Degree in Electrical Engineering from the National University of Singapore and a Master of Business Administration from the University of California, Berkeley.

Board of Directors of Astrea IV Pte. Ltd.

Mr KAN Shik Lum, *Director*

Mr KAN Shik Lum spent 33 years with DBS Bank Ltd., of which 28 years were corporate finance-related. After helping to build DBS Bank Ltd.'s Capital Markets franchise in Singapore and Hong Kong, he retired from DBS Bank Ltd. on 31 May 2015.

Mr Kan is currently a Non-executive Independent Director of Mapletree Commercial Trust Management Ltd ("MCTML") and a member of its Nominating and Remuneration Committee. He also represents MCTML on the Corporate Social Responsibility Committee of Mapletree Investments Pte Ltd.

Mr Kan holds a Masters of Arts degree in Economics from Queen's University, Canada.

Mr David Jackson SANDISON, *Director*

Mr David SANDISON was a tax partner in PwC Singapore until his retirement in 2014. He now runs his own tax consultancy practice. He headed the Fund Management and Real Estate part of PwC's tax practice for a number of years, and also led its tax training and technical department.

For many years he was a member of ISCA's Taxation and Levies Committee, and its offspring for the SIATP. He wrote the Singapore volume of CCH's Tax Planning and Compliance in Asia and authored the chapter on Hedge Funds and Private Equity Firms, in The Law and Practice of Singapore Income Tax.

A graduate of Cambridge University, Mr Sandison has worked in London (10 years), Melbourne (2 years) and Singapore (28 years). He is a UK Chartered Accountant (ICAEW) and member of ISCA.

Mr WANG Piau Voon, *Director*

Mr WANG Piau Voon was most recently the Co-Chief Investment Officer of Noah Holdings (Hong Kong) Ltd. and was responsible for its private market investments. Mr Wang was a Partner at Adams Street from 2002 till

December 2015. He was involved in formulating the firm's private equity fund investment strategy for Asia and was a member of its Primary Investment Committee.

Prior to joining Adams Street, he was a Manager in the Global Corporate Finance Division of Arthur Andersen LLP, Investment Manager at Nikko Capital Singapore and Investment Officer at Indosuez Asset Management Singapore.

Mr Wang is a member of the Singapore CFA Institute and was a founding executive member of the Limited Partners Association of China. He is a Chartered Financial Analyst and holds a Bachelor of Accountancy from Nanyang Technological University.

Mr WONG Heng Tew, *Director*

Mr WONG Heng Tew is currently an Advisory Director with Temasek International Advisors.

He joined Temasek in 1980 and over the next 27 years of his career his responsibilities included investments (direct, funds, listed and private equity), divestments, mergers and acquisitions, restructuring of companies, and corporate governance. He retired from Temasek in 2008 as Managing Director (Investments) and Temasek's Chief Representative in Vietnam.

He holds directorships in local and overseas companies such as Heliconia Capital Management, Mercatus Co-operative, and ASEAN Bintulu Fertilizer.

Mr Wong holds a Bachelor of Engineering degree from the University of Singapore and has completed the Program for Management Development at Harvard Business School.

The Board of Astrea IV Pte. Ltd., except for Mr David Jackson Sandison and Mr Wang Piau Voon also serves on the Board of Azalea Asset Management Pte. Ltd.

About Azalea and the Astrea Platform

Azalea Asset Management ("Azalea") is an investor, developer and manager of private assets, starting with private equity. Set up in 2015 as a wholly-owned subsidiary of Temasek, it has its own independent board and management.

Azalea is focused on the development and innovation of new investment platforms and products to make PE accessible to a broader group of investors.

Azalea Investment Management ("AIM") is the manager of Astrea IV and is the management arm of the Azalea Group. It holds a Capital Markets Services Licence issued by the MAS.

It is led by a team of professionals who have extensive industry and experience in the private equity field.

The Astrea Platform

The Astrea Platform is a series of investment products based on diversified portfolios of PE Funds. It is a phased approach to develop products for long-term minded Singapore retail investors to co-invest with Azalea in private equity.

Astrea IV was a milestone transaction which achieved Azalea's vision of broadening the investor base to retail investors. It was the first listed retail bond in Singapore backed by cash flows from PE Funds.

Besides Astrea, AIM has developed other investment products based on PE assets.

INVESTOR

- Investor in PE funds



US\$4bn
of total assets

DEVELOPER

- Focuses in the development and innovation of new investment platforms and products



US\$1bn
worth of Astrea bonds issued
in Singapore to date

MANAGER

- Wholly-owned subsidiary of the Azalea Group
- Manages the Astrea IV transaction



US\$2.8bn
of total assets under
management

INVESTOR EDUCATION

- Committed to investor education and financial literacy
- Regular retail investor engagement through public forums and online channels



26 Jan 2019
Inaugural annual Astrea
Investor Day

Manager's Report

- 19 Private Equity Market Overview for FY 18/19
- 22 Portfolio NAV Movements
- 23 Portfolio Highlights
- 24 Portfolio Schedule
- 25 Fund Level Analysis
- 26 Investee Companies Level Analysis
- 27 Top General Partners by NAV
- 31 Astrea IV Investee Companies Case Studies



Private Equity Market Overview for FY18/19

Steady economic growth, volatility in the public markets⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

FY18/19 was marked by fresh challenges for investors after two years of steady run-up of the markets. Global economic growth remained steady at 3.1% in 2018, as robust economic growth in the U.S. offset slower growth in some other large economies. In the U.S., President Donald Trump's tax cuts provided a boost to the markets, and the economy embarked on its 10th year of expansion. Meanwhile, economic growth in other regions was less rosy, with growth slowing down in Europe and China. Looking ahead, according to the UN's World Economic Situation and Prospects 2019 report, there are signs of economic momentum softening in many countries, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions.

The equities markets started off 2018 with tailwinds from prior years, aided in particular by loose monetary policies and low interest rates since the global financial crisis ("GFC"). However, markets were volatile as the year progressed, with U.S. interest rate hikes, weaker Chinese growth and rising geopolitical concerns (e.g. Brexit, Italian politics, U.S.-China trade conflict) weighing on investor confidence. Markets took a hard tumble before the year closed. Entering 2019, markets rallied strongly and the U.S. Federal Reserve also signalled its intention not to raise interest rates for the rest of 2019. Going forward, supportive and flexible policy actions notably from U.S. Federal Reserve and potential resolution of U.S.-China trade disputes could help mitigate any shocks to the market and slowdown in the economy.

Buyout fundraising eased slightly but still strong⁽⁴⁾⁽⁵⁾⁽⁶⁾

Against the macro backdrop, fundraising for buyout funds in 2018 slowed down from 2017's record level, falling 19% to US\$245 billion, although it was still the third highest amount on record since 2006. This decline was reflected in other regions and asset classes as well. As in the previous year, managers – with long track record of strong performance – remain attractive to limited partners ("LPs") and accounted for much of the strong demand for the megafunds. In 2018 alone, 19 funds between US\$5 to US\$10 billion in size were raised, and they accounted for 20% share of private market fundraising, up from 12% in 2013, when just eight funds of such size were raised.

Multiples have increased but there are mitigants⁽⁶⁾⁽⁷⁾⁽⁸⁾

After years of record-level fundraising, PE funds are awashed with capital and face a growing need to put large amounts of money to work. Uncalled capital, or dry powder, for buyout funds has been on the rise since 2012 and hit a record high of US\$700 billion in 2018. The industry also observed a surge in buyout deals during the year. Total buyout deals volume rose 13% to US\$467 billion, rounding off the strongest five year period in the industry's history. The year's largest buyout deal was the US\$17 billion carve-out of Thomson Reuters' Financial & Risk unit, led by Blackstone and the Canada Pension Plan Investment Board.

Notes:

1. Market data extracted from Yahoo Finance and MSCI on April 2019.
2. UN World Economic Situation and Prospects 2019.
3. Schroders - Financial markets 2018: the year in review. From: <https://www.schroders.com/en/insights/economics/financial-markets-2018-the-year-in-review/>
4. The Business Times - The US economy: 8 more years of expansion? From: <https://www.businesstimes.com.sg/investing-wealth/the-us-economy-8-more-years-of-expansion>
5. McKinsey Global Private Markets Review 2019.
6. Bain & Company Global Private Equity Report 2019.
7. Preqin Private Equity Online, extracted April 2019.
8. 2019 Preqin Global Private Equity and Venture Capital Report.

Private Equity Market Overview for FY18/19

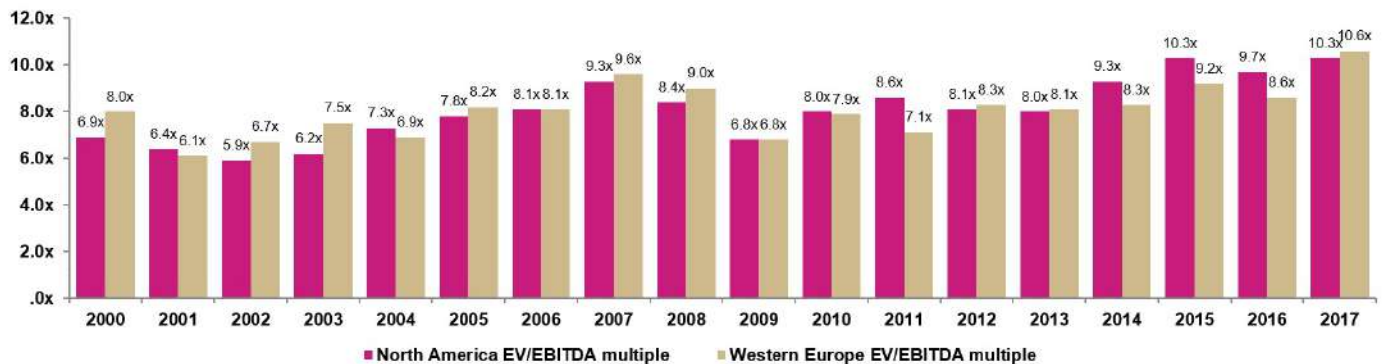
Buyout Deal Value and Deal Count



Source: Preqin

Deal volumes have grown healthily in recent years, benefitting from a huge wave of investor interest, buoyant equity markets, low interest rates and steady GDP growth in U.S. and Europe. However, there have been concerns over how long this trend can be sustained. Deal valuations have been increasing and has since surpassed pre-GFC valuations, as a growing pool of PE capital chases deals in the market. If the growth in dry powder continues to outstrip deal volume in a strong market, this may push asset prices higher.

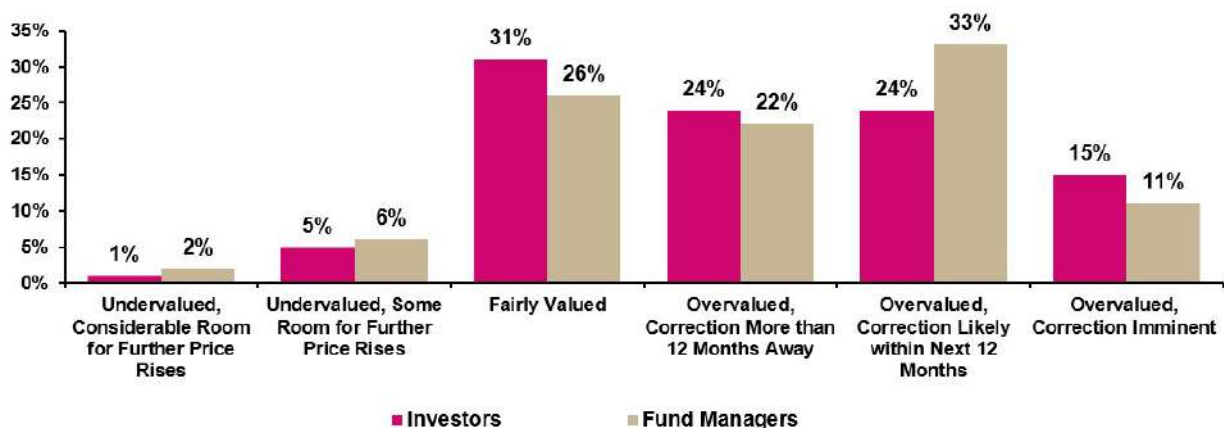
North America and Western Europe Acquisition Multiples⁽⁷⁾



Source: Hamilton Lane

According to a survey conducted in November 2018 by Preqin, there is a general view amongst investors and fund managers that investee companies are overvalued and a correction can be expected over the next 24 months.

Views on Investee Company/Asset Pricing: Investors versus Fund Managers⁽⁸⁾



Private Equity Market Overview for FY18/19

However, the Preqin report also pointed out the resilience of PE performance in a downturn in the following quote:

"However, as demonstrated by the performance of the asset class over the course of 2007-2008, private equity has the ability to return throughout challenging market conditions and looks set to continue performing for investors throughout 2019."

McKinsey, in its Global Private Markets Review 2019, also pointed out important characteristics of the current PE market that sets it apart from the years before the last GFC, and that could mitigate against a potential downturn.

- Firstly, with a much deeper and more liquid PE secondaries market than the market in 2007, LPs and General Partners ("GPs", or fund managers) might not be forced to divest assets at steep discounts, and could be more confident of holding out for better pricing as the market recovers.
- Secondly, having gone through the GFC, GPs are more focused on portfolio construction, vintage risk and avoiding over-deployment at the peak.

GPs divesting assets earlier amidst robust exit environment⁽²⁾⁽³⁾⁽⁷⁾

Overall buyout exit trend has been strong and steady, as GPs made use of the strong equity market to monetize their investments. In 2018, total exit value increased by 4% yoy to US\$352 billion, while exit volume increased by 1% to 2,075 deals.

In 2018, the median length of time that GPs held their investee companies before selling them continued to trend down to 4.5 years, after peaking at 5.9 years in 2014. This could be explained by the shedding of pre-GFC assets over the last few years. Post-GFC, GPs needed more time to repair the balance sheet as operations of their investee companies were impacted by the GFC. Many such mature investments have exited GPs' books as they took advantage of the positive capital market and macroeconomic environment to divest their mature investments.

10 Largest Private Equity-Backed Buyout Exits Announced Globally in 2018⁹

Portfolio Company	Investment Size (\$m)	Investment Date	Exit Date	Exit Type	Exit Value (US\$m)	Location	Primary Industry
BMC Software, Inc.	US\$6,900	May-13	May-18	Sale to GP	8,300	U.S.	Software
Blue Buffalo Co. Ltd.	Not available	Dec-06	Feb-18	Trade Sale	7,927	U.S.	Food
Sedgwick Claims Management Services, Inc.*	US\$2,400	Jan-14	Sep-18	Sale to GP	6,700	U.S.	Insurance
StandardAero, Inc.	US\$2,100	May-15	Dec-18	Sale to GP	5,000	U.S.	Aerospace
Cotiviti, LLC	Not available	Apr-14	Jun-18	Trade Sale	4,900	U.S.	Software
Marketo, Inc.	US\$1,790	May-16	Sep-18	Trade Sale	4,750	U.S.	Software
Bonne Terre Limited	GBP£800	Dec-14	Apr-18	Trade Sale	4,700	U.K.	Gambling
Nexperia B.V.	US\$2,750	Jun-16	Oct-18	Trade Sale	3,600	Netherlands	Semiconductors
DJO Global Inc.	US\$887	Jun-06	Nov-18	Trade Sale	3,150	U.S.	Healthcare
SRS Distribution, Inc.*	US\$1,930	Feb-13	Apr-18	Sale to GP	3,000	U.S.	Distribution

* Partial exit

Source: Preqin

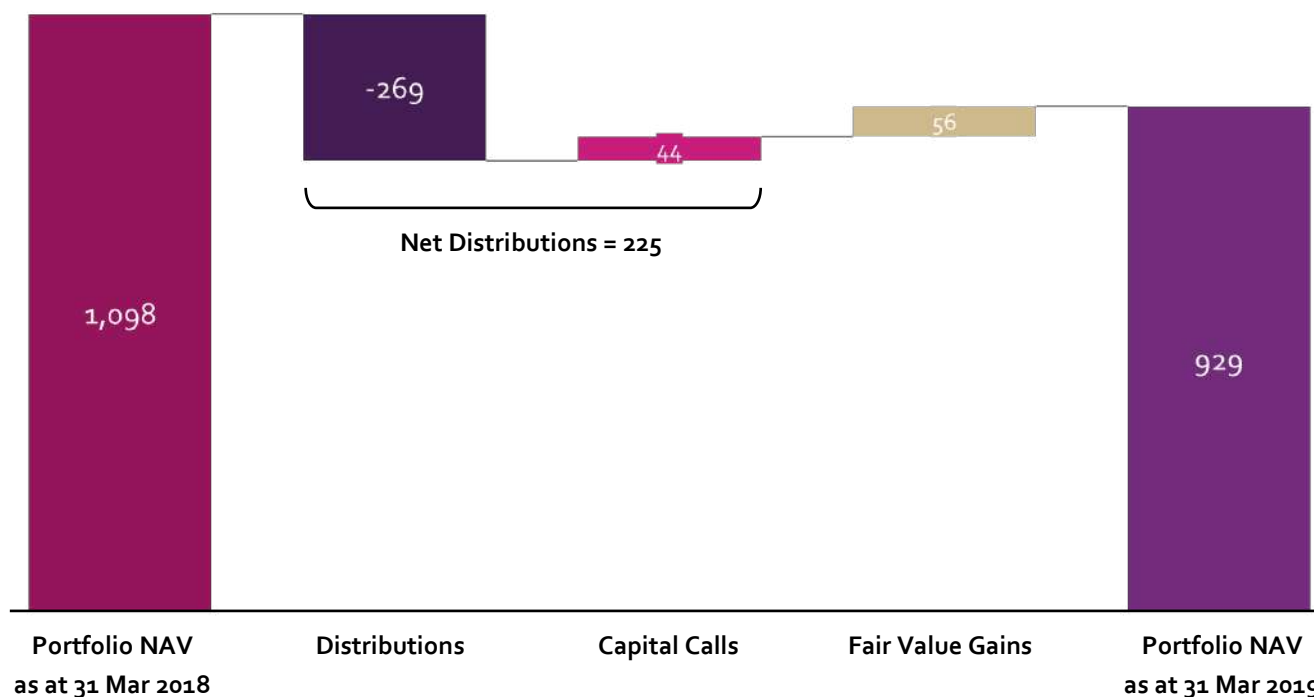
As the Investee Companies in Astrea IV are mature with a weighted average holding period of 4.6 years, they will continue to benefit from a buoyant exit environment.

Notes:

9. Preqin 2018 Buyout Deals and Exits

Portfolio NAV Movements

FY18/19 Private Equity Portfolio NAV Movements (US\$m)



Distributions totalled US\$269 million

Astrea IV recorded strong distributions throughout the financial year, amounting to US\$269 million and representing 24% of the portfolio NAV as at 31 March 2018. 67% of these distributions were driven by U.S. funds.

Fair value gains totalled US\$56 million

Fair value gains were primarily a result of appreciation to the underlying investee companies held by the Fund Investments. These gains were US\$56 million over the last 12 months.

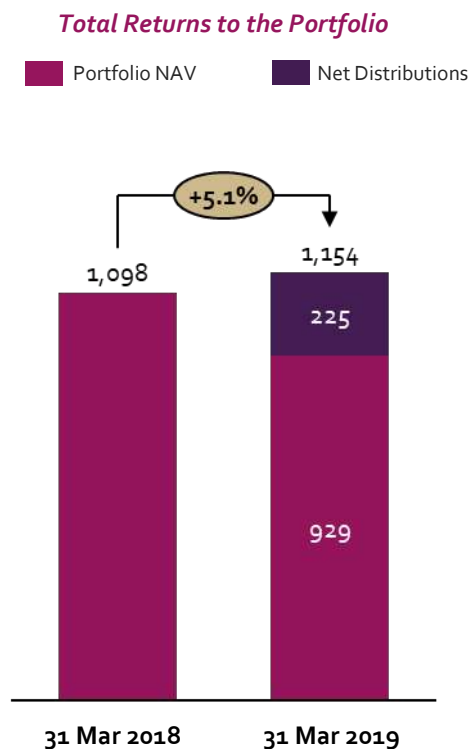
Capital calls totalled US\$44 million

During the financial year, US\$44 million was called. 88% of the capital calls were for new or follow-on investments and the remainder was called for management fees and expenses.

As most of the Fund Investments are beyond their investment period, the distributions received are typically higher than the capital calls, thereby generating a positive cash flow profile on an aggregate basis.

Portfolio Highlights

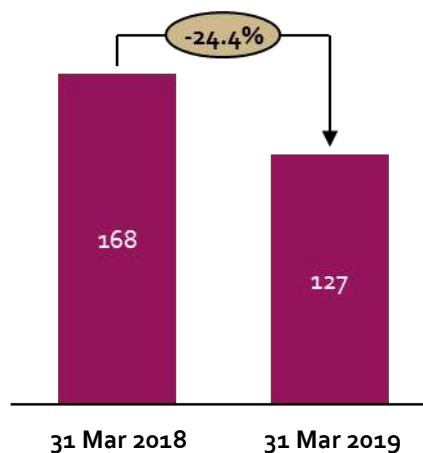
FY18/19 Private Equity Portfolio Movements (US\$m)



Total portfolio returns were 5.1%

Including the fair value gain of US\$56 million, the portfolio grew by 5.1% to US\$1,154 million. After net distributions of US\$225 million, the portfolio NAV as at 31 March 2019 stood at US\$929 million.

Total Undrawn Capital Commitments



Total undrawn capital commitments declined by 24.4%

During the financial year, capital calls made for investments and expenses reduced the total undrawn capital commitments by 24.4% from US\$168 million to US\$127 million.

Portfolio Schedule

#	Funds	Vintage Year	Region	Strategy	NAV (US\$m) ⁽¹⁾⁽²⁾⁽³⁾		Undrawn Capital Commitments (US\$m) ⁽¹⁾⁽²⁾⁽³⁾	
					FY 18/19	FY 17/18	FY 18/19	FY 17/18
1	A8 - B (Feeder) L.P.	2012	Europe	Buyout	27.7	28.9	1.8	3.6
2	Apollo Overseas Partners (Delaware 892) VI, L.P.	2006	U.S.	Buyout	11.8	22.4	4.2	4.2
3	Apollo Overseas Partners VIII, L.P.	2013	U.S.	Buyout	24.8	26.5	5.4	8.3
4	Bain Capital Fund XI, L.P.	2014	U.S.	Buyout	29.0	27.6	6.8	8.0
5	Blackstone Capital Partners V, L.P. and BCP V-S L.P.	2006	U.S.	Buyout	7.0	15.3	6.7	6.7
6	Blackstone Capital Partners VI, L.P.	2011	U.S.	Buyout	87.5	101.2	14.6	14.4
7	Carlyle Partners VI, L.P.	2013	U.S.	Buyout	27.4	29.7	2.4	3.5
8	Clayton, Dubilier & Rice Fund IX, L.P.	2013	U.S.	Buyout	28.3	21.8	4.8	7.2
9	Crestview Partners (TE), L.P.	2005	U.S.	Buyout	5.9	5.5	0.4	0.4
10	Crestview Partners II, L.P.	2008	U.S.	Buyout	18.8	42.2	7.6	9.3
11	CVC Capital Partners VI (B) L.P.	2014	Europe	Buyout	22.8	21.2	0.5	3.2
12	DBAG Fund VI (Guernsey) L.P.	2013	Europe	Buyout	16.2	20.7	2.1	3.3
13	EQT Mid Market (No.1) Feeder Limited Partnership	2013	Europe	Buyout	35.3	34.6	2.5	5.1
14	Hahn & Company I L.P.	2011	Asia	Buyout	36.7	39.2	0.3	1.1
15	IK VII No.2 Limited Partnership	2012	Europe	Buyout	65.5	65.2	3.2	3.5
16	Industri Kapital 2007 Limited Partnership IV	2007	Europe	Buyout	1.2	1.7	2.9	3.2
17	KKR Asian Fund II TE Blocker L.P.	2013	Asia	Buyout	27.7	27.8	2.5	3.6
18	KKR 2006 Fund L.P.	2006	U.S.	Buyout	7.6	4.3	0.4	0.4
19	KKR North America Fund XI L.P.	2012	U.S.	Buyout	31.2	41.1	3.1	3.2
20	Littlejohn Fund V, L.P.	2014	U.S.	Buyout	17.4	17.1	3.7	5.8
21	MatlinPatterson Global Opportunities Partners III L.P.	2007	U.S.	Buyout	24.8	49.1	2.3	2.4
22	Onex Partners IV LP	2014	U.S.	Buyout	16.0	14.5	1.3	5.0
23	PAG Asia I LP	2011	Asia	Buyout	77.0	75.5	6.9	7.8
24	Permira V L.P. ¹	2014	Europe	Buyout	34.0	37.1	4.9	5.4
25	Silver Lake Partners III, L.P. ⁽⁴⁾	2007	U.S.	Buyout	11.0	16.1	3.7	3.7
26	Silver Lake Partners IV, L.P.	2013	U.S.	Buyout	77.7	71.3	5.2	10.2
27	Tailwind Capital Partners (Cayman), L.P.	2007	U.S.	Buyout	1.8	10.2	4.3	2.6
28	TPG Partners IV, L.P.	2003	U.S.	Buyout	0.9	2.7	0.1	0.1
29	TPG Partners V, L.P.	2006	U.S.	Buyout	11.8	41.6	3.4	11.4
30	TPG Partners VI, L.P.	2008	U.S.	Buyout	9.4	17.0	1.5	1.8
31	Vista Equity Partners Fund V-A, L.P.	2014	U.S.	Buyout	16.4	17.0	4.5	3.1
32	FountainVest China Growth Fund, L.P.	2008	Asia	Growth Equity	6.9	29.8	4.2	4.5
33	Raine Partners I LP	2010	U.S.	Growth Equity	12.0	13.4	-	0.4
34	Trustbridge Partners II, L.P.	2007	Asia	Growth Equity	17.2	26.5	1.2	1.3
35	Warburg Pincus Private Equity XI-B, L.P.	2012	U.S.	Growth Equity	67.8	65.3	-	2.2
36	Offshore Mezzanine Partners II, L.P.	2012	U.S.	Private Debt	14.4	17.3	7.1	8.2
Total – Astrea IV Portfolio		2012⁽⁵⁾			928.9	1,098.4	126.5	168.1

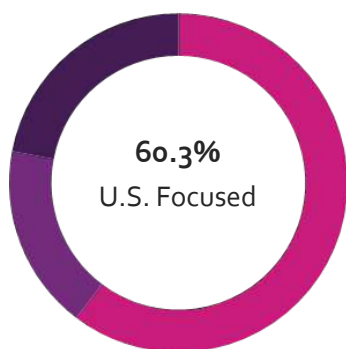
Notes:

- NAV and undrawn capital commitments are based on most recent reported figures adjusted for capital calls, distributions and other adjustments to 31 March 2019 and 31 March 2018 respectively.
- EUR:USD exchange rate of 1:1.22985 as at 31 March 2018 and 1:1.12285 as at 31 March 2019.
- USD:CNY exchange rate of 1:6.29170 as at 31 March 2018 and 1:6.72020 as at 31 March 2019.
- Includes SL SPV-2, L.P.. The Asset Owning Companies' pro-rata interest in one of Silver Lake Partners III's portfolio companies has been rolled over to this special purpose vehicle set up and managed by Silver Lake.
- Vintage year value weighted by total NAV.

Fund Level Analysis

As at 31 March	2019	2018
Number of Funds	36	36
Number of General Partners	27	27
Largest Fund (% of NAV)	9.4% (Blackstone Capital Partners VI, L.P)	9.2% (Blackstone Capital Partners VI, L.P)
Largest GP (% of NAV)	10.2% (Blackstone Capital Partners)	10.6% (Blackstone Capital Partners)

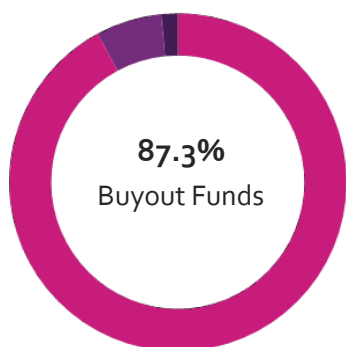
Fund Region (% of NAV)	2019	2018
------------------------	------	------



U.S.	60.3	62.8
Europe	21.8	19.1
Asia	17.9	18.1

The Fund Investments were focused in the U.S., which had the most developed private equity market.

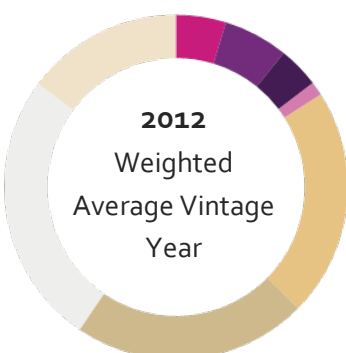
Fund Strategy (% of NAV)	2019	2018
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Buyout	87.3	86.1
Growth Equity	11.2	12.3
Private Debt	1.5	1.6

The majority of the portfolio comprised buyout funds.

Fund Vintage Year (% of NAV)	2019	2018
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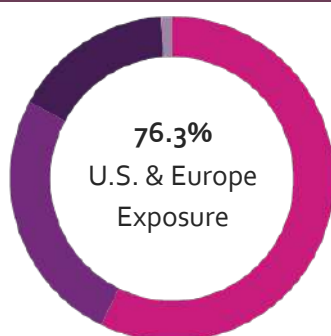
2006 & Before	4.9	8.4
2007	6.1	9.4
2008	3.7	8.1
2009	-	-
2010	1.3	1.2
2011	21.7	19.7
2012	22.2	19.8
2013	25.5	21.2
2014	14.6	12.2

The majority of the portfolio comprised funds of 2011-2014 vintages. The large exposure to mature funds in harvesting stages ensured that the portfolio was able to provide strong distribution cash flows.

Investee Companies Level Analysis

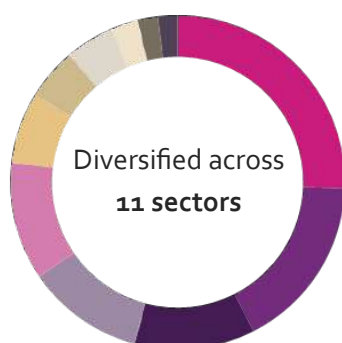
As at 31 December	2018	2017
Number of Investee Companies	546	596
% of Total NAV Publicly Listed	24.0%	26.2%
Largest Investee Company (% of NAV)	4.4%	2.6%
Weighted Average Holding Period	4.6 Years	4.3 Years

Investment Region (% of NAV)	2018	2017
U.S.	53.1	55.8
Europe	23.2	21.9
Asia	21.5	19.5
Rest of World	2.2	2.8



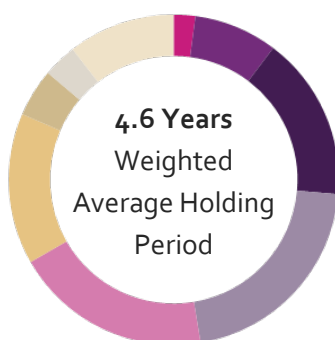
The underlying investee companies were primarily located in the U.S. and Europe.

Investment Sector (% of NAV)	2018	2017
Information Technology	25.5	22.9
Consumer Discretionary	16.9	21.3
Industrials	11.8	11.9
Financials	11.4	10.2
Healthcare	11.3	10.7
Energy	6.9	6.7
Consumer Staples	5.0	5.3
Materials	4.7	4.8
Real Estate	2.6	2.5
Telecommunication Services	2.0	2.0
Utilities	1.9	1.7



The underlying investee companies were well diversified across sectors.

Investment Holding Period (% of NAV)	2018	2017
≤ 1 Yrs	2.1	6.5
1 to 2 Yrs	8.1	13.6
2 to 3 Yrs	15.7	18.8
3 to 4 Yrs	21.5	19.1
4 to 5 Yrs	19.4	14.2
5 to 6 Yrs	14.6	5.4
6 to 7 Yrs	4.7	5.3
7 to 8 Yrs	3.3	2.3
> 8 Yrs	10.6	14.8



The weighted average holding period of the underlying investee companies was 4.6 years.

Top General Partners by NAV⁽¹⁾



Blackstone Capital Partners ("Blackstone")

Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for investors, the companies it invests in, and the communities in which it works with. Blackstone's asset management businesses, with \$512 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. More information and details can be found on the website of Blackstone (www.blackstone.com).



Silver Lake Partners ("Silver Lake")

Silver Lake is the global leader in technology investing, with about \$45.5 billion in combined assets under management and committed capital and a team of approximately 100 investment and value creation professionals located in Silicon Valley, New York, London and Hong Kong. Silver Lake's portfolio of investments collectively generates more than \$225 billion of revenue annually and employs more than 390,000 people globally. More information and details can be found on the website of Silver Lake (www.silverlake.com).



PAG Asia Capital ("PAG")

PAG is a leading Asia-focused alternative investment firm with funds under management across private equity, real estate and absolute return strategies. Based in Hong Kong, PAG delivers value to its investors and portfolio companies by providing a world-class platform and an unparalleled network of local, experienced investment professionals in 10 offices across Asia and around the world. Founded in 2002, PAG currently manages more than US\$30 billion in capital for some of the world's largest private and institutional investors (www.pagasia.com).

Notes:

1. Information on the General Partners were sourced from their respective websites as at 21 May 2019.

Top General Partners by NAV⁽¹⁾



Warburg Pincus LLC ("Warburg Pincus")

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than \$58 billion in private equity assets under management. The firm's active portfolio of more than 180 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 17 private equity funds, which have invested more than \$74 billion in over 860 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore. More information and details can be found on the website of Warburg Pincus (www.warburgpincus.com).



IK Investment Partners ("IK")

IK Investment Partners ("IK") is a Pan-European private equity firm focused on investments in the Nordics, DACH region, France, and Benelux. Since 1989, IK has raised close to €10 billion of capital and invested in over 125 European companies. IK funds support companies with strong underlying potential, partnering with management teams and investors to create robust, well-positioned businesses with excellent long-term prospects. More information and details can be found on the website of IK (www.ikinvest.com).

Notes:

1. Information on the General Partners were sourced from their respective websites as at 21 May 2019.





SONOS

Astrea IV Investee Companies

Case Study 1

SONOS

General Partner: KKR ("KKR")

Company: Sonos

Investment Type: Growth Equity



Summary

Sonos is a leading provider of wireless audio and home theatre products for the connected home. The company's unique multi-room wireless technology and proprietary software allow users to easily play and stream audio and video content throughout the home.

In 2012, Sonos raised US\$135 million in funding led by KKR. Subsequently in 2018, Sonos was successfully listed on the NASDAQ at US\$15 per share, valuing the company at approximately US\$1.5 billion.



Investment Thesis

- Clear technology leader in the multi-room audio category
- Opportunity to capitalise on fundamental shift in consumer listening habits by transitioning from analogue to digital
- Potential for building an entrenched lifestyle brand



Value Creation Achieved

- Augmented management team with experienced hires and appointments
- Drove significant product innovation to broaden & deepen product offering
- Enhanced brand equity through thoughtful marketing initiatives

Source:

KKR website (www.kkr.com), KKR reports, press releases

Astrea IV Investee Companies

Case Study 2



General Partner: PAG Asia Capital ("PAG")

Company: Tencent Music Entertainment

Investment Type: Growth Equity



Summary

Tencent Music Entertainment Group ("Tencent Music") is the leading online music entertainment platform in China, operating the country's highly popular and innovative music apps: QQ Music, Kugou Music, Kuwo Music and WeSing.

In 2013, PAG led an investment to merge Kugou, Kuwo and Ocean Music to form China Music Corporation ("CMC"), the largest digital music player in China at the time. In 2016, PAG also led the negotiations to merge CMC with the digital music assets under Tencent with the resulting merged entity renamed as Tencent Music. Subsequently in 2018, Tencent Music was successfully listed on the NYSE at US\$13 per share, implying a valuation of approximately US\$21.3 billion.



Investment Thesis

- Fast growing and profitable business where competitors are loss-making
- Ability to enforce copyright to create market discipline and pricing power
- Opportunity to consolidate market to create largest music user base



Value Creation Achieved

- Focused on consolidating music copyright through acquisition and licensing deals
- Pursued anti-piracy campaign against unauthorized usages
- Rolled out the first music subscription service in China

Source:

PAG website (www.pagasia.com), PAG reports, press releases

Astrea IV Investee Companies

Case Study 3

Chobani®

General Partner: TPG Capital (“TPG”)

Company: Chobani

Investment Type: Buyout



Summary

Chobani is one of America's leading Greek Yogurt brand with over 20% market share as of December 2017. In 2014, TPG invested US\$750 million to fund future growth, expansion and innovation at the company. In 2018, the Healthcare of Ontario Pension Plan (HOOPP), one of the largest defined benefit pension plans in Canada acquired a minority equity investment in Chobani. As a result of the transaction, TPG exited its investment in the company.



Investment Thesis

- Market leader in a high-growth category
- Compelling health and value proposition
- Product expansion and innovation opportunity
- Significant investment in manufacturing footprint



Value Creation Achieved

- Drove cost management and productivity improvements
- Built product expansion
- Implemented changes to the management team

Source:

TPG website (www.tpg.com), TPG reports, press releases

Astrea IV Investee Companies

Case Study 4



General Partner: Permira Advisers ("Permira")

Company: Magento Commerce

Investment Type: Buyout



Summary

Magento is a provider of cloud commerce innovation to merchants and brands across B2C and B2B industries.

In 2015, eBay divested its eBay Enterprise group in conjunction with the split of eBay Marketplaces and PayPal. As part of this transaction, Permira carved-out Magento and the Marketing Solutions divisions for c.US\$200 million. In 2018, Permira sold the company to Adobe in an all-cash transaction for US\$1.68 billion, after having executed an equity recapitalisation for US\$211 million in 2016.



Investment Thesis

- Global leader with more than 250,000 websites using Magento technology
- Strong market penetration of 1,000 largest merchants in North America
- Opportunity to enhance strategy including pricing and packaging, sales force optimisation and channel revamp

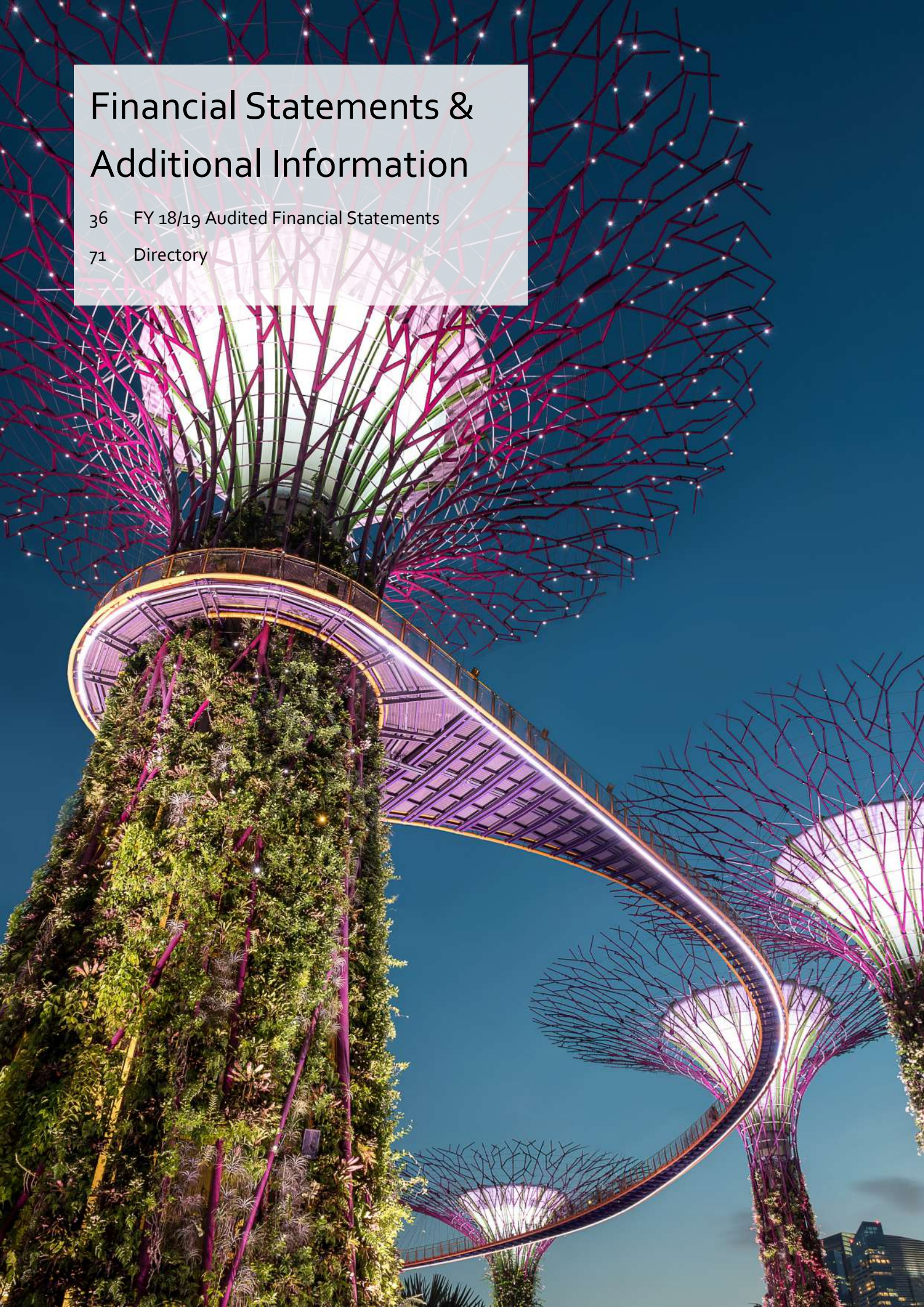


Value Creation Achieved

- Created standalone leader in fast-growing digital commerce software space
- Revamped go-to-market approach; reset pricing structure
- Enabled digital transformation from on-premise to cloud commerce systems
- Strategic add-on investments to acquire core functionality and adjacent businesses
- Supported leadership with key hires in product, sales, marketing and business development

Source:

Permira website (www.permira.com), Permira reports, press releases



Financial Statements & Additional Information

36 FY 18/19 Audited Financial Statements

71 Directory

ASTREA IV PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 201724741N)

ANNUAL REPORT

For the financial year ended 31 March 2019

Directors' Statement

For the financial year ended 31 March 2019

The directors present their statement to the member of Astrea IV Pte. Ltd. (the "Company") and its subsidiaries (the "Group") together with the audited financial statements of the Group for the financial year ended 31 March 2019 and the balance sheet of the Company as at 31 March 2019.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group set out on pages 48 to 69 are drawn up so as to give a true and fair view of the financial position of the Company and Group as at 31 March 2019 and of the financial performance of the business, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Dr Teh Kok Peng	(appointed on 13 April 2018)
Chan Ann Soo	
Wong Heng Tew	
Adrian Chan Pengee	(appointed on 13 April 2018)
Chinniah Kunnasagaran	(appointed on 13 April 2018)
Kan Shik Lum	(appointed on 13 April 2018)
Wang Piau Voon	(appointed on 13 April 2018)
David Jackson Sandison	(appointed on 13 April 2018)

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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

For the financial year ended 31 March 2019

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2018 or date of appointment, if later	At 31 March 2019
<u>Dr Teh Kok Peng</u>			
Ascendas Funds Management Limited	Unit Holdings	90,000	90,000
Ascendas Property Fund Trustee Pte. Ltd.	Unit Holdings	125,000	125,000
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD600,000
Mapletree Logistics Trust Management Ltd.	Unit Holdings	246,836	246,836
Olam International Limited	Ordinary Shares	118,674	118,674
Singapore Telecommunications Limited	Ordinary Shares	1,360	1,360

Directors' Statement

For the financial year ended 31 March 2019

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2018 or date of appointment, if later	At 31 March 2019
<u>Chan Ann Soo</u>			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD1,250,000	SGD1,250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD400,000	USD400,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD800,000
Mapletree Commercial Trust Management Ltd.	Unit Holdings	695,481	695,481
Mapletree North Asia Commercial Trust Management Ltd. (formerly known as Mapletree Greater China Commercial Trust Management Ltd.)	Unit Holdings	1,000	1,000
Olam International Limited	4.25% N190722	250,000	250,000
Singapore Airlines Limited	SIASP 3.145% N210408	250,000	250,000
Singapore Telecommunications Limited	Ordinary Shares	3,780	3,780

Directors' Statement

For the financial year ended 31 March 2019

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2018 or date of appointment, if later	At 31 March 2019
<u>Wong Heng Tew</u>			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD200,000
Singapore Telecommunications Limited	Ordinary Shares	3,204	3,204
<u>Adrian Chan Pengee</u>			
Astrea III Pte. Ltd.	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD200,000
Mapletree Industrial Trust Management Ltd.	Unit Holdings	15,096	15,336
SIA Engineering Company Limited	Ordinary Shares	2,000	2,000
Singapore Airlines Limited	Ordinary Shares	3,740	3,740
Singapore Technologies Engineering Ltd	Ordinary Shares	3,000	3,000
Singapore Telecommunications Limited	Ordinary Shares	5,080	6,440

Directors' Statement

For the financial year ended 31 March 2019

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2018 or date of appointment, if later	At 31 March 2019
<u>Chinniah Kunnasagaran</u>			
Ascendas Property Fund Trustee Pte. Ltd.	Unit Holdings	546,000	546,000
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD600,000
Olam International Limited	Bonds 6% due August 2018	SGD 750,000	-
	Bonds 5.8% due July 2019	SGD 750,000	SGD750,000
Singapore Airlines Limited	Ordinary Shares	47,047	47,047
Singapore Telecommunications Limited	Ordinary Shares	380	380
StarHub Ltd	Ordinary Shares	50,000	50,000

Directors' Statement

For the financial year ended 31 March 2019

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2018 or date of appointment, if later	At 31 March 2019
<u>Kan Shik Lum</u>			
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
Singapore Telecommunications Limited	Ordinary Shares	2,850	2,850
Temasek Financial (IV) Private Limited	T2023-S\$ 5-Year Temasek Bond 2.70% coupon due 2023	-	SGD12,000
<u>Wang Piau Voon</u>			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD750,000	SGD750,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Astrea IV Pte. Ltd.	Class A-1 4.35% Secured Fixed Rate Bonds due 2028	-	SGD50,000
	Class A-2 5.50% Secured Fixed Rate Bonds due 2028	-	USD200,000
	Class B 6.75% Secured Fixed Rate Bonds due 2028	-	USD200,000
Singapore Telecommunications Limited	Ordinary Shares	190	190

Directors' Statement

For the financial year ended 31 March 2019

Share options

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

No shares were 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.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Dr Teh Kok Peng

Chan Ann Soo

6 May 2019

Independent Auditor's Report to the Member of Astrea IV Pte. Ltd.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Astrea IV Pte. Ltd. ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2019;
- the consolidated balance sheet of the Group and Company as at 31 March 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 31 March 2019. 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.

Independent Auditor's Report to the Member of Astrea IV Pte. Ltd. (continued)

Report on the Audit of the Financial Statements

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of private equity fund investments As at 31 March 2019, investments in private equity funds was stated at US\$928,895,000. This relates to the Group's interest in private equity funds ("investments") and accounted for 87% of the total assets. These investments are not publicly traded and their prices are not observable in the market. We focused on the valuation of these investments given the significant value of the investments, management's reliance on the quarterly capital account statements and management's judgement in making adjustments to ascertain the fair value. Refer to <i>Note 4 – Critical accounting estimates and judgements</i> and <i>Note 10 – Investments in private equity funds</i> for the disclosures relating to the existence and valuation of these investments.	We evaluated the reasonableness of management's estimate of the fair value of the investments by taking into consideration the following: • Latest available quarterly capital account statements and/or audited financial statements of the investments ("the Statements"); • Valuation details in the Statements provided by the fund managers; • Drawdowns and distributions made throughout the financial year; and • Adjustments made by the Group to the amounts reported by the fund managers to arrive at the fair value at the reporting date. We found no significant exceptions from performing these procedures.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Member of Astrea IV Pte. Ltd. (continued)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group'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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report to the Member of Astrea IV Pte. Ltd. (continued)

Report on the Audit of the Financial Statements

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong King Howe.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 6 May 2019

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2019

	Note	Group	
		2019	2018
		US\$'000	US\$'000
Gain on investments in private equity funds		55,765	51,424
Other income		1,225	-
Other gains	5	4,441	940
Administrative expenses	6	(6,216)	(446)
Finance expenses	7	(22,072)	-
Other expenses		(22)	(3,258)
Profit before income tax		33,121	48,660
Income tax expense	8	-	-
Profit for the year/period representing total comprehensive income for the year/period		33,121	48,660

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

Consolidated Balance Sheet

As at 31 March 2019

		Group		Company	
	Note	2019	2018	2019	2018
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Subsidiaries	9	-	-	20,000	20,000
Loans to subsidiaries	9	-	-	839,747	1,042,039
Investments in private equity funds	10	928,895	1,098,383	-	-
Derivative financial instruments	11	5,938	-	5,938	-
		934,833	1,098,383	865,685	1,062,039
Current assets					
Trade and other receivables	12	4,025	7,190	790	5
Cash and cash equivalents	13	131,616	8,327	131,616	55
Derivative financial instruments	11	1,428	-	1,428	-
		137,069	15,517	133,834	60
Total assets		1,071,902	1,113,900	999,519	1,062,099
Non-current liabilities					
Borrowings	14	490,940	-	490,940	-
Derivative financial instruments	11	2,686	-	2,686	-
		493,626	-	493,626	-
Current liabilities					
Other payables	15	9,643	2,903	8,871	51
Derivative financial instruments	11	1,834	-	1,834	-
		11,477	2,903	10,705	51
Total liabilities		505,103	2,903	504,331	51
Equity					
Share capital	16	50,000	50,000	50,000	50,000
Loan from immediate holding company	17	445,018	1,012,337	445,018	1,012,337
Accumulated profits/(losses)		71,781	48,660	170	(289)
		566,799	1,110,997	495,188	1,062,048
Total liabilities and equity		1,071,902	1,113,900	999,519	1,062,099

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2019

	Note	Group		
		Share capital	Loan from immediate holding company	Accumulated profits
		US\$'000	US\$'000	US\$'000
2019				
Beginning of financial year		50,000	1,012,337	48,660
Net repayment of loan to immediate holding company	17	-	(567,319)	-
Profit for the year		-	-	33,121
Transaction with owner, recorded directly in equity				
Dividends paid	18	-	-	(10,000)
End of financial year		50,000	445,018	71,781
2018				
Beginning of financial period		-	-	-
Issuance of shares	16	50,000	-	-
Net loan from immediate holding company	17	-	1,012,337	-
Profit for the period		-	-	48,660
End of financial period		50,000	1,012,337	48,660

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2019

		Group	
	Note	2019	2018
		US\$'000	US\$'000
Cash flows from operating activities			
Profit before income tax		33,121	48,660
Adjustments for:			
- Gain on investments in private equity funds		(55,765)	(51,424)
- Net gain on derivative financial instruments		(2,846)	-
- Finance expenses		22,072	-
- Foreign exchange gain		(2,404)	-
- Interest income		(1,225)	-
		(7,047)	(2,764)
Changes in:			
Trade and other receivables		(558)	(9)
Accrued operating expenses		(1,199)	2,903
		(8,804)	130
Interest received		910	-
Net cash (used in)/provided by operating activities		(7,894)	130
Cash flows from investing activities			
Acquisition of/Drawdowns from investments in private equity funds		(44,049)	(465,841)
Distributions received from investments in private equity funds		273,342	123,265
Net cash provided by/(used in) investing activities		229,293	(342,576)
Cash flows from financing activities			
Net proceeds from borrowings	14	492,732	-
Interest paid on borrowings		(13,458)	-
Proceeds from issuance of shares	16	-	50,000
Net (repayment of loan to)/loan from immediate holding company	17,19	(567,319)	300,773
Dividends paid	18	(10,000)	-
Net cash (used in)/provided by financing activities		(98,045)	350,773
Net increase in cash and cash equivalents		123,354	8,327
Cash and cash equivalents at beginning of financial year		8,327	-
Effects of changes in exchange rate		(65)	-
Cash and cash equivalents at end of financial year	13	131,616	8,327

As at 31 March 2019, the cash and cash equivalents includes an amount of US\$39,425,000 (2018: NIL), which is accumulated as Reserve Amounts for Class A-1 Bonds and Class A-2 Bonds and can only be utilised in accordance with the conditions set out in the Astrea IV Bonds.

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

Notes to the Financial Statements

For the financial year ended 31 March 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Astrea IV Pte. Ltd. (The "Company") is incorporated and domiciled in Singapore. The address of the Company's registered office is 1 Wallich Street, #32-02 Guoco Tower, Singapore 078881.

The principal activities of the Group are that of investment holding.

The immediate, intermediate and ultimate holding companies at the end of the financial year are Astrea Capital IV Pte. Ltd., Azalea Asset Management Pte. Ltd. and Temasek Holdings (Private) Limited respectively. All companies are incorporated in Singapore.

The Company issued the Class A-1 Bonds, Class A-2 Bonds and Class B Bonds (the "Astrea IV Bonds"⁽¹⁾) on 14 June 2018 (Note 14).

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS (I)") and International Financial Reporting Standards ("IFRS").

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in United States Dollar, which is the Company's functional currency and one which best reflects the primary economic environment in which the Group operates. All financial information presented in United States Dollar has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgement

The preparation of financial statements in conformity with SFRS(I) and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information on areas involving a high degree of judgement or areas where estimates are significant to the financial statements is set out in Note 4.

2.5 Adoption of SFRS(I) and IFRS

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) and IFRS on 1 April 2018. The financial statements for the year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I) and IFRS. As such, SFRS(I) 1 First-time Adoption of SFRS(I) and IFRS 1 First-time Adoption of IFRS have been applied. The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("FRS"). All reference to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. As the Company was incorporated on 30 August 2017, no opening balance sheet has been prepared.

⁽¹⁾ A summary of the Astrea IV Bonds can be found in the Astrea IV Prospectus, section "Summary of the Transaction"

Notes to the Financial Statements

For the financial year ended 31 March 2019

2. Basis of preparation (continued)

2.5 Adoption of SFRS(I) and IFRS (continued)

The Group has applied the exemption to adopt SFRS(I) 9 on 1 April 2018. The comparative information was prepared in accordance with FRS 39. The Group is also exempted from complying with SFRS(I) 7 Financial Instruments: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to items within the scope of SFRS(I) 9, in the first year of transition to SFRS (I).

There were no adjustments to the Group's and Company's financial statements on adoption of SFRS(I).

2.6 New or revised accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2019, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

3. Significant accounting policies

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

3.1 Consolidation

(a) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. 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. Subsidiaries are fully consolidated in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of comprehensive income. 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.

3.2 Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Group entities 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 profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2019

3. Significant accounting policies (continued)

3.3 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in private equity funds, trade and other receivables, cash and cash equivalents, other payables and borrowings.

Cash and cash equivalents comprise cash balances and bank deposits.

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. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the profit or loss. 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.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal and 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. They are presented as current assets and liabilities if they are expected to be realised or settled within one year or less. Otherwise, they are presented as non-current.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial assets – applicable from 1 April 2018

On initial recognition, a financial asset is classified and measured at fair value through profit or loss or at amortised cost. Financial assets will be reclassified subsequent to their initial recognition only when the Group changes its business model for managing financial assets. The determination of the classification at initial and subsequent recognition into each of the measurement category are as described below.

(a) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is held for trading or designated as such upon initial recognition. Movement in fair value and interest income is recognised in profit or loss. Financial assets at fair value through profit or loss includes investments in private equity funds.

Distributions received from investment in private equity funds are recognised as a repayment of investment cost. Any distributions in excess of investment cost are recognised in the profit or loss.

(b) Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held for the collection of contractual cash flows and where the cash flows represent solely payments of principal and interest. These assets are subsequently measured at amortised cost using effective interest method. Any gain or loss on the financial asset that is subsequently measured at amortised cost is recognised in profit or loss when the financial asset is derecognised or impaired. Financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

Notes to the Financial Statements

For the financial year ended 31 March 2019

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

Non-derivative financial instruments (continued)

Financial assets – applicable before 1 April 2018

(a) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is acquired principally for the purpose of selling in the short-term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the profit or loss. Financial assets at fair value through profit or loss include investments in private equity funds.

Distributions received from financial assets at fair value through profit or loss are recognised as a repayment of investment cost. Any distribution in excess of investment cost are recognised in the profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include trade and other receivables and cash and cash equivalents which are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities

(a) Other payables

Other payables are initially carried at fair value, and subsequently 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 profit or loss over the period of the borrowings using the effective interest method.

Impairment of financial assets – applicable after 1 April 2018

The Group assesses the expected credit losses associated with its financial assets carried at amortised cost on a forward looking basis. The methodology applied depends on whether there had been a significant increase in credit risk. The Group considers significant increase in credit risk as a material deterioration on the counterparty's rating and the counterparty is unlikely to pay its obligations to the Group in full.

Impairment of financial assets – applicable before 1 April 2018

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual specific basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses in respect of financial assets measured at amortised cost are recognised in the profit or loss. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Impairment losses in respect of financial assets measured at amortised cost is reversed in the profit or loss if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Notes to the Financial Statements

For the financial year ended 31 March 2019

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

Share capital

(a) Ordinary shares

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.

(b) Preference shares

Preference shares are classified as equity if they are not redeemable on a specific date, or if redeemable only at the option of the Company, or if dividend payments are discretionary.

Derivative financial instruments

Derivative financial instruments are recognised initially at fair value and attributable transaction costs are recognised in the profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are recognised in the profit or loss.

3.4 Impairment of non-financial instruments

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any objective evidence or indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Income

Interest income comprises interest on cash balances and bank deposits and is recognised based on effective interest method.

3.6 Tax

Tax expense comprises current tax. Tax expense is recognised in the profit or loss 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 prior years.

3.7 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

Notes to the Financial Statements

For the financial year ended 31 March 2019

3. Significant accounting policies (continued)

3.7 Structured entities (continued)

The change in fair value of such structured entities is included in the statement of comprehensive income.

3.8 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

3.9 Investments in subsidiaries

Investments in subsidiaries including loans to subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3.10 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. Government grants relating to expenses are deducted against the related expenses which they are intended to compensate.

3.11 Dividends

Dividends to the Company's shareholder is recognised when the dividends are approved for payment.

4. Critical accounting estimates and judgements

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.

The accounting policies that are deemed to be critical to the amounts recognised in the financial statements, or which involve a significant degree of judgement and estimation, are discussed below:

Fair value estimation

The Group invests in private equity fund investments which are managed by third-party fund managers. Fund managers provide quarterly statements and annual audited financial statements to the Group to report their assessment of the fair value of the underlying investments.

The Group relies on the fund managers' latest available quarterly capital account statements and/or audited financial statements to ascertain the fair value of its investments in the private equity funds and may make adjustments accordingly as described in Note 20(e).

Management believes that any change in the key assumptions used by the fund managers to determine the fair value estimation in these abovementioned statements may cause the fair values to be different and the difference could be material to the financial statements.

5. Other gains

	Group	
	2019	2018
	US\$'000	US\$'000
Foreign exchange gain	2,407	940
Net gain on derivative financial instruments	2,034	-
	4,441	940

Notes to the Financial Statements

For the financial year ended 31 March 2019

6. Administrative expenses

	Group	
	2019	2018
	US\$'000	US\$'000
Management fees to a fellow subsidiary	3,549	-
Others	2,667	446
	6,216	446

7. Finance expenses

	Group	
	2019	2018
	US\$'000	US\$'000
Interest expense on borrowings	21,282	-
Amortisation of transaction cost on borrowings	790	-
	22,072	-

8. Income tax expense

	Group	
	2019	2018
	US\$'000	US\$'000
Current tax expense		
Current year/period	-	-
Reconciliation of effective tax rate		
Profit before income tax	33,121	48,660
Income tax using Singapore tax rate of 17% (2018: 17%)	5,631	8,272
Income not subject to tax	(10,443)	(8,901)
Expenses not deductible for tax purposes	4,812	629
	-	-

The Group has been approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act with effect from 8 February 2018. The tax exemption status will be for the life of the Group, provided that the Group continues to meet all conditions and terms.

Notes to the Financial Statements

For the financial year ended 31 March 2019

9. Subsidiaries

	Company	
	2019	2018
	US\$'000	US\$'000
At cost		
Ordinary shares	2,000	2,000
Preference shares	18,000	18,000
Total cost of investment	20,000	20,000
Loans to subsidiaries	839,747	1,042,039

On 5 June 2018, the Company entered into shareholder loan agreements (the "Shareholder Loan Agreements") with its subsidiaries. Under the Shareholder Loan Agreements, loans to subsidiaries are unsecured and interest-free. On the 20th anniversary of the date of the Shareholder Loan Agreements, or earlier as agreed by all parties, the Company's subsidiaries have the option to repay in cash or issue ordinary shares at US\$1 each which in aggregate is equal to the outstanding amount. As such, loans to subsidiaries are classified as non-current and stated at cost less accumulated impairment losses.

In the prior financial period, loans to subsidiaries are unsecured and interest-free. The settlement of the amounts is neither planned nor likely to occur in the next twelve months.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business	Country of incorporation	Percentage of equity held	
			2019	2018
			%	%
AsterFour Assets I Pte. Ltd.	Singapore	Singapore	100	100
AsterFour Assets II Pte. Ltd.	Singapore	Singapore	100	100

10. Investments in private equity funds

	Group	
	2019	2018
	US\$'000	US\$'000
Non-Current		
Designated as fair value through profit or loss upon initial recognition	928,895	1,098,383

The Group's exposures to market risks and the fair value hierarchy information relating to investments in private equity funds are disclosed in Note 20.

Structured entities

The Group considers all its investments in private equity funds to be structured entities and does not have any power over these entities such that its involvement will vary its returns from these entities. These structured entities finance their operations through capital commitments from their investors.

The Group's maximum exposure to loss from its interests in structured entities is equal to the total fair value of its investments in these structured entities and any uncalled capital commitments.

Once the Group no longer holds interest in a structured entity, the Group ceases to be exposed to any risk from that entity.

Notes to the Financial Statements

For the financial year ended 31 March 2019

11. Derivative financial instruments

Derivative financial instruments comprise net fair value loss of the Euro and Singapore Dollar currency forwards used to manage the exposures from the Group's investments in private equity funds and borrowings. The contracted notional principal amount of the derivatives outstanding at balance sheet date is US\$282,347,000 (2018: NIL).

The Group's exposure to liquidity risk relating to derivative financial instruments is disclosed in Note 20(c).

12. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	3,141	7,181	-	-
Prepayments	40	9	40	5
Other receivables	844	-	750	-
	131,616	7,190	790	5

Trade receivables represent distributions pending receipt from the Group's investments in private equity funds.

The Group's and Company's exposure to credit risk relating to trade and other receivables is disclosed in Note 20(b).

13. Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank	8,675	8,327	8,675	55
Fixed deposits	122,941	-	122,941	-
	131,616	8,327	131,616	55

14. Borrowings

	Group		Company	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current	490,940	-	490,940	-

Notes to the Financial Statements

For the financial year ended 31 March 2019

14. Borrowings (continued)

Details of borrowings were as follows:

	Scheduled Maturity Date	Final Maturity Date	Interest Rate (per annum)	Interest Rate Step-Up (per annum)	Initial Principal Amount
Class A-1	14 June 2023	14 June 2028	4.35%	1.00%	SGD242million
Class A-2	14 June 2023	14 June 2028	5.50%	1.00%	USD210million
Class B	-	14 June 2028	6.75%	-	USD110million

	2019		
	Principal Amount	Transaction Cost ^(#)	Carrying Amount
	US\$'000	US\$'000	US\$'000
Non-current			
Class A-1	178,664	(2,725)	175,939
Class A-2	210,000	(3,175)	206,825
Class B	110,000	(1,824)	108,176
	498,664	(7,724)	490,940

^(#) Transaction costs were costs that were directly attributable to the issue of the Astrea IV Bonds. Such transaction costs were allocated between the different classes by the initial principal amount and recognised in the profit or loss over the shorter of scheduled maturity period or final maturity period. The figures presented in the table shows the remaining transaction cost to be recognised in the profit or loss.

The Astrea IV Bonds were issued on 14 June 2018 and have the following characteristics:

- A first fixed charge over all present and future shares held by the Company in its subsidiaries, and all present and future dividends in respect of such shares;
- A first fixed charge over the Company's present and future bank accounts and custody accounts;
- An assignment of all the Company's present and future rights, title and interest in and to the Shareholder Loan Agreements (the "Agreements"), including all moneys payable to the Company and any claims, awards and judgement in favour of, receivable or received by the Company under or in connection with or pursuant to the Agreements; and
- A first floating charge over the Company's undertaking and all of its assets, both present and future.

The fair value of the borrowings as at balance sheet date is US\$513,444,000 (2018: NIL).

Reconciliation of borrowings arising from financing activities

	Beginning of financial year	Net proceeds from borrowings	Interest payments	Non-cash changes		End of financial year
	US\$'000	US\$'000	US\$'000	Finance expense	Foreign exchange movement	US\$'000
2019						
Borrowings and Interest payable	-	492,732	(13,458)	22,072	(2,466)	498,880

Notes to the Financial Statements

For the financial year ended 31 March 2019

15. Other payables

	Group		Company	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Accrued operating expenses	1,703	2,903	931	51
Interest payable	7,940	-	7,940	-
	9,643	2,903	8,871	51

16. Share capital

	Company	
	2019	2018
	US\$'000	US\$'000
Ordinary shares	1,000	1,000
Preference shares	49,000	49,000
	50,000	50,000
	No. of shares	
<u>Fully paid ordinary shares with no par value</u>		
At beginning and end of the financial year/period	1,000,000	-
Issuance of shares	-	1,000,000
At the end of the financial year/period	1,000,000	1,000,000
<u>Fully paid preference shares with no par value</u>		
At beginning and end of the financial year/period	49,000,000	-
Issuance of shares	-	49,000,000
At the end of the financial year/period	49,000,000	-

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

In the prior financial period, the issued and paid-up ordinary share capital of the Company was increased to US\$1,000,000 by way of an allotment of 1,000,000 new ordinary shares in the capital of the Company to its immediate holding company.

The terms of the preference shares are contained in the Memorandum and Articles of Association of the Company and the main terms are summarised as follows:

- The holders shall be entitled, in preference to the holders of ordinary shares, to receive a preferential dividend determined by the Company from time to time.
- Upon liquidation, the holders shall have the right of repayment of capital in priority to the holders of ordinary shares and to participate equally with the holders of ordinary shares in any surplus assets.
- The holders shall have the same rights to attend, speak and vote at any general meeting of the Company as those conferred on the holders of ordinary shares.
- The Company shall have the sole right at any time and from time to time to redeem, in whole or in part, by giving not less than 30 days prior notice to the holders.

Notes to the Financial Statements

For the financial year ended 31 March 2019

17. Loan from immediate holding company

On 5 June 2018, the Company entered into a shareholder loan agreement (the "Sponsor Shareholder Loan Agreement"⁽²⁾) with its immediate holding company. Under the Sponsor Shareholder Loan Agreement, loan from immediate holding company is unsecured and interest-free. On the 20th anniversary of the date of the Sponsor Shareholder Loan Agreement, or earlier as agreed by all parties, the Company has the option to repay in cash or issue ordinary shares at US\$1 each which in aggregate is equal to the outstanding amount.

In the prior financial period, loan from immediate holding company is unsecured and interest-free. The settlement of the amount is neither planned nor likely to occur in the next twelve months. Repayment of the loan is at the sole discretion of the Company. The loan from immediate holding company is stated at cost.

18. Dividends

	Group	
	2019	2018
	US\$'000	US\$'000
<i>Ordinary dividends</i>		
Interim dividends paid in respect of the current financial year/period of US\$10 per share (2018: NIL)	10,000	-

19. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the significant transactions between the Group and its related parties are as follows:

	Group	
	2019	2018
	US\$'000	US\$'000
Purchase of investments in private equity funds from related parties with common ultimate holding company	-	735,683
Transfer of investment in private equity fund to a fellow subsidiary	-	24,119

In the prior financial period, the total consideration of US\$711,564,000 of the transactions was effected through the Group's loan with its immediate holding company and then settled by its intermediate holding company on behalf of the Group. Therefore, the consideration had not been included in the Group's consolidated statement of cash flows.

20. Financial risk management

The Group's activities expose it to a variety of financial risk: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Group's investments comprise a stable portfolio of private equity funds which are held for the long term. The Group's risk management approach is to minimise the potential adverse effects on the Group's financial performance. Specific investment guidelines on exposure to security types and concentration limits are in place for the Group at any time. The Group's strategy of investing in a diversified portfolio of funds with widely diversified underlying companies is part of the overall financial risk management.

⁽²⁾Refer to the Astrea IV Bonds' prospectus for definition of "Sponsor Shareholder Loan Agreement". Also refer to section "Funding of Capital Calls" for more details.

Notes to the Financial Statements

For the financial year ended 31 March 2019

20. Financial risk management (continued)

(a) Market risk

(i) Currency risk

The Group's exposure to foreign currency risk arises from its financial assets and financial liabilities which are denominated in foreign currencies mainly in Singapore Dollar ("SGD"), Euro ("EUR") and Chinese Renminbi ("CNY").

The exposure is managed by the Group as part of its operations.

	Group			Company	
	SGD	EUR	CNY	SGD	EUR
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2019					
Investments in private equity funds	-	174,917	6,913	-	-
Trade and other receivables (excluding prepayments)	560	-	-	466	-
Cash and cash equivalents	35,966	4,161	-	35,966	4,161
Other payables	(2,363)	-	-	(2,334)	-
Borrowings	(175,939)	-	-	(175,939)	-
	(141,776)	179,078	6,913	(141,841)	4,161
Currency forwards	183,812	(98,534)	-	183,812	(98,534)
Net currency exposure	42,036	80,544	6,913	41,971	(94,373)
2018					
Investments in private equity funds	-	180,475	29,757	-	-
Trade and other receivables (excluding prepayments)	-	240	-	-	-
Cash and cash equivalents	107	2,460	-	29	-
Other payables	(74)	-	-	(52)	-
Net currency exposure	33	183,175	29,757	23	-

A 1% (2018: 1%) strengthening/weakening of the USD against the foreign currencies at balance sheet date would have decreased/increased profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Group		Company	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
SGD	420	*	420	*
EUR	805	1,832	944	-
CNY	69	298	-	-

*Amount less than US\$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2019

20. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk arising from uncertainties on future prices of investments classified as investments in private equity funds. The Group does not hold quoted investments and therefore does not have exposure to price risk on quoted investments. The fair value information on its investments in private equity funds is presented in Note 20(e).

(iii) Interest rate risk

The Group does not have significant exposure to interest rate risk. The bonds issued under Astrea IV Bonds and the fixed deposits are at fixed rates and are independent of changes in market interest rates.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to financial instruments fails to meet its contractual obligations, and principally from the Group's financial assets at amortised cost. This exposure is managed by diversifying its credit risks and dealing mainly with high credit quality counterparties assessed by international credit rating agencies. The credit ratings of these financial assets are monitored for credit deterioration.

The maximum exposure to credit risk to the Group's financial assets is the carrying amount as presented on the balance sheet.

The Group's trade and other receivables and cash and cash equivalent are categorised as financial assets at amortised cost and previously as loans and receivables under FRS 39. As the Group's financial assets at amortised cost are transacted with counterparties which has investment grade rating by international credit rating agencies, these financial assets are subject to immaterial credit loss and there has been no movement in credit loss allowances for the year.

In the prior financial period, the impairment of loans and receivables were assessed based on the incurred loss impairment model. The loans and receivables were neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities and uncalled capital commitments that are settled by delivering cash or another financial assets.

The Group manages its liquidity risk through a combination of maintaining sufficient cash and cash equivalents and maintenance of credit facilities. Excess funds are invested in short-term bank deposits.

The Group's credit facilities can be utilised for funding of capital drawdowns for its investments in private equity funds and operating expenses⁽³⁾. There were no drawdowns during the financial year.

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Cash flows			
		Contractual cash flows	Within 1 year	Between 1 to 5 years	More than 5 years
2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Other payables	9,643	9,643	9,643	-	-
Derivative financial liabilities	4,520	183,812	81,324	102,488	-
Borrowings	490,940	498,664	-	388,664	110,000
	505,103	692,119	90,967	491,152	110,000
2018					
Other payables	8,871	8,871	8,871	-	-

⁽³⁾Refer to the Astrea IV Bonds' prospectus, section "Liquidity Facility" and "Funding of Capital Calls" for more details.

Notes to the Financial Statements

For the financial year ended 31 March 2019

20. Financial risk management (continued)

(c) Liquidity risk (continued)

As at 31 March 2019, the Group also has obligation to fund uncalled capital commitments, as and when required, in relation to its investments in private equity funds of approximately US\$126,534,000 (2018: US\$168,132,000).

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal structure so as to maximise shareholder value. Capital is defined as equity attributable to the equity holders.

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(e) Fair value measurement

Assets and liabilities measured at fair value are classified by level of the following fair value measurement hierarchy:

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

The tables below analyses fair value measurements for assets and liabilities:

	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
2019				
<u>Assets</u>				
Investments in private equity funds	-	-	928,895	928,895
Derivative financial instruments	-	7,366	-	7,366
	-	7,366	928,895	936,261
<u>Liability</u>				
Derivative financial instruments	-	(4,520)	-	(4,520)
2018				
<u>Assets</u>				
Investments in private equity funds	-	-	1,098,383	1,098,383

There has been no transfer of the Group's financial assets to/from other levels in 2019 and 2018.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Derivative financial instruments

Derivative financial instruments include forward foreign currency contracts which are not traded in an active market and are classified under Level 2. The fair value of the derivative financial instruments is determined using forward currency rates at the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 March 2019

20. Financial risk management (continued)

(e) Fair value measurement (continued)

Investments in private equity funds

The Group's investments in private equity funds are not publicly traded and are classified under Level 3. In determining the fair value of its private equity fund investments, the Group relies on fund managers' latest available quarterly capital account statements and/or audited financial statements to ascertain the fair value of such investments which are based on their respective valuation policy and process designed to subject the valuation to an appropriate level of consistency, oversight and review and followed applicable accounting standards requirements. The reported fair value of such investments is the net asset value of the private equity funds.

The Group reviews the valuation details in the statements provided by the fund managers, and also considers the statement date and cash flows (drawdowns/distributions) since the date of statements provided.

The Group may make adjustments to the reported fair value per the statements provided by fund managers based on considerations such as:

- cash flow (drawdowns/distributions) since the date of the statements used;
- other significant observable or unobservable data that would indicate amendments are required.

The Group's investments in private equity funds hold both quoted as well as unquoted investments. On an overall investment portfolio basis, the underlying quoted component represents 24% (2018: 25%) of the total reported fair value of investments. If the reported net assets value of the Group's investments in the underlying private equity funds increased or decreased by 2% (2018: 1%) on the quoted components and 12% (2018: 5%) on the unquoted components, the Group's investments in private equity funds would have been higher or lower by US\$4,459,000 (2018: US\$2,746,000) for the quoted components and US\$84,715,000 (2018: US\$41,189,000) for the unquoted components respectively.

The following table presents the changes in Level 3 instruments:

	Investments in private equity funds
	US\$'000
2019	
Beginning of the financial year	1,098,383
Drawdowns made	44,049
Distributions received	(269,302)
Gain recognised in profit or loss	55,765
End of financial year	928,895
Total gain recognised in profit or loss for assets held at end of financial year	55,765
2018	
Beginning of the financial year	-
Acquisitions/Drawdowns made	1,201,524
Distributions received	(130,446)
Transfer of investment in private equity fund to a fellow subsidiary	(24,119)
Gain recognized in profit or loss	51,424
End of financial period	1,098,383
Total gains recognised in profit or loss for assets held at end of financial period	51,424

Notes to the Financial Statements

For the financial year ended 31 March 2019

21. Segment information

The Board of Directors considers business from both a geographical and strategy perspective and the following table analyses the total assets and total income by geographical and strategy:

	Group			Total
	Buyout	Growth Equity	Private Debt	
	US\$'000	US\$'000	US\$'000	US\$'000
2019				
<u>Segment assets</u>				
- United States of America	466,516	79,788	14,393	560,697
- Europe	202,609	-	-	202,609
- Asia	141,440	24,149	-	165,589
	810,565	103,937	14,393	928,895
<u>Segment income</u>				
- United States of America	11,796	7,888	(239)	19,445
- Europe	25,383	-	-	25,383
- Asia	17,719	(6,782)	-	10,937
	54,898	1,106	(239)	55,765
2018				
<u>Segment assets</u>				
- United States of America	594,132	78,767	17,305	690,204
- Europe	209,389	-	-	209,389
- Asia	142,548	56,242	-	198,790
	946,069	135,009	17,305	1,098,383
<u>Segment income</u>				
- United States of America	49,585	5,155	-	54,740
- Europe	(4,333)	-	-	(4,333)
- Asia	-	1,017	-	1,017
	45,252	6,172	-	51,424

A reconciliation of total net segmental assets and income to total assets and profit for the year is provided as follows:

	Group	
	2019	2018
	US\$'000	US\$'000
Total segment assets	928,895	1,098,383
Trade and other receivables	4,025	7,190
Cash and cash equivalents	131,616	8,327
Derivative financial instruments	7,366	-
Total assets	1,071,902	1,113,900
Total segment income	55,765	51,424
Other income	1,225	-
Other gains	4,441	940
Administrative expenses	(6,216)	(446)
Finance expenses	(22,072)	-
Other expenses	(22)	(3,258)
Income tax expense	-	-
Profit for the year/period	33,121	48,660

Notes to the Financial Statements

For the financial year ended 31 March 2019

22. Comparative figures

The financial statements for 2019 cover the twelve months ended 31 March 2019 whereas the financial statements for 2018 cover the financial period from 30 August 2017 (date of incorporation) to 31 March 2018.

23. Authorisation of financial statements

These financial statements were authorised for issue by the Board of Directors on 6 May 2019.

Disclaimer

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In this report, references to "\$" are to U.S. dollars and base currency used is U.S. dollars unless otherwise stated.

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