IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be located outside the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us (1) that you and any customers you represent are, and the electronic mail address that you provided us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described therein.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities in this Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuers and the Guarantor (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuers, the Sole Arranger (as defined in this Offering Circular), any Dealer (as defined in this Offering Circular), any person who controls any of them, any director, officer, employee or agent of the Issuers, the Guarantor, the Sole Arranger, any Dealer, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Sole Arranger or any Dealer.

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

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

sembcorp

SEMBCORP INDUSTRIES LTD

(Incorporated in the Republic of Singapore on 20 May 1998)
(Company Registration No. 199802418D)

and

SEMBCORP FINANCIAL SERVICES PTE. LTD.

(Incorporated in the Republic of Singapore on 14 March 2003)
(Company Registration No. 200302373G)

S$5,000,000,000
Euro Medium Term Note Programme

Under this S$5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), each of Sembcorp Industries Ltd ("**SCI**" or "**Sembcorp Industries**"), Sembcorp Financial Services Pte. Ltd. ("**SFS**") or any subsidiary of SCI specified in the applicable Pricing Supplement (as defined below) which has executed an Issuer Deed of Accession (as defined herein) (a "**Subsidiary Issuer**") (any of SCI or SFS or a Subsidiary Issuer, an "**Issuer**" and together, the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") or perpetual securities (the "**Securities**", and together with the Notes, the "**Instruments**") denominated in any currency as agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). Each Series (as defined in "**Overview of the Programme**") of Notes and Securities are issued only by (i) SCI, (ii) SFS, or (iii) any Subsidiary Issuer. Notes and Securities issued by SFS or any Subsidiary Issuer (the "**Guaranteed Instruments**") shall be unconditionally and irrevocably guaranteed by SCI (in its capacity as guarantor, the "**Guarantor**"). The Securities may rank as senior obligations (the "**Senior Securities**") or subordinated obligations (the "**Subordinated Securities**") of the relevant Issuer.

Notes and Securities may be issued in bearer or registered form (respectively "**Bearer Notes**", "**Registered Notes**", "**Bearer Securities**" and "**Registered Securities**"). The maximum aggregate nominal amount of all Instruments from time to time outstanding under the Programme will not exceed S$5,000,000,000 (or its equivalent in other currencies at the date of issue), subject to increase as described in the Dealer Agreement.

The Instruments may be issued by SCI, SFS or any Subsidiary Issuer on a continuing basis to one or more Dealers (as defined herein) specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the relevant Issuer and the Guarantor (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Instruments being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Instruments.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme for permission to deal in, and for a quotation of, any Instruments to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents herein. The approval in-principle from, and the admission of any Instruments to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuers, the Guarantor, the Programme or the Instruments.

Notice of the aggregate nominal amount of Instruments, interest (if any) or distribution (if any), as the case may be, payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche of Instruments (as defined under "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the Securities*", respectively), will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Instruments to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of listing of the Instruments of such Tranche.

The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer(s). The relevant Issuer may also issue Instruments which are unlisted and/or not admitted to trading on any market.

Each Tranche of Instruments of each Series in bearer form will be represented on issue by (i) in the case of Notes, a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**" and together with any Temporary Global Notes, the "**Global Notes**") and (ii) in the case of Securities, a temporary global perpetual security in bearer form (each a "**Temporary Global Security**") or a permanent global perpetual security in bearer form (each a "**Permanent Global Security**" and together with any Temporary Global Securities, the "**Global Securities**"). Notes and Securities in registered form will initially be represented by (i) in the case of Notes, a global note in registered form (each a "**Global Note Certificate**") and (ii) in the case of Securities, a global perpetual security in registered form (each a "**Global Security Certificate**"). Global Notes, Global Securities, Global Note Certificates and Global Security Certificates may be deposited on the relevant issue date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A ("**Clearstream, Luxembourg**"). Global Notes, Global Securities, Global Note Certificates and Global Security Certificates may also be deposited with The Central Depository (Pte) Limited ("**CDP**").

The Instruments have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" and "*Form of the Securities*" for descriptions of the manner in which the Notes and the Securities will be issued. The Instruments are subject to certain restrictions on transfer, see "*Subscription and Sale*".

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments may not be circulated or distributed, nor may the Instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. A reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The relevant Issuer or (in the case of Guaranteed Instruments) the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Instruments may be issued in a form not contemplated by, as the case may be, the Terms and Conditions of the Notes or the Terms and Conditions of the Securities, in which event a supplemental Offering Circular (including by way of a Pricing Supplement), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Instruments.

Investing in Instruments issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Instruments in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Instruments. Investors should not purchase Instruments unless they understand and are able to bear risks associated with the Instruments. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Instruments are discussed under "*Risk Factors*".

Sole Arranger and Dealer

DBS Bank Ltd.

DBS

The date of this Offering Circular is 31 July 2023.

IMPORTANT NOTICE

Each of the Issuers and the Guarantor, having made all reasonable enquiries, confirm that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the relevant Issuer, the Guarantor, the Group, the Instruments and the Guarantee which is material in the context of the Programme or the issue and offering of the Instruments and the giving of the Guarantee; (ii) the information in this Offering Circular is true and accurate in all material respects; (iii) any opinions, expectations and intentions of the relevant Issuer or the Guarantor (if any) expressed in this Offering Circular have been carefully considered and are based on all relevant considerations and facts existing at the date of issue of the Offering Circular; and (iv) there are no other facts the omission of which in the said context would make such information or expression (if any) misleading in any material respect.

Each Tranche of Instruments will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Securities*" respectively, as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Instruments, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to "**Conditions**" shall, when made in respect of Notes, mean the Conditions set out in the "*Terms and Conditions of the Notes*" and, when made in respect of Securities, mean the Conditions set out in the "*Terms and Conditions of the Securities*".

No person is or has been authorised by any of the Issuers, the Guarantor, the Trustee, the Sole Arranger or the Dealers to give any information or to make any representations other than those contained in this Offering Circular in connection with the Programme, the Instruments and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Trustee, the Sole Arranger or the Dealers. Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Instruments are the persons named in the applicable Pricing Supplement as the relevant Dealers or the Managers, as the case may be.

Copies of Pricing Supplements will be available for inspection at the specified office set out below of the Principal Paying Agent (as defined below) (save that a Pricing Supplement relating to an unlisted Note or Security will only be available for inspection by a holder of such Note or Security and such holder must produce evidence satisfactory to the Principal Paying Agent as to its holding of Notes or Securities, as the case may be, and its identity).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Sole Arranger, the Dealers and the Trustee have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Sole Arranger, the Dealers or the Trustee makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. None of the Sole Arranger, the Dealers or the Trustee accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Sole Arranger or Dealers or on its behalf in connection with any of the Issuers, the Guarantor, the Programme or the issue and offering of the Instruments. Each of the Sole Arranger, the Dealers and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular, any financial statements nor any other information supplied in connection with the Programme or the issue of any Instruments included or incorporated herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Sole Arranger, the Dealers or the Trustee that any recipient of this Offering Circular or any such financial statements should purchase the Instruments. Each potential investor should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor and the risks involved. The purchase of Instruments by investors should be based upon their investigation as they deem necessary. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes an offer or invitation by or on behalf of any of the Issuers, the Guarantor and of the Trustee, the Sole Arranger or the Dealers to any person to subscribe for or to purchase any Instruments.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Instruments shall in any circumstances imply that the information contained herein is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Sole Arranger, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers and the Guarantor during the life of the Programme or to advise any investor or potential investor in the Instruments of any information coming to their attention.

Neither this Offering Circular nor any applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Instruments may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor, the Sole Arranger, the Dealers and the Trustee represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuers, the Guarantor, the Sole Arranger, the Dealers or the Trustee which would permit a public offering of any Instruments or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular nor any applicable Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular, any Pricing Supplement or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular, any Pricing Supplement and the offering and sale of Instruments. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Instruments in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Singapore and the People's Republic of China ("PRC"). See "*Subscription and Sale*".

The Instruments have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The Instruments may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Accordingly, the Instruments are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") (see "*Subscription and Sale*").

This Offering Circular has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of the Instruments outside the United States. The Issuers, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Instruments, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuers, the Guarantor of any of their contents to any person within the United States, is prohibited.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuers, the Guarantor, the Sole Arranger, the Dealers, the Trustee or the Agents makes any representation as to the accuracy of that information. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the relevant Issuer in such jurisdiction.

PRODUCT GOVERNANCE UNDER DIRECTIVE 2014/65/EU (AS AMENDED)

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

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

PRODUCT GOVERNANCE UNDER UK MIFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Sole Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B OF THE SFA

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

SCI's audited consolidated financial statements as at and for the financial years ended 31 December 2021 and 2022 have been prepared in accordance with the provisions of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and the International Financial Reporting Standards ("**IFRS**"). The SFRS(I) comprise standards and interpretations that are equivalent to the IFRS. All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified. Unless otherwise indicated, the financial information in this Offering Circular relating to SCI has been derived from SCI's audited consolidated financial statements for FY2021 (the "**FY2021 Financial Statements**") and for FY2022 (the "**FY2022 Financial Statements**").

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Securities*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

Unless otherwise specified or the context requires, references herein to:

- "**Euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "**FY2021**" means the financial year ended 31 December 2021;
- "**FY2022**" means the financial year ended 31 December 2022;
- "**Guarantor**", "**SCI**" or "**Sembcorp Industries**" means Sembcorp Industries Ltd;
- the "**Group**" means SCI (whether as Issuer or Guarantor), together with its subsidiaries;
- "**Indian rupees**" and "**INR**" are to the lawful currency of India;
- "**Issuers**" mean each of Sembcorp Industries Ltd, Sembcorp Financial Services Pte. Ltd. and any Subsidiary Issuer;
- "**Renminbi**" are to the lawful currency of the People's Republic of China;
- "**SFS**" means Sembcorp Financial Services Pte. Ltd.;
- "**Singapore**" are to the Republic of Singapore;
- "**Singapore dollars**", "**SGD**" and "**S$**" are to the lawful currency of Singapore;
- "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom; and
- "**U.S. dollars**" and "**US$**" are to the lawful currency of the United States of America.

Rounding adjustments have been made in calculating some of the financial and other numerical information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Unless otherwise indicated, the amounts (if any) which have been translated to S$ are based on information that was extracted from the relevant announcements made by the relevant Issuer or the Guarantor and the applicable exchange rate as specified therein.

SUITABILITY OF INVESTMENT

The Instruments may not be a suitable investment for all investors. Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Instruments and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offering Circular that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "would", "should", "future", "can" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of each Issuer, the Guarantor and/or the Group (including statements as to each Issuer's, the Guarantor's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offering Circular regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of each Issuer, the Guarantor and/or the Group, expected growth in each Issuer, the Guarantor and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of each Issuer, the Guarantor and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in the tax and regulatory regimes;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuers, the Guarantor and the Group.

Some of these factors are discussed in greater detail under, in particular, but not limited to, the section "*Risk Factors*".

The Issuers and the Guarantor have based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although each of the Issuers and the Guarantor believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those which each of the Issuers and the Guarantor has identified in this Offering Circular under the section "*Risk Factors*", or if any of the Issuers and the Guarantor's underlying assumptions prove to be incomplete or inaccurate, the Issuers and the Guarantor's results of operation may vary from those expected, estimated or predicted.

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

Neither the delivery of this Offering Circular nor the issue of any Instruments by the Issuers shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or affairs of the Issuers, the Guarantor, the Group or any statement of fact or information contained in this Offering Circular since the date of this Offering Circular or the date on which this Offering Circular has been most recently amended or supplemented.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, each of the Issuers and the Guarantor expressly disclaims any obligation, responsibility or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statement is based.

STABILISATION

In connection with the issue of any Tranche of Instruments, the Dealer(s) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) each Pricing Supplement;

(b) the most recently published annual reports of the Group and most recent audited consolidated financial statements of the Issuers, the Guarantor or the Group (including the auditors' report thereon and notes thereto) (if published) and any unaudited consolidated interim financial statements of the Issuers, the Guarantor or the Group (if published);

(c) all supplements or amendments to this Offering Circular issued or circulated by the Issuers and the Guarantor from time to time; and

(d) any announcements of the Issuers and the Guarantor made on the website of the SGX-ST at https://www.sgx.com.

This Offering Circular is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Instruments, any Pricing Supplement in respect of such Series or Tranche. Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The most recently published annual reports, audited consolidated financial statements and any unaudited consolidated interim financial statements (if published) of the Issuers, the Guarantor or the Group are deemed incorporated by reference in the Offering Circular and are available on the website of the SGX-ST at https://www.sgx.com.

Any unaudited financial statements which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors of the Group. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

Copies of all documents deemed incorporated by reference herein are available for inspection during usual office hours with prior notice at the specified office of the Principal Paying Agent.

OVERVIEW OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Instruments, the applicable Pricing Supplement. The Issuers and the Guarantor and any relevant Dealer may agree that Instruments shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Instruments only and if appropriate, a supplemental Offering Circular will be published. Words and expressions defined in "Form of the Notes", "Form of the Securities", "Terms and Conditions of the Notes" and "Terms and Conditions of the Securities" shall have the same meanings in this summary.

Issuers:	Sembcorp Industries Ltd ("**SCI**"), Sembcorp Financial Services Pte. Ltd. ("**SFS**") and any Subsidiary Issuer.
Legal Entity Identifier:	254900J0FF14U6TPQM96 and 25490038TP4G8MN6YS52 for SCI and SFS respectively.
Guarantor (in respect of Guaranteed Instruments):	SCI.
Description:	Euro Medium Term Note Programme.
Guarantee (in respect of Guaranteed Instruments):	The guarantee of the Instruments given by the Guarantor. In respect of each Tranche of Guaranteed Instruments, the Guarantor hereby unconditionally and irrevocably guarantees to the Trustee the due and punctual payment of all sums expressed to be payable by SFS or any Subsidiary Issuer under the Trust Deed or in respect of the Guaranteed Instruments or Coupons, as and when the same becomes due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, according to the terms of the Trust Deed and the Guaranteed Instruments and Coupons.
Size:	Up to S$5,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Instruments outstanding at any time. The Issuers may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
Sole Arranger:	DBS Bank Ltd. ("**DBS**").
Dealers:	DBS and any other Dealers appointed in accordance with the Dealer Agreement.

	The relevant Issuer may from time to time appoint dealers either in respect of one or more Tranches of Notes or Securities or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to "**Dealers**" are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Dealers and all persons appointed as a dealer in respect of one or more Tranches (and whose appointment has not been terminated).
Certain Restrictions:....................	Each issue of Instruments denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	The Bank of New York Mellon, London Branch.
Principal Paying Agent, CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Registrar and CDP Transfer Agent:..	The Bank of New York Mellon, Singapore Branch.
Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent:..	The Bank of New York Mellon, London Branch.
Non-CDP Registrar and Non-CDP Transfer Agent (in respect of Instruments to be cleared through Euroclear and Clearstream, Luxembourg):.........	The Bank of New York Mellon SA/NV, Dublin Branch.
Distribution:	Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

	Instruments will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distribution, if any), the Instruments of each Series being intended to be interchangeable with all other Instruments of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific dates of each Tranche of the Instruments (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or distribution and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:..................................	Subject to any applicable legal or regulatory restrictions, Instruments may be denominated in Euro, Sterling, U.S. dollars, Singapore dollars and any other currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Securities or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes and Securities:....	The Notes will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. The Securities will be issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") as described in "*Form of the Securities*". Bearer Securities will not be exchangeable for Registered Securities and *vice versa*.

Denomination of Notes and Securities:	Instruments will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note or Security will be such as may be allowed or required from time to time by the central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Listing:	Application has been made to the SGX-ST in connection with the Programme for permission to deal in, and for a quotation of, any Instruments to be issued pursuant to the Programme and which are agreed at or prior to the time of issue to be so listed on the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Instruments of any Series will be approved. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. For so long as any Instruments are listed on the SGX-ST and the rules of the SGX-ST so require, such Instruments will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies. The Instruments may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) as may be agreed between the Issuers and the relevant Dealer in relation to each Series of Instruments. Unlisted Instruments may also be issued pursuant to the Programme. The applicable Pricing Supplement will state whether or not the relevant Instruments are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange(s) and/or markets.
Risk Factors:	There are certain factors that may affect the relevant Issuer's ability to fulfil its obligations under Instruments issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme and risks relating to the structure of a particular Series of Instruments issued under the Programme. All of these are set out under "*Risk Factors*".
Ratings:	Tranches of Instruments may be rated or unrated. Where a Tranche of Instruments is to be rated, such rating will be specified in the applicable Pricing Supplement.

	A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.
Clearing Systems:........................	Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*" or "*Form of the Securities*".
Selling Restrictions:....................	There are restrictions on the offer, sale and transfer of the Instruments in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Singapore and the People's Republic of China and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Instruments, see "*Subscription and Sale*".
United States Selling Restrictions:................................	Regulation S; TEFRA D Rules or TEFRA C Rules applicable or not applicable as specified in the applicable Pricing Supplement.

SUMMARY OF TERMS RELATING TO NOTES

Fixed Rate Notes:........................	Fixed interest will be payable on Fixed Rate Notes on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in the Terms and Conditions of the Notes) as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:....................	Floating Rate Notes will bear interest at a rate determined: (a) on the basis of a reference rate set out in the applicable Pricing Supplement; (b) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in the Terms and Conditions of the Notes); or (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuers and the relevant Dealer for each series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate or a minimum interest rate or both.

Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at their nominal amount or at a discount to their nominal amount and will not bear interest.
Other Notes:................................	The Issuers may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption of Notes:..................	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons (as described in Condition 9(b) of the Notes), in the case of minimal outstanding amount (as described in Condition 9(e) of the Notes) or following an Event of Default (as described in Condition 13 of the Notes)) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Taxation:.......................................	All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the relevant Issuer or (in respect of each Tranche of Guaranteed Instruments) the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the relevant Issuer or (in respect of each Tranche of Guaranteed Instruments) the Guarantor shall, save in certain limited circumstances provided in Condition 12 of the Notes, pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5 of the Notes.
Events of Default of the Notes: ..	The terms of the Notes will contain certain events of default, including a cross-default provision as further described in Condition 13 of the Notes.
Status of the Notes:	The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*) of the Notes) unsecured obligations of the relevant Issuer which will at all times rank *pari passu* and without preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of the relevant Issuer (other than subordinated obligations and priorities created by law).
Guarantee of the Notes:	The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*) of the Notes) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor (other than subordinated obligations and priorities created by law). The Guarantor has, in respect of each Tranche of Guaranteed Notes, in the Trust Deed (as defined in the Terms and Conditions of the Notes) unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by SFS or any Subsidiary Issuer in respect of the Notes.
Governing Law:	The Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement.

SUMMARY OF TERMS RELATING TO SECURITIES

Fixed Rate Securities:	Fixed distributions will be payable on Fixed Rate Securities on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in the Terms and Conditions of the Securities) as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Securities:	Floating Rate Securities will confer a right to receive distributions, in each case at a rate determined: (a) on the basis of a reference rate set out in the applicable Pricing Supplement;

(b) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in the Terms and Conditions of the Securities); or

(c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each series of Floating Rate Securities.

Floating Rate Securities may also have a maximum distribution rate or a minimum distribution rate or both.

Other Securities:.......................... The relevant Issuer may agree with any Dealer and the Trustee that Securities may be issued in a form not contemplated by the Conditions of the Securities, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Optional Deferral of Distributions:............................... The applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution (including any Arrears of Distribution (as defined in Condition 5(d)(iv) of the Securities) and any Additional Distribution Amount (as defined in Condition 5(d)(iv) of the Securities)) which is otherwise scheduled to be paid on a Distribution Payment Date (as defined in the Terms and Conditions of the Securities) to the next Distribution Payment Date by giving an Optional Distribution Deferral Notice (as defined in Condition 5(d)(i) of the Securities) to the Securityholders not more than 15 nor less than five Business Days (as defined in the Terms and Conditions of the Securities) (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date. If the Dividend Pusher is specified in the applicable Pricing Supplement as being applicable, the relevant Issuer may not elect to defer any distributions if, during such period(s) as may be specified in the applicable Pricing Supplement, a Compulsory Distribution Payment Event (as defined in the Terms and Conditions of the Securities) has occurred.

Cumulative Deferral of Distributions:	The applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 5(d)(iv) of the Securities) further defer any Arrears of Distribution by complying with the notice requirements applicable to any deferral of an accrued Distribution. The relevant Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to Condition 5(d) of the Securities except that Condition 5(d)(iv) of the Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.
Non-Cumulative Deferral of Distributions; Optional Distribution:	If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution deferred pursuant to Condition 5(d) of the Securities is non-cumulative and will not accrue distribution or interest. The relevant Issuer is not under any obligation to pay such distribution or any other Distributions that have not been paid in whole or in part. If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Securityholders (in accordance with Condition 17 of the Securities) and the Trustee and the Principal Paying Agent not more than 15 and not less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the relevant Issuer to pay the relevant Optional Distribution on the payment date specified in such notice). Any partial payment of outstanding Optional Distribution by the relevant Issuer shall be shared by the Securityholders or Couponholders (as defined in the Terms and Conditions of the Securities) of all outstanding Securities and the Coupons (as defined in the Terms and Conditions of the Securities) related to them on a pro-rata basis.

Restrictions in the case of an Optional Deferral:	If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 5(d)(i) of the Securities, the relevant Issuer and (in respect of each Tranche of Guaranteed Instruments) the Guarantor shall not: (i) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Obligations (as defined in the Terms and Conditions of the Securities) and, in the case of Subordinated Securities only, any of its Parity Obligations (as defined in the Terms and Conditions of the Securities) except on a pro-rata basis with the Securities; or (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations and, in the case of Subordinated Securities only, any of its Parity Obligations except on a pro-rata basis with the Securities, in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations and/or (iii) as otherwise specified in the applicable Pricing Supplement, unless and until (1) (if Cumulative Deferral is set out in the applicable Pricing Supplement) the relevant Issuer has satisfied in full all outstanding Arrears of Distributions, (2) (if Non-Cumulative Deferral is set out in the applicable Pricing Supplement) if all outstanding Securities have been redeemed in full, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (3) the relevant Issuer or (in respect of each Tranche of Guaranteed Instruments) the Guarantor is permitted to do so by an Extraordinary Resolution of the Holders and/or as otherwise specified in the applicable Pricing Supplement.

Redemption of Securities:...........	The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Securities may be redeemed, whether due to the occurrence of a Withholding Tax Event (in the circumstances described in Condition 6(b) of the Securities), at the option of the relevant Issuer (in the circumstances described in Condition 6(c) of the Securities), upon the occurrence of a Capital Event (as defined in Condition 6(d)), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6(e) of the Securities), upon the occurrence of an Accounting Event (as defined in Condition 6(f) of the Securities), upon the occurrence of a Cessation or Suspension of Trading Event (as defined in Condition 6(g) of the Securities), or in the case of a minimal outstanding amount of Securities (in the circumstances described in Condition 6(h) of the Securities).
Taxation:.......................................	All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities and the Coupons by or on behalf of the relevant Issuer or (in respect of each Tranche of Guaranteed Securities) the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant Issuer or (in respect of each Tranche of Guaranteed Securities) the Guarantor shall pay such additional amounts as will result in receipt by the Securityholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, save in certain limited circumstances provided in Condition 9 of the Securities.
Enforcement Events:	There are no events of default under the Securities. The terms of the Securities will contain enforcement events as further described in Condition 10(c) of the Securities.
Status of the Senior Securities:..	The Senior Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the relevant Issuer which will at all times rank *pari passu* and without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of the relevant Issuer (other than subordinated obligations and priorities created by law).

Guarantee of the Senior Securities:	The Guarantee of the Senior Securities constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Subordinated Securities:	The Subordinated Securities constitute direct, unsecured, unconditional and subordinated obligations of the relevant Issuer which will at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the relevant Issuer. The rights and claims of the Subordinated Securityholders are subordinated in the manner as provided in Condition 4(b) of the Securities.
Guarantee of the Subordinated Securities:	The Guarantee of the Subordinated Securities constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor which will at all times rank at least *pari passu* with any Parity Obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Subordination of the Subordinated Securities:	Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event that a final and effective order is made or an effective resolution is passed for the winding-up of the relevant Issuer, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors (as defined in the Terms and Conditions of the Securities) of the relevant Issuer, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations, and senior to the rights and claims of holders of Junior Obligations, unless otherwise specified in the applicable Pricing Supplement.

Subordination of the Guarantee of the Subordinated Securities: ..	Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event that a final and effective order is made or an effective resolution is passed for the Winding-Up (as defined in the Terms and Conditions of the Securities) of the Guarantor, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors (as defined in the Terms and Conditions of the Securities) of the Guarantor, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations, and senior to the rights and claims of holders of Junior Obligations, unless otherwise specified in the applicable Pricing Supplement.
Set-off in relation to the Subordinated Securities:	Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Securities or Coupons relating to them, or (in respect of each Tranche of Guaranteed Securities) the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities. Each holder of Subordinated Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Securities or any Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the relevant Issuer and (in respect of each Tranche of Guaranteed Securities) the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Securities or any Coupons relating to them by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Securities or any Coupons relating to them is discharged by set-off, such holder of Subordinated Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer or the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or as appropriate, administrator of the relevant Issuer or (in respect of each Tranche of Guaranteed Securities) the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the relevant Issuer or the Guarantor (or their respective liquidators, or, as appropriate, administrators) and accordingly any such discharge shall be deemed not to have taken place.
Governing Law:	The Securities and the Coupons and any non-contractual obligations arising out of or in connection with the Securities are governed by, and construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information of the Group as at and for the periods indicated.

The selected consolidated financial information has been derived from the Group's audited consolidated financial statements for FY2021 and FY2022, and should be read in conjunction with such audited consolidated financial statements and the notes thereto, which are included elsewhere in this Offering Circular. Historical results are not necessarily indicative of results that may be achieved in any future period.

The audited consolidated financial statements of the Group for FY2021 and FY2022 have been prepared in accordance with the provisions of the Companies Act, the SFRS(I) and the IFRS, and have been audited by KPMG LLP.

Consolidated Statement of Profit or Loss

	Audited	
	FY2021[(1)]	**FY2022**
(S$ million)		
Continuing Operations		
Turnover	6,408	7,825
Cost of sales	(5,589)	(6,598)
Gross profit	**819**	**1,227**
General and administrative expenses	(393)	(499)
Other operating income, net	114	169
Non-operating income	21	9
Non-operating expenses	(218)	(16)
Finance income	21	37
Finance costs	(296)	(310)
Share of results of associates and joint ventures, net of tax	206	248
Profit before tax	**274**	**865**
Tax expense	(123)	(138)
Profit from continuing operations[(2)]	**151**	**727**
Discontinued Operation		
Profit from discontinued operation, net of tax	149	144
Profit for the year	**300**	**871**
Profit attributable to:		
Owners of Sembcorp Industries Ltd	279	848
Non-controlling interests	21	23
Profit for the year	300	871

	Audited	
	FY2021[1]	FY2022
Earnings per share (cents):		
Basic	15.64	47.59
Diluted	15.45	46.57
Earnings per share (cents) – Continuing operations:		
Basic	7.29	39.51
Diluted	7.20	38.66

Notes:

(1) Post 8 November 2022, the results of SEIL, which operated the Group's coal-fired thermal power business in India, was classified as discontinued operation. Comparative information is re-presented accordingly.

(2) After elimination of inter-segment finance income of S$nil (2021: S$65 million) with corresponding reduction of inter-segment finance expense in discontinued operation.

Consolidated Statement of Comprehensive Income

	Audited	
(S$ million)	**FY2021[1]**	**FY2022**
Profit for the year	**300**	**871**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	84	(559)
Exchange differences on monetary items forming part of net investment in foreign operation	1	(7)
Net change in fair value of cash flow hedges	181	318
Net change in fair value of cash flow hedges reclassified to profit or loss	(2)	(341)
Cost of hedging reserve – changes in fair value	(46)	–
Cost of hedging reserve – reclassified to profit or loss	47	–
Realisation of reserves upon disposal/liquidation of an associate, subsidiaries and assets held for sale	*	2
Share of other comprehensive income of associates and joint ventures	35	62
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	(1)	*
Income tax relating to these items	(31)	9
	268	**(516)**
Items that may not be reclassified subsequently to profit or loss:		
Defined benefit plan actuarial gains and losses	20	(7)
Change in fair value of financial assets at fair value through other comprehensive income	(20)	*
Income tax relating to these items	(6)	2
	(6)	**(5)**

(S$ million)	Audited FY2021[1]	FY2022
Other comprehensive income for the year, net of tax	262	(521)
Total comprehensive income for the year	**562**	**350**
Total comprehensive income attributable to:		
Owners of Sembcorp Industries Ltd	536	334
Non-controlling interests	26	16
Total comprehensive income for the year	**562**	**350**
Total comprehensive income attributable to owners of Sembcorp Industries Ltd:		
Continuing operations	516	452
Discontinued operation	20	(118)
	536	334

"*" denotes financial value that is less than S$1 million.

Note:

(1) Post 8 November 2022, the results of SEIL, which operated the Group's coal-fired thermal power business in India, was classified as discontinued operation. Comparative information is re-presented accordingly.

Balance Sheets

(S$ million)	Audited 31 December 2021	31 December 2022
Property, plant and equipment	7,094	5,305
Investment properties	138	133
Associates and joint ventures	1,600	2,287
Other financial assets	219	183
Trade and other receivables	982	855
Contract costs	1	–
Intangible assets	390	697
Deferred tax assets	38	52
Non-current assets	**10,462**	**9,512**
Inventories	222	137
Trade and other receivables	1,986	1,564
Contract assets	28	29
Contract costs	1	3
Other financial assets	352	89
Cash and cash equivalents	1,344	1,254
Current assets	**3,933**	**3,076**
Assets held for sale[1]	**–**	**3,432**
Total assets	**14,395**	**16,020**

(S$ million)	Audited 31 December 2021	 31 December 2022
Trade and other payables	1,708	1,715
Lease liabilities	14	17
Contract liabilities	121	139
Provisions	40	42
Other financial liabilities	87	99
Current tax payable	181	219
Interest-bearing borrowings	754	1,096
Current liabilities	**2,905**	**3,327**
Liabilities held for sale[1]	**–**	**1,494**
Net current assets	**1,028**	**1,687**
Deferred tax liabilities	392	492
Other long-term payables	105	93
Lease liabilities	244	270
Provisions	64	62
Other financial liabilities	56	23
Interest-bearing borrowings	6,637	5,974
Contract liabilities	74	69
Non-current liabilities	**7,572**	**6,983**
Total liabilities	**10,477**	**11,804**
Net assets	**3,918**	**4,216**
Equity attributable to owners of Sembcorp Industries Ltd:		
Share capital	566	566
Reserve for own shares	(15)	(31)
Other reserves	(133)	(608)
Revenue reserve	3,349	4,050
	3,767	**3,977**
Non-controlling interests	**151**	**239**
Total equity	**3,918**	**4,216**

Note:

(1) With effect from 8 November 2022, SEIL was classified as a disposal group held for sale and as a discontinued operation and SEIL's assets and liabilities were presented as assets and liabilities held for sale respectively.

RISK FACTORS

Before making an investment decision, investors should carefully consider all of the information set out in this Offering Circular, including the risk factors set forth below. Any of the risks described below could materially and adversely affect each of the Issuers and the Guarantor's ability to satisfy its obligations, including those under the Instruments and have a material adverse effect on each of the Issuers, the Guarantor's or the Group's business, operations and prospects. In that event, the market price of the Instruments could decline, and investors may lose all or part of their investments in the Instruments. The risks and uncertainties described below are not the only risks and uncertainties each of the Issuers, the Guarantor and the Group faces. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuers, the Guarantor and the Group or that the Issuers, the Guarantor or the Group currently deem to be immaterial which may in the future become material risks. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Risks relating to the Group's Business

The Group comprises of companies that are involved in and have interests in various businesses in renewables, integrated urban solutions and conventional energy. The Group operates in both Singapore and overseas. Notwithstanding the industries and countries referred to in this Offering Circular, the Group may in future expand its businesses to include other industries and countries. The risk profile of the Group therefore will encompass the risks involved in each of the countries, industries or businesses that the Group operates in. The results of operations, businesses, assets, financial condition, performance or prospects of the Group may be adversely affected by any of such risks. Adverse economic developments, locally and/or globally, in the countries or industries that the businesses operate in may also have a material adverse effect on the operating results, businesses, assets, financial condition, performance or prospects of the Group.

The Group's earnings may be affected by general economic and business conditions in markets in which it operates or invests, including Singapore, India, UK, Rest of Asia[1], China and Middle East.

Significant dislocations, liquidity disruptions and market corrections occurring in the global credit and equity markets and other related events in recent years have created increasingly difficult conditions in the financial markets. Global markets have experienced significant volatility in recent years and growth in major economies has slowed moderately toward their longer-term growth rates. Global growth has slowed meaningfully since 2022, in large part due to the military conflict between Russia and Ukraine, which has impacted global commodity prices and supply chains, in addition to humanitarian and financial spillovers. The resulting impact on supply chains and the global supply of oil and gas as well as agricultural products has resulted in shortages around the world and rising costs of goods. Mismatches in supply and demand caused by the impact of the COVID-19 pandemic have exerted, and may continue to exert, pressure on prices. In addition, some markets, including China, may continue to grapple with a resurgence of COVID-19, which could place strains on supply chains. Please also refer to "*Terrorist attacks, other acts of violence or war and adverse political developments, pandemic or endemic outbreaks of avian influenza, coronavirus such as COVID-19 or other infectious diseases, or any other serious public health concerns and elsewhere could adversely impact the Group's operating results, businesses, assets, financial condition, performance or prospects.*" below for more details.

[1] Rest of Asia includes Bangladesh, Indonesia, Myanmar, and Vietnam.

A high degree of uncertainty over the global outlook remains. Heightened geopolitical uncertainties, increased risks of inflation and tighter monetary policy leave the global economy more vulnerable and raise the risk of a global (or regional) recession and may have a negative impact on trade and growth. The Russia-Ukraine conflict, which started in February 2022, along with the economic sanctions imposed on Russia by the U.S., other countries and certain international organisations, have caused macroeconomic uncertainties such as disruptions to global supply chains, increased inflationary pressures from a rise in energy and commodities prices and increased volatility in global markets. In addition, rising tensions in the Indo-Pacific region (including tensions in respect of Taiwan and in the South China Sea) have in the past affected and may in the future affect global financial markets and global trade. Geopolitical tensions, or any escalation thereof, could impact the global economy or have a broader impact that expands into the existing markets where the Group does business, including to the extent that any sanctions restrict the Group's ability to conduct business and/or to utilise the banking system, which may adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects. In addition, geopolitical developments in the developing countries that the Group operates in may adversely impact the country's economic conditions and consequently, negatively impact the Group's business, operations, financials and/or prospects.

Global trade tensions remain elevated among the largest trading partners in the world, and especially heightened tensions in economic relations between the U.S. and China have potential negative impacts on global trade and growth. The evolving geopolitical relationship between the U.S. and China may affect trade and supply chains especially for raw materials required to manufacture assets for the renewables business. In addition, the slower growth trajectory of the U.S. could leave the economy more vulnerable to a large negative confidence shock. Growth and financial performance in emerging markets, Asia and trade-exposed economies such as Singapore are particularly vulnerable to disruptions to global trade flows, capital flows, business investments and global supply chains in the event of an escalation in trade tensions or a protracted slowdown. There is less fiscal and monetary policy space for policymakers in developed economies to respond to the next slowdown as compared to the last global shock. This could potentially result in a more prolonged recession if the global economy experiences another negative growth shock.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Group's access to capital. These conditions have resulted in higher historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

As witnessed by the previous global financial crisis, an economic downturn could bring about, among other things, significant reductions in and heightened credit quality standards for available capital and liquidity from banks and other providers of credit, substantial reductions and/or fluctuations in equity and currency values worldwide, and concerns that the worldwide economy may enter into a prolonged recessionary period. Such events may make it difficult for the Group to raise additional capital or obtain additional credit, when needed, on acceptable terms or at all, which could in turn affect the Group's ability to carry out projects – see also "*The Group is exposed to project cost overruns and delays*".

As at 31 December 2022, 21% of the Group's total assets are located in Singapore and 79% are located overseas. As at 31 December 2022, excluding SEIL assets which were disposed of after this date, 27% and 73% of the Group's total assets are located in Singapore and overseas respectively. The fundamentals for the Group's businesses remain sound as its renewables, integrated urban solutions and conventional energy businesses have both short and long-term customer contracts. The Group's customers may default in their contracts or payments with the Group, close their plants or reduce their offtake from the Group. It is difficult to predict how long these conditions will exist and how the Group's related markets, products and businesses will be adversely affected. These conditions may be exacerbated by persisting volatility in the financial sector and the capital markets. Accordingly, these conditions could cause a decrease in demand for the Group's products and services, thereby adversely affecting the Group's earnings.

The Group faces increasing competition in its key markets.

Both domestic and international companies can compete in the markets in which the Group has an overseas presence. Domestic companies have extensive knowledge of the local market and in some cases, longer operational track records, while international companies are able to capitalise on their overseas experience and greater financial resources. There can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or in the context of increased competition with respect to the Group's activities or keep abreast in terms of technological knowhow and this may have a material adverse effect on the Group's operating results, businesses, financial condition, performance or prospects.

The Group may be involved in legal and other proceedings from time to time.

The Group operates in many countries. This means the Group, from time to time, is confronted with complex legal and regulatory requirements and judicial systems in many jurisdictions. From time to time, the Group may be involved in disputes with various parties such as contractors, subcontractors, consultants, suppliers, construction companies, purchasers, non-controlling shareholders of Group subsidiaries or associates, and other joint venture partners involved in the development, construction, operation, purchase and sale of its subsidiaries, facilities, power and utilities plants and urban development parks. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays in the construction or completion of its facilities, power and utilities plants and urban development parks.

In addition, the Group may be subject to claims or investigations by or have disagreements with regulatory bodies or other organisations in the course of its operations and business, which may subject it to administrative and other proceedings, unfavourable judgments, orders, directives, decrees or sanctions such as fines or other penalties that may adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group is currently involved in litigation, arbitration and other proceedings arising from its operations. In respect of such proceedings, the Group has obtained legal advice where relevant and the Group does not expect that the outcome of such proceedings would have a material adverse effect on the Group's financial condition. However, there can be no assurance that the Group will not be subject to disputes, investigations by regulatory bodies or regulatory action in the course of its operations or that any existing or new disputes, investigations or proceedings (including (a) the arbitration in India involving Green Infra Wind Energy Limited ("**GIWEL**") referred to in "*Description of Sembcorp Industries Ltd – Recent Developments – Arbitration in India involving Green Infra Wind Energy Limited*" of this Offering Circular and (b) the litigation in South Africa involving Sembcorp Utilities (Netherlands) N.V. ("**SUNNV**") as further described below) will be concluded or settled on favourable or reasonable terms, or at all. In the event any new or existing disputes or investigations are not concluded or settled on favourable or reasonable terms, or at all, the Group's operating results, businesses, assets, financial condition, performance or prospects may be adversely affected.

The Group may also be subject to and associated with negative publicity, whether in relation to claims by or disagreements with regulatory bodies or other organisations such as non-governmental and non-profit organisations, legal and other proceedings, or publicity resulting from internet or social media reviews. Any negative coverage related to the Group or its related parties may be difficult for the Group to control, and regardless of truth or merit, such negative coverage may have an impact on the Group's reputation and consequently may undermine the confidence of potential partners, investors, suppliers or customers. Such negative publicity, if not managed swiftly or adequately, may have a material adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

Legal Proceedings in respect of Divested Municipal Water Assets

In December 2018, the Group announced the completion of the sale by its wholly-owned subsidiary SUNNV of SUNNV's 100% stake in Sembcorp Utilities South Africa ("**SUSA**") and its 100% effective stake in Sembcorp Silulumanzi to South African Water Works Pty Ltd (the "**Sale**"). The Sale was subject to the consent (the "**Municipality Consent**") of the Mbombela Local Municipality, South Africa and such Municipality Consent had been obtained prior to the completion of the Sale.

In November 2020, the Group announced that the Municipality Consent had been challenged in the South African High Court by a party who had made an unsuccessful bid to become a local Broad Based Black Economic Empowerment minority shareholder in Sembcorp Silulumanzi (the "**Proceedings**"). Neither the Group nor any of its subsidiaries were parties to the Proceedings when they were launched in July 2019.

One of the potential consequences of the Proceedings is that the completed Sale may be reversed and that the parties to the Sale would have to re-apply for the Municipal Consent. To protect its interests, the Group requested and has been granted approval by the South African High Court for SUNNV and SUSA to be joined as parties to the Proceedings.

The Proceedings are still ongoing and the Group will make an appropriate announcement in the event of any material developments.

The performance of the Group may be affected by the Group's ability to attract and retain employees.

Generally, in order to develop, support and market the products and services offered by the Group and to grow the Group's businesses internationally, the Group depends on its ability to attract, train, retain and motivate high-quality skilled and professional employees with the relevant expertise. Whilst the Group recognises the importance of human capital and the desirability of developing and retaining key employees, key employees may resign or retire for reasons out of the Group's control and the loss of key employees may have an adverse effect on the Group's businesses and operations. The implementation of the Group's strategic business plans could be undermined by failure in recruiting or retaining competent key personnel or in the Group's succession planning.

The Group's business is subject to external factors, such as the ability to comply with government policies and obtain and maintain the required licences, permits and approvals, in the countries where it operates.

The Group is involved in a wide range of business activities and has development projects in many countries where the Group's operations are subject to and dependent on obtaining permits and approvals from various governmental authorities at different levels. There is no assurance that these permits and approvals will be granted. The non-receipt of permits and approvals required in line with project schedules may have certain implications to the Group, including the levying of administrative fines. Development projects of the Group have been, and may in the future be, subject to certain risks, including changes in governmental regulations and economic policies, limitations on extensions of credit, shortages in building material, increases in labour and material costs and changes in credit conditions. Legal risks may arise from non-compliance with applicable environmental laws and regulations, impacting the Group's licenses to operate in the relevant countries. If, as a result of the Group's failure to comply with such regulations or policies or obtain and retain such licenses, permits and approvals, the Group is unable to fulfil its contractual obligations or carry on its businesses as planned, its operations, operating results or financial condition could potentially be adversely affected.

The Group currently operates and has investments in various jurisdictions. Any unfavourable changes in the political, economic and social conditions or government policies of these jurisdictions could materially and adversely affect the Group's business, financial condition, results of operations and future growth. The Group is unable to foresee the nature of governmental laws and regulations applicable to its operations or investments that may be introduced in future. Laws and regulations governing business entities in these countries may change and may be subject to a number of possibly conflicting interpretations, both by business entities and by the courts. At times, the interpretation, application or enforcement of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Such laws and regulations may become more stringent or onerous in the future and if additional compliance procedures are introduced, the Group's operational costs may increase.

There is also no assurance that the Group can adequately comply with government policies and regulations, such as corporate, competition, consumer protection, environmental, anti-money laundering, anti-bribery and corruption laws, as they may be amended from time to time. If the Group's operations have unintended or unexpected legal consequences due to a failure to keep up with, or implement appropriate measures in response to, such changes, this may adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group is exposed to information technology and cybersecurity risks.

As the Group's businesses and operations rely on information technology, it is exposed to cybersecurity risks, including data breaches or loss, insider threats or national or state-wide cyberattacks that may result in a breach of industrial control systems or regulatory non-compliance. The scale and level of sophistication of cybersecurity threats have increased with the changing tactics and tools by cyber attackers, ranging from terrorist attacks, state-sponsored cyber-attacks and ransomware. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of the Group's information systems could interrupt the Group's operations, damage the Group's reputation, subject the Group to liability claims or regulatory penalties and could materially and adversely affect the Group.

The Group has implemented a cybersecurity strategy involving the use of defensive tools and a three-layer inspect, verify, and validate attestation framework. The Group conducts change control, vulnerability assessments and penetration testing exercises on a periodic basis to test the Group's cybersecurity defences, and works with its technology suppliers, Group Integrated Audit and SCI's Audit Committee to implement, assure and report cyber-related trends. However, there can be no assurance that these procedures and measures are sufficient or that the Group's business, financial condition and results of operations would not be adversely affected by such cybersecurity threats, data privacy breaches as well as other network security risks. In addition, any failure to maintain proper function, security and availability of the Group's information systems could interrupt the Group's operations, damage the Group's reputation, subject the Group to liability claims or regulatory penalties and could materially and adversely affect the Group.

The Group could incur significant costs and suffer other adverse consequences related to environmental, health and safety, and social matters in the countries where the Group operates.

The Group may be subject to various laws and regulations relating to protection of the environment and health and safety in the countries where the Group operates. Such laws and regulations may impose liability without regard to whether the operator knew of, or was responsible for, the presence of the regulated substances or materials. The cost of investigation, remediation or removal of these substances or materials may be substantial and failure to comply with these laws may result in penalties or other sanctions.

Further, the Group may have to comply with new laws or regulations (or any revisions or reinterpretations of existing laws and regulations), such as stricter environmental or safety controls. The Group may also be subject to liabilities or penalties relating to environmental matters which could adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects. The Group may also be involved in, or be held responsible in, litigation or proceedings relating to environmental or health and safety matters in the future, the costs of which may be significant, and which could adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

Additionally, the nature of the Group's business involves exposure to health and safety risks. Any lapse in health or safety protocols may result in direct or indirect impact on the Group's employees, contractors, customers and communities. The Group has set out a standard for the management of health, safety, security and environmental risks, which is internally audited and conforms to the relevant Occupational Health and Safety Assessment Series and International Organisation for Standardisation Standards. However, there is no assurance that the Group will be successful in identifying, addressing, or managing the above risks. Similarly, although the Group monitors and assesses security threats and potential risks to the Group's operations and assets, there can be no assurance that this will be successful. Any lapses in the foregoing could adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, and other actions may reduce global demand for hydrocarbons and propel a shift to lower carbon intensity fossil fuels such as gas or alternative energy sources. In particular, increasing pressure on governments to reduce carbon emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including, among others, carbon emission cap and trade regimes, carbon taxes, increased energy efficiency standards, and incentives and mandates for renewable energy and other alternative energy sources. Furthermore, there could be more stringent regulations on coal-fired power plant emissions which could significantly increase costs of coal-fired power plants and, at the same time, increase the cost competitiveness of renewable energy. Additionally, there are national policies and regulations such as in Singapore and in the UK that impose a price on carbon on conventional energy assets. The Group has incurred, and expects to continue to incur, operating costs and capital expenditure to improve the impact of the Group's facilities on the environment. There can be no assurance that operating costs, capital expenditure or expenses spent on improving the environmental impact of the Group's facilities or compliance with new laws or regulations will be recovered via tariffs or from its customers. There can be no assurance that any incentives on the part of governmental agencies that encourage the reduction of fossil fuels or to incentivise the use of renewable energy or other alternative energy sources will be implemented as envisaged or continued. In addition, while the Group has set various targets as part of its climate change and sustainability strategy, which strategy and targets may from time to time be revised, there can be no assurance that such targets will be achieved (whether on a timely basis or at all). In particular, the Group has set targets to increase its sustainable solutions portfolio, renewable energy capacity, quantum of sustainable urban developments, reduce greenhouse gas ("**GHG**") emissions intensity and absolute GHG emissions, and also commits to not investing in new coal-fired energy assets. Should the Group not achieve its targets, it may be vulnerable to risks relating to tightening of regulations or other measures involving GHG emissions or otherwise. The Group may also be unable to recoup expenditure to the extent it is unable to achieve its targets. Further, the Group's success and results are, to a certain extent, dependent on the strength of its brand and reputation, which could be affected if the Group does not achieve its climate change and sustainability-related targets. Any failure to achieve some or all of its targets, including in particular any inability to limit the Group's GHG emissions may have a material adverse effect on the Group's reputation, operating results, businesses, assets, financial condition, performance or prospects.

The Group is also exposed to various environmental and social risks which may be directly or indirectly caused by its projects such as those associated with land and natural resource tenure and use, including potential impact by its projects on biodiversity, livelihoods, local land use patterns, tenurial arrangements and various other resettlement related issues. These could entail legislative change and in turn, higher compliance costs for the Group, the Group's entities facing legal proceedings relating to the impact of the Group's projects on such areas and the Group's projects facing strikes and riots. Generally, any of these effects could also lead to reputational loss on the part of the Group. Further, during the course of a project life-cycle, there is a possibility that workers and communities affected by the project may bring up issues relating to health, safety and well-being, which may result in potential settlement costs and other liabilities.

The Group has in the past recognised significant impairment charges for certain assets and, if market and industry conditions deteriorate or environmental risks materialise, further impairment charges may be recognised.

Impairment charges or write-downs may need to be recorded due to, among others, market and industry conditions, unforeseen liabilities in connection with acquisitions, economic downturn, operating conditions or increased competition. Exposure to climate-related risks arising from, among others, physical changes in climate and natural resources, the adoption of strategies and decisions to prevent and mitigate the effect of climate change, such as the introduction of regulatory incentives and penalties, carbon pricing systems, energy efficiency solutions and low carbon products and services, may reduce demand for energy generated by high carbon emitting fuels or affect the market value of certain assets, resulting in impairments, even if such risks do not materialise. The Group has in the past recognised significant impairment charges for certain assets.

There can be no assurance that the Group will not be required to record any impairment losses in the future. Market and industry conditions may deteriorate and environmental risks may materialise resulting in impairment losses. Any such impairment could adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group may be affected by sanctions, including governmental economic and trade sanctions laws and regulations, that apply to jurisdictions in which the Group operates.

Governments and multinational organisations (including for instance the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**") and the United Nations) from time to time administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of sanctions. There can be no assurance that sanctions or other restrictions, whether governmental economic and trade sanctions laws and regulations or otherwise, will not affect the jurisdictions in which the Group operates. Additionally, there is a risk that the Group could potentially engage in dealings with persons sanctioned under applicable sanctions laws. Any non-compliance with economic and trade sanctions laws and regulations or related investigations could result in claims or actions against the Group and materially adversely affect the Group's business, financial condition, results of operations and prospects.

In particular, Sembcorp Industries, through its subsidiary, Sembcorp Myingyan Power Company Limited ("**SMPC**"), operates a 225 megawatt ("**MW**") gas-fired power plant in Mandalay, Myanmar, which commenced full commercial operation in October 2018.

Consequently, there remains a risk that the Group may be affected by economic and trade sanctions administered by governments relating to Myanmar, including the U.S. government (including without limitation regulations administered and enforced by the U.S. Department of Treasury's OFAC, the U.S. Department of Commerce and the U.S. Department of State), the Council of the European Union, His Majesty's Treasury in the United Kingdom and the Unified Through Rigorous Accountability Act of 2022 (the "**BURMA Act**"), which authorizes the imposition of sanctions on Burmese officials and state-owned entities in response to the February 2021 military coup in Myanmar and human rights abuses in Myanmar. On 21 June 2023, in line with a deadline for certain sanctions determinations in the BURMA Act, OFAC imposed sanctions designations on the Burmese Ministry of Defense and two stateowned financial institutions, listing them as Specially Designated Nationals.

It is possible that the U.S. government, the EU or the UK may increase sanctions on Myanmar or specific individuals and entities in Myanmar in the future. Other jurisdictions may also introduce new sanctions on Myanmar or expand existing sanctions. Continued geopolitical tensions as well as existing and any additional sanctions could result in a material adverse impact on Myanmar's economy. Please also refer to "*Terrorist attacks, other acts of violence or war and adverse political developments, pandemic or endemic outbreaks of avian influenza, coronavirus such as COVID-19 or other infectious diseases, or any other serious public health concerns could adversely impact the Group's operating results, businesses, assets, financial condition, performance or prospects*" below for further details of the Group's operations in Myanmar. The Group's operations in Myanmar could be adversely affected and the Group may need to exit the market, which would involve costs related to such exit and a loss of the Group's investment in the market.

Terrorist attacks, other acts of violence or war and adverse political developments, pandemic or endemic outbreaks of avian influenza, coronavirus such as COVID-19 or other infectious diseases, or any other serious public health concerns could adversely impact the Group's operating results, businesses, assets, financial condition, performance or prospects.

Terrorist attacks, including in the United States and Europe, and other acts of violence or war have resulted in substantial and continuing economic volatility and social unrest globally. The political unrest and terrorist attacks have exacerbated this volatility. The current conflict between Ukraine and Russia has created extreme volatility in the capital markets and is expected to have further global economic consequences. Cross-strait tensions between China and Taiwan may also have adverse global economic consequences. Please also refer to "*The Group's earnings may be affected by general economic and business conditions in markets in which it operates or invests, including Singapore, India, UK, Rest of Asia, China and Middle East.*" above for more details.

Additionally, some of the countries in which the Group operates have experienced or may continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on the economic or social conditions in those countries. For example, a coup d'état in Myanmar began in February 2021, when Myanmar's military seized control of the government, detaining members of the National League for Democracy party and proclaiming a year-long state of emergency. Civil resistance efforts have emerged within Myanmar, in opposition to the coup, including public protests and labour strikes, while the Burmese military had responded violently in putting down dissent, resulting in multiple deaths since the coup. This has also resulted in a disruption to the economy, contributed to in part by interruption of business operations, curfews, internet restrictions, sanctions and a drop in foreign direct investments. In July 2022, the central bank of Myanmar was reported to have ordered companies and individual borrowers to suspend the repayment of debts to foreign creditors. In August 2022, the Myanmar military extended the state of emergency in Myanmar for an additional six months to February 2023, and on 1 February 2023, a further six-month extension of the current state of emergency was announced. On 21 October 2022, the Financial Action Task Force ("**FATF**") added Myanmar to the list of "High-Risk Jurisdictions subject to a Call for Action". Sembcorp Industries, through its subsidiary SMPC, operates a 225 megawatt ("**MW**") gas-fired power plant in Mandalay, Myanmar, which commenced full commercial operation in October 2018. The Group has made a provision for the Expected Credit Loss ("**ECL**") of S$108 million on receivables for SMPC in its financial statements for the second half and full year ended 31 December 2022. The provision was made following management's regular assessment of credit risk under SFRS(I) 9. While there is no default on payment, the Group has determined that the credit risk on the service concession receivables for SMPC has increased significantly taking into consideration forward-looking information on the risk of foreign currency shortages, a weakening economy and Myanmar being categorised as a high-risk jurisdiction by FATF. Accordingly, lifetime ECL is applied on the service concession receivables of SMPC. Although SMPC had not received any directives to halt the repayment of its foreign loans, and payments from its off-taker had also been promptly received in accordance with the underlying contract as at December 2022, there is no assurance that the power plant will be able to continue operations if the situation worsens. Please further refer to "*The Group may be affected by sanctions, including governmental economic and trade sanctions laws and regulations, that apply to jurisdictions in which the Group operates*" above for a discussion of risks relating to sanctions in Myanmar. In addition, obtaining insurance coverage in Myanmar has been increasingly challenging, due to the reduced available insurance capacity for projects in Myanmar. Please also refer to "*The Group's insurance coverage may not adequately cover all situations, some of which may not be insurable*" below for a discussion of risks relating to the Group's insurance coverage.

Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any of these terrorist attacks, political unrest or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on the operating results, businesses, assets, financial condition, performance or prospects of the Group.

An increase in the frequency, severity or geographic reach of terrorist acts or armed conflicts could destabilise the jurisdictions in which the Group operates. Such developments and any additional significant military or other response by the U.S., its allies and/or other parties could also materially and adversely affect international financial markets and the Singapore economy, and may adversely affect the operations, revenues and profitability of the Group.

The Group's business could also be adversely affected by the effects of coronavirus, avian influenza, Severe Acute Respiratory Syndrome, H1N1 Influenza, Ebola, Zika virus, Middle East Respiratory Syndrome or other similar pandemic or endemic outbreaks of infectious diseases. Any outbreak of other infectious diseases together with any resulting restrictions on travel and/or imposition of quarantine measures may result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains and may adversely impact the operations, revenues, cashflows and profitability of the Group. There can be no assurance that any precautionary or other measures taken against infectious diseases would be effective.

In particular, the COVID-19 pandemic has been one of the most significant global health crises in recent times. The COVID-19 pandemic and measures taken to mitigate the spread of COVID-19 (including border controls, restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses) severely impacted economic activity in Singapore and globally, and caused a global recession in 2020. The COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide, and country-specific policies to contain COVID-19 could also have meaningful spillovers to global activity and financial markets. Notwithstanding the successful development of COVID-19 vaccines from late 2020 and roll-out of vaccination programmes, there is no assurance that supply and distribution constraints will not arise nor as to the long-term effectiveness of the vaccines, and it is possible for fresh waves of infections to adversely impede global economic performance, although the risks of reimposition of tight border controls and restrictions on movement and economic activities is now expected to be lower as most parts of the world are moving from a pandemic into an endemic state of COVID-19.

Together with supply chain disruptions resulting from the COVID-19 pandemic and the geopolitical environment, rising inflation rates and tighter monetary policy, these events present significant challenges to the Group's operations and economies around the world. The impact of COVID-19 could be prolonged and uncertainties continue to persist with regard to the impact of the current macroeconomic climate on the global economy. There is no assurance that the Group's supply chains for fuel, raw materials, goods and other commodities, including without limitation, coal, gas, equipment and spares will not continue to be affected as a result of restrictions of movement of people and goods imposed by governments worldwide, rising inflation rates and tighter monetary policy, and any of the foregoing may affect the Group's operations. In addition, the Group has faced and may continue to face delays associated with project completion, the collection of receivables from its customers as a result of such restrictions, increased inflationary pressures, or economic slowdown caused by COVID-19 which may adversely affect the Group's cashflows. Any of the aforementioned factors, if materialised, may have an adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects, although the long-term impact of COVID-19 on the Group's results remains uncertain.

The consequences of a future outbreak of infectious disease, terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its operating results, businesses, assets, financial condition, performance or prospects.

The Group's success in the future may depend on the successful implementation of its strategies.

The Group's ability to successfully pursue new growth opportunities will depend on its continued ability to implement its strategies. For instance, the Group has set targets as part of its climate change and sustainability strategy to, among others, increase its sustainable solutions portfolio, increase its renewable energy capacity, pursue more sustainable urban developments and reduce GHG emissions intensity and absolute GHG emissions. There can be no assurance that the Group will be able to successfully implement its strategies and any failure to do so may have an adverse impact on, among others, the Group's reputation, operating results, businesses, assets, financial condition, performance or prospects. For further information on consequences that may arise should the Group fail to successfully implement its strategies in relation to the Group's climate change strategy, please refer to "*The Group could incur significant costs and suffer other adverse consequences related to environmental, health and safety, and social matters in the countries where the Group operates*". Additionally, as part of its business strategy, the Group intends to focus on certain sectors and to do so, the Group may need to build up capabilities and/or acquire or develop technologically superior products, which may lead to increased costs. Similarly, the Group may acquire businesses by leveraging on its partnerships and capitalising on platforms to grow its presence in focus markets, and has made acquisitions in recent years. Further, there can be no assurance that such sectors will generate favourable returns for the Group, if at all, as such sectors can be significantly affected by changes in general and local economic conditions, including employment levels, heightened competition, availability of financing, interest rates, consumer confidence and demand for products. Any adverse change may have an adverse material effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group anticipates its future growth will come from the expansion of its operations within and outside Singapore. The Group's overseas projects are located in countries of varying economic growth including Singapore, India, the UK, Rest of Asia, China and Middle East. Overseas expansion may also include entering into new markets. As a participant in such markets, the Group's businesses are subject to various risks beyond its control, such as instability of foreign economies and governments and changes in laws and policies in overseas countries affecting trade and investment. The materialisation of such risks could potentially affect the Group's overseas businesses in the future.

The Group's ability to further expand its operations successfully depends on its ability to successfully identify suitable opportunities for investment and reach agreements with potential partners on satisfactory commercial terms. For further details of the Group's agreements with partners, please refer to "*Description of Sembcorp Industries Ltd*". There can be no assurance that such opportunities or agreements can be established or that any of the Group's proposed agreements will be completed on the commercial terms contemplated or at all. The Group's risk assessments carried out on, and mitigation strategies implemented for, its investments may also be insufficient to exhaustively address the inherent risks in the investments. Consequently, there can be no assurance that the Group's investments would yield the expected returns.

Further, the Group continually looks to divest its non-core assets and to acquire suitable opportunities for investment. Such strategy to recycle capital may not be successful. The Group may not be able to divest selected assets or may not be able to achieve satisfactory prices for divested assets. There can be no assurance that such divestments will not result in a reduction of the Group's earnings or that the Group will be able to acquire suitable assets or businesses to replace such divestments.

In September 2022, the Group announced that it had entered into a share purchase agreement (the "**Share Purchase Agreement**") in connection with the SEIL Disposal. With effect from 8 November 2022, SEIL was classified as a disposal group held for sale and its assets and liabilities are presented as assets and liabilities held for sale respectively. Following the completion of the SEIL Disposal on 19 January 2023, SEIL was deconsolidated from the Group. Please refer to "*Description of Sembcorp Industries Ltd – Recent Developments – Sale of Sembcorp Energy India Limited*" for more details. Any of the following factors relating to the SEIL Disposal could have a material adverse effect on the results of operations, businesses, assets, financial condition, performance or prospects of the Group.

(a) Corporate guarantees

Prior to the SEIL Disposal, the Group had issued corporate guarantees (the "**Existing Corporate Guarantees**") in favour of certain banks (the "**Existing Lenders**") which had extended facilities to SEIL, and there were also existing facilities extended by the Existing Lenders to SEIL which the Group has not issued any corporate guarantee in respect of (the "**Non-Guaranteed Existing Facilities**"). As part of the process of soliciting consents from the Existing Lenders in relation to the SEIL Disposal, the Group agreed (i) for certain Existing Corporate Guarantees to continue in force post-completion of the SEIL Disposal and (ii) provide new corporate guarantees in respect of certain Non-Guaranteed Existing Facilities which continued in force post-completion of the SEIL Disposal. In addition, certain existing facilities were agreed by the Group to be refinanced, for which the Group agreed to issue new corporate guarantees in respect of some of these refinanced facilities which continued in force post-completion of the SEIL Disposal.

In an event of default by SEIL under the relevant facilities, the relevant lenders of SEIL will be able to enforce such corporate guarantees against the Group, and the Group will be liable to repay the outstanding amounts under these facilities. In such event, the Group will have no recourse against the purchaser in relation to such enforcement action by such lenders.

In addition, the Group has also given certain indemnities and warranties to the purchaser under the Share Purchase Agreement, which may result in claims being brought against the Group.

(b) Consideration via deferred payment note

Under the Share Purchase Agreement, the purchaser is obliged to settle the final purchase price by way of a deferred payment note. All outstanding payment obligations of the purchaser under the deferred payment note (the "**Obligations**") will be due and payable in full on the fifteenth anniversary date of completion of the SEIL Disposal ("**Completion**", and the date of Completion being 19 January 2023) (the "**Maturity Date**"), although the Maturity Date may be further extended up to the twenty-fourth anniversary date of Completion if the Obligations remain outstanding. However, pursuant to the deferred payment note, the Group will waive, cancel and forgive the repayment of all Obligations by the purchaser on the said twenty-fourth anniversary date of Completion and the purchaser will not be liable for any Obligation thereafter. The deferred payment note will terminate on the twenty-fourth anniversary date of Completion. Accordingly, any outstanding Obligations as at the twenty-fourth anniversary date of Completion will not be paid by the purchaser to the Group, and will be written-off in the books of the Group.

While the purchaser will, with respect to the Obligations, grant in favour of the Group a security interest over most of the purchaser's bank accounts and all of the purchaser's assets (other than the SEIL sale shares), the Group will not be able to take any enforcement action in respect of such security interest after the twenty-fourth anniversary date of Completion. In addition, the Group will be secured only to the extent of the value of the assets underlying such security interest.

The purchaser is obligated to maximise available distributions from the two supercritical coal-fired power plants totalling 2,640 MW operated by SEIL (the "**Project**") under the deferred payment note, and on each anniversary of Completion, such available distributions shall be applied to pay the Obligations in a specified manner. Failure by the purchaser to apply the available distributions from the Project in such manner constitutes an event of default. Notwithstanding, there can be no assurance that the purchaser will pay all Obligations in a timely manner, or in the event of an enforcement, that the enforcement proceeds in respect of the security interests will be sufficient to repay the Obligations. If the enforcement proceeds are insufficient, any remaining balance will be unsecured debt.

(c) Consideration adjustments

Under the Share Purchase Agreement, the purchaser can bring a claim for leakages by SEIL until the date ending three months after Completion, being 19 April 2023. Any confirmed leakages during such three-month period after Completion will be set-off against the outstanding Obligations under the deferred payment note, which may result in a reduction of the final purchase price due to the Group. To the Group's knowledge, as of 19 April 2023, no such leakage claims have been received from the purchaser and the claim period for leakages under the Share Purchase Agreement has passed.

The Group's success and financial performance will also depend on the ability of the Group to reorganise its business and carry out strategic projects, such as recapitalisations or initial public offerings of its subsidiaries, in a timely and cost-effective manner. There can be no assurance as to whether or when existing and planned strategic projects will be successfully completed. Although the Group plans to apply many of the same development strategies that it has employed in the past, new strategic projects may pose unforeseen challenges and demands on the Group's managerial and financial resources. Non-completion of such strategic projects may have a material adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

Several of the Group's business segments operate in industries characterised by technological innovation and which are experiencing heightened competition. The Group may experience pricing pressure as a result.

The industries in which the Group is active are characterised by rapid technological innovation, keen global competition and limited access to markets with local dominant players. It is incumbent on the Group to offer a range of products and services that accords with the markets in which the Group operates. Accordingly, the Group has to continuously place emphasis on product and service development, build up capabilities and acquire or develop technologically superior products and services which may lead to increased costs. For instance, the Group may invest in technologies that promote decarbonisation, such as hydrogen and ammonia as a substitute for natural gas. Unless the Group is able to succeed in such research and development efforts to build up capabilities or produce technologically superior products and services and maintain a competitive cost structure, it will not be able to compete effectively on a global scale, which would adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

In addition, investments in research and development activities for the development of products and services are subject to considerable uncertainty, given that such costs may not be recovered should the research prove incapable of industrial application or otherwise unfeasible. While the Group seeks to identify new technologies and partner with academia and industrial associations to research and test new technology, and to develop new products and services in existing and new markets, new technologies may not be developed or implemented according to anticipated schedules or may not achieve commercial acceptance in the markets. Any failure to develop and implement technologies in a timely manner could delay the implementation of new products and services, reduce the quality and functionality of the Group's products and services, increase its operational costs, reduce its actual and potential market share and hinder it from realising its revenue streams. For instance, climate-related technology risks may arise from the failure to identify and adopt disruptive innovation affecting decarbonisation, which may result in newer entrants to the decarbonisation sphere eroding the market share of or even displacing incumbents, including the Group. The failure of a technology to achieve commercial acceptance could result in additional capital expenditure or a reduction in profitability due to the recognition of the impairment of assets.

The Group's portfolio has, and will continue to have, certain levels of concentration related to geography and industry.

The Group's portfolio has, and will continue to have, certain levels of concentration related to geography and industry. Notwithstanding the expansion and diversification of the Group's portfolio, some levels of concentration in terms of industry, client, and product types will remain given the nature of its business. Given this concentration of the Group's business activities, any changes in the governments, the specific laws, regulations, practices, economic and financial conditions, market and other aspects of each of such geographies and their corresponding micro-regions or industries could have significant impact on the Group's operating results, businesses, assets, financial condition, performance or prospects.

For instance, India is one of the Group's focus markets and an integral part of the Group's emerging market strategy. In relation to the Group's utilities operations in India, the Group depends on the sale of electricity to certain key customers, and the Group's operations in India are highly dependent upon the ability of the Group to enter into power purchase agreements, as well as customers fulfilling their contractual obligations under the power purchase agreements. The

Group enters into agreements with many state-owned distribution companies and there may be delays associated with collection of receivables from government owned or controlled entities because of the financial condition of these entities. Many of these distribution companies may have low credit ratings. Although the central and state governments in India have taken steps to improve the liquidity, financial condition and viability of such distribution companies, there can be no assurance that such distribution companies that are currently the Group's customers will have the resources to pay the Group on time, or at all. The Group has in the past faced, and continues to face, delays in payment by certain distribution companies in India. Such conditions could cause working capital shortages and adversely affect the Group's cash flows, which in turn could have an adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

In China, another key market of the Group, the Group has increased its presence with recent acquisitions and is subject to local regulations affecting subsidy tariffs. Please refer to the risk factor "*The Group's operating results may be negatively impacted as a result of any tariff adjustment, volatility in spreads and carbon pricing and reduction in the demand of electricity*" for further details.

The Group's operating results and financial performance may be adversely affected by lack of, or delays in the award of, new contracts or cancellation of contracts.

The long-term sustainability of the Group's economic and financial performance depends on the Group's ability to service its existing contracts and to secure new contracts, such as power purchase agreements. The Group's contracts may be completed or expire, or they may be altered or terminated. The Group may be unable to replace these contracts with new contracts of comparable size or in a timely manner. The award of new contracts is subject to competition and is affected by factors outside of the Group's control. Any failure to secure or any delay in securing a consistent number of long-term contracts or any interruption to or termination of existing contracts may cause an insufficient workload that would adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Guarantor relies on its investment income, including dividends and distributions from its subsidiaries, associated companies and joint ventures and proceeds from divestments, to meet its obligations, including obligations under the Instruments and the Guarantee.

The Guarantor is a holding company incorporated for the purpose of holding investments, both in Singapore and abroad, which are generally made through joint ventures and direct equity. The Issuers (other than SCI) may rely on funding and credit support from the Guarantor to meet their respective obligations under the Instruments, and the Guarantor will rely on its investment income, including dividends and distributions from its subsidiaries, associated companies and joint ventures and proceeds from divestments, to meet its obligations, including obligations under the Instruments and the Guarantee. The ability of the Guarantor's subsidiaries, associated companies and joint ventures to pay dividends and other distributions and, to the extent that the Guarantor relies on dividends and distributions to meet its obligations, the ability of the Guarantor to make payments, are subject to applicable laws and restrictions (contractual or otherwise) on the payment of dividends and distributions contained in the relevant financing and other agreements of such companies. If there is a decrease in the dividends and distributions paid to the Guarantor by its subsidiaries, associated companies and joint ventures, it may adversely affect the Guarantor's business, results of operations, financial condition and prospects.

The Group is exposed to project cost overruns and delays.

In preparation for tender submissions for projects, internal costing and estimates of labour and materials costs are compiled by project managers. The contract value quoted in the tender submission is determined after the evaluation of the scope of work and all related costs including indicative prices of suppliers and sub-contractors. However, unforeseen circumstances such as unanticipated price fluctuations in the cost of materials, equipment and labour costs, including the cost of capital, as well as damages and errors in estimation, may arise during the course of the project. As these circumstances may require additional costs and work which are not factored into the contract value, they may lead to cost overruns and delays which may erode the Group's profit margin for the project and have an adverse impact on the Group's overall profitability. Such cost overruns and delays may also incur penalties and fines and lead to proceedings being brought against the Group.

Changes in technology may render the Group's current technologies obsolete or require the Group to make substantial capital investments.

Changes in technology may require the Group to make additional capital expenditure to build new plants or facilities or upgrade the Group's plants or facilities. The development and implementation of such technology entails technical and business risks and significant costs of employee training and implementation. The cost of building new plants and upgrading or implementing new technologies could be significant and could adversely affect the Group's results of operations. Failure to respond to current and future technological changes in the industry in an effective and timely manner may have a material adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group may be adversely affected if there is any significant downtime of its assets.

Each asset is subject to normal wear and tear as a natural consequence of its operations. Normal wear and tear results from exposure to elements and deterioration of equipment, whether from use or otherwise. As a result, the assets held by the Group may require periodic downtime for repairs and maintenance. Repairs and maintenance are also expected to become more frequent as the plants get older. In addition, defects which may not have been apparent during the testing and commissioning of the assets may become apparent only after some period of operation. In such an event, such assets may require downtime for rectification or modification. As the assets held by the Group reaches its end of life, such assets may be subject to extensive wear and tear and there may be a need to replace such assets which could lead to increased costs for the Group. For instance, there may be a need to explore re-powering options for the Group's power plants as such assets reach their end of life.

If any extraordinary or extensive repairs to the assets or equipment are required due to any mechanical breakdown, fire, natural calamity or any event (whether natural or manmade) or wear and tear, the assets could require significant downtime during which such assets would not be productive. Any significant downtime of the assets may have far-reaching consequences, and could lead to the termination of, and/or compensation liabilities arising under, the relevant agreements. Further, the Group may have to incur significant costs to carry out such extraordinary or extensive repairs. Such repairs and the inability to use any of the Group's plants will materially and adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

Additionally, the Group's assets may be impacted by acute and chronic physical risks. These risks may arise from increased severity and frequency of extreme weather, as well as rising sea levels and temperatures. The Group's asset design specifications include infrastructure resilience, and the Group conducts physical risk assessments of critical assets every five years as well as annual reviews of the effectiveness of their mitigation and adaptation plans based on local market intelligence. The Group also insures its assets appropriately. However, there is no assurance that these steps would mitigate such risks. The Group may be exposed to financial losses arising from operational disruptions of the Group's assets, and this may materially and adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group's operations involve significant risks and hazards that could have a material adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group's operations in its renewables, integrated urban solutions and conventional energy businesses involve hazardous activities. In addition to natural risks such as earthquakes, floods, lightning, hurricanes and winds, other hazards, such as fire, structural collapse and machinery failure are inherent risks in the Group's operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in the Group being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental clean-up costs, personal injury and property damage and fines and/or penalties.

Accidents or mishaps may also occur at the work sites of the Group's projects. Such accidents or mishaps may severely disrupt the operations of the Group and lead to delays in the completion of projects. In the event of such delay, the Group may be liable to pay liquidated damages to its clients and its business, financial condition and results of operations may be materially and adversely affected. Furthermore, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages, and any claims which are not covered by the Group's insurance policies may materially and adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

In addition, in the event that the Group's work sites contravene the requisite safety standards imposed by the regulatory authorities, the Group may be subject to penalties which include being fined or issued with partial or full stop-work orders. The issuance of such stop-work orders may disrupt operations and lead to a delay in the completion of a project.

These circumstances may have a material and adverse impact on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group's insurance coverage may not adequately cover all situations, some of which may not be insurable.

The Group currently maintains broad insurance coverage on its assets (including, in most cases, business interruption due to insurable damage to its assets), its employees (including comprehensive health and surgical insurance) and against legal liability arising from third party claims, bodily injury and property damage arising from conduct of its business and operations. However, such insurance coverage does not cover all types of losses, and are subject to insurance deductibles. In the event of an uninsured or uninsurable incident or the amounts of claims exceeding the insurance coverage or falling within the policy deductibles of the insurance policies which the Group has taken up, the Group may be liable to cover the amounts or the shortfall of the amounts claimed. If such events were to occur, the Group's operating results, businesses, assets, financial condition, performance or prospects may be materially and adversely affected. Please also refer to "*Terrorist attacks, other acts of violence or war and adverse political developments, pandemic or endemic outbreaks of avian influenza, coronavirus such as COVID-19 or other infectious diseases, or any other serious public health concerns could adversely impact the Group's operating results, businesses, assets, financial condition, performance or prospects*" above for details of the Group's insurance coverage in Myanmar.

The Group may not be able to refinance its indebtedness and funds may not be available to the Group.

While the Group has unutilised facilities and funds available for use, the availability of such facilities and funds depends on a number of factors that are beyond the Group's control, including general economic conditions, availability of liquidity in the market amidst the global credit crunch, and changes in government policies, laws and regulations, which may affect the terms on which financial institutions are willing or able to extend credit to it. There can be no assurance that the Group will be able to refinance its indebtedness as they become due on commercially reasonable terms or at all.

In addition, some of the Group's financings are subject to criteria regarding environmental impact and sustainability performance. As an example, the Group has issued several sustainability-linked notes and sustainability-linked loans, where interest rate(s) are subject to margin adjustment depending on whether the stated sustainability performance target(s) under such facilities are achieved. Therefore, there can be no assurance that the Group will be able to meet or continue to meet the requirements under such sustainability-linked facilities of the Group, which may impact the terms on which such facilities are extended.

Further, the Group may require additional financing to fund working capital requirements and support the future growth of its business. The Group's level of indebtedness means that a portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness could restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. Accordingly, there can also be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms or at all.

Foreign exchange controls may limit the ability of subsidiaries to make payments and the Group's ability to receive dividends and other payments from its subsidiaries.

The Group's overseas subsidiaries are subject to the rules and regulations on currency conversion of the jurisdictions in which they are incorporated and/or have operations in. Furthermore, the impact of the rising inflation and tighter monetary and fiscal policies have heightened the risk of a global (or regional) recession and may have a negative impact on trade and growth, especially in developing countries that are highly dependent on USD denominated imports because of the further strain they put on the USD foreign reserves of these countries.

The ability of these subsidiaries to make payment for goods and services, pay interest on or repay the principal amount of loans, pay dividends or make other distributions to the Group may be restricted by foreign exchange control restrictions imposed by the jurisdictions in which they are incorporated and/or have operations in. There can be no assurance that the relevant regulations will not be amended to the Group's disadvantage and that the ability of its overseas subsidiaries to distribute dividends to the Group will not be adversely affected.

The Group relies on third parties to fulfil their obligations on a timely basis and any delay or default would impair the Group's ability to conduct business.

The Group outsources to, or depends on, many third parties for various aspects of the Group's businesses. Accordingly, the Group faces the risk that its suppliers, customers and service providers may fail to fulfil their respective contractual obligations. Amongst others, the Group relies on third parties to supply fuel and raw materials, to provide shipping services for the shipment of materials and inventory and for waste collection services. The failure of these third parties to fulfil their obligations to the Group or to provide the services they have agreed to provide may in turn lead to the Group's inability to fulfil its contractual obligations to other parties. In the event of the termination of contracts with suppliers and/or contractors, the time and effort taken to search for new suppliers and/or contractors will almost invariably translate into financial losses and the Group may only be able to secure new contracts with terms and conditions which are less favourable. These will in turn subject the Group to claims and other liabilities which may have a material adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects. In addition, the Group may incur or assume unknown or anticipated liabilities or contingencies with respect to third parties (including in relation to issues such as bribery, corruption, cybersecurity and data protection), which may impact the Group's operating results.

The Group is subject to credit risk, counterparty risk and price risk exposures.

The Group is also exposed to credit risk arising from sales to its trade customers and downpayments which have to be placed with the Group's suppliers and contractors. There is no assurance on the timeliness of customers' payment or whether they will be able to fulfil their payment obligations. The Group is therefore subject to the risk of unrecoverable debts should any of its customers fail to promptly settle the amounts due to the Group, particularly if these customers experience a deterioration in their business performance and financial position. Significant unanticipated and systemic incidence of unrecoverable debts may have an adverse impact on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group may enter into various transactions which will expose it to risks relating to the credit of its counterparties and their ability to satisfy the terms of such contracts. Such default and counterparty credit risks arise from various counterparties such as customers, vendors, joint venture partners and financial institutions, who may fall short of their payment and/or performance obligations. The Group may enter into swap arrangements, including multi-year swap arrangements, or accept financial undertakings such as bank guarantees or letters of credit issued by the counterparty which expose it to the risk that the counterparty may default on its obligations to perform under the relevant contracts or arrangements. The Group's surplus funds may also be invested in interest-bearing deposits with financial institutions. In the event that a counterparty, including a financial institution, is declared bankrupt or becomes insolvent, this may result in delays in obtaining funds or in the Group having to liquidate its position, potentially leading to losses. Adverse events in the banking industry, such as that caused by the restructuring of the Credit Suisse Group AG in Switzerland and the failures of Silicon Valley Bank and Signature Bank in the United States, may also result in volatility in the financial markets or loss of investor confidence. Further, such events may result in contagion risk affecting bank counterparties the Group deals with.

Additionally, the Group is exposed to price risk from mutual funds and equity securities, which may affect the value of the Group's financial instruments. If the Group is unable to successfully manage the risks associated with such price fluctuations, its operating results, businesses, assets, financial condition, performance or prospects may be adversely affected.

The Group faces exposure to supply chain risks.

The Group's operations and projects are vulnerable to the risks caused by supply chain disruptions arising from external global or regional factors, which may result in increased demand and/or reduced supply of certain materials or products. There can be no guarantee that the Group will be able to predict or properly manage any delays, disruptions or increased costs that may result. Consequently, these could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group is exposed to supply chain risks that arise due to the nature of the Group's portfolio and business operations, including certain levels of concentration related to the industries the Group operates in. For further details, please refer to the risk factor *"The Group's portfolio has, and will continue to have, certain levels of concentration related to geography and industry"*. For instance, for certain specialised equipment used in the Group's business, there are a limited number of manufacturers and limited amount of supply, including that of the raw materials and commodities required for the manufacture of such equipment, resulting in the Group's reliance on a limited number of manufacturers and suppliers. Where possible, the Group prefers to purchase such specialised equipment from manufacturers and suppliers with established track records. There could also be a large orderbook for certain specialised equipment, as is commonly observed in the supply chain for said equipment, and this could result in buyers including the Group being subject to long waiting times arising from equipment production timelines. The Group has generally been able to tap on strong relationships with its manufacturers and suppliers, which aid the Group in ensuring steady supplies of such equipment. The Group also maintains strong relationships with its partners, which may confer on the Group more flexibility to revise commercial operation dates of projects in accordance with supply availabilities and anticipated shifts in supply. However, in the event that disruptions in the supply chain arise, there can be no guarantee that the Group will continue to be able to secure the equipment needed on a timely basis, or on terms which are commercially acceptable to the Group, or at all. This may also affect the Group's ability to undertake or to complete a particular project, which in turn may give rise to contractual claims by customers and counterparties and adverse effects on the Group's reputation and financial condition, in the event that the Group is unsuccessful in defending such claims. Materialisation of any or all of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces exposure to wind and solar energy resource risks and grid curtailment risk.

The revenues generated by the Group's wind and solar projects are highly dependent on the amount of electricity generated, which in turn is dependent on, among other factors, available wind and solar resources (respectively) and the Group's ability to evacuate the electricity generated from the said projects. The Group is exposed to resource risk arising from environmental and climate conditions that affect its wind and solar resources, which can result from natural variations from season to season, or from conditions resulting from, among others, climate change and man-made factors. The revenues generated by the Group's renewable energy solutions business may also be subject to grid curtailment due to unanticipated transmission infrastructure limitations and/or government controls in certain countries. Such resource risk and grid curtailment risk may be beyond the Group's control.

Although the Group's renewables portfolio is diversified geographically and in terms of resource type (through its presence in both the wind and solar renewable energy sectors), and the Group factors in expected curtailment risk when making its investment decisions on renewables projects, there can be no assurance that the Group will not be impacted by any changes or deterioration in available wind or solar resources, or unanticipated changes in curtailment levels due to factors beyond its control, or be able to successfully manage or mitigate the impact of such changes. A sustained decline in wind or solar resources or the imposition of curtailment could result in a material adverse change in the volume of electricity generated, and consequently the Group's operating results, businesses, assets, financial condition, results of operations, performance or prospects may be adversely affected.

The Group may suffer losses if its customers prematurely terminate or seek to renegotiate their contracts with the Group.

The Group's contracts may be prematurely terminated by its customers. Although such contracts may require the customer in default to make an early termination payment, such payment may not fully compensate the Group for the loss of the contract. In periods of rapid market downturn, the Group's customers may also not honour the terms of existing contracts, and in cases of material breach by them, the Group may be forced to prematurely terminate the contracts and make claims against them. In such an event, there can be no assurance that the amount of damages awarded to the Group upon successful litigation would fully compensate the Group for the loss of the contract. Further, the Group's customers may seek to renegotiate contract rates and terms to conform to depressed market conditions. The Group's operating results may be adversely affected by such premature termination of contracts and contract renegotiations.

The Group's operating results may be negatively impacted as a result of any tariff adjustment, volatility in spreads and carbon pricing and reduction in the demand of electricity.

The operating results for the Group's conventional energy and renewables business segments are heavily dependent on tariff levels which are subject to price controls set by the relevant governmental and/or regulatory authorities in the jurisdictions that the Group operates in. The Group sells carbon credit in some countries in which it operates. Hence, the volatility in the spreads and carbon pricing can adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

For instance, the Group may be negatively impacted due to political and regulatory developments that result in tariff adjustment, volatility in spreads and carbon pricing and reduction in the demand of electricity. In China, the massive build-up of renewable energy over the past years due to China's subsidised electricity price has led to a significant subsidy payment backlog to renewable energy companies eligible for such subsidies and such projects are subject to subsidy audits. In 2022, the Group completed the following acquisitions in China: a 98% equity interest in Shenzhen Huiyang New Energy Group ("**HYNE**"), 35% equity interest in SDIC New Energy Investment Co., Ltd. and 45.3% equity interest in Hunan Xingling New Energy Co., Ltd. through the Group's subsidiaries. Particularly for the acquisition in HYNE, the assets acquired and liability assumed are determined on a provisional basis and included in the trade and other receivables of the Group are receivables associated with a renewable energy subsidy tariff due from the Chinese authorities. At present, such subsidies are currently subject to an ongoing nationwide audit carried out by regulators on Chinese renewable energy companies generally. Consequently, such developments may result in an adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

Further, certain of the Group's business operate in merchant markets and are subject to market volatility. For instance, the Group owns power plants and is a retailer under the Open Electricity Market in Singapore. The Group also provides flexible electricity and services to the UK power market through UK Power Reserve. As a producer and retailer of electricity, the Group is subject to price competition from other producers and retailers of electricity in the Singapore and the UK market and changes to demand for electricity. Changes in demand for electricity are driven largely by general factors outside the Group's control, such as the retail price of electricity, increases in energy efficiency, cooler weather and changes in the mix of industries and a reduction in the demand for electricity. Further, alternative end-user generation can be made possible through current or future advances in technology. Technology such as solar photovoltaic, fuel cells and microturbines could provide alternative sources of electricity and permit customers to generate electricity for their own use. As these and other technologies are created, developed and improved, the volume of electricity usage through the Group's distribution network by customers could decline. Any adverse change to the above factors could have an adverse effect on the Group's operating results, businesses, assets, financial condition, performance or prospects.

The Group is susceptible to fluctuations in the prices of energy, raw materials and other commodities.

The Group is subject to fluctuations in commodity prices such as energy, coal, oil and natural gas for its conventional energy business and prices of raw materials such as steel and polysilicon which are required for the manufacture of wind and solar equipment and assets for its renewables business. The Group endeavours to incorporate pricing formulae for coal, oil, natural gas, steel, polysilicon and raw material costs such that these costs may be passed on to its customers and, in accordance with its risk management policy, hedges the residual risks arising from the price fluctuation of these items. However, the prices of such commodities and raw materials are unpredictable because they are closely dependent on global demand and supply conditions. There can be no assurance that the Group will be able to fully and adequately hedge against such increases in prices and/or pass on all, or any of, the incremental costs to its customers. If the Group is unable to successfully manage the risks associated with these cost fluctuations, its operating results, businesses, assets, financial condition, performance or prospects may be adversely affected.

The Group is subject to interest rate fluctuations.

The Group faces risks in relation to interest rate movements, particularly as a result of debts undertaken to finance its developments and working capital. Part of the Group's debts bear floating interest rates which are subject to fluctuations in interest rates. This could in turn have a material and adverse effect on the Group's results of operations. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks. Such clauses may state that to the extent that banks face difficulties in raising funds in the interbank market or pay materially more for interbank deposits than the displayed screen rates, they may pass on the higher costs of funds to the borrower despite the margins agreed. Although the Group may enter into some hedging transactions to partially mitigate the risk of interest rate fluctuations, they may not adequately cover the Group's exposure to interest rate fluctuations. As a result, the Group's operations or financial condition could potentially be adversely affected by interest rate fluctuations.

In addition, interest rate hedging transactions may limit gains and increase costs. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of the Group. Interest rate hedging could fail to protect the Group or adversely affect the Group because, among others:

- the party owing money in the hedging transaction may default on its obligation to pay;

- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the Group's ability to sell or assign its side of the hedging transaction; and

- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the net asset value of the Group if it is due to downward adjustments.

Interest rate hedging activities may involve risks and transaction costs, which may reduce overall returns.

The Group is subject to foreign exchange rate fluctuations.

The Group operates globally and the Group's revenue, costs and capital expenditure are mainly denominated in Singapore dollars, US dollars, Sterling pounds, Chinese Renminbi, Indian rupees and Euros. Consequently, portions of the Group's costs and its margins are exposed to and affected by fluctuations in the exchange rates of the above-mentioned currencies. Although the Group engages in certain hedging activities to mitigate currency exchange rate exposure, the impact of future exchange rates fluctuations among the US dollar, the Singapore dollar and other currencies on the Group's cost of sales and margins cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls. The reporting currency for the Group is Singapore dollars. Exchange rate fluctuations will arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting purposes. If the foreign currencies depreciate against the Singapore dollar, this may adversely affect the consolidated financial statements of the Group.

The Group's ability to borrow in the bank or capital markets may be materially adversely affected by a financial crisis in a particular geographic region, industry or economic sector.

The Group's ability to borrow in the bank or the debt or equity capital markets to meet its financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors have, in the recent past, led and could in the future lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, in turn threatening affected companies, financial systems and economies.

In recent years, credit markets worldwide have experienced periods of significant volatility including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. The functioning of financial markets has also become increasingly impaired and financial volatility has increased substantially. Dislocations, market shifts, increased volatility or instability in the global credit and financial markets have in recent years affected the availability of credit and at times led to an increase in the cost of financing. The Group may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding or reduce the Group's flexibility to recapitalise in the future. If sufficient sources of financing are not available in the future for these or other reasons, the Group may not be able to meet the financial requirements of the Group. There can be no assurance that the Group will be able to raise financing at favourable terms or at all. The Group may also be subject to solvency risks of its banks and of its counterparties in its financial investments and arrangements. This could materially and adversely affect the Group's operating results, businesses, assets, financial condition, performance or prospects.

The controlling shareholder of SCI may have interests that differ from the interests of SCI.

Temasek Holdings (Private) Limited ("**Temasek**") holds 49.38% in SCI[2]. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio with business in, among other areas, telecommunications, real estate, financial services, transportation and industrials. Temasek owns, controls or holds interests in various other entities that hold licences to operate in the electricity industry in Singapore and which may have interests that differ from the interests of the Group. While Temasek does not direct its portfolio companies' business decisions or operations, no assurance can be given that the objectives of Temasek will not conflict with the Group's business goals and objectives or that any such conflict will not have an adverse effect on Group's operating results, businesses, assets, financial condition, performance or prospects.

Risks relating to the Instruments Issued under the Programme

The Trustee may request that the Noteholders or Securityholders provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request the Noteholders or the Securityholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders or Securityholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security or pre-funding to it, in breach

2 As at 1 March 2023 and includes direct and deemed interests.

of the terms of the Trust Deed constituting the relevant Instruments and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations. In such circumstances, to the extent permitted by the agreements and the applicable law, it may be for the Noteholders or Securityholders to take such actions directly.

Performance of contractual obligations by the relevant Issuer depends on other parties.

The ability of the relevant Issuer to make payments in respect of the Instruments may depend upon the due performance by the other parties to the transaction documents relating to the Programme or an issue of the Instruments of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the relevant Issuer of its obligations to make payments under the Instruments, the relevant Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and/or Securityholders.

The Instruments and the Guarantee are unsecured obligations and payments under the Instruments will be structurally subordinated to liabilities and obligations of certain of the relevant Issuer's subsidiaries.

As the Instruments and the Guarantee are unsecured obligations, the repayment of the Instruments and payments under the Guarantee may be adversely affected if:

- the relevant Issuer or (in the case of Guaranteed Instruments) the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings; or

- there is a default in payment under the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's future secured indebtedness or other unsecured indebtedness, or there is an acceleration of any of the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's indebtedness.

If any of these events were to occur, the Noteholders and the Securityholders will not have recourse to any specific asset of the relevant Issuer or (in the case of Guaranteed Instruments) the Guarantor or their respective subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders, and the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's assets may not be sufficient to pay amounts due on the Instruments, after meeting all claims ranking ahead of the Notes and Securities, to discharge all outstanding payment and other obligations under the Notes and Securities.

Further, the relevant Issuer or (in the case of Guaranteed Instruments) the Guarantor only has a shareholder's claim on the assets of its subsidiaries. This shareholder's claim is junior to the claims that creditors of any such subsidiary have against it. The Noteholders and the Securityholders will only be creditors of the relevant Issuer or (in the case of Guaranteed Instruments) the Guarantor and not of the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's subsidiaries, who are not providing any guarantees of the Instruments. In addition, neither the Noteholders nor any Securityholders will have the benefit of any security interest over the shares of any of the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's subsidiaries or any security interest over the assets of the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's subsidiaries. As a result, liabilities of any of the relevant Issuer's or (in the case of Guaranteed Instruments) the Guarantor's subsidiaries will be effectively senior to the Instruments. Any of these subsidiaries may in the future have other liabilities, including contingent liabilities, which may be significant.

The Instruments may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal, distribution or interest is payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments may be complex financial products. Investors generally do not purchase complex financial products as stand-alone instruments and such products may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Instruments which are complex financial products unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Instruments are legal investments for it, (2) the Instruments can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Instruments under any applicable risk-based capital or similar rules.

The Conditions of the Notes and the Securities contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders or Securityholders and without regard to the individual interests of particular Noteholders or Securityholders.

Each of the Conditions of the Notes and the Securities contain provisions for calling meetings of Noteholders or Securityholders (as the case may be) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Securityholders including Noteholders and Securityholders who did not attend and vote at the relevant meeting and Noteholders or Securityholders who voted in a manner contrary to the majority.

Each of the Conditions of the Notes and the Securities provide that the Trustee may, without the consent or sanction of Noteholders or Securityholders and without regard to the interests of particular Noteholders or Securityholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Securities, and such modification, waiver or authorisation shall be binding on the holders of the Notes and the Securities.

The value of the Instruments could be adversely affected by a change in English law, Singapore law or administrative practice.

The conditions of the Instruments will be governed by English law or Singapore law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law or the respective administrative practice after the date of this Offering Circular and any such change could materially impact the value of any Instruments affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and Securities and may be adversely affected if definitive Notes and Securities are subsequently required to be issued.

In relation to any issue of Notes or Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes or Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes or Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note or Security in respect of such holding (should definitive Notes or Securities be printed or issued) and would need to purchase a principal amount of Notes or Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes or Securities in definitive form are issued, holders should be aware that definitive Notes or Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. If such Notes or Securities in definitive form are issued, they will in no circumstances be issued to any person holding Notes or Securities in an amount lower than the minimum denomination and such Notes or Securities will be cancelled and holders will have no rights against the relevant Issuer and (in the case of Guaranteed Instruments) the Guarantor (including rights to receive principal or interest (in respect of Notes) or distributions (in respect of Securities) or to vote or attend meetings of holders of Notes or holders of Securities) in respect of such Notes or Securities.

The Instruments may be represented by Global Notes, Global Securities, Global Note Certificates or Global Security Certificates and holders of a beneficial interest in a Global Note or Global Security must rely on the procedures of the relevant Clearing System(s).

Notes and Securities issued under the Programme may be represented by one or more Global Notes, Global Securities, Global Note Certificates or Global Security Certificates. Such Global Notes, Global Securities, Global Note Certificates or Global Security Certificates will be deposited with a common depositary for, and registered in the name of a nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg or deposited with CDP or its nominee (each of Euroclear, Clearstream, Luxembourg and the CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Notes, Global Securities, Global Note Certificates or Global Security Certificates, investors will not be entitled to receive the Notes or Securities in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes, Global Securities, Global Note Certificates or Global Security Certificates. While the Notes or the Securities are represented by one or more Global Notes, Global Securities, Global Note Certificates or Global Security Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes or the Securities are represented by one or more Global Notes, Global Securities, Global Note Certificates or, as the case may be, Global Security Certificates, the relevant Issuer will discharge its payment obligations under the Notes and the Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders.

A holder of a beneficial interest in a Global Note, Global Security, Global Note Certificate or Global Security Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes or, as the case may be, Securities. None of the Issuers has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes, Global Securities, Global Note Certificates or Global Security Certificates (as the case may be).

Holders of beneficial interests in the Global Notes, Global Securities, Global Note Certificates or Global Security Certificates will not have a direct right to vote in respect of the relevant Notes or, as the case may be, Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes, Global Securities, Global Note Certificates or Global Security Certificates will not have a direct right under the respective Global Notes, Global Securities, Global Note Certificates or Global Security Certificates to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes or an enforcement event under the relevant Securities but will have to rely upon their rights under the Trust Deed.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Instruments linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which could serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) of the Notes or Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*) of the Securities,) or result in adverse consequences to holders of any Instruments linked to such benchmark (including Floating Rate Instruments whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Instruments, the return on the relevant Instruments and the trading market for securities (including the Instruments) based on the same benchmark.

The Conditions of the Instruments provide for certain fallback arrangements in the event that a published benchmark including any page on which such benchmark may be published (or any other successor service) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Instruments. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Instruments may not achieve this objective. Any such changes may result in the Instruments performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Instruments based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Instruments.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Instruments linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Instruments.

The use of risk-free rates – including those such as the Sterling Overnight Index Average ("**SONIA**"), Secured Overnight Financing Rate ("**SOFR**"), the Singapore Overnight Rate Average ("**SORA**") and the €STR, as reference rates for bond markets continue to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. Each of the Issuers may in the future also issue Notes or Securities referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes or Securities issued by it under this Programme. The development of risk-free rates for bond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes or Securities that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in bond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes or Securities referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes and Securities, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes or Securities, the trading price of such Notes or Securities linked to such risk-free rates may be lower than those of Notes or Securities referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes or Securities which reference SONIA, SOFR, SORA, €STR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from the London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes or Securities. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes or Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes or Securities which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes or Securities which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes or Securities, and some investors may be unable or unwilling to trade such Notes or Securities without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes or Securities. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 13 of the Notes (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR, SORA or €STR or any related indices may make changes that could change the value of SONIA, SOFR, SORA or €STR or any related index, or discontinue SONIA, SOFR, SORA or €STR or any related index.

The Bank of England, the Federal Reserve, Bank of New York, the MAS or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index), SORA or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR, SORA or €STR, or timing related to the publication of SONIA, SOFR, SORA or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR, SORA or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes or the Securities will apply). The administrator has no obligation to consider the interests of Noteholders or Securityholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

Risks related to the structure of a particular issue of Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Instruments and those which might occur in relation to certain types of Instruments:

If each of the Issuers has the right to redeem any Instruments at its option, this may limit the market value of the Instruments concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

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

Instruments which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks applicable to Notes

Investors of the Notes are exposed to risks relating to Singapore taxation.

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2028 are, pursuant to the Income Tax Act 1947 of Singapore ("**ITA**") and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation – Singapore Taxation*".

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

Risks applicable to Securities

Securities may be issued for which investors have no right to require redemption.

Securities may be issued by the Issuers under the Programme. Securities are perpetual and have no fixed final maturity date. Subject to early redemption in accordance with the Conditions of the Securities or as otherwise specified in the applicable Pricing Supplement, the relevant Issuer is under no obligation to redeem Securities at any time. Holders of Securities have no right to require the relevant Issuer to redeem Securities at any time, and an investor who acquires Securities may only dispose of such Securities by sale. Holders of Securities who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Securities should be aware that they may be required to bear the financial risks of an investment in Securities for an indefinite period of time. Holders of Securities should not expect the relevant Issuer to redeem the Securities. In this regard, the relevant Issuer may take into account various factors, including market conditions, benefits afforded by the Securities and the relative cost of refinancing the Securities at the relevant time. Any decision to redeem Securities will be taken at the relevant Issuer's entire decision.

If specified in the applicable Pricing Supplement, holders of Securities may not receive Distribution payments if the relevant Issuer elects to defer Distribution payments.

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, elect to defer any scheduled distribution (in whole or in part) on the Securities for any period of time. The relevant Issuer may be subject to certain restrictions in relation to the payment of dividends on its junior or parity obligations and the redemption and repurchase of its junior or parity obligations until any Arrears of Distribution (as defined in the Conditions of the Securities) and any Additional Distribution Amounts (as defined in the Conditions of the Securities) are satisfied. The relevant Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Securities subject to compliance with the foregoing restrictions. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. The relevant Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the relevant Issuer not to pay a distribution, whether in whole or in part, will likely have an adverse effect on the market price of the Securities. Investors should be aware that the interests of the relevant Issuer may be different to the interests of the holders of Securities. In addition, as a result of the potential non-cumulative distribution feature of the Securities and the relevant Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Securities may be more volatile than the market price of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

If specified in the applicable Pricing Supplement, the Securities may be redeemed at the relevant Issuer's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events.

The Conditions of the Securities provide that the Securities may, if redemption at the option of the relevant Issuer is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the relevant Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in the applicable Pricing Supplement.

In addition, the relevant Issuer may also have the right (but not the obligation) to redeem the Securities at an amount specified in the applicable Pricing Supplement upon the occurrence of a Withholding Tax Event (as described in Condition 6(b) of the Securities), upon the occurrence of a Capital Event (as defined in Condition 6(d) of the Securities), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6(e) of the Securities), upon the occurrence of an Accounting Event (as defined in Condition 6(f) of the Securities), upon the occurrence of an Cessation or Suspension of Trading Event (as defined in Condition 6(g) of the Securities), or at the option of the relevant Issuer where the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued (as further set out in Condition 6(h) of the Securities), and details of each case as further set out in Condition 6 of the Securities.

The date on which the relevant Issuer elects to redeem the Securities may not accord with the preference of individual holders of Securities. This may be disadvantageous to holders of Securities in light of market conditions or the individual circumstances of a holder of Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There are limited remedies for default under the Securities.

Any scheduled distribution will not be due if the relevant Issuer elects to defer that distribution pursuant to the Conditions of the Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up (as defined in the Conditions of the Securities) proceedings is limited to circumstances where payment has become due and the relevant Issuer fails to make the payment when due. Subject to the Conditions of the Securities, the only remedy against the relevant Issuer available to any holder of Securities for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be proving in such Winding-Up of the relevant Issuer and/or claiming in the liquidation of the relevant Issuer in respect of any payment obligations of the relevant Issuer arising from the Securities.

The relevant Issuer may raise or redeem other capital which affects the price of the Securities.

The relevant Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the relevant Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. Similarly, subject to compliance with the Conditions of the Securities, the relevant Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Securities on a Winding-Up of the relevant Issuer or the Guarantor, and may increase the likelihood of a deferral of distribution under the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Securities and/or the ability of holders of Securities to sell their Securities.

Tax treatment of the Securities is unclear.

It is not clear whether any particular tranche of the Securities (the "**Relevant Tranche of the Securities**") will be regarded as "debt securities" by the Inland Revenue Authority of Singapore ("**IRAS**") for the purposes of the ITA, whether distribution payments made under each tranche of the Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness, and whether the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme (as set out in "*Taxation – Singapore Taxation*") would apply to the Relevant Tranche of the Securities.

If the Relevant Tranche of the Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

Investors and holders of the Relevant Tranche of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Securities.

The Subordinated Securities and the Guarantee of the Subordinated Securities are unsecured and subordinated obligations.

The obligations of the relevant Issuer under the Subordinated Securities and the obligations of the Guarantor under the Guarantee of the Subordinated Securities will constitute unsecured and subordinated obligations of the relevant Issuer and Guarantor respectively. In the event of the Winding-Up of the relevant Issuer or the Guarantor, the rights of the holders of Subordinated

Securities to receive payments in respect of the Subordinated Securities or the Guarantee of the Subordinated Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the claims of any Parity Creditors or holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of any Senior Securities and/or Notes. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

Further, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuers and the Guarantor without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the relevant Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Securities on a winding-up of the relevant Issuer or the Guarantor and/or may increase the likelihood of a non-payment under the Subordinated Securities or the Guarantee of the Subordinated Securities.

Risks related to the market generally

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest-rate risk, inflation risk and credit risk:

An active secondary market in respect of the Instruments may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Instruments.

There can be no assurance regarding the future development of the market for Instruments issued under the Programme or the ability of the Noteholders and Securityholders, or the price at which the Noteholders or Securityholders may be able, to sell their Notes or Securities (as the case may be). The Instruments may have no established trading market when issued, and one may never develop. If a market does develop, there can be no assurance as to its liquidity or sustainability. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Even if there is a secondary market, there can be no assurance that any secondary market activities will be continuous or regular. The value of the Instruments may fluctuate for various reasons. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. If the Instruments are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon, among other factors, prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuers. If the Instruments are trading at a discount, investors may not receive a favourable price for their Notes or, as the case may be, their Securities, and in some circumstances, investors may not be able to sell their Notes or, as the case may be, their Securities at their fair market value or at all. Liquidity may have a severely adverse effect on the market value of the Instruments. Although issuing additional Instruments may increase their liquidity, there can be no assurance that the price of such Instruments will not be adversely affected by the issuance.

Although an application will be made for the listing and quotation of Instruments issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of the Instruments will be so admitted or that an active trading market will develop or that disruptions will not occur for that particular Tranche of Instruments.

If an investor holds Instruments which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Instruments could result in an investor not receiving payments on those Instruments.

The Issuers will pay principal and interest on the Notes and principal and distributions on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuers to make payments in respect of the Instruments. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

Interest rate risk.

An investment in Fixed Rate Instruments involves the risk that subsequent changes in interest rates may adversely affect the value of the Instruments and a holder of Notes or holder of Securities may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the holder of Notes or holder of Securities. However, such holders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. A holder of Notes or holder of Securities may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

Credit ratings assigned to the Issuers or any Instruments may not reflect all the risks associated with an investment in those Instruments.

One or more independent credit rating agencies may assign credit ratings to the Issuers or the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Fluctuation of the market value of the Instruments under the Programme.

Trading prices of the Instruments may be influenced by numerous factors, including the operating results and/or financial condition of the Group, political, economic, financial and any other factors that can affect the capital markets, financial markets, the industry, or the Group generally. Additionally, the market for Instruments (if any) or trading prices of Instruments may be affected by adverse events or significant developments in the market for securities. Such adverse events may result in volatility in the financial markets or loss of investor confidence and consequently, result in fluctuations or in the market value of the Instruments. Adverse economic developments, in Singapore as well as countries with significant trade relations with Singapore or in which the Group operate or have business dealings, could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Group.

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

Inflation risk.

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

Currency risk associated with Instruments denominated in foreign currencies.

As the Instruments can be denominated in currencies other than the currencies which the Group's revenue, costs and capital expenditure are mainly denominated in, the relevant Issuer may be affected by fluctuations of currencies in meeting the payment obligations under Instruments denominated in foreign currencies. There can be no assurance that the relevant Issuer will be able to fully hedge the currency risks associated with Instruments denominated in foreign currencies.

Enforcement of remedies.

Enforcement of available remedies under the Trust Deed, the Instruments, the Coupons and the Talons, could result in delays in recovery of amounts owed to a holder of Notes or holder of Securities by the relevant Issuer or failing whom, (where the Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor. There is no assurance that the Trustee would recover all amounts secured upon such enforcement, and funds received may not be sufficient to make all required payments to any holder of Notes or holder of Securities.

The relevant Issuer's or, failing whom, (where Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor's ability to comply with its obligation to repay the Instruments is dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group.

The relevant Issuer's or, failing whom, (where the Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor's ability to comply with its obligation to repay the Instruments will depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the relevant Issuer or, failing whom, (where the Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor depends on distributable earnings, cash flow conditions and restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the relevant Issuer receives from its members, which would restrict the Group's ability to fund its business operations and the relevant Issuer's ability to comply with its payment obligations under the Instruments.

Further, the ability of the relevant Issuer or, failing whom, (where the Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor to make scheduled principal, distribution or interest payments on its indebtedness, including the Instruments, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "*Risk Factors*", many of which are beyond the control of the relevant Issuer and the Guarantor. If the relevant Issuer's or, failing whom, (where the Instruments are issued by SFS or any Subsidiary Issuer) the Guarantor's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Instruments, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the relevant Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Application of Singapore insolvency and related laws to the relevant Issuer or Guarantor may result in a material adverse effect on a holder of Notes or holder of Securities.

There can be no assurance that the relevant Issuer or Guarantor will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the relevant Issuer or Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on any holder of Notes or holder of Securities. Without being exhaustive, below are some matters that could have a material adverse effect on a holder of Notes or holder of Securities.

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

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

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

A change in the law governing the subordination provisions of the Securities may adversely affect holders of the Securities.

The provisions of the Conditions of the Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Securities.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without coupons attached. Notes (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S.

Bearer Notes

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent global note (a "**Permanent Global Note**" and, together with the Temporary Global Notes, each a "**Global Note**") which, will be delivered on or prior to the original issue date of the Tranche to (i) a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or (ii) CDP.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

So long as Notes are represented by the Temporary Global Note and the Temporary Global Note is held by the CDP, transfers of beneficial interests in the Temporary Global Note will be effected only through records maintained by the CDP.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement, in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part only and at the request of the bearer of the Global Note, for Definitive Notes:

(a) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events (each, an "**Exchange Event**") occurs:

    (i) in the case of Notes cleared through Euroclear and/or Clearstream Luxembourg, that:

        (A) Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

        (B) The relevant Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Notes represented by the Permanent Global Note were represented in definitive form and a certificate to such effect signed by an officer of the relevant Issuer is given to the Trustee; or

    (ii) in the case of Notes cleared through CDP, that:

        (A) an Event of Default (as defined in Condition 13 of the Notes) or analogous event entitling an Accountholder (as defined in the Trust Deed) or the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

        (B) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

        (C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(D) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 20(a) of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Principal Paying Agent or the Non-CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a) above, the relevant Issuer may also give notice to the Non-CDP Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or the Non-CDP Issuing and Paying Agent, as the case may be.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

> "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.*"

Direct Rights in respect of Global Notes cleared through CDP

Where a Global Note is cleared through CDP, if there shall occur an Event of Default entitling the Trustee to declare all of the Notes to be due and payable, as provided in the Conditions, the Trustee may exercise the right to declare the Notes represented by such Global Note due and payable in the circumstances described in the Conditions by stating in a written notice given to the relevant Issuer (the "**default notice**") the principal amount of Notes together with any accrued interest which is being declared due and payable.

Following the giving of the default notice, the holder of the Notes represented by the Global Note cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the principal amount of Notes represented by the Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Global Note of the principal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Global Note shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes

Each Tranche of Registered Notes will be represented by either individual note certificates in registered form ("**Individual Note Certificates**") or a global note in registered form (a "**Global Note Certificate**"), in each case as specified in the relevant Pricing Supplement.

Each Global Note Certificate will be deposited on or prior to the relevant issue date with CDP or a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of, or in the name of a nominee for, such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "**Individual Note Certificates**", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Note Certificate exchangeable for Individual Note Certificates

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) if the relevant Pricing Supplement specifies in the limited circumstances described in the "Global Note Certificate", then if either of the following events (each, an "**Exchange Event**") occurs:

    (i) in the case of Notes cleared through Euroclear and/or Clearstream, Luxembourg, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) in the case of Notes cleared through CDP:

        (A) an Event of Default or analogous event entitling an Accountholder or the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

        (B) CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(D) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder or to the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 20(b) of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Global Note Certificate), may give notice to the CDP Registrar or the non-CDP Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (i) above, the relevant Issuer may also give notice to the Non-CDP Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the CDP Registrar, or the Non-CDP Registrar, as the case may be (the last date for such exchange, the "**Registered Note Exchange Date**").

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Instruments while in Global Form*" below.

Transfer of Interests

Interests in a Global Note Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note Certificate. No beneficial owner of an interest in a Global Note Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Global Note Certificate cleared through CDP

Where a Global Note Certificate is cleared through CDP, if there shall occur an Event of Default entitling the Trustee to declare all of the Notes to be due and payable, as provided in the Conditions, the Trustee may exercise the right to declare the Notes represented by such Global Note Certificate due and payable in the circumstances described in the Conditions by stating in a default notice given to the Relevant Issuer the principal amount of Notes (which may be less than the outstanding principal amount of the Global Note Certificate) which is being declared due and payable.

Following the giving of the default notice, the holder of the Notes represented by the Global Note Certificate cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and the CDP Registrar and presentation of the Global Note Certificate to or to the order of the CDP Registrar for reduction of the principal amount of Notes represented by the Global Note Certificate by such amount as may be stated in such notice and by (i) endorsement of the appropriate schedule to the Global Note Certificate of the principal amount of Notes, and (ii) notation in the Register of the principal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Global Note Certificate shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Global Note Certificate Exchange Date unless the holder elects in such notice that the transfer for such Notes shall no longer take place.

General

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the relevant Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest, and in the case of Notes cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuers or the Guarantor through CDP, on such nominal amount of such Notes, for which purposes the bearer of the relevant Global Note or the registered holder of the relevant Global Note Certificate shall be treated by the relevant Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

FORM OF PRICING SUPPLEMENT FOR NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**EU MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")] [EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore ("SFA")**: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][3]

Pricing Supplement dated [●]

[Sembcorp Industries Ltd/Sembcorp Financial Services Pte. Ltd./[Subsidiary Issuer]]

Issue of [Aggregate Nominal Amount of Series] [Title of Notes] under the S$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the offering circular dated [●] 2023 (the "**Offering Circular**") [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular [and the supplemental Offering Circular dated [date]].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date and the relevant terms and conditions from that Offering Circular with an earlier date were incorporated by reference in the current Offering Circular:*

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the offering circular dated [*original date*] [and the supplemental Offering Circular [*date*]] and incorporated by reference in the offering circular dated [*current date*] (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are set forth in the offering circular dated [*original date*] and are incorporated by reference in the Offering Circular.]

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements.

The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

3 Issuer to confirm classification of the Notes at the point of drawdown.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	(i)	Issuer:	[Sembcorp Industries Ltd]/[Sembcorp Financial Services Pte. Ltd.]/[*Subsidiary Issuer*]
	[(ii)	Guarantor:	(where the Issuer is Sembcorp Financial Services Pte. Ltd. or a Subsidiary Issuer) Sembcorp Industries Ltd]
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier tranches of Notes*] on [[–]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [●]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]

6.	(i)	Specified Denominations:	[●] *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)* *(In the case of Bearer Notes, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
	(ii)	Calculation Amount:	[●] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Negative Pledge:		[Condition 5]
9.	Maturity Date:		[*(For Fixed Rate Notes) Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
10.	Interest Basis:		[[●] per cent. Fixed Rate] [[Specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Other (Specify)] (further particulars specified below)
11.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.

	[Other (Specify)]
	[*If Notes are being cleared through Clearstream, Luxembourg or Euroclear they will require a minimum of five days' notice for the exercise of any Issuer's Redemption Option*.]
12. Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of the Notes into another interest basis or redemption/payment basis*] [Not Applicable]
13. Put/Call Options:	[Redemption for tax reasons]
	[Call Option]
	[Put Option]
	[Redemption in the case of minimal outstanding amount]
	[(further particulars specified below)]
	[Not Applicable]
	(If Notes are being cleared through Clearstream, Luxembourg or Euroclear, Clearstream, Luxembourg or Euroclear will require a minimum of 15 business days' notice for the exercise of any Noteholders' Redemption Option.)
14. [(i)] Status of the Notes	[Senior]
[(ii)] Status of the Guarantee	[Senior]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions**	[Applicable/Not Applicable]
	(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
(ii) Interest Payment Date(s):	[●] in each year up to and including the Maturity Date]/[*specify other*]
	[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]

(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (Fixed)/other]
(vi)	Determination Date[(s)]:	[●] in each year [(*Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.) (N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]

16. **Floating Rate Note Provisions** — [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	Interest Period(s):	[●]
(ii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
(iii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
(iv)	First Interest Payment Date:	[●]
(v)	Business Day Convention:	[FRN Convention/Floating Rate Convention/Eurodollar Convention/Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/No Adjustment/other (*give details*)] [Not Applicable]

(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[[*Name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
(ix)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Reference Rate:	[SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index/SORA]
	• Observation Method:	[Lag/Observation Shift] *(Only applicable where the Reference Rate is SONIA/SOFR/€STR)*
	• Lag Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days/Not Applicable]
	• Observation Shift Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days /Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
	• D:	[360/365/[●]]/[Not Applicable] *(Only applicable in the case of €STR)*
	• Index Determination	[Applicable/Not Applicable]
	• Compounded Index	[SONIA Compounded Index/SOFR Compounded Index]
	• Relevant Decimal Place	[●] [4/5] (*unless otherwise specified in the Pricing Supplement, it should be the fourth decimal*)
	• Relevant Number of Index Days	[●] [5] (*unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5*)

- Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/[[●] [London Banking Days/ U.S. Government Securities Business Days/ TARGET Settlement Days] prior to each Interest Payment Date] prior to each Interest Payment Date]/[[●]/[1] Singapore Business Day [immediately following the Rate Cut-Off Date]/[after the end of each [Observation Period]/[Interest Accrual Period]]]

- Relevant Screen Page: [●]

- Relevant Time: [●]

- Relevant Financial Centre: [●]

- SORA Benchmark: [Compounded Daily SORA/SORA Index Average]

  (Only applicable where the Reference Rate is SORA)

- Calculation method for Compounded Daily SORA: [Lockout/SORA Lookback/SORA Backward Shifted Observation Period/SORA Payment Delay] (*Only applicable where the SORA Benchmark is Compounded Daily SORA*)

- "p": [Not applicable/[●]

  (Only applicable in the case of SORA Lookback, SORA Backward Shifted Observation Period and Lockout. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent)

- SORA Rate Cut-Off Date: [Not applicable/The day that is [●] Singapore Business Days(s) prior to the end of the final Interest Accrual Period]

  (Only applicable in the case of SORA Payment Delay)

- SORA $Index_{Start}$: [Not Applicable/[●] Singapore Business Day(s) preceding the first date of the relevant Interest Accrual Period]

  (Only applicable in the case of SORA Index Average. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent)

- SORA $Index_{End}$: [Not Applicable/[●] Singapore Business Day(s) preceding the Interest Period End Date]

		(Only applicable in the case of SORA Index Average. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent)
(x)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Floating Rate Option:	[[●]/CHF-SARON/EUR-EuroSTR/EUR-EuroSTR Compounded Index/GBP SONIA/GBP SONIA Compounded Index/HKD-HONIA/JPY-TONA/USD-SOFR/USD-SOFR Compounded Index]
	• Designated Maturity:	[●] (*Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate*)
	• Reset Date:	[●]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period]
	• [ISDA Definitions	[2006 ISDA Definitions/2021 ISDA Definitions]
	• Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Compounding Method	[Compounding with Lookback • Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout • Lockout: [●] Lockout Period Business Days • Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Averaging	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Averaging Method	[Averaging with Lookback

		• Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift
		[Averaging with Observation Period Shift
		• Observation Period Shift: [●] Observation Period Shift Business days
		• Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
		[Averaging with Lockout
		• Lookout: [●] Lockout Period Business Days
		• Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Index Method:	Compounded Index Method with Observation Period Shift
		• Observation Period Shift: [●] Observation Period Shift Business days
		• Observation Period Shift Additional Business Days: [●]/[Not Applicable]
(xi)	[Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xii)	Margin(s):	[+/-] [●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[Actual/Actual (ICMA) Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 30E/360 or Eurobond Basis 30E/360 (ISDA)]

(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Condition 7(n) (Benchmark Replacement (Independent Adviser))/Condition 7(o) (Benchmark Replacement (SORA))/*specify other if different from those set out in the Conditions*]
17.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(iv)	Any other formula/basis of determining amount payable:	[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 9(g)]

PROVISIONS RELATING TO REDEMPTION

18.	Redemption for tax reasons	[Yes/No] [*Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions*]
19.	Redemption at the Option of the Issuer	[Yes/No] [on [*specify optional redemption dates*]] [*Specify maximum and minimum number of days for notice period*] [*Specify redemption in whole only or in whole or partial as notified by the Issuer*]
20.	Redemption at the option of the Noteholders	[Yes/No] [on [*specify optional redemption dates*]] [*Specify maximum and minimum number of days for notice period*]
21.	Redemption in the case of minimal outstanding amount	[Yes/No] [*Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions*]
22.	**Final Redemption Amount**	[●] per Calculation Amount
23.	**Early Redemption Amount**	[Not Applicable

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	(*If each of the Early Redemption Amount, and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of the Notes:	[**Bearer Notes:** (*Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.*) [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] *(Ensure that this is consistent with the wording in the "[Form of the Notes]" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*] [**Registered Notes:** [Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice/in the limited circumstances described in the Global Note Certificate]]

25. Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*.]
	[*Note that this paragraph relates to the date and place of payment, and not interest period end dates to which sub paragraph 16(vi) relates or screen rate determination to which sub paragraph 16(ix) relates.*]
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
27. Any applicable currency disruption/fallback provisions:	[Not Applicable/Renminbi fallback/*give details*]
28. Other terms or special conditions:	[Not Applicable/*give details*]

LISTING AND ADMISSION TO TRADING

29. Listing/Admission to Trading:	[Singapore Exchange Securities Trading Limited/Other (s*pecify*)/None] Trading

DISTRIBUTION

30. Method of distribution:	[Syndicated/Non-syndicated]
(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
(ii) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(iii) If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
31. U.S. Selling Restrictions:	Reg. S Category 1
	(*In the case of Bearer Notes*) – [C RULES/D RULES/TEFRA not applicable]
	("TEFRA not applicable" may only be used for Registered Notes, or Bearer Notes with a maturity of 365 days or less (taking into account any unilateral rights to extend or roll over))
32. Additional selling restrictions:	[Not Applicable/*give details*]
33. Prohibition of sales to EEA retail investors:	[Applicable/Not Applicable]
	(*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

34.	Prohibition of sales to UK retail investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

OPERATIONAL INFORMATION

35.	ISIN Code:	[●]
36.	Common Code:	[●]
37.	Any clearing system(s) other than Euroclear/ Luxembourg and CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
38.	Delivery:	Delivery [against/free of] payment
39.	Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]
40.	Rating:	[Not applicable/*give details*]

GENERAL

41.	Private Bank Rebate/Commission:	[Not Applicable/*give details*]
42.	The aggregate principal amount of Notes issued has been translated into Singapore dollars at the rate of [●], producing a sum of (for Notes not denominated in Singapore dollars):	[Not Applicable/S$[●]]
43.	Governing law	[English law] [Singapore law]

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[**STABILISATION**

In connection with this issue, [*insert name of Stabilising Manager*] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising or over-allotment shall be conducted in accordance with all applicable laws and rules.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the [*specify relevant stock exchange/market*]] of the Notes described herein pursuant to the S$5,000,000,000 Euro Medium Term Note Programme of the Issuer.

[**RESPONSIBILITY**

The Issuer [and the Guarantor each] accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [Sembcorp Industries Ltd/Sembcorp Financial Services Pte. Ltd./[*Subsidiary Issuer*]] as Issuer:

By: ....

Duly authorised

Name: ....

Title: ....

By: ....

Duly authorised

Name: ....

Title: ....

[Signed on behalf of Sembcorp Industries Ltd as Guarantor:

By: ....

Duly authorised

Name: ....

Title: ....

By: ....

Duly authorised

Name: ....

Title: ....]

FORM OF THE SECURITIES

The Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S.

Bearer Securities

Each Tranche of Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a "**Temporary Global Security**") or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a "**Permanent Global Security**" and, together with the Temporary Global Securities, each a "**Global Security**") which, will be delivered on or prior to the original issue date of the Tranche to (i) a Common Depositary for Euroclear and Clearstream, Luxembourg or (ii) CDP.

Whilst any Bearer Security is represented by a Temporary Global Security, payments of principal, distribution (if any) and any other amount payable in respect of the Securities due prior to the Bearer Security Exchange Date (as defined below) will be made against presentation of the Temporary Global Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or CDP and (in the case of a Temporary Global Security delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

Temporary Global Security exchangeable for Permanent Global Security

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for a Permanent Global Security", then the Securities will initially be in the form of a Temporary Global Security which will be exchangeable, in whole or in part, for interests in a Permanent Global Security, without distribution coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Securities upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Security unless exchange for interests in the Permanent Global Security is improperly withheld or refused. In addition, interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

So long as Securities are represented by the Temporary Global Security and the Temporary Global Security is held by the CDP, transfers of beneficial interests in the Temporary Global Security will be effected only through records maintained by the CDP.

Whenever any interest in the Temporary Global Security is to be exchanged for an interest in a Permanent Global Security, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Security, duly authenticated to the bearer of the Temporary Global Security or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Security in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Security to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

Temporary Global Security exchangeable for Definitive Securities

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for Definitive Securities" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Securities will initially be in the form of a Temporary Global Security which will be exchangeable, in whole but not in part, for Definitive Securities not earlier than 40 days after the issue date of the relevant Tranche of the Securities.

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for Definitive Securities" and also specifies that the TEFRA D Rules are applicable, then the Securities will initially be in the form of a Temporary Global Security which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Securities upon certification as to non-U.S. beneficial ownership. Distribution payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Security to the bearer of the Temporary Global Security against the surrender of the Temporary Global Security to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Security exchangeable for Definitive Securities

A Permanent Global Security will be exchangeable, in whole but not in part only, for Definitive Securities in accordance with the Agency Agreement:

(a) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Security", then if either of the following events occurs:

   (i) in the case of Securities cleared through Euroclear and/or Clearstream, Luxembourg, that:

      (A) Euroclear, Clearstream, Luxembourg or any other relevant closing system have closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

      (B) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Securities represented by the Permanent Global Security were represented in definitive form and a certificate to such effect signed by an officer of the relevant Issuer is given to the Trustee; and

   (ii) in the case of Securities cleared through CDP, that:

      (A) an Enforcement Event or analogous event entitling an Accountholder (as defined in the Trust Deed) or the Trustee to declare the Securities to be due and payable as provided in the Conditions of the Securities has occurred and is continuing;

      (B) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(D) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever the Permanent Global Security is to be exchanged for Definitive Securities, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Securities represented by the Permanent Global Security to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

The relevant Issuer will promptly give notice to Securityholders in accordance with Condition 17 of the Securities if an Exchange Event (as defined in the Terms and Conditions of the Securities) occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Security), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Principal Paying Agent or the Non-CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an event as described in (a) above, the relevant Issuer may also give notice to the Non-CDP Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or the Non-CDP Issuing and Paying Agent, as the case may be.

Securities which are represented by a Global Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Legend concerning United States persons

In the case of any Tranche of Bearer Securities having a maturity of more than 365 days, the Securities in global form, the Securities in definitive form and any receipts, talons and distribution coupons appertaining thereto will bear a legend to the following effect:

> "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.*"

Direct Rights in respect of Global Securities cleared through CDP

Where a Global Security is cleared through CDP, if there shall occur an Enforcement Event, has occurred and is continuing, the Trustee may exercise the right to institute proceedings for the Winding-Up of the relevant Issuer and/or prove in the Winding-Up of the relevant Issuer and/or claim in the liquidation of the relevant Issuer for such payment.

Following the exercise of such rights, the holder of the Securities represented by the Global Security cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a principal amount of Securities up to the aggregate principal amount in respect of which such rights have been exercised. Such election shall be made by notice to the

CDP Issuing and Paying Agent and presentation of the Global Security to or to the order of the CDP Issuing and Paying Agent for reduction of the principal amount of Securities represented by the Global Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Global Security of the principal amount of Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Global Security shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Security Exchange Date unless the holder elects in such notice that the exchange for such Securities shall no longer take place.

Registered Securities

Each Tranche of Registered Securities will be represented by either individual security certificates in registered form ("**Individual Security Certificates**") or a global security in registered form (a "**Global Security Certificate**"), in each case as specified in the relevant Pricing Supplement.

Each Global Security Certificate will be deposited on or prior to the relevant issue date with CDP or a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of, or in the name of a nominee for, such depositary and will be exchangeable for Individual Security Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Securities as being "Individual Security Certificates", then the Securities will at all times be represented by Individual Security Certificates issued to each Securityholder in respect of their respective holdings.

Global Security Certificate exchangeable for Individual Security Certificates

If the relevant Pricing Supplement specifies the form of Securities as being "Global Security Certificate exchangeable for Individual Security Certificates", then the Securities will initially be in the form of a Global Security Certificate which will be exchangeable in whole, but not in part, for Individual Security Certificates:

(a) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Security Certificate", then if either of the following events (each, an "**Exchange Event**") occurs:

   (i) in the case of Securities cleared through Euroclear and/or Clearstream, Luxembourg, that both Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

   (ii) in the case of Securities cleared through CDP, that:

      (A) an Enforcement Event or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions of the Securities has occurred and is continuing;

      (B) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

      (C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

      (D) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever a Global Security Certificate is to be exchanged for Individual Security Certificates, such Individual Security Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Security Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Security Certificate to the Registrar of such information as is required to complete and deliver such Individual Security Certificates against the surrender of the Global Security Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Securities scheduled thereto and, in particular, shall be effected without charge to any holder or to the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The relevant Issuer will promptly give notice to Securityholders in accordance with Condition 17 of the Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Global Security Certificate), may give notice to the CDP Registrar or the non-CDP Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a) above, the relevant Issuer may also give notice to the Non-CDP Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the CDP Registrar, or the Non-CDP Registrar, as the case may be (the last date for such exchange, the "**Registered Security Exchange Date**").

Terms and Conditions applicable to the Securities

The terms and conditions applicable to any Individual Security Certificate will be endorsed on that Individual Security Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Securities*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Security Certificate will differ from those terms and conditions which would apply to the Security were it in definitive form to the extent described under "*Summary of Provisions Relating to the Instruments while in Global Form*" below.

Transfer of Interests

Interests in a Global Security Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Security Certificate. No beneficial owner of an interest in a Global Security Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Global Security Certificates cleared through CDP

Where a Global Security Certificate is cleared through CDP, if there shall occur any Enforcement Event as provided in the Conditions, the Trustee may exercise its right to institute proceedings for the Winding-Up of the relevant Issuer and/or prove in the Winding-Up of the relevant Issuer and/or claim in the liquidation of the relevant Issuer for such payment.

Following the exercise of such rights, the holder of the Securities represented by the Global Security Certificate cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a principal amount of Securities up to the aggregate principal amount in respect of which such rights have been exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and the CDP Registrar and presentation of the Global Security Certificate to or to the order of the CDP Registrar for reduction of the principal amount of Securities represented by the Global Security Certificate by such amount as may be stated in such notice and by (i) endorsement of the appropriate schedule to the Global Security Certificate, and (ii) notation in the Register of the principal amount of Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Global Security Certificate shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Global Security Certificate Exchange Date unless the holder elects in such notice that the transfer for such Securities shall no longer take place.

General

For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the relevant Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Securities cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuers or the Guarantor through CDP, on such nominal amount of such Securities, for which purposes the bearer of the relevant Global Security or the registered holder of the relevant Global Security Certificate shall be treated by the relevant Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Security and the expressions "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Securityholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

FORM OF PRICING SUPPLEMENT FOR SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Securities issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**EU MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**") [EU MiFID II]; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore ("SFA"):** The Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][4]

Pricing Supplement dated [●]

[Sembcorp Industries Ltd/Sembcorp Financial Services Pte. Ltd./[*Subsidiary Issuer*]]

Issue of [Aggregate Nominal Amount of Series] [Title of Securities] under the S$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of the Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities (the "**Conditions**") set forth in the offering circular dated [●] 2023 (the "**Offering Circular**") [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Securities and must be read in conjunction with the Offering Circular [and the supplemental Offering Circular dated [date]].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date and the relevant terms and conditions from that Offering Circular with an earlier date were incorporated by reference in the current Offering Circular*:

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities (the "**Conditions**") set forth in the Offering Circular dated [*original date*] [and the supplemental Offering Circular [*date*]] and incorporated by reference in the offering circular dated [*current date*] (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Securities and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are set forth in the Offering Circular dated [*original date*] and are incorporated by reference in the Offering Circular.]

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Securities in bearer form are subject to U.S. tax law requirements. The Securities may not be offered, sold or (in the case of Securities in bearer form) delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

4 Issuer to confirm classification of the Securities at the point of drawdown.

[*The following alternative language applies if an advance ruling is sought from the Inland Revenue Authority of Singapore:*

[An advance tax ruling will be requested from the Inland Revenue Authority of Singapore ("**IRAS**") to confirm, amongst other things, whether the IRAS would regard the Securities as "debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the "**ITA**") and the distributions (including Arrears of Distribution and any Additional Distribution Amounts) made under the Securities as interest payable on indebtedness such that holders of the Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "Taxation – Singapore Taxation" of the Offering Circular **provided that** the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer (as defined below) can provide all information or documents requested by the IRAS for the purpose of the ruling request, and a ruling may not therefore be issued. If the Securities are not regarded as "debt securities" for the purposes of the ITA, the distributions (including Arrears of Distribution and any Additional Distribution Amounts) made under the Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Securities in respect of the distributions payable to them (including Arrears of Distribution and Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Securities.]

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions and if applicable) under the [ITA/Income Tax Act 1947 of Singapore (the "**ITA**")], shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement*.]

1.	(i)	Issuer:	[Sembcorp Industries Ltd]/[Sembcorp Financial Services Pte. Ltd.]/[*Subsidiary Issuer*]
	[(ii)	Guarantor	(where the Issuer is Sembcorp Financial Services Pte. Ltd. or a Subsidiary Issuer) Sembcorp Industries Ltd]
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]

	[(iii)	Date on which the Securities become fungible:	[Not Applicable]/[The Securities shall be consolidated, form a single series and be interchangeable for trading purposes with the [identify earlier tranches of Securities] on [[–]/the Issue Date/exchange of the Temporary Global Security for interests in the Permanent Global Security, as referred to in paragraph 25 below [which is expected to occur on or about [●]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued distribution from [insert date] (in the case of fungible issues only, if applicable)]
6.	(i)	Specified Denominations:	[●] *(In the case of Registered Securities, this means the minimum integral amount in which transfers can be made.)* *(In the case of Bearer Securities, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Securities in definitive form will be issued with a denomination above [€199,000].")*
	(ii)	Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
7.	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Distribution Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Distribution Basis:		[[●] per cent. Fixed Rate]

	[[Specify reference rate] +/- [●] per cent. Floating Rate]
	[Other (Specify))]
9. Call Options:	[Redemption upon a Tax Event]
	[Call Option]
	[Capital Event Redemption]
	[Redemption for Tax Deductibility Event]
	[Accounting Event Redemption]
	[Redemption upon a Cessation or Suspension of Trading Event]
	[Redemption in the case of minimal outstanding amount]
	[(further particulars specified below)]
	(If Securities are being cleared through Clearstream, Luxembourg or Euroclear they will require a minimum of five days' notice for the exercise of any Issuer's Redemption Option.)
10. (i) Status of the Securities:	[Senior/Subordinated]
(ii) [Status of the Guarantee	[Senior/Subordinated]]

PROVISIONS RELATING TO DISTRIBUTION (IF ANY) PAYABLE

11. **Fixed Rate Security Provisions:**	[Applicable/Not Applicable]
	(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Rate of Distribution:	[[●] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear on each Distribution Payment Date]/
	(*or if the Rate of Distribution of the Securities is to be subject to step-up, consider the following*)
	[(a) in respect of the period from, and including, the Issue Date to, but excluding, the Reset Date, the Rate of Distribution; and
	(b) in respect of the period from, and including, the Reset Date to, but excluding, the Maturity Date, the Reset Distribution Rate,

		where:
		"**Rate of Distribution**" is [●] per cent. per annum payable in arrear on each Distribution Payment Date;
		"**Reset Date**" is [●]; and
		"**Reset Distribution Rate**" is [●] per cent. per annum payable in arrear on each Distribution Payment Date.]
(ii)	Distribution Payment Date(s):	[●] [and [●]] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/[not adjusted]
(iii)	Fixed Distribution Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[Not Applicable]/[[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]]
(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (Fixed)/other]
(vi)	Distribution Determination Date[(s)]:	[●] in each year *(Insert regular distribution payment dates, ignoring issue date in the case of a long or short first distribution. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
12.	**Floating Rate Security Provisions**	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Distribution Period(s):	[●]
(ii)	Specified Period:	[●]
		(Specified Period and Specified Distribution Payment Dates are alternatives. A Specified Period, rather than Specified Distribution Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
(iii)	Specified Distribution Payment Dates:	[●]

		(*Specified Period and Specified Distribution Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(iv)	First Distribution Payment Date:	[●]
(v)	Business Day Convention:	[Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Eurodollar Convention/No Adjustment/other (give details)] [Not Applicable]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Distribution is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Distribution and/or Distribution Amount(s) (if not the Principal Paying Agent):	[[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]
(ix)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Reference Rate:	[SONIA/SOFR/€STR/SONIA Compounded Index/SOFR Compounded Index/SORA]
	• Observation Method:	[Lag/Observation Shift] *(Only applicable where the Reference Rate is SONIA/SOFR/€STR)*
	• Lag Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days/Not Applicable]
	• Observation Shift Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days /Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
	• D:	[360/365/[●]]/[Not Applicable] *(Only applicable in the case of €STR)*
	• Index Determination	[Applicable/Not Applicable]

• Compounded Index	[SONIA Compounded Index/SOFR Compounded Index]
• Relevant Decimal Place	[●] [4/5] (*unless otherwise specified in the Pricing Supplement, be the fourth decimal place in the case of the SONIA Compounded Index and the fifth decimal place in the case of the SOFR Compounded Index*)
• Relevant Number of Index Days	[●] [5] (*unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5*)
• Distribution Determination Date(s):	[The first Business Day in the relevant Distribution Period]/[●] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Distribution Payment Date] [[●]/[1] Singapore Business Day [immediately following the Rate Cut-Off Date]/[after the end of each [Observation Period]/[Distribution Accrual Period]]]
• Relevant Screen Page:	[●]
• Relevant Time:	[●]
• Relevant Financial Centre:	[●]
• SORA Benchmark:	[Compounded Daily SORA/SORA Index Average] *(Only applicable where the Reference Rate is SORA)*
• Calculation method for Compounded Daily SORA:	[Lockout/SORA Lookback/SORA Backward Shifted Observation Period/SORA Payment Delay] (*Only applicable where the SORA Benchmark is Compounded Daily SORA*)
• "p":	[Not applicable/[●]] *(Only applicable in the case of SORA Lookback, SORA Backward Shifted Observation Period and Lockout. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent*)
• SORA Rate Cut-Off Date:	[Not applicable/The day that is [●] Singapore Business Days(s) prior to the end of the final Distribution Accrual Period] *(Only applicable in the case of SORA Payment Delay)*

	• SORA $Index_{Start}$:	[Not Applicable/[●] Singapore Business Day(s) preceding the first date of the relevant Distribution Accrual Period] *(Only applicable in the case of SORA Index Average. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent)*
	• SORA $Index_{End}$:	[Not Applicable/[●] Singapore Business Day(s) preceding the Distribution Period End Date] *(Only applicable in the case of SORA Index Average. A minimum of 5 should be specified unless otherwise agreed with the Calculation Agent)*
(x)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Floating Rate Option:	[[●]/CHF-SARON/EUR-EuroSTR/EUR-EuroSTR Compounded Index/GBP SONIA/GBP SONIA Compounded Index/HKD-HONIA/JPY-TONA/USD-SOFR/USD-SOFR Compounded Index]
	• Designated Maturity:	[●]
	• Reset Date:	[●]/[as specified in the ISDA Definitions]/[the first day of the relevant Distribution Period]
	• [ISDA Definitions	[2006 ISDA Definitions/2021 ISDA Definitions]
	• Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*) [Compounding with Lookback
	• Compounding Method	• Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout • Lockout: [●] Lockout Period Business Days

		• Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Averaging	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Averaging Method	[Averaging with Lookback • Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business days • Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Averaging with Lockout • Lookout: [●] Lockout Period Business Days • Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Index Method:	Compounded Index Method with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business days • Observation Period Shift Additional Business Days: [[●]/[Not Applicable]]
(xi)	[Linear Interpolation:	Not Applicable/Applicable – the Rate of Distribution for the [long/short] [first/last] Distribution Period shall be calculated using Linear Interpolation (*specify for each short or long distribution period*)]
(xii)	Margin(s):	[+/-] [●] per cent. per annum
(xiii)	Minimum Rate of Distribution:	[●] per cent. per annum
(xiv)	Maximum Rate of Distribution:	[●] per cent. per annum

(xv)	Day Count Fraction:	[Actual/Actual (ICMA) Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 30E/360 or Eurobond Basis 30E/360 (ISDA)]
(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating distribution on Floating Rate Securities, if different from those set out in the Conditions:	[Condition 5(b)(xiii) (Benchmark Replacement (Independent Adviser))/ Condition 5(c) (Benchmark Replacement (SORA))/*specify other if different from those set out in the Conditions*]
13.	Dividend Pusher:	[Applicable/Not Applicable/*give details*]
(i)	[Dividend Pusher Lookback Period:	[●] months]
14.	Dividend Stopper:	[Applicable/Not Applicable/*give details*]
15.	Increase in Distribution Rate upon Step-Up Event	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Step-Up Event	[Capital Event/Tax Deductibility Event/ Accounting Event/*specify*]
(ii)	Step-Up Rate	[●]
16.	Other terms relating to the method of calculating Distribution:	[Not Applicable/*give details*]

PROVISIONS RELATING TO REDEMPTION

17.	Redemption for tax reasons	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Early Redemption Amount (Tax):	[As defined in the Conditions]/[[●] per Calculation Amount]
(ii)	Notice period:	[As set out in the Conditions/[●]]
18.	Redemption at the option of the Issuer	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Call):	[●]
(ii)	Optional Redemption Amount (Call) of each Security:	[●] per Calculation Amount

[(iii) If redeemable in part:	(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a) Minimum Redemption Amount:	[●] per Calculation Amount
(b) Maximum Redemption Amount:	[●] per Calculation Amount]
(iv) Notice period:	[As set out in the Conditions/[●]]
19. Redemption upon a Capital Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Early Redemption Amount (Capital Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
20. Redemption upon a Tax Deductibility Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Early Redemption Amount (Tax Deductibility Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
21. Redemption upon an Accounting Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Early Redemption Amount (Accounting Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
22. Redemption upon a Cessation or Suspension of Trading Event	[Applicable/Not Applicable]
(i) Early Redemption Amount (Cessation or Suspension of Trading Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
23. Redemption in the case of minimal outstanding amount	[Applicable/Not Applicable] [*Specify if Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions*]
(i) Early Redemption Amount (Minimal Amount Outstanding):	[As defined in the Conditions]/[[–] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

24. Special Event Substitution or Variation:	[Applicable/Not Applicable]
25. Form of Securities:	[**Bearer Securities:** (Bearer Securities issued in compliance with the D Rules must initially be represented by a Temporary Global Security.)

	[Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Security on [●] days' notice/in the limited circumstances specified in the Permanent Global Security] [Temporary Global Security exchangeable for Definitive Security on [●] days' notice] [Permanent Global Security exchangeable for Definitive Security on [●] days' notice/in the limited circumstances specified in the Permanent Global Security] *(Ensure that this is consistent with the wording in the "[Form of the Securities]" section in the Offering Circular and the Securities themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Securities in paragraph [●] includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Securities which is to be represented on issue by a Temporary Global Security exchangeable for Definitive Securities.)*] [**Registered Securities:** [Global Security Certificate exchangeable for Individual Security Certificates on [●] days' notice/in the limited circumstances described in the Global Security Certificate]]
26. Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] [Note that this paragraph relates to the date and place of payment, and not distribution period end dates to which sub paragraph 12(vi) relates or screen rate determination to which sub paragraph 12(ix) relates.]
27. Any applicable currency disruption/fallback provisions:	[Not Applicable/Renminbi fallback/*give details*]
28. Other terms or special conditions:	[Not Applicable/*give details*]

LISTING AND ADMISSION TO TRADING

29. Listing/Admission to Trading:	[Singapore Exchange Securities Trading Limited/Other (specify)/None] Trading

DISTRIBUTION

30. Method of distribution:	[Syndicated/Non-syndicated]
(i) If syndicated, names of Dealers:	[Not Applicable/*give names*]
(ii) Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
(iii) If non-syndicated, name of Dealer:	[Not Applicable/*give names and address*]
31. U.S. Selling Restrictions:	Reg. S Category 1 (In the case of Bearer Securities) – [C RULES/D RULES/TEFRA not applicable] (*"TEFRA not applicable" may only be used for Registered Securities, or Bearer Securities with a maturity of 365 days or less (taking into account any unilateral rights to extend or roll over).)*
32. Additional Selling Restrictions:	[Not Applicable/*give details*]
33. Prohibition of sales to EEA retail investors:	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
34. Prohibition of sales to UK retail investors:	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

OPERATIONAL INFORMATION

35. ISIN Code:	[●]
36. Common Code:	[●]
37. Any clearing system(s) other than Euroclear/ Luxembourg and CDP and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
38. Delivery:	Delivery [against/free of] payment
39. Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]
40. Rating:	[Not Applicable/*give details*]

GENERAL

41.	Private Bank Rebate/Commission:	[Not Applicable/*give details*]
42.	The aggregate principal amount of Securities issued has been translated into Singapore dollars at the rate of [●], producing a sum of (for Securities not denominated in Singapore dollars):	[Not Applicable/S$[●]]
43.	Governing law	[English law] [Singapore law]

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[**STABILISATION**

In connection with this issue, [*insert name of Stabilising Manager*] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilising or over-allotment shall be conducted in accordance with all applicable laws and rules.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the [*specify relevant stock exchange/market*]] of the Securities described herein pursuant to the S$5,000,000,000 Euro Medium Term Note Programme of the Issuer.

[**RESPONSIBILITY**

The Issuer [and the Guarantor each] accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [Sembcorp Industries Ltd/Sembcorp Financial Services Pte. Ltd./[*Subsidiary Issuer*]] as Issuer:

By: ....

Duly authorised

Name: ....

Title: ....

By: ....

Duly authorised

Name: ....

Title: ....

[Signed on behalf of Sembcorp Industries Ltd as Guarantor:

By: ....

Duly authorised

Name: ....

Title: ....

By: ....

Duly authorised

Name: ....

Title: ....]

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, as completed, amended, supplemented and/or varied by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Instruments while in Global Form". All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

1. **Introduction**

(a) **Programme**: Sembcorp Industries Ltd ("**SCI**") and Sembcorp Financial Services Pte. Ltd. ("**SFS**") have established a euro medium term note programme (the "**Programme**") for the issuance of up to S$5,000,000,000 in aggregate principal amount of notes (the "**Notes**") and/or senior and subordinated perpetual capital securities. These terms and conditions relate to Notes issued under the Programme.

(b) **The Notes**:

(i) Each Series of Notes are issued either by SFS or a Subsidiary Issuer (as defined below) (such Notes issued by SFS or a Subsidiary Issuer, the "**Guaranteed Notes**") or SCI pursuant to the Trust Deed (as defined below). The Guaranteed Notes issued by SFS or a Subsidiary Issuer will be guaranteed in the Trust Deed (as defined below) by SCI (in its capacity as guarantor, the "**Guarantor**"). References to the "**Issuer**" or the "**relevant Issuer**" shall be construed as to the Issuer specified in the relevant Pricing Supplement. References in these Conditions to the Guarantor and the Guarantee (as defined in the Trust Deed) shall apply only to Notes issued by SFS or a Subsidiary Issuer.

(ii) The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the Trust Deed (as defined below) and the Agency Agreement (as defined below) (i) may be provided by e-mail to requesting Noteholder, or (ii) are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the registered office for the time being of the Trustee, being at the date hereof, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, and the Specified Office of the Principal Paying Agent. Copies of the relevant Pricing Supplement are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the Specified Office of the Principal Paying Agent. In the case of Notes cleared through CDP, the Noteholders are entitled to the benefit of a deed of covenant entered into with CDP by the Issuers dated 31 July 2023 (the "**CDP Deed of Covenant**"). In order for a Subsidiary Issuer to issue Guaranteed Notes cleared through CDP, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Notes, enter into a deed of covenant with CDP (the "**Subsidiary Deed of Covenant**").

(c) **Pricing Supplement**: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements, amends and/or replaces these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(d) **Trust Deed**: The Notes are constituted by, are subject to, and have the benefit of a trust deed dated 31 July 2023 (as amended, restated or supplemented from time to time) made between the Issuers, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented, in respect of Notes specified to be governed by Singapore law in the applicable Pricing Supplement, by the Singapore supplemental trust deed dated 31 July 2023 (as amended, restated or supplemented from time to time, the "**Singapore Supplemental Trust Deed**") made between the same parties (together, the "**Trust Deed**"). In order for a Subsidiary Issuer to issue Guaranteed Notes, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Notes, accede to the Trust Deed by executing an Issuer Deed of Accession dated on or before the Issue Date of such Tranche of Guaranteed Notes.

(e) **Agency Agreement**: The Notes are the subject of an agency agreement dated 31 July 2023 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuers, the Guarantor, The Bank of New York Mellon, Singapore Branch, as principal issuing and paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), as CDP issuing and paying agent for Notes cleared through CDP (the "**CDP Issuing and Paying Agent**", which expression includes any successor CDP issuing and paying agent appointed from time to time in connection with the Notes and together with the Principal Paying Agent and the Non-CDP Issuing and Paying Agent, the "**Paying Agents**"), The Bank of New York Mellon, London Branch as Non-CDP issuing and paying agent for Notes cleared through Euroclear and/or Clearstream, Luxembourg (the "**Non-CDP Issuing and Paying Agent**", which expression includes any successor Non-CDP issuing and paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon, Singapore Branch as CDP registrar and CDP transfer agent for Notes cleared through CDP (the "**CDP Registrar**" and "**CDP Transfer Agent**", which expression includes any successor CDP registrar and/or CDP transfer agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Dublin Branch as Non-CDP registrar and Non-CDP transfer agent for Notes cleared through Euroclear and/or Clearstream, Luxembourg (the "**Non-CDP Registrar**" and "**Non-CDP Transfer Agent**", which expression includes any successor Non-CDP registrar and/or Non-CDP transfer agent appointed from time to time in connection with the Notes), the Paying Agents (together with the CDP Registrar, CDP Transfer Agent, Non-CDP Transfer Agent and the Non-CDP Registrar, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the "**Principal Paying Agent**" shall, with respect to a Series of Notes to be cleared other than through CDP (as defined below), be deemed to be references to the Non-CDP Issuing and Paying Agent and all such references shall be construed accordingly; all references to the "**Registrar**" shall (i) with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP

Registrar, and (ii) with respect to a series of Notes to be cleared other than through CDP, be deemed to be references to the Non-CDP Registrar, and all references shall be construed accordingly; all references to the "**Transfer Agent**" shall (i) with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP Transfer Agent, and (ii) with respect to a series of Notes to be cleared other than through CDP, be deemed to be references to the Non-CDP Transfer Agent, and all references shall be construed accordingly; and references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them. In order for a Subsidiary Issuer to issue Guaranteed Notes, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Notes, enter into an Issuer Supplemental Agency Agreement on or before the Issue Date of such Tranche of Guaranteed Notes.

(f) **Summaries**: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

2. **Interpretation**

(a) **Definitions**: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Auditors**" means the auditors for the time being of the relevant Issuer or, as the case may be, the Guarantor or, if there shall be joint auditors of the relevant Issuer or the Guarantor, any one or more of such joint auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of these Conditions, such other auditors as may be appointed by such Issuer or, as the case may be, the Guarantor;

"**Balance Sheet Date**" means 30 June and 31 December or other semi-annual date at which SCI prepares its audited or unaudited Consolidated Accounts;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, Singapore and each (if any) Additional Business Centre;

(ii) in the case of any sum payable in Singapore dollars, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore, and if cleared through Euroclear or Clearstream, Luxembourg, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payment in Singapore;

(iii) in relation to any sum payable in Renminbi, (A) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed or such other location outside the People's Republic of China as may have been agreed between the relevant Issuer and the Principal Paying Agent prior to the issue of the Notes and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday on which commercial banks and foreign exchange markets are open for business in Singapore; and

(iv) in relation to any sum payable in a currency other than euro, Singapore dollars and Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally, in London, Singapore, the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent appointed by the relevant Issuer in respect of a Series of Notes pursuant to the terms of the Agency Agreement or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**Companies Act**" means the Companies Act 1967 of Singapore;

"**Consolidated Accounts**" means, in relation to any annual or other Fiscal Period, the consolidated accounts of SCI and the Consolidated Subsidiaries prepared in accordance with accounting principles generally accepted in Singapore;

"**Consolidated Net Worth**" means the shareholders' equity of SCI and its Consolidated Subsidiaries (including any credit balance on its profit and loss account but less the aggregate of any debit balance on its profit and loss account) as shown in SCI's latest audited or unaudited Consolidated Accounts prepared as at a Balance Sheet Date less any amount included in the above which is attributable to goodwill, amounts set aside for taxation, fair value reserve, hedging reserve and minority interests in subsidiaries;

"**Consolidated Subsidiary**" means every subsidiary of SCI the accounts of which were in the latest Consolidated Accounts, or should, in the written opinion of the Auditors given following a request from SCI or the Trustee (to which request SCI shall ensure that the Auditors shall, as soon as reasonably practicable, reply), be in the next Consolidated Accounts, consolidated with those of SCI in accordance with the accounting principles in accordance with which such Consolidated Accounts were or will be prepared. A report by the Auditors that in their opinion a subsidiary is or is not a Consolidated Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

  (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

  (B) where the Calculation Period is longer than one Regular Period, the sum of:

    (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

    (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Depository Agreements**" means the application forms dated 31 July 2023 and 31 July 2023 signed by SCI and SFS, respectively and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein, as amended, varied, supplemented or replaced from time to time;

"**Determination Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

“**Determination Date**” means the day which is seven Determination Business Days before the due date of the relevant amount under these Conditions;

“**Early Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with these Conditions or the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Extraordinary Resolution**” has the meaning given in the Trust Deed;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**First Interest Payment Date**” means the date specified in the relevant Pricing Supplement;

“**Fiscal Period**” means, as the context may require, a period (i) commencing on 1 January and ending on the succeeding 31 December, or (ii) commencing on 1st January and ending on the succeeding 30 June provided that if SCI shall change its financial year so as to end a date other than 31 December, the foregoing shall be amended as necessary;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Governmental Authority**” means the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

“**Group**” means SCI (whether as Issuer or Guarantor) and its subsidiaries;

“**guarantee**” means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness;

“**Guarantee of the Notes**” means the guarantee of the Notes given by the Guarantor in respect of the Guaranteed Notes in the Trust Deed;

“**Holder**” in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

“**Illiquidity**” means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the relevant Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the relevant Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the relevant Issuer;

“**Inconvertibility**” means the occurrence of any event that makes it impossible (where it had previously been possible) for the relevant Issuer or the Guarantor to convert any amount due in respect of the Notes in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the relevant Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the relevant Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Interest Period End Date**" means the last day of each Interest Period;

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Pricing Supplement, or any successor definitional booklet for interest rate derivatives published from time to time;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issue Documents**" means the Trust Deed, (where applicable) the Issuer Deed of Accession, the Agency Agreement, (where applicable) the Issuer Supplemental Agency Agreement, the Depository Agreements, (where applicable) the Subsidiary Depository Agreement, the CDP Deed of Covenant and (where applicable) the Subsidiary Deed of Covenant;

"**Issuer Deed of Accession**" means a deed supplemental to the Trust Deed (and substantially in the form annexed to the Trust Deed) entered into by the relevant Subsidiary Issuer and the Trustee;

"**Issuer Supplemental Agency Agreement**" means an agreement supplemental to the Agency Agreement (and substantially in the form annexed to the Agency Agreement) entered into by the relevant Subsidiary Issuer and the Agents named in the Agency Agreement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Subsidiaries**" means at any time any subsidiary of SCI:

(i) whose gross assets or (in the case of a subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of SCI and its Consolidated Subsidiaries as shown by the then latest published audited consolidated balance sheet of SCI and its Consolidated Subsidiaries; or

(ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a subsidiary which immediately prior to such transfer is a Material Subsidiary, provided that, in such a case, the subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.

For the purpose of the above calculations, the gross consolidated assets of the Group will be as shown by the then latest published audited consolidated balance sheet of the Group, save that if a subsidiary of the Guarantor becomes a member of the Group after the date on which the then latest published audited consolidated financial statements of the Group is prepared, the financial condition of the Group will be determined from the latest published audited consolidated financial statements of the Group but adjusted to take into account any subsequent acquisition or disposal of a business or a company (including that subsidiary).

A report by the Auditors that in their opinion a subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties concerned. References to the audited balance sheet of a subsidiary which has subsidiaries shall be construed as references to the audited consolidated balance sheet of such subsidiary and its subsidiaries;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the relevant Issuer or the Guarantor to transfer Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the relevant Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the relevant Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement or, as the case may be, as specified in the relevant notice to Noteholders;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

  (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

  (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Security Interest**" means:

(i) any Security Interest existing as at the Issue Date;

(ii) any Security Interest to be created on any assets which were or are the subject of the Security Interest referred to in sub-paragraph (i) above, and solely for the purpose of the refinancing of project bonds;

(iii) any Security Interest created on any asset solely for the purpose of securing the financing or refinancing of the purchase, construction or development costs of such asset (including any Security Interest created over the share capital of any special purpose vehicle acting as the borrower of limited recourse financing for the purchase, construction, development and operation of such asset) and where the principal amount secured by that Security Interest does not exceed the purchase price or construction or development costs of such asset;

(iv) any Security Interest over or affecting any asset acquired by SCI or any Material Subsidiary of SCI after the Issue Date, if such Security Interest is removed or discharged within six months of the date of the acquisition of such asset;

(v) any Security Interest over or affecting any asset of any person which becomes a member of the Group after the Issue Date, where the Security Interest is created prior to the date on which that person becomes a member of the Group, if such Security Interest is removed or discharged within six months of that person becoming a member of the Group; or

(vi) any liens arising solely by operation of law (or by an agreement evidencing the same);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) as is specified in the applicable Pricing Supplement; and

(ii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none: three major banks selected by the relevant Issuer (or an agent appointed by it) in the market that is most closely connected with the Reference Rate and notified in writing to the Trustee and the Calculation Agent;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement;

"**Reference Rate**" has the meaning given in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other similar securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and having a tenor of more than one year, and excludes bilateral and syndicated loans or other banking financing arranged or granted by a bank or other, financial institution (including financing pursuant to credit agreements or notes issuances facility agreements);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" means, (in the case of Floating Rate Notes where the Reference Rate is specified as being SORA) 11:00 a.m. (Singapore time), or has the meaning given in the relevant Pricing Supplement;

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Singapore;

"**Reserved Matter**" means any proposal (i) to change any date fixed for payment of principal, or interest in respect of the Notes, (ii) to reduce the amount of principal, or interest payable on any date in respect of the Notes, (iii) to alter the method of calculating the amount of any payment in respect of the Notes, (iv) to change the currency of payments under the Notes, (v) to amend the subordination provisions in the Trust Deed, or (vi) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any relevant jurisdiction;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the relevant Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the relevant Issuer may determine the rate taking into consideration all available information which the relevant Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore;

"**Subsidiary**" or "**Subsidiaries**" means any company which is for the time being, a subsidiary within the meaning of Section 5 of the Companies Act of each relevant Issuer or, as the case may be, the Guarantor;

"**Subsidiary Depository Agreement**" means, in relation to each Tranche of Guaranteed Notes which have or will be cleared through CDP, the application form signed by the relevant Subsidiary Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein;

"**Subsidiary Issuer**" means the Subsidiary of SCI specified in the relevant Pricing Supplement, which has executed an Issuer Deed of Accession;

"**Talon**" means a talon for further Coupons;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation**: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) **Bearer Notes**: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Registered Notes may not be exchanged for Bearer Notes.

(b) **Title to Bearer Notes**: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) **Registered Notes**: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement. Bearer Notes may not be exchanged for Registered Notes.

(d) **Title to Registered Notes**: The Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) **Ownership**: The Holder of any Note, Coupon or Talon shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under (i) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999, or (ii) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 2001 of Singapore.

(f) **Transfers of Registered Notes**: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) **Registration and delivery of Note Certificates**: Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this paragraph (g), "**business day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge**: The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer, the Guarantor or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods**: Noteholders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes, (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 11(f) (*Record date*)).

(j) **Regulations concerning transfers and registration**: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection or by e-mail by the Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

4. **Status and Guarantee**

(a) **Status of the Notes**: The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative pledge*)) unsecured obligations of the relevant Issuer and will at all times rank *pari passu* and without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of the relevant Issuer (other than subordinated obligations and priorities created by law).

(b) **Guarantee of the Notes**: The Guarantor has, in respect of each Tranche of Guaranteed Notes, in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by SFS or such Subsidiary Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative pledge*)) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor (other than subordinated obligations and priorities created by law).

5. **Negative pledge**: So long as any Note remains outstanding,

(a) the relevant Issuer (other than SCI) has covenanted that such Issuer will not, and will procure that none of its subsidiaries will, create or permit to subsist any Security Interest (except for Permitted Security Interest) upon the whole or any part of their respective undertakings, assets, property or revenues, present or future to secure any Relevant Indebtedness, except where the principal amounts secured by such Security Interest do not at any particular time exceed in aggregate 15 per cent. of the Consolidated Net Worth of SCI and its Consolidated Subsidiaries, unless (i) such security is forthwith extended equally and rateably to the indebtedness of such Issuer in respect of the Notes or (ii) the indebtedness of such Issuer in respect of the Notes have the benefit of such other security or other arrangement as the Trustee may in its absolute discretion deem not to be materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of Noteholders.

(b) SCI (whether as issuer or guarantor) has covenanted that, it will not, and will procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (except for Permitted Security Interest) upon the whole or any part of their respective undertaking, assets or revenues present or future to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness, except where the principal amounts secured by such Security Interest do not at any particular time exceed in aggregate 15 per cent. of the Consolidated Net Worth of SCI and its Consolidated Subsidiaries unless, at the same time or prior thereto, SCI's obligations under the

Notes, the Guarantee of the Notes and the Trust Deed (as applicable) (i) are secured equally and rateably therewith or (ii) have the benefit of such other security or other arrangement as the Trustee may in its absolute discretion deem not to be materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

(a) **Application**: This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest**: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the Relevant Date.

(c) **Fixed Coupon Amount**: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) **Calculation of Interest Amount**: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) **Notes accruing interest otherwise than a Fixed Coupon Amount**: This Condition 6(e) shall apply to Notes to which the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, and only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the relevant Issuer, the Guarantor, the Trustee, the Paying Agents, the Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 20 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, the Issuer shall notify such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

7. **Floating Rate Note Provisions**

(a) **Application**: This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, **provided that** if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than any of the Reference Rates referred to below in Condition 7, the Interest Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(b) **Accrual of interest**: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7(b) (as well after as before judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the Relevant Date.

(c) **Screen Rate Determination**: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, **however**, **that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the relevant Issuer (or an agent appointed by it) determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of paragraph (i) above, such rate does not appear on that page or, in the case of paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or any agent appointed by it) will (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and the Issuer (or an agent appointed by it) shall notify the Calculation Agent of the same. The Calculation Agent will (2) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the relevant Issuer (or an agent appointed by it) and notified to the Calculation Agent, at approximately 11:00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading international banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period.

(d) **ISDA Determination**: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin (if any) and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement;

(iii) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, **however**, **that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the relevant Issuer determines appropriate.

(e) **Interest – Floating Rate Notes referencing SONIA**

(i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SONIA".

(ii) Where "SONIA" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent.

(iii) For the purposes of this Condition 7(e):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"**d**" means the number of calendar days in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“$\mathbf{d_0}$” means the number of London Banking Days in:

(A) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**i**” means a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(A) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “*p*” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “*p*” London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

“**London Banking Day**” or “**LBD**” means any day (excluding Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**ni**” for any London Banking Day “i”, in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “*p*” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is “*p*” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “*p*” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Pricing Supplement and has to be no less than 5 London Banking Days;

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**$SONIA_{i-pLBD}$**" means the SONIA Reference Rate for:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement; the relevant London Banking Day "i";

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

(iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), be:

(A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

(v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(f) **Interest – Floating Rate Notes referencing SOFR**

(i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SOFR".

(ii) Where "SOFR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 7(f):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the relevant Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"**d**" is the number of calendar days in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"$\mathbf{d_0}$" is the number of U.S. Government Securities Business Days in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"**i**" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

"**ni**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the SOFR Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

(A) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(B) Subject to Condition 7(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFRi**" means the SOFR for:

(A) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) If the relevant Issuer or its Designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the relevant Issuer or its Designee will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Trustee or Noteholders.

Any determination, decision or election that may be made by the relevant Issuer or its Designee pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(A) will be conclusive and binding absent manifest error;

(B) will be made in the sole discretion of the relevant Issuer or its Designee; and

(C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; **provided that** if the relevant Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacemen**t" means the first alternative set forth in the order below that can be determined by the relevant Issuer as of the Benchmark Replacement Date:

(A) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;

(B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or

(C) the sum of: (1) the alternate rate of interest that has been selected by the relevant Issuer or its Designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the relevant Issuer or its Designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the relevant Issuer or its Designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "**Interest Period**", the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the relevant Issuer or its Designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the relevant Issuer or its Designee decides that adoption of any portion of such market practice is not administratively feasible or if the relevant Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the relevant Issuer or its Designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "**Benchmark Transition Event**", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "**Benchmark Transition Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Designee**" means a designee as selected and separately appointed by the relevant Issuer in writing, which may include a subsidiary or affiliate of the relevant Issuer or an Independent Adviser;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the relevant Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified in writing promptly by the relevant Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect, if any.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the relevant Issuer:

(A) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement and, (iii) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and

(B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof. Subject to the notice set out in this Condition 7(f), the Trustee, the Calculation Agent and the Agents shall without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the relevant Issuer, without any requirement for the consent or approval of the Noteholders, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Trustee, the Agents and (if applicable) the Calculation Agent may be required in order to give effect to this Condition 7(f)), provided that the Trustee, the Calculation Agent and the Agents shall not be obliged to so concur if in the opinion of the Trustee, the Calculation Agent and the Agents, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agent and the Agents (as the case may be) in these Conditions or the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or agency agreement) in any way.

(vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) **Interest – Floating Rate Notes referencing €STR**

(i) This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and the "**Reference Rate**" is specified in the relevant Pricing Supplement as being "€STR".

(ii) Where "**€STR**" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 7(g):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{€STR_i \times n_i}{D}\right)-1\right]\times\frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

"$\mathbf{d_0}$" means the number of TARGET Settlement Days in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STRi**" means the €STR reference rate for:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant TARGET Settlement Day "i".

"***i***" is a series of whole numbers from one to "d_0", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

(B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"***ni***" for any TARGET Settlement Day "*i*" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "*i*" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "*p*" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "*p*" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

"**p**" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 TARGET Settlement Days.

(iv) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 7(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

(v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(g), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) **Interest – SONIA Compounded Index and SOFR Compounded Index**

Where "**Index Determination**" is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{Compounded\ Index\ End}{Compounded\ Index\ Start} - 1\right) \times \frac{Numerator}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Pricing Supplement;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Pricing Supplement, be the fourth decimal place in the case of the SONIA Compounded Index and the fifth decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.00005 or, as the case may be, 0.000005 being rounded upwards);

"**Relevant Number**" is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 3:00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

"**Start**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(e) (*Interest – Floating Rate Notes referencing SONIA*) or Condition 7(f) (*Interest – Floating Rate Notes referencing SOFR*), as applicable) had been specified instead in the Pricing Supplement, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Shift Period for the purposes of that definition in Condition 7(e) (*Interest – Floating Rate Notes referencing SONIA*) or Condition 7(f) (*Interest – Floating Rate Notes referencing SOFR*) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the relevant Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) shall apply.

(i) **Interest – Singapore Overnight Rate Average ("SORA")**

(i) This Condition 7(i) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SORA" (in which case such Note will be a "**SORA Note**"). The Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Margin.

(ii) The "**SORA Benchmark**" will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 7(o) (*Benchmark Replacement (SORA)*)):

(A) If Compounded Daily SORA is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Accrual Period shall be determined based on Compounded Daily SORA, which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest), as specified in the applicable Pricing Supplement on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(1) Where Lockout is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d_0**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means the Singapore Business Day immediately following the Rate Cut-Off Date;

"**ni**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Rate Cut-Off Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "**Relevant Screen Page**") on the Singapore Business Day immediately following such Singapore Business Day "i";

"**SORAi**" means, in respect of any Singapore Business Day "i" falling in the relevant Interest Accrual Period:

(I) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(II) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period SORA$_i$**") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORAi shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Interest Accrual Period, each Singapore Business Day during such Interest Accrual Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Accrual Period; and

"**Suspension Period**" means, in relation to any Interest Accrual Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Accrual Period or such other date specified in the applicable Pricing Supplement (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Accrual Period.

(2) Where SORA Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_{i-xSBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_0}$", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"**ni**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement but in any case shall not be less than five Singapore Business Days);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**$SORA_{i - x\ SBD}$**" means, in respect of any Singapore Business Day "i" falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "*p*" Singapore Business Days prior to the relevant Singapore Business Day "i".

(3) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_0**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"**ni**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement but in any case shall not be less than five Singapore Business Days);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**$SORA_i$**" means, in respect of any Singapore Business Day falling "i" in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day "i".

(4) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d_0**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Interest Accrual Period, **provided that** the Interest Determination Date with respect to the final Interest Accrual Period will be one Singapore Business Day after the SORA Rate Cut-Off Date;

"**Interest Payment Date**" shall be the date falling the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; **provided that** if the Notes are being redeemed, the Interest Payment Date with respect to the final Interest Accrual Period will be the redemption date;

"**Interest Payment Delay**" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

"**ni**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary

Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"**$SORA_i$**" means, in respect of any Singapore Business Day falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of the final Interest Accrual Period or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Accrual Period ending on the Maturity Date or any redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(B) For each Floating Rate Note where the Reference Rate is specified as being SORA Benchmark and determined based on SORA Index Average ("**SORA Index Average**"), the SORA Benchmark for each Interest Accrual Period shall be equal to the value of the SORA Index Average rates for each day during the relevant Interest Accrual Period as calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA\ INDEX_{End}}{Sora\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

"**d_c**" means the number of calendar days from (and including) the SORA $Index_{Start}$ to (but excluding) the SORA $Index_{End}$;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary

Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, **provided that** if the SORA Index does not so appear at the SORA Index Determination Time, then, if a SORA Index Cessation Event has not occurred, the SORA Index Average shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 7(ii)(A)(2), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Accrual Period that is used in the definition of SORA IndexStart as specified in the applicable Pricing Supplement;

"**SORA $\text{Index}_{\text{End}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Interest Period End Date relating to such Interest Accrual Period;

"**SORA $\text{Index}_{\text{Start}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(C) If, subject to Condition 7(o) (*Benchmark Replacement (SORA)*), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day "i", SORA in respect of such Singapore Business Day "i" has not been published and a SORA Index Cessation Event has not occurred, then SORA for that Singapore Business Day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(D) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 7(o) (*Benchmark Replacement (SORA)*), the Rate of Interest shall be:

(1) that determined as at the last preceding Interest Determination Date or, as the case may be, SORA Rate Cut-Off Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

(2) if there is no such preceding Interest Determination Date or, as the case may be, SORA Rate Cut-Off Date, the initial Rate of Interest which would have been applicable to such Series of SORA Notes for

the first Interest Accrual Period had the SORA Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(E) If the relevant Series of SORA Notes becomes due and payable in accordance with Condition 13 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such SORA Notes shall, for so long as any such SORA Note remains outstanding, be that determined on such date.

(j) **Maximum or Minimum Rate of Interest**: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(k) **Calculation of Interest Amount**: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than United States dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of United States dollars, means one cent.

(l) **Publication**: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the relevant Issuer, the Guarantor, the Trustee and Paying Agents as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given by the relevant Issuer to the Noteholders and, if the Notes have been admitted to listing, trading and/or quotation to any stock exchange and/or quotation system and the rules of the relevant competent authority or such stock exchange and/or quotation system so require, to such competent authority, stock exchange and/or quotation system. The relevant Issuer, the Guarantor, the Trustee and the Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(m) **Notifications etc**: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(m) by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid), in the absence of wilful default, gross negligence and fraud, no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(n) **Benchmark Replacement (Independent Adviser)**

Notwithstanding the provisions above in this Condition 7, if a Benchmark Event occurs in relation to the Reference Rate (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the relevant Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(n)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(n)(ii)) and any Benchmark Amendments (in accordance with Condition 7(n)(iii)).

An Independent Adviser appointed pursuant to this Condition 7(n) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the relevant Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the relevant Issuer, the Guarantor, the Trustee, the Agents or the Noteholders for any determination made by it pursuant to this Condition 7(n)), and the Trustee and the Agents will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(i) If the Independent Adviser (in consultation with the relevant Issuer) determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the operation of this Condition 7(n); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in this Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the operation of this Condition 7(n).

(ii) If the Independent Adviser (in consultation with the relevant Issuer) determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(n) and the Independent Adviser (in consultation with the relevant Issuer) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with this Condition 7(n)(iii), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the relevant Issuer, without any requirement for the consent or approval of the Noteholders, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Trustee, the Agents and (if applicable) the Calculation Agent may be required in order to give effect to this Condition 7(n)) provided that the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Principal Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Principal Paying Agent or the Calculation Agent (if required).

(iv) If (A) the relevant Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(n) prior to the relevant Interest Determination Date or Interest Payment Date (as the case may be), the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread if any and any Benchmark Amendments. If there has not been a First Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(n)(iv) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(n).

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(n) will be notified promptly in writing by the relevant Issuer to the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the relevant Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (iii) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(n); and

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

The Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof.

(vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the relevant Issuer, the Guarantor, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

(viii) As used in this Condition 7(n):

"**Adjustment Spread**" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(n)(iv) above) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(n)(iv) above) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(n)(iv) above) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(n)(iv) above) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(n)(iv) above) determines in accordance with this Condition 7(n) has replaced the relevant Reference Rate in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the Specified Currency;

"**Benchmark Amendments**" has the meaning given to it in Condition 7(n)(iii);

"**Benchmark Event**" means:

(A) the relevant Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist;

(B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**");

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued;

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate has been or will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes;

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by the Specified Future Date, be no longer representative of its relevant underlying market or the methodology to calculate such Reference Rate has, or will by the Specified Future Date, materially changed; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets, in each case appointed by the relevant Issuer at its own expense;

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

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

"**Successor Rate**" means the rate that the Independent Adviser or the relevant Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(o) **Benchmark Replacement (SORA)**

This Condition 7(o) shall only apply to Singapore dollar-denominated Notes where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 7(o) as applicable:

(i) Independent Adviser

Notwithstanding the provisions above in Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 7(o)(ii) (*Benchmark Replacement*)) and an Adjustment Spread, if any (in accordance with Condition 7(o)(iii) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 7(o)(iv) (*Benchmark Amendments*)) by the relevant Interest Determination Date.

An Independent Adviser appointed pursuant to this Condition 7(o) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the relevant Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the relevant Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the relevant Issuer in connection with any determination made by the relevant Issuer, pursuant to this Condition 7(o).

If the relevant Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Interest Determination Date, the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 7(o)(ii) (*Benchmark Replacement*)) and an Adjustment Spread if any (in accordance with Condition 7(o)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 7(o)(iv) (*Benchmark Amendments*)).

If the relevant Issuer or the Independent Adviser appointed by it is unable to or does not determine the Benchmark Replacement prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a First Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph (i) shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 7(o)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) shall (subject to adjustments as provided for in Condition 7(o)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7(o)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 7(o)(v) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent of a certificate signed by the duly authorised officer(s) of the relevant Issuer pursuant to Condition 7(o)(v) (*Notices, etc.*), the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall (at the expense of the relevant Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), **provided that** the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Principal Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the relevant Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(o)(iv). Noteholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the relevant Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 7(o)(iv), the relevant Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

The occurrence of a SORA Index Cessation Event shall be determined by the relevant Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(o)(v) will be notified promptly by the relevant Issuer to the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the relevant Issuer:

(A) confirming:

(1) that a SORA Index Cessation Event has occurred;

(2) the Benchmark Replacement; and

(3) where applicable, any Adjustment Spread, and/or the specific terms of any Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 7(o); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

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

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the relevant Issuer under Conditions 7(o)(i) (*Independent Adviser*), 7(o)(ii) (*Benchmark Replacement*), 7(o)(iii) (*Adjustment Spread*) and 7(o)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in this Condition 7(o) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread and Benchmark Amendments, in accordance with Condition 7(o)(v) (*Notices, etc.*).

(vii) **Definitions:**

As used in this Condition 7(o):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(A) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(B) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(C) is determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) and having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Notes;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines in accordance with Condition 7(o)(ii) (*Benchmark Replacement*) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Accrual Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Accrual Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i)

(*Independent Adviser*)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be) determines is reasonably necessary;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 7(o)(i)) (*Independent Adviser)* (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 7(o)(i) (*Independent Adviser*)) (as the case may be):

(A) the Successor Rate;

(B) the ISDA Fallback Rate; and

(C) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the relevant Issuer under Condition 7(o)(i) (*Independent Adviser*);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Interest), **provided that** if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the applicable Benchmark Replacement;

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

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(3) a group of the aforementioned central banks or other supervisory authorities; or

(4) the Financial Stability Board or any part thereof;

"**SORA Index Cessation Event**" means the occurrence of one or more of the following events:

(A) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or

(E) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or

(F) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate, **provided that** the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

8. **Zero Coupon Note Provisions**

(a) **Application**: This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Late payment on Zero Coupon Notes**: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) **Scheduled redemption**: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*).

(b) **Redemption for tax reasons**: The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

(i) at any time (if this Note is not a Floating Rate Note); or

(ii) on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption, if (1) the relevant Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*), or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, which change or amendment is made public or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (2) such obligation cannot be avoided by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor taking reasonable measures available to it, **provided**, **however**, **that** no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or a demand under the Guarantee of the Securities were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph (b), the relevant Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by the duly authorised officer(s) of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred and (B) an opinion, in form and substance satisfactory to the Trustee, of independent legal, tax or any other professional advisers of recognised standing (whether or not such opinion is addressed to the Trustee) to the effect that the relevant Issuer or the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept and rely upon such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders.

References in this Condition 9(b) to "independent legal, tax or any other professional advisers of recognised standing" are not intended to and shall not in the ordinary course exclude any of the relevant Issuer's usual tax or legal advisers, or any such adviser who may have tendered professional services to the relevant Issuer in connection with the issue and offering of the Notes.

(c) **Redemption at the option of the Issuer**: If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the relevant Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to (but excluding) such date).

If the Notes are to be redeemed in part only on any date in accordance with this Condition 9(c), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent and the relevant Issuer approve and in such manner as the Principal Paying Agent and the relevant Issuer consider appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(d) **Redemption at the option of Noteholders**: If the Put Option is specified in the relevant Pricing Supplement as being applicable, the relevant Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to (but excluding) such date. In order to exercise the option contained in this Condition 9(d), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons and unexchanged Talons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(d), may be withdrawn without the prior written consent of the relevant Issuer; **provided**, **however**, **that if**, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(d), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(e) **Redemption in the case of minimal outstanding amount**: The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time or on any Interest Payment Date, on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at the Early Redemption Amount, if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(f) **No other redemption**: The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above or as otherwise specified in the relevant Pricing Supplement.

(g) **Early redemption of Zero Coupon Notes**: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) **Purchase**: The relevant Issuer, the Guarantor and/or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons and unexchanged Talons are purchased therewith.

(i) **Cancellation**: All Notes purchased by or on behalf of the relevant Issuer, the Guarantor and/or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its Specified Office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the relevant Issuer or the Guarantor, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the relevant Issuer and the Guarantor in respect of any such Notes shall be discharged. For avoidance of doubt, all Notes purchased by the relevant Issuer, the Guarantor or any of their respective Subsidiaries may at the option of the relevant Issuer, the Guarantor or relevant Subsidiary be held or resold.

(j) **Calculations**: Neither the Trustee nor any of the Agents (other than the Calculation Agent and solely in respect of its functions as an appointment Calculation Agent of the relevant Issuer) shall be responsible for calculating or verifying the calculations of any amount under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Noteholders or any other person for not doing so.

10. **Payments – Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

(a) **Principal**: Payments of principal shall, subject as mentioned below, be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States,

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which the payment is due on (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong. If a holder does not maintain relevant account in respect of a payment to be made under the Notes, the relevant Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

(b) **Interest**: Payments of interest shall, subject to paragraph (h) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) **Payments in New York City**: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, and payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) payment is permitted by applicable United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to fiscal laws**: All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Deductions for unmatured Coupons**: If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment;

provided, **however**, **that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided**, **however**, **that** where this sub-paragraph (A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided**, **however**, **that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons within a period of three years from the Relevant Date for the payment of such principal.

(f) **Unmatured Coupons void**: If the relevant Pricing Supplement specifies that this Condition 10(f) (*Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(d) (*Redemption at the option of Noteholders*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) **Payments on business days**: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) **Payments other than in respect of matured Coupons**: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) (*Payments in New York City*) above).

(i) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) **Exchange of Talons**: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(k) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor, in its sole discretion, is not able to satisfy payments of principal or interest in respect of Bearer Notes when due in Renminbi in Singapore, the relevant Issuer or the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Bearer Notes shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

11. Payments – Registered Notes

This Condition 11 is only applicable to Registered Notes.

(a) **Principal**: Payments of principal shall be made, subject as mentioned below,

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any of the Transfer Agents or the Registrar. If a holder does not maintain relevant account in respect of a payment to be made under the Notes, the relevant Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

(b) **Interest**: Payments of interest shall be made, subject as mentioned below,

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Registrar or any other Transfer Agent.

(c) **Payments subject to fiscal laws**: All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) **Payments on business days**: Payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) **Record date**: Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

(g) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor, in their sole discretion, is not able to satisfy payments of principal or interest in respect of Registered Notes when due in Renminbi in Singapore, the relevant Issuer or the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Registered Notes shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

*So long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. So long as the Global Note Certificate or the Global Note is held on behalf of CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in* *respect of the Note shall, unless otherwise specified by the relevant Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).*

12. **Taxation**

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

(i) held by or on behalf of a Holder who is (A) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (B) liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), or Coupon is presented for payment, but fails to do so.

Notwithstanding any other provision of these Conditions, in no event will the relevant Issuer or the Guarantor be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) **Taxing jurisdiction**: If the relevant Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Singapore, references in these Conditions to "Singapore" shall be construed as references to Singapore and/or such other jurisdiction.

(c) Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 12 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the relevant Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, charges, withholding or other payment in any jurisdiction.

13. **Events of Default**

If any of the following events ("**Events of Default**") occurs and is continuing, then the Trustee at its discretion may (but is not obliged to), and if so requested in writing by Holders of at least 30% of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall in each case, (subject to the Trustee being indemnified and/or pre-funded and/or provided with security to its satisfaction) give written notice to the relevant Issuer that the Notes are immediately due and repayable, whereupon they shall become immediately due and payable at the Redemption Amount or (in the case of the Zero Coupon Notes) the Early Termination Amount together with accrued interest to (but excluding) the date of payment (if any):

(a) *Non-payment:* the relevant Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof;

(b) *Breach of other obligations:* the relevant Issuer or the Guarantor does not perform or comply with any one or more of its other obligations (other than the payment obligation of the Issuer referred to in sub-paragraph (a) above) under the Notes, the Guarantee or the Trust Deed and such default is (i) incapable of remedy or (ii) being a default capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the relevant Issuer and the Guarantor by the Trustee;

(c) *Guarantee not in force:* the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

(d) *Cross-default of Issuer, Guarantor or Subsidiary:*

(i) any indebtedness of the relevant Issuer, the Guarantor or any of its Material Subsidiaries (as defined in Condition 2) becomes due and payable prior to its stated maturity as a result of a default or other breach of the terms thereof;

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or

(iii) the relevant Issuer, the Guarantor or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (d) having occurred equals or exceeds S$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates);

(e) *Insolvency etc:* the relevant Issuer, the Guarantor or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any material part of its debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the relevant Issuer, the Guarantor or any of its Material Subsidiaries and, in relation to the Material Subsidiaries only, such event is likely to materially and adversely affect the ability of the relevant Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or any of the Notes;

(f) *Security enforced:*

(i) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the relevant Issuer, the Guarantor or any of its Material Subsidiaries and such distress, attachment, execution or other legal process is not dismissed, removed, stayed or discharged within 30 days of the date of such distress, execution or other legal process being levied, enforced upon or sued out, and, in relation to the Material Subsidiaries only, such event is likely to materially and adversely affect the ability of the relevant Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or any of the Notes; or

(ii) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the relevant Issuer, the Guarantor or any of its Material Subsidiaries with respect to the whole or a material part of the property, assets or revenues of the relevant Issuer, the Guarantor or any of its Material Subsidiaries becomes enforceable, and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and, in relation to the Material Subsidiaries only, such event is likely to materially and adversely affect the ability of the relevant Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or any of the Notes;

(g) *Winding up etc:* an order is made or an effective resolution passed for the winding-up or dissolution of the relevant Issuer, the Guarantor or any of its Material Subsidiaries, or the relevant Issuer, the Guarantor or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on the whole or substantially the whole of its business or operations, in each case except:

(i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; or

(ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the relevant Issuer, the Guarantor or any of its Material Subsidiaries;

(h) *Failure to take action etc:* any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the relevant Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Guarantee and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Guarantee and the Trust Deed admissible in evidence in the courts of England or, as the case may be, Singapore is not taken, fulfilled or done;

(i) *Unlawfulness:* it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any one or more of its payment or other material obligations under any of the Notes, the Guarantee or the Trust Deed;

(j) *Nationalisation:* the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the relevant Issuer, the Guarantor or any of its Material Subsidiaries and, in relation to the Material Subsidiaries only, such event is likely to materially and adversely affect the ability of the relevant Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or any of the Notes;

(k) *Declared company:* the relevant Issuer or the Guarantor is declared by the Minister for Finance to be a declared company under the provisions of Part IX of the Companies Act; or

(l) *Analogous event:* any event occurs which, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

14. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within three years of the appropriate Relevant Date. Claims for principal on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within three years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note, Note Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws, regulations and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the fees, costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Note Certificates, Coupons or Talons must be surrendered before replacements will be issued.

16. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or provided with security to its satisfaction and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee and the Agents are entitled to enter into business transactions with the relevant Issuer, the Guarantor (or any of their respective related corporations), or any company in which the relevant Issuer or the Guarantor is interested, without accounting for any profit, fees, commissions, discounts or share of brokerage resulting from such business transactions.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and shall not be obliged to have regard to the consequences of such exercise for individual Holders of Notes as a result of such Holders being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof. In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the relevant Issuer and (to the extent provided therein) the Trustee and are not under any fiduciary duty or other obligation towards and do not have any relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The relevant Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor calculation agent or registrar or Calculation Agent and additional or successor paying agents; **provided**, **however**, **that**:

(a) the relevant Issuer shall at all times maintain a principal paying agent and a registrar;

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, the relevant Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the relevant Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall be given to the Noteholders by the relevant Issuer in accordance with the Trust Deed.

17. **Meetings of Noteholders; Modification and Waiver**

(a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including the modification of any provision of these Conditions, the Trust Deed and/or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting (i) may be convened by the relevant Issuer, the Guarantor or by the Trustee and (ii) shall be convened by the Trustee (subject to it being first indemnified, secured or pre-funded to its satisfaction) upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of any Series of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing a clear majority of the aggregate principal amount of the Series of outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Series of Notes held or represented; **provided**, **however**, **that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the relevant Series of outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders of the relevant Series, whether present or not at such meeting.

(b) **Written Resolutions and Electronic Consent**:

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Holders of not less than three-quarters of the aggregate principal amount of a Series of Notes then outstanding who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders); or

(B) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the relevant Issuer or the Guarantor given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than three-quarters of the aggregate principal amount of a Series of Notes then outstanding (an "**Electronic Consent**"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

Electronic Consents are not capable of being communicated by Holders through any electronic communications system of CDP. Accordingly, where Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held by CDP, Electronic Consents will not be possible.

(ii) A Written Resolution or Electronic Consent shall take effect as if it were an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) **Modification and waiver**: The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of law or (in the event the Notes are listed) is required by any Stock Exchange or is required by Euroclear, Clearstream, Luxembourg and/or CDP.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such modification, waiver or authorisation shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by relevant Issuer as soon as practicable thereafter.

(d) **Direction from Noteholders**: Notwithstanding anything to the contrary in these Conditions or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Conditions or the Trust Deed to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarifications from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified, pre-funded and/or provided with security to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or in the event that no such directions or clarifications are received by the Trustee.

(e) **Certificates and reports**: The Trustee may rely without liability to any Noteholder, Couponholder or to other person on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including the auditors, surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate, opinion or advice shall be binding on the Noteholders and the Couponholders.

18. Enforcement

At any time after the Notes become due and payable pursuant to Condition 13 (*Events of Default*), the Trustee may at any time, at its discretion and without further notice, institute such proceedings, actions or steps as it thinks fit to recover any amounts due in respect of the Notes which are unpaid or to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to declare the Notes to be immediately due and repayable under Condition 13 (Events of Default) or to take any proceedings unless:

(a) it has been so requested in writing by the Holders of at least 30 per cent. of the aggregate principal amount of the outstanding Notes; and

(b) it has been indemnified, pre-funded and/or provided with security by Noteholders to its satisfaction against all actions, liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it.

No Noteholder may proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

19. **Further Issues**

The relevant Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes of any Series (or in all respects except for the issue date, issue price, and the first payment of interest) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly. The relevant Issuer may from time to time create and issue other series of Notes having the benefit of the Trust Deed.

20. **Notices**

(a) **Bearer Notes**: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition), **provided that**, for so long as the Bearer Notes are listed and admitted to trading on the Official List of the SGX-ST, notices to Holders of Bearer Notes shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) **Registered Notes**: Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register or if published in a leading English language newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition) **provided that**, for so long as the Registered Notes are listed and admitted to trading on the Official List of the SGX-ST, notices to Holders of Registered Notes shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (if mailed) on the fourth weekday (being a day other than a Saturday or a Sunday or a gazetted public holiday) after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held (i) on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate; (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP, or in each case, notices to the holders of Notes of that Series may also be given by way of publication in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times) or by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice or two business days after despatch or on the date of first publication, as the case may be.

Notwithstanding the other provisions of this Condition 20, in any case where the identities and addresses of all the Noteholders are known to the relevant Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Singapore or United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. Governing Law and Jurisdiction

(a) **Governing law**: The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with:

(i) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, English law; or

(ii) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

(b) **Jurisdiction**:

(A) If the Notes are specified to be governed by English law in the applicable Pricing Supplement, the English courts, or (B) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore (the "**Relevant Courts**"), have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a "**Dispute**") and accordingly each of the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the non-exclusive jurisdiction of the Relevant Courts.

(c) **Service of process**:

The relevant Issuer and (in respect of each Tranche of Guaranteed Notes) the Guarantor agree that the documents which start any Dispute under English Law (an "**English Law Dispute**") and any other documents required to be served in relation to such English Law Dispute may be served on it by being delivered to Sembcorp Utilities (UK) Limited (addressed to the company secretary) with its address in England and Wales at Sembcorp UK Headquarters, Wilton International, Middlesbrough, TS90 8WS, or to such other person with an address in England or Wales and/or such other address in England or Wales as the relevant Issuer may specify by notice in writing to the Trustee. Nothing herein shall affect the right to serve process in any other manner permitted by law. This Condition 22(c) applies to English Law Disputes in England and elsewhere.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions of the Securities which, as completed, amended, supplemented and/or varied by the relevant Pricing Supplement, will be endorsed on each Security in definitive form issued under the Programme. The terms and conditions applicable to any Security in global form will differ from those terms and conditions which would apply to the Security were it in definitive form to the extent described under "Summary of Provisions Relating to the Instruments while in Global Form". All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Securities or on the Certificates relating to such Registered Securities. References in the Conditions to "Securities" are to the Securities of one Series only, not to all Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Securities and in the relevant Pricing Supplement.

1. **Introduction**

(a) **Programme**: Sembcorp Industries Ltd ("**SCI**") and Sembcorp Financial Services Pte. Ltd. ("**SFS**") have established a euro medium term note programme (the "**Programme**") for the issuance of up to S$5,000,000,000 in aggregate principal amount of notes and/or senior and subordinated perpetual capital securities (the "**Securities**"). These terms and conditions relate to Securities issued under the Programme.

(b) **The Securities**:

(i) Each Series of Securities are issued either by SFS or a Subsidiary Issuer (as defined below) (such Securities issued by SFS or a Subsidiary Issuer, the "**Guaranteed Securities**") or SCI pursuant to the Trust Deed (as defined below). The Guaranteed Securities issued by SFS or a Subsidiary Issuer will be guaranteed in the Trust Deed (as defined below) by SCI (in its capacity as guarantor, the "**Guarantor**"). References to the "Issuer" or the "relevant Issuer" shall be construed as to the Issuer specified in the relevant Pricing Supplement. References in these Conditions to the Guarantor and the Guarantee (as defined in the Trust Deed) shall apply only to Securities issued by SFS or a Subsidiary Issuer.

(ii) The Securities may be issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**"). All subsequent references in these Conditions to "Securities" are to the Securities which are the subject of the relevant Pricing Supplement. Copies of the Trust Deed (as defined below) and the Agency Agreement (as defined below) (i) may be provided by e-mail to requesting Noteholder or (ii) are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the registered office for the time being of the Trustee, being at the date hereof 160 Queen Victoria Street, London EC4V 4LA, United Kingdom and the Specified Office of the Principal Paying Agent. Copies of the relevant Pricing Supplement are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the Specified Office of the Principal Paying Agent. In the case of Securities cleared through CDP, the Securityholders are entitled to the benefit of a deed of covenant entered into with CDP by the Issuers dated 31 July 2023 (the "**CDP Deed of Covenant**"). In order for a Subsidiary Issuer to issue Guaranteed Securities cleared through CDP, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Securities, enter into a deed of covenant with CDP (the "**Subsidiary Deed of Covenant**").

(c) **Pricing Supplement**: Securities issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Securities. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements, amends and/or replaces these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Securities are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(d) **Trust Deed**: The Securities are constituted by, are subject to, and have the benefit of a trust deed dated 31 July 2023 (as amended, restated or supplemented from time to time) made between the Issuers, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented, in respect of Securities specified to be governed by Singapore law in the applicable Pricing Supplement, by the Singapore supplemental trust deed 31 July 2023 (as amended, restated or supplemented from time to time, the "**Singapore Supplemental Trust Deed**") made between the same parties (together, the "**Trust Deed**"). In order for a Subsidiary Issuer to issue Guaranteed Securities, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Securities, accede to the Trust Deed by executing an Issuer Deed of Accession dated on or before the Issue Date of such Tranche of Guaranteed Securities.

(e) **Agency Agreement**: The Securities are the subject of an agency agreement dated 31 July 2023 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuers, the Guarantor, The Bank of New York Mellon, Singapore Branch, as principal issuing and paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Securities), as CDP issuing and paying agent for Securities cleared through CDP (the "**CDP Issuing and Paying Agent**", which expression includes any successor CDP issuing and paying agent appointed from time to time in connection with the Securities and together with the Principal Paying Agent and the Non-CDP Issuing and Paying Agent, the "**Paying Agents**"), The Bank of New York Mellon, London Branch as Non-CDP issuing and paying agent for Securities cleared through Euroclear and/or Clearstream, Luxembourg (the "**Non-CDP Issuing and Paying Agent**", which expression includes any successor Non-CDP issuing and paying agent appointed from time to time in connection with the Securities), The Bank of New York Mellon, Singapore Branch as CDP registrar and CDP transfer agent for Securities cleared through CDP (the "**CDP Registrar**" and "**CDP Transfer Agent**", which expression includes any successor CDP registrar and/or CDP transfer agent appointed from time to time in connection with the Securities), The Bank of New York Mellon SA/NV, Dublin Branch as Non-CDP registrar and Non-CDP transfer agent for Securities cleared through Euroclear and/or Clearstream, Luxembourg (the "**Non-CDP Registrar**" and "**Non-CDP Transfer Agent**", which expression includes any successor Non-CDP registrar and/or Non-CDP transfer agent appointed from time to time in connection with the Securities), the Paying Agents (together with the CDP Registrar. CDP Transfer Agent, Non-CDP Transfer Agent and the Non-CDP Registrar, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Securities) and the Trustee. In these Conditions, all references (other than in relation to the determination of distribution and other amounts payable in respect of the Securities) to the "**Principal Paying Agent**" shall, with respect to a Series of Securities to be cleared other than through CDP (as defined below), be deemed to be references to the Non-CDP Issuing and Paying Agent and all such references shall be construed accordingly; all references to the "Registrar" shall, (i) with respect to a Series of Securities to be cleared through

CDP, be deemed to be references to the CDP Registrar, and (ii) with respect to a series of Securities to be cleared other than through CDP, be deemed to be references to the Non-CDP Registrar, and all references shall be construed accordingly; all references to the "**Transfer Agent**" shall (i) with respect to a Series of Securities to be cleared through CDP, be deemed to be references to the CDP Transfer Agent, and (ii) with respect to a series of Securities to be cleared other than through CDP, be deemed to be references to the Non-CDP Transfer Agent, and all references shall be construed accordingly; and references to the "Agents" are to the Paying Agents and the Transfer Agents and any reference to an "Agent" is to any one of them. In order for a Subsidiary Issuer to issue Guaranteed Securities, such Subsidiary Issuer shall, in respect of each such Tranche of Guaranteed Securities, enter into an Issuer Supplemental Agency Agreement on or before the Issue Date of such Tranche of Guaranteed Securities.

(f) **Summaries**: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Securityholders (as defined below) and the holders of the related distribution coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

2. **Interpretation**

(a) **Definitions**: In these Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Auditors**" means the auditors for the time being of the relevant Issuer or, as the case may be, the Guarantor or, if there shall be joint auditors of the relevant Issuer or the Guarantor, any one or more of such joint auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of these Conditions, such other auditors as may be appointed by such Issuer or, as the case may be, the Guarantor;

"**Balance Sheet Date**" means 30 June and 31 December or other semi-annual date at which SCI prepares its audited or unaudited Consolidated Accounts;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, Singapore and each (if any) Additional Business Centre;

(ii) in the case of any sum payable in Singapore dollars, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore, and if cleared through Euroclear or Clearstream, Luxembourg, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payment in Singapore;

(iii) in relation to any sum payable in Renminbi, (A) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday, a Sunday or a public holiday)on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed or such other location outside the People's Republic of China as may have been agreed between the relevant Issuer and the Principal Paying Agent prior to the issue of the Securities and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday on which commercial banks and foreign exchange markets are open for business in Singapore; and

(iv) in relation to any sum payable in a currency other than euro, Singapore dollars and Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally, in London, Singapore, the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent appointed by the relevant Issuer in respect of a Series of Securities pursuant to the terms of the Agency Agreement or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Distribution and Distribution Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**Companies Act**" means the Companies Act 1967 of Singapore;

a "**Compulsory Distribution Payment Event**" occurs if either or both of the following criteria are met:

(i) a dividend, distribution or other payment is declared, paid or made on any of the relevant Issuer's Junior Obligations or, in the case of Subordinated Securities only (except on a *pro rata* basis), any of the relevant Issuer's Parity Obligations; or

(ii) the relevant Issuer redeems, reduces, cancels, buys-back or acquires for any consideration any of its Junior Obligations or, in the case of Subordinated Securities only (except on a *pro rata* basis) any of its Parity Obligations,

except, in either case, (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations and/or (iii) as otherwise specified in the applicable Pricing Supplement;

"**Consolidated Accounts**" means, in relation to any annual or other Fiscal Period, the consolidated accounts of SCI and the Consolidated Subsidiaries prepared in accordance with accounting principles generally accepted in Singapore;

"**Consolidated Subsidiary**" means every subsidiary of SCI the accounts of which were in the latest Consolidated Accounts, or should, in the written opinion of the Auditors given following a request from SCI or the Trustee (to which request SCI shall ensure that the Auditors shall, as soon as reasonably practicable, reply), be in the next Consolidated Accounts, consolidated with those of SCI in accordance with the accounting principles in accordance with which such Consolidated Accounts were or will be prepared. A report by the Auditors that in their opinion a subsidiary is or is not a Consolidated Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Coupon Sheet**" means, in respect of a Security, a coupon sheet relating to the Security;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{([360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1))}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Depository Agreements**" means the application forms dated 31 July 2023 and 31 July 2023 signed by SCI and SFS respectively and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein, as amended, varied, supplemented or replaced from time to time;

"**Determination Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is seven Determination Business Days before the due date of the relevant amount under these Conditions;

"**Distribution Amount**" means, in relation to a Security and a Distribution Period, the amount of distribution payable in respect of that Security for that Distribution Period;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date in the relevant Pricing Supplement;

"**Distribution Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Distribution Payment Date**" means the First Distribution Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Distribution Commencement Date (in the case of the First Distribution Payment Date) or the previous Distribution Payment Date (in any other case);

"**Distribution Period**" means each period beginning on (and including) the Distribution Commencement Date or any Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date;

"**Dividend Pusher Lookback Period**", if applicable, shall be the period specified in the relevant Pricing Supplement;

"**Early Redemption Amount**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**First Distribution Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Distribution Amount**" has the meaning given in the relevant Pricing Supplement;

"**Governmental Authority**" means the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Group**" means SCI (whether as Issuer or Guarantor) and its subsidiaries;

"**guarantee**" means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness;

"**Guarantee of the Securities**" means the guarantee of the Securities given by the Guarantor in respect of the Guaranteed Securities in the Trust Deed;

"**Guarantee of the Subordinated Securities**" means the guarantee of the Subordinated Securities given by the Guarantor in the Trust Deed;

"**Holder**" in the case of Bearer Securities, has the meaning given in Condition 3(b) (*Title to Bearer Securities*) and, in the case of Registered Securities, has the meaning given in Condition 3(d) (*Title to Registered Securities*);

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the relevant Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay distribution or principal in respect of the Securities as determined by the relevant Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the relevant Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the relevant Issuer or the Guarantor to convert any amount due in respect of the Securities in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the relevant Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the relevant Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Pricing Supplement, or any successor definitional booklet for interest rate derivatives published from time to time;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issuer Deed of Accession**" means a deed supplemental to the Trust Deed (and substantially in the form annexed to the Trust Deed) entered into by the relevant Subsidiary Issuer and the Trustee;

"**Issuer Supplemental Agency Agreement**" means an agreement supplemental to the Agency Agreement (and substantially in the form annexed to the Agency Agreement) entered into by the relevant Subsidiary Issuer and the Agents named in the Agency Agreement;

"**ITA**" means the Income Tax Act 1947 of Singapore;

"**Junior Obligations**" means, unless otherwise defined in the relevant Pricing Supplement, (a) in respect of the relevant Issuer, (i) any ordinary shares of the relevant Issuer, and (ii) any class of the relevant Issuer's share capital or any other instruments or securities (including, without limitation, preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the relevant Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities; and (b) (in respect of each Tranche of Guaranteed Securities) in respect of the Guarantor, (i) any ordinary shares of the Guarantor, and (ii) any class of the Guarantor's share capital or any other instruments or securities (including, without limitation, preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Guarantor that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Guarantee of the Securities;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the relevant Issuer or the Guarantor to transfer Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the relevant Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the relevant Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Optional Redemption Amount (Call)**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement or, as the case may be, as specified in the relevant notice to Securityholders;

"**Parity Creditor**" means (i) in respect of the relevant Issuer, any creditor of the relevant Issuer whose claim ranks or is expressed to rank *pari passu* with the relevant Issuer's obligations under the Subordinated Securities, and (ii) (in respect of each Tranche of Guaranteed Securities) in respect of the Guarantor, any creditor of the Guarantor whose claim ranks or is expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee of the Subordinated Securities;

"**Parity Obligations**" means, in respect of the Subordinated Securities, unless otherwise defined in the relevant Pricing Supplement, (i) in respect of the relevant Issuer, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the relevant Issuer which (a) ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Securities, and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the relevant Issuer and/or, in the case of an instrument or security guaranteed by the relevant Issuer, the relevant Issuer thereof, and (ii) (in respect of each Tranche of Guaranteed Securities) in respect of the Guarantor, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Guarantor which (a) ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Guarantee of the Subordinated Securities, and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Guarantor and/or, in the case of an instrument or security guaranteed by the Guarantor, the Guarantor thereof;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

  (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

  (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Securities denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) as is specified in the applicable Pricing Supplement; and

(ii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

"**Qualifying Securities**" means securities that:

(i) have terms not materially less favourable to an investor from the terms of the Securities (as reasonably determined by SCI, and **provided that** a certification to such effect (and confirming that the conditions set out in paragraph (i) and below have been satisfied) of a director or duly authorised signatory of SCI shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificate the Trustee shall rely absolutely), **provided that**:

(A) they are issued by a relevant Issuer or any wholly-owned direct or indirect finance subsidiary of SCI with a guarantee of SCI; and

(B) they (or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* with the Securities on a winding-up of the relevant Issuer or the Guarantor, shall preserve the Holders' rights to any arrears of distribution, any additional distribution amount and any other payment that has accrued with respect to the relevant securities, and shall contain terms which provide for the same Rate of Distribution, Distribution Payment Dates and redemption events, from time to time applying to the Securities; and other terms of such securities are substantially identical (as reasonably determined by SCI) to the Securities, save for the modifications or amendments to such terms that are specifically required to be made in order to avoid or resolve a Special Event;

(ii) (if applicable) have been, or will on issue be, assigned at least the same rating as that assigned by the Rating Agencies to the Securities immediately prior to such substitution or variation; and

(iii) in the case of Securities which are listed, are listed on the Official List of the SGX-ST or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets;

"**Rate of Distribution**" means the rate or rates (expressed as a percentage per annum) of distribution payable in respect of the Securities specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Rating Agencies**" means (a) in relation to any Capital Event, the rating agencies specified in the relevant Pricing Supplement; or (b) in relation to Qualifying Securities, the rating agencies specified in the relevant Pricing Supplement, or if one or more of the rating agencies specified in the relevant Pricing Supplement shall not make a rating of the Securities publicly available, a recognised securities rating agency or agencies, as the case may be, selected by the relevant Issuer, which shall be substituted for such rating agency;

"**Redemption Amount**" means, as appropriate, the Early Redemption Amount, the Optional Redemption Amount (Call) or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none: three major banks selected by the relevant Issuer (or an agent appointed by it) in the market that is most closely connected with the Reference Rate and notified in writing to the Trustee and the Calculation Agent;

"**Reference Rate**" has the meaning given in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

"**Regular Period**" means:

(i) in the case of Securities where distribution is scheduled to be paid only by means of regular payments, each period from and including the Distribution Commencement Date to but excluding the first Distribution Payment Date and each successive period from and including one Distribution Payment Date to but excluding the next Distribution Payment Date;

(ii) in the case of Securities where, apart from the first Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls; and

(iii) in the case of Securities where, apart from one Distribution Period other than the first Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls other than the Distribution Payment Date falling at the end of the irregular Distribution Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect has been given to the Securityholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" means, (in the case of Floating Rate Securities where the Reference Rate is specified as being SORA) 11:00 a.m. (Singapore time), or has the meaning given in the relevant Pricing Supplement;

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Singapore;

"**Reserved Matter**" means any proposal (i) to change any date fixed for payment of principal, interest or, as the case may be, Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, (ii) to reduce the amount of principal, interest or, as the case may be, Distribution (including any Arrears of Distribution and any Additional Distribution Amount) payable on any date in respect of the Securities, (iii) to alter the method of calculating the amount of any payment in respect of the Securities, (iv) to change the currency of payments under the Securities, (v) to amend the subordination provisions in the Trust Deed, or (vi) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Securityholder**" in the case of Bearer Securities, has the meaning given in Condition 3(b) (*Title to Bearer Securities*) and, in the case of Registered Securities, has the meaning given in Condition 3(d) (*Title to Registered Securities*);

"**Senior Creditors**" means (i) with respect to the relevant Issuer, all creditors of the relevant Issuer, other than the Trustee (in respect of the principal of and Distributions (including Arrears of Distributions and Additional Distribution Amounts) on and other amounts that are due to the Securityholders in respect of the Subordinated Securities), the Securityholders, any Parity Creditors of the relevant Issuer and the holders of the Junior Obligations, and (ii) (in respect of each Tranche of Guaranteed Securities) with respect to the Guarantor, all creditors of the Guarantor, other than the Trustee (in respect of the principal of and Distributions (including Arrears of Distributions and Additional Distribution Amounts) on and other amounts that are due to the Securityholders in respect of the Guarantee of the Subordinated Securities), the Securityholders, any Parity Creditors of the Guarantor and the holders of the Junior Obligations;

"**Senior Securities**" means securities specified as Senior Securities in the relevant Pricing Supplement;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Special Event**" means a Withholding Tax Event, a Capital Event, an Accounting Event, a Tax Deductibility Event or any combination of the foregoing;

"**Special Event Redemption**" means a redemption in respect of: (i) a Withholding Tax Event (as defined in Condition 6(b) (*Redemption for tax reasons*)), or (ii) a Capital Event (as defined in Condition 6(d) (*Redemption upon a Capital Event*)), or (iii) a Tax Deductibility Event (as defined in Condition 6(e) (*Redemption upon a Tax Deductibility Event*)), or (iv) an Accounting Event (as defined in Condition 6(f) (*Redemption upon an Accounting Event*);

"**Special Event Redemption Date**" means the date on which the Securities are redeemed in a Special Event Redemption;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the relevant Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the relevant Issuer may determine the rate taking into consideration all available information which the relevant Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore;

"**Step-Up Event**" has the meaning given in the relevant Pricing Supplement;

"**Step-Up Rate**" has the meaning given in the relevant Pricing Supplement;

"**Subordinated Securities**" means securities specified as Subordinated Securities in the relevant Pricing Supplement;

"**Subsidiary**" or "**Subsidiaries**" means any company which is for the time being, a subsidiary within the meaning of Section 5 of the Companies Act of each relevant Issuer or, as the case may be, the Guarantor;

"**Subsidiary Depository Agreement**" means, in relation to each Tranche of Guaranteed Securities which have or will be cleared through CDP, the application form signed by the relevant Subsidiary Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein;

"**Subsidiary Issuer**" means the Subsidiary of SCI specified in the relevant Pricing Supplement, which has executed an Issuer Deed of Accession;

"**Talon**" means a talon for further Coupons;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system; and

"**Winding-Up**" means a final and effective order by a competent authority for the bankruptcy, winding-up, liquidation or similar procedure in respect of the relevant Issuer or the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation the terms of which reorganisation, reconstruction, merger or amalgamation have previously been approved in writing by the Trustee or by an Extraordinary Resolution).

(b) **Interpretation**: In these Conditions:

(i) if Talons are specified in the relevant Pricing Supplement as being attached to the Securities at the time of issue, references to Coupons shall be deemed to include references to Talons;

(ii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Securities at the time of issue, references to Talons are not applicable;

(iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 9 (*Taxation*), any premium payable in respect of a Security and any other amount in the nature of principal payable pursuant to these Conditions;

(iv) any reference to distribution shall be deemed to include any additional amounts in respect of distribution which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of distribution payable pursuant to these Conditions;

(v) references to Securities being "outstanding" shall be construed in accordance with the Trust Deed;

(vi) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Securities; and

(vii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Securities.

3. **Form, Denomination, Title and Transfer**

(a) **Bearer Securities**: Bearer Securities are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Securities with more than one Specified Denomination, Bearer Securities of one Specified Denomination will not be exchangeable for Bearer Securities of another Specified Denomination. Registered Securities may not be exchanged for Bearer Securities.

(b) **Title to Bearer Securities**: Title to Bearer Securities and the Coupons will pass by delivery. In the case of Bearer Securities, "**Holder**" means the holder of such Bearer Security and "Securityholder" and "Couponholder" shall be construed accordingly.

(c) **Registered Securities**: Registered Securities are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement. Bearer Securities may not be exchanged for Registered Securities.

(d) **Title to Registered Securities**: The Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Holder of Registered Securities in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Securities, "**Holder**" means the person in whose name such Registered Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Securityholder**" shall be construed accordingly.

(e) **Ownership**: The Holder of any Security, Coupon or Talon shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Securities, on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Security under (i) if the Securities are specified to be governed by English law in the applicable Pricing Supplement, the Contracts

(Rights of Third Parties) Act 1999, or (ii) if the Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 2001 of Singapore.

(f) **Transfers of Registered Securities**: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Registered Security may not be transferred unless the principal amount of Registered Securities transferred and (where not all of the Registered Securities held by a Holder are being transferred) the principal amount of the balance of Registered Securities not transferred are Specified Denominations. Where not all the Registered Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Registered Securities will be issued to the transferor.

(g) **Registration and delivery of Certificates**: Within five business days of the surrender of a Certificate in accordance with paragraph (f) (*Transfers of Registered Securities*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Registered Securities transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this paragraph (g), "**business day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge**: The transfer of a Registered Security will be effected without charge by or on behalf of the relevant Issuer, the Guarantor or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods**: Securityholders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or distribution in respect of the Registered Securities, (ii) after any such Registered Securities has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(f) (*Record date*)).

(j) **Regulations concerning transfers and registration**: All transfers of Registered Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Securities scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection or by e-mail by the Registrar to any Securityholder upon prior written request and satisfactory proof of holding.

4. **Status and Guarantee of the Securities**

(a) **Status of the Senior Securities and Guarantee of the Senior Securities**

(i) **Status of the Senior Securities**: The Senior Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the relevant Issuer which will at all times rank *pari passu* and without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of the relevant Issuer (other than subordinated obligations and priorities created by law).

(ii) **Guarantee of the Senior Securities**: The Guarantor has, in respect of each Tranche of Senior Securities issued by SFS or a Subsidiary Issuer, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be from time to time payable by SFS or a Subsidiary Issuer in respect of the Senior Securities (the "**Guarantee of the Senior Securities**"). The Guarantee of the Senior Securities constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) **Status of the Subordinated Securities and Guarantee of the Subordinated Securities**:

(i) **Status of the Subordinated Securities**: The Subordinated Securities constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer which will at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the relevant Issuer. The rights and claims of the Subordinated Securityholders in respect of the Subordinated Securities are subordinated as provided in this Condition 4(b).

(ii) **Ranking of claims in respect of the Subordinated Securities**: Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event that a final and effective order is made or an effective resolution is passed for the winding up of the relevant Issuer, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors of the relevant Issuer, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations, and senior to the rights and claims of holders of Junior Obligations, unless otherwise specified in the applicable Pricing Supplement.

(iii) **Guarantee of the Subordinated Securities**: The Guarantor has, in respect of each Tranche of Subordinated Securities issued by SFS or a Subsidiary Issuer, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all sums expressed to be from time to time payable by SFS or a Subsidiary Issuer in respect of the Subordinated Securities (the "**Guarantee of the Subordinated Securities**"). The Guarantee of the Subordinated Securities constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor which will at all times rank at least pari passu with any Parity Obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(iv) **Ranking of Claims in respect of the Guarantee of the Subordinated Securities**: Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event that a final and effective order is made or an effective resolution is passed for the winding-up of the Guarantor, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors of the Guarantor, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations, and senior to the rights and claims of holders of Junior Obligations, unless otherwise specified in the applicable Pricing Supplement.

(v) **Set-off**: Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Securities or Coupons relating to them, or (in respect of each Tranche of Guaranteed Securities) the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities. Each holder of Subordinated Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Securities or any Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the relevant Issuer and the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Securities or any Coupons relating to them by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Securities or any Coupons relating to them is discharged by set-off, such holder of Subordinated Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer or the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or as appropriate, administrator of the relevant Issuer or the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the relevant Issuer or the Guarantor (or their respective liquidators, or, as appropriate, administrators) and accordingly any such discharge shall be deemed not to have taken place.

5. **Distribution**

(a) **Fixed Rate Securities**: This Condition 5(a) is applicable to the Securities only if the Fixed Rate Securities Provisions are specified in the relevant Pricing Supplement as being applicable.

(i) **Accrual of Distribution**: Subject to paragraph 5(d) (*Distribution Deferral*) below, the Securities confer a right to receive distributions (each a "**Distribution**") from the Distribution Commencement Date at the Rate of Distribution payable in arrear on each Distribution Payment Date, subject as provided in Condition 7 (*Payments – Bearer Securities*) and Condition 8 (*Payments – Registered Securities*).

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which case Distribution will continue to accrue at the applicable Rate of Distribution (after as well as before any judgement) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of any such Security are received by or on behalf of the relevant Securityholder and (ii) the Relevant Date.

(ii) **Fixed Distribution Amount**: The amount of distribution payable in respect of each Security for any Distribution Period shall be the relevant Fixed Distribution Amount and, if the Securities are in more than one Specified Denomination, shall be the relevant Fixed Distribution Amount in respect of the relevant Specified Denomination.

(iii) **Calculation of Distribution Amount**: The amount of distribution payable in respect of each Security for any period for which a Fixed Distribution Amount is not specified shall be calculated by applying the Rate of Distribution to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Security divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Subject to any increase pursuant to paragraph (e) (*Increase in Rate of Distribution*) below, if the relevant Pricing Supplement specifies that the Rate of Distribution is subject to reset, the Calculation Agent will, on the Calculation Business Day prior to each Reset Date, calculate the applicable Reset Distribution Rate payable in respect of the Securities. The Calculation Agent will cause the applicable Reset Distribution Rate determined by it to be notified to the relevant Issuer, the Paying Agents, the Trustee, the Holders and each listing authority, stock exchange and/or quotation system (if any) on to which the Securities have then been admitted to listing, trading and/or quotation as soon as practicable after the relevant Reset Date. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5(a)(iii) by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents, the Trustee and the Holders and no liability to any such person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(b) **Floating Rate Securities**: This Condition 5(b) is applicable to the Securities only if the Floating Rate Securities Provisions are specified in the relevant Pricing Supplement as being applicable, **provided that** if the Reference Rate from time to time in respect of Floating Rate Securities is specified in the applicable Pricing Supplement as being other than any of the Reference Rates referred to below in Condition 5(b), the Rate of Distribution in respect of such Securities will be determined as provided in the applicable Pricing Supplement.

(i) **Accrual of Distribution**: Subject to paragraph (d) (*Distribution Deferral*) below, the Securities confer a right to receive Distribution from the Distribution Commencement Date at the Rate of Distribution payable in arrear on each Distribution Payment Date, subject as provided in Condition 7 (*Payments – Bearer Securities*) and Condition 8 (*Payments – Registered Securities*). Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which case, Distribution will continue to accrue at the applicable Rate of Distribution (after as well as before any judgement) until whichever is the earlier of (i) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Securityholder and (ii) the Relevant Date.

(ii) **Screen Rate Determination**: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Distribution is/are to be determined, the Rate of Distribution applicable to the Securities for each Distribution Period will be determined by the Calculation Agent on the following basis:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date;

(B) if Linear Interpolation is specified as applicable in respect of a Distribution Period in the applicable Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date, where:

(1) one rate shall be determined as if the relevant Distribution Period were the period of time for which rates are available next shorter than the length of the relevant Distribution Period; and

(2) the other rate shall be determined as if the relevant Distribution Period were the period of time for which rates are available next longer than the length of the relevant Distribution Period;

provided, **however**, **that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Distribution Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the relevant Issuer (or an agent appointed by it) determines appropriate;

(C) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date;

(D) if, in the case of paragraph (A) above, such rate does not appear on that page or, in the case of paragraph (C) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or any agent appointed by it) will (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Distribution Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and the Issuer (or an agent appointed by it) shall notify the Calculation Agent of the same. The Calculation Agent will (2) determine the arithmetic mean of such quotations; and

(E) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the relevant Issuer (or an agent appointed by it) and notified to the Calculation Agent, at approximately 11:00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Distribution Period for loans in the Specified Currency to leading international banks for a period equal to the relevant Distribution Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Distribution for such Distribution Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Distribution Period, the Rate of Distribution applicable to the Securities during such Distribution Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Securities in respect of a preceding Distribution Period though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period.

(iii) **ISDA Determination**: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Distribution is/are to be determined, the Rate of Distribution applicable to the Securities for each Distribution Period will be the sum of the Margin (if any) and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Distribution Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement;

(C) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and

(D) if Linear Interpolation is specified as applicable in respect of a Distribution Period in the applicable Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Distribution Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Distribution Period,

provided, **however**, **that** if there is no rate available for a period of time next shorter than the length of the relevant Distribution Period or, as the case may be, next longer than the length of the relevant Distribution Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the relevant Issuer determines appropriate.

(iv) **Distribution – Floating Rate Securities referencing SONIA**

(A) This Condition 5(b)(iv) is applicable to the Securities only if the Floating Rate Security Provisions are specified in the relevant Pricing Supplement as being applicable and the "**Reference Rate**" is specified in the relevant Pricing Supplement as being "SONIA".

(B) Where "SONIA" is specified as the Reference Rate in the Pricing Supplement, the Rate of Distribution for each Distribution Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent.

(C) For the purposes of this Condition 5(b)(iv):

"**Compounded Daily SONIA**", with respect to an Distribution Period, will be calculated by the Calculation Agent on each Distribution Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"**d**" means the number of calendar days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"d_0" means the number of London Banking Days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**i**" means a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

"**Distribution Determination Date**" means, in respect of any Distribution Period, the date falling "*p*" London Banking Days prior to the Distribution Payment Date for such Distribution Period (or the date falling "*p*" London Banking Days prior to such earlier date, if any, on which the Securities are due and payable);

"**London Banking Day**" or "**LBD**" means any day (excluding Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n_i" for any London Banking Day "i", in the relevant Distribution Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Distribution Period, the period from, and including, the date falling "*p*" London Banking Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and ending on, but excluding, the date which is "*p*" London Banking Days prior to the Distribution Payment Date for such Distribution Period (or the date falling "*p*" London Banking Days prior to such earlier date, if any, on which the Securities become due and payable);

"***p***" for any Distribution Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 London Banking Days;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**$SONIA_{i-pLBD}$**" means the SONIA Reference Rate for:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the London Banking Day falling "*p*" London Banking Days prior to the relevant London Banking Day "i"; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement; the relevant London Banking Day "i";

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

(D) If, in respect of any London Banking Day in the relevant Distribution Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*), be:

(1) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(2) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

(E) Subject to Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(iv), the Rate of Distribution shall be (A) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period) or (B) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to the Securities for the first

Distribution Period had the Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Period).

(v) **Distribution – Floating Rate Securities referencing SOFR**

(A) This Condition 5(b)(v) is applicable to the Securities only if the Floating Rate Security Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SOFR".

(B) Where "SOFR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Distribution for each Distribution Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Distribution Determination Date.

(C) For the purposes of this Condition 5(b)(v):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Distribution Period in accordance with the specific formula and other provisions set out in this Condition 5(b)(v).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the relevant Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5(b)(v)(D) *below will apply.*

"**Compounded SOFR**" with respect to any Distribution Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"**d**" is the number of calendar days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"$\mathbf{d_0}$" is the number of U.S. Government Securities Business Days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"**i**" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

"**Distribution Determination Date**" means, in respect of any Distribution Period, the date falling "p" U.S. Government Securities Business Days prior to the Distribution Payment Date for such Distribution Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Securities are due and payable);

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Distribution Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i + 1**");

"**Observation Period**" in respect of an Distribution Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Distribution Payment Date for such Distribution Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the SOFR Securities become due and payable);

"**p**" for any Distribution Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(2) Subject to Condition 5(b)(v)(D) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFRi**" means the SOFR for:

(1) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(D) If the relevant Issuer or its Designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Securities in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the relevant Issuer or its Designee will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Trustee or Securityholders.

Any determination, decision or election that may be made by the relevant Issuer or its Designee pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(1) will be conclusive and binding absent manifest error;

(2) will be made in the sole discretion of the relevant Issuer or its Designee; and

(3) notwithstanding anything to the contrary in the documentation relating to the Securities, shall become effective without consent from the holders of the Securities or any other party.

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; **provided that** if the relevant Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" shall mean the applicable Benchmark Replacement;

"**Benchmark Replacemen**t" means the first alternative set forth in the order below that can be determined by the relevant Issuer as of the Benchmark Replacement Date:

(1) the sum of: (1) the alternate Rate of Distribution that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment; or

(2) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or

(3) the sum of: (1) the alternate Rate of Distribution that has been selected by the relevant Issuer or its Designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted Rate of Distribution as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the relevant Issuer or its Designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the relevant Issuer or its Designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "**Distribution Period**", the timing and frequency of determining rates and making payments of distribution, rounding of amounts or tenors, and other administrative matters) that the relevant Issuer or its Designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the relevant Issuer or its Designee decides that adoption of any portion of such market practice is not administratively feasible or if the relevant Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the relevant Issuer or its Designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of sub-paragraph (1) or (2) of the definition of "**Benchmark Transition Event**", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of sub-paragraph (3) of the definition of "**Benchmark Transition Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Designee**" means a designee as selected and separately appointed by the relevant Issuer in writing, which may include a subsidiary or affiliate of the relevant Issuer or an Independent Adviser;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the relevant Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(E) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under paragraph (D) above will be notified in writing promptly by the relevant Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 17 (*Notices*), the Securityholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect, if any.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s)of the relevant Issuer:

(1) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement, and (iii) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5(b)(v); and

(2) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof. Subject to the notice set out in this Condition 5(b)(v), the Trustee, the Calculation Agent and the Agents shall without any requirement for the consent or approval of relevant Securityholders, vary these Conditions to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the relevant Issuer, without any requirement for the consent or approval of the Securityholders, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Trustee, the Agents and (if applicable) the Calculation Agent, may be required in order to give effect to this Condition 5(b)(v)), provided that the Trustee, the Calculation Agent and the Agents shall not be obliged to so concur if in the opinion of the Trustee, the Calculation Agent and the Agents, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agent and the Agents (as the case may be) in these Conditions or the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or agency agreement) in any way.

(F) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(v), the Rate of Distribution shall be (A) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin relating to the relevant Distribution Period, in place of the Margin relating to that last preceding Distribution Period) or (B) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to the Securities for the first Distribution Period had the Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin applicable to the first Distribution Period).

(vi) **Distribution – Floating Rate Securities referencing €STR**

(A) This Condition 5(b)(vi) is applicable to the Securities only if the Floating Rate Security Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "€STR".

(B) Where "€STR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Distribution for each Distribution Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Distribution Determination Date.

(C) For the purposes of this Condition 5(b)(vi):

"**Compounded Daily €STR**" means, with respect to any Distribution Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Distribution Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{€STR_i \times n_i}{D}\right)-1\right]\times\frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

"**d_0**" means the number of TARGET Settlement Days in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**$€STR_i$**" means the €STR reference rate for:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant TARGET Settlement Day "i".

"***i***" is a series of whole numbers from one to "d_0", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

(1) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Distribution Period; or

(2) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"n_i" for any TARGET Settlement Day "*i*" in the relevant Distribution Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "*i*" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Distribution Period, the period from (and including) the date falling "*p*" TARGET Settlement Days prior to the first day of the relevant Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) to (but excluding) the date falling "*p*" TARGET Settlement Days prior to (A) (in the case of an Distribution Period) the Distribution Payment Date for such Distribution Period or (B) such earlier date, if any, on which the Securities become due and payable; and

"**p**" for any latest Distribution Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 TARGET Settlement Days.

(D) Subject to Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Distribution is to be calculated pursuant to paragraph (B) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

(E) Subject to Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(vi), the Rate of Distribution shall be (A) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin relating to the relevant Distribution Period, in place of the Margin relating to that last preceding Distribution Period) or (B) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to the Securities for the first Distribution Period had the Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin applicable to the first Distribution Period).

(vii) **Distribution – SONIA Compounded Index and SOFR Compounded Index**

Where "Index Determination" is specified in the relevant Pricing Supplement as being applicable, the Rate of Distribution for each Distribution Period will be the compounded daily reference rate for the relevant Distribution Period, calculated in accordance with the following formula:

$$\left(\frac{Compounded\ Index\ End}{Compounded\ Index\ Start} - 1\right) \times \frac{Numerator}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Pricing Supplement;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Distribution Payment Date for such Distribution Period, or such other date on which the relevant payment of distribution falls due (but which by its definition or the operation of the relevant provisions is excluded from such Distribution Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Pricing Supplement, be the fourth decimal place in the case of the SONIA Compounded Index and the fifth decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.00005 or, as the case may be, 0.000005 being rounded upwards);

"**Relevant Number**" is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 3:00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

"**Start**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Distribution Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Distribution Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of distribution for that Distribution Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 5(b)(iv) (*Distribution – Floating Rate Securities referencing SONIA*) or Condition 5(b)(v) (*Distribution – Floating Rate Securities referencing SOFR*), as applicable) had been specified instead in the Pricing Supplement, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Shift Period for the purposes of that definition in Condition 5(b)(iv) (*Distribution – Floating Rate Securities referencing SONIA*) or Condition 5(b)(v) (*Distribution – Floating Rate Securities referencing SOFR*) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the relevant Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*) shall apply.

(viii) **Distribution – Singapore Overnight Rate Average ("SORA")**

(A) This Condition 5(b)(viii) is applicable to the Securities only if the Floating Rate Security Provisions are specified in the relevant Pricing Supplement as being applicable and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SORA" (in which case such Security will be a "**SORA Security**"). The Rate of Distribution for each Distribution Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Margin.

(B) The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 5(c) (*Benchmark Replacement (SORA)*)):

(1) If Compounded Daily SORA is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Accrual Period shall be determined based on the Compounded Daily SORA, which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution), as specified in the applicable Pricing Supplement on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(a) Where Lockout is specified in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Distribution Accrual Period, the rate of return of a daily compound interest investment during such Distribution Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Accrual Period;

“**d_0**”, for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

“**i**”, for the relevant Distribution Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

“**Distribution Determination Date**” means the Singapore Business Day immediately following the Rate Cut-Off Date;

"**n_i**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**p**" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement, which in no event shall be less than five Singapore Business Days);

"**Rate Cut-Off Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Securities become due and payable);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "**Relevant Screen Page**") on the Singapore Business Day immediately following such Singapore Business Day "i";

"**$SORA_i$**" means, in respect of any Singapore Business Day "i" falling in the relevant Distribution Accrual Period:

(I) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(II) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period $SORA_i$**") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORAi shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Distribution Accrual Period, each Singapore Business Day during such Distribution Accrual Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Accrual Period; and

"**Suspension Period**" means, in relation to any Distribution Accrual Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the Distribution Accrual Payment Date in respect of the relevant Distribution Accrual Period or such other date specified in the applicable Pricing Supplement (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Accrual Period.

(b) Where SORA Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_{i-xSBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"**d_0**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"**i**", for the relevant Distribution Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"**n_i**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Securities become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement but in any case, shall not be less than five Singapore Business Days);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"$\mathbf{SORA_{i-x\,SBD}}$" means, in respect of any Singapore Business Day "i" falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "*p*" Singapore Business Days prior to the relevant Singapore Business Day "i".

(c) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_0**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"**i**", for the relevant Distribution Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"**n_i**", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Securities become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement but in any case, shall not be less than five Singapore Business Days);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**$SORA_i$**" means, in respect of any Singapore Business Day falling "i" in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day "i".

(d) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound interest investment during such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"**d_0**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"**i**", for the relevant Distribution Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Distribution Accrual Period, **provided that** the Distribution Determination Date with respect to the final Distribution Accrual Period will be one Singapore Business Day after the SORA Rate Cut-Off Date;

"**Distribution Payment Date**" shall be the date falling the number of Business Days equal to the Distribution Payment Delay following each Distribution Period End Date; **provided that** if the Securities are being redeemed, the Distribution Payment Date with respect to the final Distribution Accrual Period will be the redemption date;

"**Distribution Payment Delay**" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

"$\mathbf{n_i}$", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"$\mathbf{SORA_i}$" means, in respect of any Singapore Business Day falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of the final Distribution Accrual Period or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Accrual Period ending on any redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the relevant redemption date, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(C) For each Floating Rate Security where the Reference Rate is specified as being SORA Benchmark and determined based on SORA Index Average ("**SORA Index Average**"), the SORA Benchmark for each Distribution Accrual Period shall be equal to the value of the SORA Index Average rates for each day during the relevant Distribution Accrual Period as calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA\ INDEX_{End}}{Sora\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

"**dc**" means the number of calendar days from (and including) the SORA $Index_{Start}$ to (but excluding) the SORA $Index_{End}$;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, **provided that** if the SORA Index does not so appear at the SORA Index Determination Time, then if a SORA Index Cessation Event has not occurred, the SORA Index Average shall be calculated on any Distribution Determination Date with respect to an Distribution Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 5(b)(viii)(B)(1)(a), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Accrual Period that is used in the definition of SORA IndexStart as specified in the applicable Pricing Supplement;

"**SORA $Index_{End}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Distribution Period End Date relating to such Distribution Accrual Period;

"**SORA $Index_{Start}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(D) If, subject to Condition 5(c) (*Benchmark Replacement (SORA)*), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day "i", SORA in respect of such Singapore Business Day "i" has not been published and a SORA Index Cessation Event has not occurred, then SORA for that Singapore Business Day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(E) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 5(c) (*Benchmark Replacement (SORA)*), the Rate of Distribution shall be:

(1) that determined as at the last preceding Distribution Determination Date or, as the case may be, SORA Rate Cut-Off Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or

(2) if there is no such preceding Distribution Determination Date or, as the case may be, SORA Rate Cut-Off Date, the initial Rate of Distribution which would have been applicable to such Series of SORA Securities for the first Distribution Accrual Period had the SORA Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

(F) If the relevant Series of SORA Securities becomes due and payable in accordance with Condition 10 (*Non-Payment*), the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such SORA Securities shall, for so long as any such SORA Securities remains outstanding, be that determined on such date.

(ix) **Maximum or Minimum Rate of Distribution**: If any Maximum Rate of Distribution or Minimum Rate of Distribution is specified in the relevant Pricing Supplement, then the Rate of Distribution shall in no event be greater than the maximum or be less than the minimum so specified.

(x) **Calculation of Distribution Amount**: The Calculation Agent will, as soon as practicable after the time at which the Rate of Distribution is to be determined in relation to each Distribution Period, calculate the Distribution Amount payable in respect of each Security for such Distribution Period. The Distribution Amount will be calculated by applying the Rate of Distribution for such Distribution Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Security divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than United States dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of United States dollars, means one cent.

(xi) **Publication**: The Calculation Agent will cause each Rate of Distribution and Distribution Amount determined by it, together with the relevant Distribution Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the relevant Issuer, the Guarantor, the Trustee and Paying Agents as soon as practicable after such determination but (in the case of each Rate of Distribution, Distribution Amount and Distribution Payment Date) in any event not later than the first day of the relevant Distribution Period. Notice thereof shall also promptly be given by the relevant Issuer to the Securityholders and, if the Securities have been admitted to listing, trading and/or quotation to any stock exchange and/or quotation system and the rules of the relevant competent authority or such stock exchange and/or quotation system so require, to such competent authority, stock exchange and/or quotation system. The relevant Issuer, the Guarantor, the Trustee and the Calculation Agent will be entitled to recalculate any Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Distribution Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Distribution Amount but instead may publish only the Calculation Amount and the Distribution Amount in respect of a Security having the minimum Specified Denomination.

(xii) **Notifications etc**: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents, the Securityholders and the Couponholders and (subject as aforesaid), in the absence of wilful default, gross negligence and fraud, no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(xiii) **Benchmark Replacement (Independent Adviser)**

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Distribution (or any component part thereof) for any Distribution Period remains to be determined by reference to such Reference Rate, then the relevant Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 5(b)(xiii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(b)(xiii)(B)) below and any Benchmark Amendments (in accordance with Condition 5(b)(xiii)(C)) below.

An Independent Adviser appointed pursuant to this Condition 5(b)(xiii) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the relevant Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the relevant Issuer, the Guarantor, the Trustee, the Agents or the Securityholders for any determination made by it pursuant to this Condition 5(b)(xiii) and the Trustee and the Agents will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(A) If the Independent Adviser (in consultation with the relevant Issuer) determines that:

(1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 5(b)(xiii)(A)) subsequently be used in place of the Reference Rate to determine the Rate of Distribution (or the relevant component part(s) thereof) for the relevant Distribution Period and all following Distribution Periods, subject to the operation of this Condition 5(b)(xiii); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in this Condition 5(b)(xiii)(A)) subsequently be used in place of the Reference Rate to determine the Rate of Distribution (or the relevant component part(s) thereof) for the relevant Distribution Period and all following Distribution Periods, subject to the operation of this Condition 5(b)(xiii).

(B) If the Independent Adviser (in consultation with the relevant Issuer) determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(C) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(b)(xiii) and the Independent Adviser (in consultation with the relevant Issuer) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with this Condition 5(b)(xiii)(C), without any requirement for the consent or approval of relevant Securityholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the relevant Issuer, without any requirement for the consent or approval of the Securityholders, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Trustee, the Agents and (if applicable) the Calculation Agent may be required in order to give effect to this Condition 5(b)(xiii)) provided that the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Principal Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

Securityholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Principal Paying Agent or the Calculation Agent (if required).

(D) If (A) the relevant Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(b)(xiii) prior to the relevant Distribution Determination Date or Distribution Payment Date (as the case may be), the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread if any and any Benchmark Amendments. If there has not been a First Distribution Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Distribution Period. For the avoidance of doubt, any adjustment pursuant to this Condition 5(b)(xiii)(D) shall apply to the relevant Distribution Period only. Any subsequent Distribution Period may be subject to the subsequent operation of this Condition 5(b)(xiii).

(E) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(b)(xiii) will be notified promptly in writing by the relevant Issuer to the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(F) No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the relevant Issuer:

(1) confirming (i) that a Benchmark Event has occurred, (ii) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (iii) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(b)(xiii); and

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

The Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof.

(G) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the relevant Issuer, the Guarantor, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Securityholders.

(H) As used in this Condition 5(b)(xiii):

"**Adjustment Spread**" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(b)(ii)(D) above) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(3) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(b)(ii)(D) above) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(4) (if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(b)(ii)(D) above) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(b)(ii)(D) above) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(b)(ii)(D) above) determines in accordance with this Condition 5(b)(xiii) has replaced the relevant Reference Rate in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the Specified Currency;

"**Benchmark Amendments**" has the meaning given to it in Condition 5(b)(xiii)(C);

"**Benchmark Event**" means:

(1) the relevant Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist;

(2) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**");

(3) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued;

(4) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate has been or will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Securities;

(5) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by the Specified Future Date, be no longer representative of its relevant underlying market or the methodology to calculate such Reference Rate has, or will by the Specified Future Date, materially changed; or

(6) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Securityholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraph (2), (3), (4) or (5) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets, in each case appointed by the relevant Issuer at its own expense;

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

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

"**Successor Rate**" means the rate that the Independent Adviser or the relevant Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(c) **Benchmark Replacement (SORA)**

This Condition 5(c) shall only apply to Singapore dollar-denominated Securities where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 5(c) as applicable:

(i) Independent Adviser

Notwithstanding the provisions above in Condition 5(b)(xiii) (*Benchmark Replacement (Independent Adviser)*), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 5(c)(ii) (*Benchmark Replacement*)) and an Adjustment Spread, if any (in accordance with Condition 5(c)(iii) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 5(c)(iv) (*Benchmark Amendments*)) by the relevant Distribution Determination Date.

An Independent Adviser appointed pursuant to this Condition 5(c) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the relevant Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Guarantor, the relevant Issuer, the Trustee, the Principal Paying Agent, the Securityholders or the Couponholders for any determination made by it or for any advice given to the relevant Issuer in connection with any determination made by the relevant Issuer, pursuant to this Condition 5(c).

If the relevant Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 5(c)(ii) (*Benchmark Replacement*)) and an Adjustment Spread if any (in accordance with Condition 5(c)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 5(c)(iv) (*Benchmark Amendments*)).

If the relevant Issuer or the Independent Adviser appointed by it is unable to or does not determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Securities in respect of the immediately preceding Distribution Accrual Period. If there has not been a First Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(c)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) shall (subject to adjustments as provided for in Condition 5(c)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distributions on the Securities (subject to the operation of this Condition 5(c)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(v) (*Notices, etc.*), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions, the

Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent of a certificate signed by the duly authorised officer(s) of the relevant Issuer pursuant to Condition 5(c)(v) (*Notices, etc.*), the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall (at the expense of the relevant Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), **provided that** the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Principal Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the relevant Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(c)(iv). Securityholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the relevant Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 5(c)(iv), the relevant Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

The occurrence of a SORA Index Cessation Event shall be determined by the relevant Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(v) will be notified promptly by the relevant Issuer to the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Securityholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the relevant Issuer:

(A) confirming:

(1) that a SORA Index Cessation Event has occurred;

(2) the Benchmark Replacement; and

(3) where applicable, any Adjustment Spread, and/or the specific terms of any Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 5(c); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the relevant Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents and the Securityholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the relevant Issuer under Conditions 5(c)(i) (*Independent Adviser*), 5(c)(ii) (*Benchmark Replacement*), 5(c)(iii) (*Adjustment Spread*) and 5(c)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in this Condition 5(c) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(c)(v) (*Notices, etc.*).

(vii) Definitions:

As used in this Condition 5(c):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(A) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(B) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(C) is determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) and having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution accrual period and in the same currency as the Securities;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines in accordance with Condition 5(c)(ii) (*Benchmark Replacement*) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Securities (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "**Distribution Accrual Period**", timing and frequency of determining rates and making payments of distribution, changes to the definition of "**Corresponding Tenor**" solely when such tenor is longer than the Distribution Accrual Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement and other administrative matters) that the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be) determines is reasonably necessary;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser)* (as the case may be) cannot determine the Interpolated Benchmark by the relevant Distribution Determination Date, then

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (in the circumstances set out in Condition 5(c)(i) (*Independent Adviser*)) (as the case may be):

(A) the Successor Rate;

(B) the ISDA Fallback Rate; and

(C) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the relevant Issuer under Condition 5(c)(i) (*Independent Adviser*);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Distribution), **provided that** if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the applicable Benchmark Replacement;

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

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(3) a group of the aforementioned central banks or other supervisory authorities; or

(4) the Financial Stability Board or any part thereof;

"**SORA Index Cessation Event**" means the occurrence of one or more of the following events:

(A) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or

(E) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or

(F) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Securityholder or Couponholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

(d) **Distribution Deferral**:

(i) **Optional Deferral**: The relevant Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date (an "**Optionally Deferred Distribution Payment**") by giving notice (an "**Optional Distribution Deferral Notice**") to the Holders (in accordance with Condition 17 (*Notices*)) not more than 15 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date (an "**Optional Deferral Event**") unless, if the Dividend Pusher is specified in the relevant Pricing Supplement as being applicable, during the Dividend Pusher Lookback Period ending on the day before that scheduled Distribution Payment Date a Compulsory Distribution Payment Event has occurred. Any partial payment of outstanding Distribution (including any Arrears of Distribution and any Additional Distribution Amount) by the relevant Issuer shall be shared by the Holders of all outstanding Securities on a *pro-rata* basis.

(ii) **No obligation to pay**: The relevant Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(d)(i) (*Optional Deferral*) and any failure to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall not constitute a default of the relevant Issuer in respect of the Securities or the Guarantor in respect of the Guaranteed Securities.

(iii) **Requirements as to Notice**: Prior to publishing any Optional Distribution Deferral Notice, the relevant Issuer shall, if the Dividend Pusher is specified in the relevant Pricing Supplement as being applicable, deliver to each of the Trustee and the Principal Paying Agent a certificate in the form scheduled to the Trust Deed signed by a director or a duly authorised signatory of the relevant Issuer confirming that an Optional Deferral Event has occurred and is continuing, and that no Compulsory Distribution Payment Event has occurred during the Dividend Pusher Lookback Period ending on the day before the relevant Distribution Payment Date and is continuing.

The Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the occurrence of an Optional Deferral Event, in which event it shall be conclusive and binding on the Holders.

(iv) **Cumulative Deferral**: If Cumulative Deferral is specified in the Pricing Supplement as applicable, any Distribution deferred pursuant to this Condition 5(d) shall constitute "**Arrears of Distribution**". The relevant Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirements applicable to any deferral of an accrued Distribution. The relevant Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to this Condition 5(d)(iv) except that this Condition 5(d)(iv) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is specified in the Pricing Supplement as applicable, each amount of Arrears of Distribution shall accrue distribution at the Rate of Distribution as if it constituted the principal of the Securities and the amount of such distribution (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the Rate of Distribution to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(v) **Non-Cumulative Deferral**: If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 5(d) is non-cumulative and will not accrue distribution or interest. The relevant Issuer is not under any obligation to pay any distribution or any other Distributions that have not been paid in whole or in part. The relevant Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Securityholders (in accordance with Condition 17 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 15 and not less than five Business Days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the relevant Issuer to pay the relevant Optional Distribution on the payment date specified in such notice). There is no limit on the number of times or the extent of the amount with respect to which the relevant Issuer can elect not to pay distributions pursuant to this Condition 5(d)(v).

Any partial payment of outstanding Optional Distribution by the relevant Issuer shall be shared by the Securityholders or Couponholders of all outstanding Securities and the Coupons related to them on a *pro-rata* basis.

(vi) **Restrictions in the case of an Optional Deferral**: If the Dividend Stopper is specified in the Pricing Supplement as applicable, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 5(d)(i) (*Optional Deferral*), the relevant Issuer and the Guarantor shall not:

(A) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Obligations and, in the case of Subordinated Securities only, any of its Parity Obligations except on a *pro-rata* basis with the Securities; or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations and, in the case of Subordinated Securities only, any of its Parity Obligations except on a *pro-rata* basis with the Securities,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations and/or (iii) as otherwise specified in the applicable Pricing Supplement, unless and until (1) (if Cumulative Deferral is set out hereon) the relevant Issuer has satisfied in full all outstanding Arrears of

Distributions, (2) (if Non-Cumulative Deferral is set out hereon) if all outstanding Securities have been redeemed in full, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (3) the relevant Issuer or the Guarantor, is permitted to do so by an Extraordinary Resolution of the Holders.

(vii) **Satisfaction of Arrears of Distribution by payment**: The relevant Issuer or the Guarantor:

(A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 17 (*Notices*)), the Trustee and the Principal Paying Agent not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the relevant Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice). Any partial payment of outstanding Arrears of Distribution by the relevant Issuer shall be paid to the Holders of all outstanding Securities on a *pro-rata* basis; and

(B) in any event shall satisfy any outstanding Arrears of Distribution deferred in accordance with Condition 5(d)(i) (*Optional Deferral*), in whole but not in part, and including any Additional Distribution Amount (if applicable), on the earliest to occur of:

(1) the next Distribution Payment Date falling immediately after a breach of Condition 5(d)(vi) (*Restrictions in the case of an Optional Deferral*);

(2) the date on which the Securities are redeemed at the option of the relevant Issuer pursuant to Condition 6(c) (*Redemption at the option of the Issuer*);

(3) a Special Event Redemption Date; and

(4) the Winding-Up of the relevant Issuer or the Guarantor.

(viii) **No default**: Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 5(d) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 10 (*Non-payment*)) on the part of the relevant Issuer or the Guarantor.

(e) **Increase in Rate of Distribution**: If specified in the relevant Pricing Supplement as being applicable, upon the occurrence of a Step-Up Event, unless (i) an irrevocable notice in writing to redeem the Securities has been given by the relevant Issuer to Securityholders (in accordance with Condition 17 (*Notices*)), the Trustee and the Principal Paying Agent pursuant to Condition 6 (*Redemption and Purchase*) by the 30th day following the occurrence of the relevant Step-Up Event or (ii) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Rate of Distribution will increase by the Step-Up Rate with effect from the next Distribution Payment Date immediately following the 30th day after the occurrence of the relevant Step-Up Event, **provided that** the maximum aggregate increase in the Rate of Distribution pursuant to this Condition 5(e) shall be the Step-Up Rate. Any increase in the Rate of Distribution pursuant to this Condition 5(e) shall be notified by the relevant Issuer to the Securityholders (in accordance with Condition 17 (*Notices*)) and to the Trustee and the Principal Paying Agent in writing no later than the 30th day following the date on which such increase is effective.

(f) **Decrease in Rate of Distribution**: If following an increase in the Rate of Distribution after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given to the Securityholders (in accordance with Condition 17 (*Notices*)), the Trustee and the Principal Paying Agent, the Rate of Distribution shall be decreased by the Step-Up Rate with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice that the Step-Up Event has been cured or no longer exists **provided that** the maximum aggregate decrease in the Rate of Distribution pursuant to this Condition 5(f) shall be the Step-Up Rate.

6. **Redemption and Purchase**

(a) **No fixed redemption date**: The Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall (subject to the provisions of Condition 4 (*Status and Guarantee of the Securities*) and without prejudice to Condition 10 (*Non-payment*)) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 6.

(b) **Redemption for tax reasons**: The Securities may be redeemed at the option of the relevant Issuer in whole, but not in part at any time (if this Security is not a Floating Rate Security) or on any Distribution Payment Date (if this Security is a Floating Rate Security), on giving not less than 30 nor more than 60 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount, together with distribution accrued (if any) to (but excluding) the date fixed for redemption, if, immediately before giving such notice:

(i) the relevant Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(A) the Securities will not be regarded as "**debt securities**" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

(B) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the relevant Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (A) on the occasion of the next payment due under the Securities, the relevant Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*), or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), or the Securities do not qualify as "qualifying debt securities" for the purposes of the ITA, which change or amendment is made public or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities; and (B) such obligation cannot be avoided by the relevant Issuer (or if the Guarantee was called, the Guarantor) taking reasonable measures available to it,

(each "**Withholding Tax Event**") **provided**, **however**, **that** no such notice of redemption shall be given earlier than:

(i) where the Securities may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due; or

(ii) where the Securities may be redeemed only on a Distribution Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Distribution Payment Date occurring immediately before the earliest date on which the relevant Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due or a demand under the Guarantee of the Securities were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph (b), the relevant Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by the duly authorised officer(s) of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred and (2) an opinion, in form and substance satisfactory to the Trustee, of independent legal, tax or any other professional advisers of recognised standing (whether or not such opinion is addressed to the Trustee) to the effect that the relevant Issuer or the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement as set out in Condition 6(b)(ii) above (if applicable).

The Trustee shall be entitled to accept and rely upon such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Securityholders.

References in this Condition 6(b) to "independent legal, tax or any other professional advisers of recognised standing" are not intended to and shall not in the ordinary course exclude any of the relevant Issuer's usual tax or legal advisers, or any such adviser who may have tendered professional services to the relevant Issuer in connection with the issue and offering of the Securities.

(c) **Redemption at the option of the Issuer**: If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the relevant Issuer's giving not less than 30 nor more than 60 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the Securities or, as the case may be, the Securities specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

(d) **Redemption upon a Capital Event**: If the Capital Event Redemption is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Security is not a Floating Rate Security) or on any Distribution Payment Date (if this Security is a Floating Rate Security), on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at their Early Redemption Amount, if, immediately before giving such notice, an amendment, clarification or change has occurred or will occur prior to the next Distribution Payment Date, in the equity credit criteria, guidelines or methodology of any relevant Rating Agency or any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Securities than the equity credit assigned on the Issue Date or assigned at the date when equity credit is assigned for the first time (a "**Capital Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the relevant Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by a director or a duly authorised signatory of the relevant Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances.

(e) **Redemption upon a Tax Deductibility Event**: If the Redemption for Tax Deductibility Event is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at their Early Redemption Amount, if:

(i) the relevant Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(A) any amendment to, or change in, the laws (or any rules, regulations, rulings or other administrative pronouncement promulgated or practice related thereto or thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities;

(B) any amendment to, or change in, an application or official and binding interpretation of any such laws, rules, regulations, rulings or other administrative pronouncement promulgated or practice related thereto or by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities; or

(C) any generally applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Securities that provides for a position with respect to such laws, rules, regulations or practice related thereto that differs from the previous generally accepted position, the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the relevant Issuer are no longer, or within 90 days of the date of the certificate referred to below would no longer, be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) the relevant Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount (if any)) will not or will no longer be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA,

(each, a "**Tax Deductibility Event**"), **provided that** no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Securities would not be fully tax deductible by the relevant Issuer for Singapore profits tax.

Prior to the publication of any notice of redemption pursuant to this Condition 6(e), the relevant Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by a director or a duly authorised signatory of the relevant Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 6(e), the relevant Issuer shall be bound to redeem the Securities in accordance with this Condition 6(e).

(f) **Redemption upon an Accounting Event**: If the Accounting Event Redemption is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Security is not a Floating Rate Security) or on any Distribution Payment Date (if this Security is a Floating Rate Security), on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at their Early Redemption Amount, if, immediately before giving such notice, as a result of any changes or amendments to the Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council as amended from time to time ("**SFRS(I)**") or the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board as amended from time to time, or any other accounting standards that may replace SFRS(I) or IFRS for the purposes of the consolidated financial statements of SCI (the "**Relevant Accounting Standard**"), the Securities must not or must no longer be recorded as "equity" of the relevant Issuer pursuant to the Relevant Accounting Standard (an "**Accounting Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the relevant Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate, signed by a director or a duly authorised signatory of the relevant Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and (2) an opinion, in form and substance satisfactory to the Trustee, of the relevant Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 6(f), the relevant Issuer shall be bound to redeem the Securities in accordance with this Condition 6(f) **provided that** such date for redemption shall be no earlier than 90 days prior to the last day before the date on which the Securities must not or must no longer be so recorded as "equity" of the relevant Issuer pursuant to the Relevant Accounting Standard.

(g) **Redemption upon cessation or suspension in trading of Shares in SCI (Delisting/Suspension of Trading)**: If the Redemption upon Cessation or Suspension of Trading Event is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders at their Early Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation or Suspension of Trading Event.

For the purposes of this Condition 6(g):

"**Cessation or Suspension of Trading Event**" means, in respect of the Shares, the occurrence of one or more of the following events:

(i) the Shares cease to be traded on the SGX-ST; or

(ii) trading in the Shares is suspended for more than 10 consecutive Trading Days on which normal trading of securities is carried out.

"**Trading Day**" means a day when the SGX-ST is open for dealing business, **provided that** if no closing price is reported in respect of the Shares on the SGX-ST for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days; and

"**Shares**" means the ordinary shares in SCI.

(h) **Redemption in the case of minimal outstanding amount**: The Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Security is not a Floating Rate Security) or on any Distribution Payment Date (if this Security is a Floating Rate Security), on the relevant Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at the Early Redemption Amount, if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further securities issued in accordance with Condition 16 (*Further Issues*)).

Upon expiry of any such notice as is referred to in this Condition 6(h), the relevant Issuer shall be bound to redeem the Securities in accordance with this Condition 6(h).

(i) **Partial Redemption**: If the Securities are to be redeemed in part only on any date in accordance with paragraph (c) (*Redemption at the option of the Issuer*) above, in the case of Bearer Securities, the Securities to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent and the relevant Issuer approve and in such manner as the Principal Paying Agent and the relevant Issuer consider appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and/or quotation and the notice to Securityholders referred to in paragraph (c) (*Redemption at the option of the Issuer*) above shall specify the serial numbers of the Securities so to be redeemed, and, in the case of Registered Securities, each Security shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Securities to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Securities on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(j) **No other redemption**: The relevant Issuer shall not be entitled to redeem the Securities otherwise than as provided in paragraphs (a) (*No fixed redemption date)* to (h) (*Redemption in the case of minimal outstanding amount*) above or as otherwise specified in the relevant Pricing Supplement.

(k) **Purchase**: The relevant Issuer, the Guarantor and/or any of its Subsidiaries may at any time purchase Securities in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(l) **Cancellation**: All Securities purchased by or on behalf of the relevant Issuer, the Guarantor and/or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Securities, by surrendering each such Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its Specified Office and, in the case of Registered Securities, by surrendering the Certificate representing such Securities to the Registrar and, in each case, if so surrendered, the same shall, together with all Securities redeemed by the relevant Issuer or the Guarantor, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the relevant Issuer and the Guarantor in respect of any such Securities shall be discharged. For avoidance of doubt, all Securities purchased by the relevant Issuer, the Guarantor or any of their respective Subsidiaries may at the option of the relevant Issuer, the Guarantor or relevant Subsidiary be held or resold.

(m) **Calculations**: Neither the Trustee nor any of the Agents (other than the Calculation Agent and solely in respect of its functions as an appointment Calculation Agent of the relevant Issuer) shall be responsible for calculating or verifying the calculations of any amount under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Securityholders or any other person for not doing so.

7. **Payments – Bearer Securities**

This Condition 7 is only applicable to Bearer Securities.

(a) **Principal**: Payments of principal shall, subject as mentioned below, be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Securities at the Specified Office of any Paying Agent outside the United States:

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which the payment is due on (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong. If a holder does not maintain relevant account in respect of a payment to be made under the Securities, the relevant Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

(b) **Distribution**: Payments of Distribution shall, subject to paragraph (a)(i) above, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) **Payments in New York City**: Payments of principal or Distribution may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the Distribution in the currency in which the payment is due when due, and payment of the full amount of such Distribution at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) payment is permitted by applicable United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to fiscal laws**: All payments in respect of the Bearer Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(e) **Deductions for unmatured Coupons**: If the relevant Pricing Supplement specifies that the Fixed Rate Security Provisions are applicable and a Bearer Security is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment;

provided, **however**, **that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided**, **however**, **that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided**, **however**, **that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons within a period of three years from the Relevant Date for the payment of such principal.

(f) **Unmatured Coupons void**: If the relevant Pricing Supplement specifies that this Condition 7(f) is applicable or that the Floating Rate Security Provisions are applicable, on the due date for final redemption of any Security or early redemption in whole of such Security pursuant to Condition 6(b) (*Redemption for tax reasons*), 6(c) (*Redemption at the option of the Issuer*), 6(d) (*Redemption upon a Capital Event*), 6(e) (*Redemption upon a Tax Deductibility Event*), 6(f) (*Redemption upon an Accounting Event*) or 6(i) (*Redemption in the case of minimal outstanding amount*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) **Payments on business days**: If the due date for payment of any amount in respect of any Bearer Security or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further distribution or other payment in respect of any such delay.

(h) **Payments other than in respect of matured Coupons**: Payments of distribution other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Security at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) (*Payments in New York City*) above).

(i) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Bearer Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) **Exchange of Talons**: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Security, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 11 (*Prescription*)). Upon the due date for redemption of any Bearer Security, any unexchanged Talon relating to such Security shall become void and no Coupon will be delivered in respect of such Talon.

(k) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor, in its sole discretion, is not able to satisfy payments of principal or distribution in respect of Bearer Securities when due in Renminbi in Singapore, the relevant Issuer or the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Securityholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Bearer Securities shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

8. **Payments – Registered Securities**

This Condition 8 is only applicable to Registered Securities.

(a) **Principal**: Payments of principal shall be made, subject as mentioned below,

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any of the Transfer Agents or the Registrar. If a holder does not maintain relevant account in respect of a payment to be made under the Securities, the relevant Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

(b) **Distribution**: Payments of distribution shall be made, subject as mentioned below,

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of distribution payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(c) **Payments subject to fiscal laws**: All payments in respect of the Registered Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Securityholders in respect of such payments.

(d) **Payments on business days**: Payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of distribution payable other than on redemption) on the due date for payment. A Holder of a Registered Security shall not be entitled to any distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Registered Security, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) **Record date**: Each payment in respect of a Registered Security will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

(g) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor, in its sole discretion, is not able to satisfy payments of principal or distribution in respect of Registered Securities when due in Renminbi in Singapore, the relevant Issuer or the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Securityholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Registered Securities shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

So long as the Global Security Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Security Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. So long as the Global Security Certificate or the Global Security is held on behalf of CDP, the record date for purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Security shall, unless otherwise specified by the relevant Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

9. **Taxation**

(a) **Gross up**: All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities and the Coupons by or on behalf of the relevant Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant Issuer or the Guarantor shall pay such additional amounts as will result in receipt by the Securityholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(i) held by or on behalf of a Holder who is (A) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (B) liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Security or Coupon; or

(ii) where the relevant Security or Coupon or Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Security or Coupon would have been entitled to such additional amounts on presenting or surrendering such Security or Coupon or Certificate for payment on the last day of such period of 30 days; or

(iii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security (or the Certificate representing it), or Coupon is presented for payment, but fails to do so.

Where the Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Securities by or on behalf of the relevant Issuer or the Guarantor may be subject to Singapore withholding tax, regardless of the underlying receipts from which the distributions are made by the relevant Issuer or the Guarantor. In that event, the relevant Issuer or the Guarantor will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Securities for or on account of any such taxes or duties.

Notwithstanding any other provision of these Conditions, in no event will the relevant Issuer or the Guarantor be required to pay any additional amounts in respect of the Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) **Taxing jurisdiction**: If the relevant Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Singapore, references in these Conditions to Singapore shall be construed as references to Singapore and/or such other jurisdiction.

(c) Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the relevant Issuer, the Guarantor, any Securityholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction, or be responsible to provide any notice or information in relation to the Securities in connection with payment of such tax, duty, charges, withholding or other payment in any jurisdiction.

10. **Non-payment**

(a) **Limited rights to institute proceedings**: Notwithstanding any of the provisions below in this Condition 10, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the relevant Issuer has elected to defer that Distribution in accordance with Condition 5(d) (*Distribution Deferral*). In addition, nothing in this Condition 10, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the relevant Issuer or the Guarantor, in respect of any costs, charges, fees, expenses properly incurred or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Securities.

(b) **Proceedings for Winding-Up**: Upon (i) a final and effective order being made or an effective resolution being passed for a Winding-Up or (ii) the relevant Issuer or the Guarantor failing to make payment in respect of any principal payable by it under any of the Securities or the Guarantee of the Securities within seven business days of the due date for payment thereof or failing to make payment in respect of any distribution or other amounts (other than principal) payable by it under any of the Securities or the Guarantee of the Securities within seven business days of the due date for payment thereof (collectively, the "**Enforcement Events**"), the relevant Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of paragraph (d) (*Entitlement of Trustee*) below, institute proceedings for the Winding-Up and/or prove and/or claim in the Winding-Up for the principal amount of the Securities together with Distribution, Arrears of Distribution and any Additional Distribution Amount accrued to the day prior to the commencement of the Winding-Up.

(c) **Enforcement**: Without prejudice to paragraph (b) (*Proceedings for Winding-Up*) above but subject to the provisions of paragraph (d) (*Entitlement of Trustee*) below, the Trustee may without further notice to the relevant Issuer or the Guarantor institute such proceedings against the relevant Issuer or the Guarantor as it may think fit to enforce any term or condition binding on the relevant Issuer or the Guarantor under the Trust Deed or the Securities (other than any payment obligation of the relevant Issuer or the Guarantor under or arising from the Securities or the Trust Deed, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, including any damages awarded for breach of any obligations), **provided that** in no event shall the relevant Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) **Entitlement of Trustee**: The Trustee at its discretion may and, if so requested in writing by Holders of at least 30 per cent. of the aggregate principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders, shall take any of the actions referred to in paragraph (b) (*Proceedings for Winding-Up*) or paragraph (c) (*Enforcement*) above against the relevant Issuer or the Guarantor to enforce the terms of the Trust Deed or the Securities subject in any such case to the Trustee having been indemnified and/or secured and/or pre-funded by Securityholders to its satisfaction.

(e) **Right of Holders**: No Holder shall be entitled to proceed directly against the relevant Issuer or the Guarantor or to institute proceedings for the Winding-Up or to prove or claim in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the relevant Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 10.

(f) **Extent of Holders' remedy**: No remedy against the relevant Issuer or the Guarantor, other than as referred to in this Condition 10, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities under the Trust Deed or the Securities or in respect of any breach by the relevant Issuer or the Guarantor of any of its other obligations under or in respect of the Securities or the Trust Deed.

11. Prescription

Claims for principal in respect of Bearer Securities shall become void unless the relevant Bearer Securities are presented for payment within ten years of the appropriate Relevant Date. Claims for distribution in respect of Bearer Securities shall become void unless the relevant Coupons are presented for payment within three years of the appropriate Relevant Date. Claims for principal on redemption in respect of Registered Securities shall become void unless the relevant Certificates are surrendered for payment within ten years of the appropriate Relevant Date. Claims for distribution in respect of Registered Securities shall become void unless the relevant Certificates are surrendered for payment within three years of the appropriate Relevant Date.

12. Replacement of Securities and Coupons

If any Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Securities, or the Registrar, in the case of Registered Securities (and, if the Securities are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws, regulations and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the fees, costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Security, Certificate, Coupon or Talon) and otherwise as the relevant Issuer may require. Mutilated or defaced Securities, Certificates or Coupons must be surrendered before replacements will be issued.

13. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or provided with security to its satisfaction and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Securityholders. In addition, the Trustee and the Agents are entitled to enter into business transactions with the relevant Issuer, the Guarantor (or any of their respective related corporations), or any company in which the relevant Issuer or the Guarantor is interested, without accounting for any profit, fees, commissions, discounts or share of brokerage resulting from such business transactions.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Securityholders as a class and shall not be obliged to have regard to the consequences of such exercise for individual Holders of Securities as a result of such Holders being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof. In acting under the Agency Agreement and in connection with the Securities and the Coupons, the Agents act solely as agents of the relevant Issuer and (to the extent provided therein) the Trustee and are not under any fiduciary duty or other obligation towards, and do not have any relationship of agency or trust for or with any of the Securityholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The relevant Issuer reserves the right (with the prior approval of the Trustee, such approval not to be unreasonably withheld) at any time to vary or terminate the appointment of any Agent and to appoint a successor calculation agent or registrar or Calculation Agent and additional or successor paying agents; **provided**, **however**, **that**:

(a) the relevant Issuer shall at all times maintain a principal paying agent and a registrar;

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, the relevant Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Securities are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the relevant Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall be given to the Securityholders by the relevant Issuer in accordance with the Trust Deed.

14. **Meetings of Securityholders; Modification, Waiver and Substitution**

(a) **Meetings of Securityholders**: The Trust Deed contains provisions for convening meetings of Securityholders of a Series to consider any matters affecting their interests, including the modification of any provision of these Conditions, the Trust Deed and/or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting (i) may be convened by the relevant Issuer, the Guarantor or by the Trustee and (ii) shall be convened by the Trustee (subject to it being first indemnified, secured or pre-funded to its satisfaction) upon the request in writing of Securityholders holding not less than one-tenth of the aggregate principal amount of any Series of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing a clear majority of the aggregate principal amount of the Series of outstanding Securities or, at any adjourned meeting, two or more Persons being or representing Securityholders whatever the principal amount of the Series of Securities held or represented; **provided**, **however**, **that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the relevant Series of outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders and Couponholders of the relevant Series, whether present or not at such meeting.

(b) **Written Resolutions and Electronic Consent:**

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Holders of not less than three-quarters of the aggregate principal amount of a Series of Securities then outstanding who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders); or

(B) where the Securities are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the relevant Issuer or the Guarantor given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than three-quarters of the aggregate principal amount of a Series of Securities then outstanding (an "**Electronic Consent**"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held.

Electronic Consents are not capable of being communicated by Holders through any electronic communications system of CDP. Accordingly, where Securities are represented by a Global Security or a Global Security Certificate and such Global Security or Global Security Certificate is held by CDP, Electronic Consents will not be possible.

(ii) A Written Resolution or Electronic Consent shall take effect as if it were an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) **Modification and waiver**: The Trustee may, without the consent of the Securityholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Securityholders and to any modification of the Securities or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of law or (in the event the Securities are listed) is required by any Stock Exchange or is required by Euroclear, Clearstream, Luxembourg and/or CDP.

In addition, the Trustee may, without the consent of the Securityholders, authorise or waive any proposed breach or breach of the Securities or the Trust Deed if, in the opinion of the Trustee, the interests of the Securityholders will not be materially prejudiced thereby.

Any such modification, waiver or authorisation shall be binding on the Securityholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified by the relevant Issuer to the Securityholders as soon as practicable thereafter.

(d) **Direction from Securityholders**: Notwithstanding anything to the contrary in these Conditions or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Conditions or the Trust Deed to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarifications from the Securityholders by way of an Extraordinary Resolution and shall have been indemnified and/or pre-funded and/or provided with security to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or in the event that no such directions or clarifications are received by the Trustee.

(e) **Certificates and reports**: The Trustee may rely without liability to any Securityholder, Couponholder or to other person on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including the auditors, surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate, opinion or advice shall be binding on the Securityholders and the Couponholders.

15. Substitution or Variation

If Special Event Substitution or Variation is specified in the relevant Pricing Supplement as being applicable and a Special Event has occurred and is continuing, then the relevant Issuer may, but shall not be obliged to, subject to Condition 5 (*Distribution*) (without any requirement for the consent or approval of the Holders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 15 have been complied with, and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Holders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 15 and subject to the receipt by it of the certificate of the directors of the relevant Issuer referred to herein, on which it may rely absolutely) agree to such substitution or variation.

Upon expiry of such notice, the relevant Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 15, as the case may be.

In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) will be satisfied in full in accordance with the provisions of Condition 5(d) (*Distribution Deferral*).

In connection with any substitution or variation in accordance with this Condition 15, the relevant Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would give rise to a Special Event with respect to the Securities or the Qualifying Securities.

16. **Further Issues**

The relevant Issuer may from time to time, without the consent of the Securityholders or Couponholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Securities of any Series (or in all respects except for the issue date, issue price, and the first payment of distribution) and so that the same shall be consolidated and form a single Series with such Securities, and references in these Conditions to "Securities" shall be construed accordingly. The relevant Issuer may from time to time create and issue other Series of Securities having the benefit of the Trust Deed.

17. **Notices**

(a) **Bearer Securities**: Notices to the Holders of Bearer Securities shall be valid if published in a leading English language newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition), **provided that**, for so long as the Bearer Securities are listed and admitted to trading on the Official List of the SGX-ST, notices to the Holders of Bearer Securities shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Securities.

(b) **Registered Securities**: Notices to the holders of Registered Securities shall be valid if mailed to them at their respective addresses in the Register or if published in a leading English language newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition), **provided that**, for so long as the Registered Securities are listed and admitted to trading on the Official List of the SGX-ST, notices to the Holders of Registered Securities shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (if mailed) on the fourth weekday (being a day other than a Saturday or a Sunday or a gazetted public holiday) after the date of mailing.

So long as the Securities are represented by a Global Security or a Global Security Certificate and such Global Security or Global Security Certificate is held (i) on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) below), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Security Certificate; (ii) by CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to the persons shown in the list of Securityholders provided by CDP, or in each case, notices to the holders of Securities of that Series may also be given by way of publication in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times) or by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice will be deemed to have been given at 5:00 p.m. on the day the relevant clearing system receives such notice or two business days after despatch or on the date of first publication, as the case may be.

Notwithstanding the other provisions of this Condition 17, in any case where the identities and addresses of all the Securityholders are known to the relevant Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

18. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Singapore or United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

19. Governing Law and Jurisdiction

(a) **Governing law**: The Trust Deed, the Agency Agreement, the Securities and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Securities and the Coupons are governed by, and construed in accordance with:

   (i) if the Securities are specified to be governed by English law in the applicable Pricing Supplement, English law, provided that the subordination provisions set out in Condition 4 (*Status and Guarantee of the Securities*) are governed by Singapore law; or

   (ii) if the Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

(b) **Jurisdiction:**

(A) If the Securities are specified to be governed by English law in the applicable Pricing Supplement, the English courts, or (B) if the Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore (the "**Relevant Courts**") have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Securities and/or the Coupons (a "**Dispute**") and accordingly each of the relevant Issuer, (in respect of each Tranche of Guaranteed Securities) the Guarantor and the Trustee and any Securityholders or Couponholders in relation to any Dispute submits to the non-exclusive jurisdiction of the Relevant Courts.

(c) **Service of process:**

(i) The relevant Issuer and (in respect of each Tranche of Guaranteed Securities) the Guarantor agree that the documents which start any Dispute under English Law (an "**English Law Dispute**") and any other documents required to be served in relation to such English Law Dispute may be served on it by being delivered to Sembcorp Utilities (UK) Limited (addressed to the company secretary) with its address in England and Wales at Sembcorp UK Headquarters, Wilton International, Middlesbrough, TS90 8WS, or to such other person with an address in England or Wales and/or such other address in England or Wales as the relevant Issuer may specify by notice in writing to the Trustee. Nothing herein shall affect the right to serve process in any other manner permitted by law. This Condition 19(c) applies to English Law Disputes in England and elsewhere.

USE OF PROCEEDS

The proceeds arising from the issue of each Tranche of Instruments under the Programme (after deducting issue expenses) will be used for the purpose of financing the general corporate purposes and general working capital requirements of the Group or for such other purposes as may be specified in the relevant Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The table below sets forth the consolidated capitalisation and indebtedness of the Group as at 31 December 2022. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

(*S$ million*)	**Audited 31 December 2022**
Interest-bearing borrowings	
Non-current	5,974
Current	1,096
Total borrowings	7,070
Equity attributable to owners of the Company	
Share capital	566
Reserve for own shares	(31)
Other reserves	(608)
Revenue reserve	4,050
Total equity attributable to owners of the Company	3,977
Non-controlling interests	239
Total equity	4,216
Total interest-bearing borrowings and equity	**11,286**

Save as disclosed in "*Description of Sembcorp Industries Ltd – Business segments – Growing presence in India*" of this Offering Circular where it has been disclosed that the Group had completed the acquisition of Vector Green Energy Private Limited in January 2023 which was partly financed by external borrowings, there has been no material change in the capitalisation and indebtedness of the Group since 31 December 2022.

DESCRIPTION OF SEMBCORP INDUSTRIES LTD

History and Background

Sembcorp Industries was incorporated in Singapore on 20 May 1998. On 3 October 1998, Singapore Technologies Industrial Corporation and Sembawang Corporation were merged under Sembcorp Industries and became its wholly owned subsidiaries. From 16 businesses, Sembcorp Industries underwent a decade-long process to sharpen its focus to three core businesses: Energy, Marine and Urban. In September 2020, Sembcorp Industries demerged with its marine subsidiary, Sembcorp Marine, transforming Sembcorp Industries into a focused energy and urban business.

In May 2021, Sembcorp Industries unveiled a strategic plan to transform its portfolio from brown to green, with a vision to be a leading provider of sustainable solutions. Sembcorp Industries leverages its sector expertise and global track record to deliver innovative solutions that support energy transition and sustainable development. By focusing on growing its Renewables and Integrated Urban Solutions businesses, Sembcorp Industries aims to transform its portfolio from brown to green.

Its strategic plan is underpinned by the following targets:

More sustainable

Sembcorp Industries aims for its sustainable solutions portfolio to comprise 70% of the Group's net profit by 2025. In 2020, the sustainable solutions portfolio contributed to 40% of the Group's net profit. Sembcorp Industries is targeting for its renewable energy portfolio to achieve a compounded annual growth rate ("**CAGR**") of 30% and for its Integrated Urban Solutions portfolio to achieve a CAGR of 10% by 2025.

More renewables

Sembcorp Industries aims to quadruple its gross installed renewable energy capacity to 10GW by 2025, from its gross installed renewable energy capacity (comprising wind, solar and energy storage) of 2.6GW in 2020.

More sustainable urban developments

Sembcorp Industries aims to triple its Integrated Urban Solutions business' land sales to 500 hectares by 2025, from 172 hectares in 2020.

Lower carbon emissions

Sembcorp Industries aims to reduce its GHG emissions intensity to 0.40 tonnes of carbon dioxide equivalent ("**tCO_2e**") per megawatt hour ("**tCO_2e/MWh**") by 2025, from 0.54 tCO_2e/MWh in 2020. In addition, Sembcorp Industries aims to reduce absolute GHG emissions to 2.7 million tCO_2e by 2030, a 90% reduction from 2020 levels and deliver net-zero emissions by 2050. Sembcorp Industries also commits to not investing in new coal-fired energy assets.

Sembcorp Industries has made significant progress in its brown to green transition, since the unveiling of its strategic plan in May 2021.

As at 31 March 2023, Sembcorp Industries has a balanced energy portfolio of 17.8GW of power, with 11.0GW of renewable energy capacity (approximately 8.4GW of installed capacity and approximately 2.6GW of capacity under development) comprising solar, wind and energy storage globally. In January 2023, Sembcorp Industries completed the SEIL Disposal and has met its 2025 carbon emissions intensity target ahead of time[5]. Please see the section "– *Recent Developments – Sale of Sembcorp Energy India Limited*" for further details regarding the SEIL Disposal. Sembcorp Industries continues to focus on its longer-term carbon reduction targets. Given the strong growth momentum, Sembcorp Industries is looking beyond 2025 and plans to communicate its revised strategy and targets to shareholders and investors in the second half of 2023.

Sembcorp Industries is listed on the Mainboard of the SGX-ST. It is a constituent stock of the Straits Times Index and sustainability indices including the FTSE4Good Index and the iEdge SG ESG indices. In 2022, Sembcorp Industries received a rating of AA, the second highest rating in the MSCI ESG Ratings assessment.

For FY2021 and FY2022[6], the Group's reported turnover was S$7,795 million and S$7,825 million, respectively, and reported net profit from continuing operations was S$279 million and S$704 million, respectively.

Key Subsidiaries, Key Associates and Key Joint Ventures

Name of Key Subsidiary	**Country of incorporation**	**2022 (%)**
Sembcorp Utilities Pte Ltd (SCU)	Singapore	100
Sembcorp Cogen Pte Ltd	Singapore	100
Sembcorp Gas Pte Ltd	Singapore	100
Sembcorp Environment Pte. Ltd.	Singapore	100
SembWaste Pte Ltd	Singapore	100
Sembcorp Development Ltd	Singapore	100
Singapore Precision Industries Pte Ltd	Singapore	100
Singapore Technologies Industrial Corp Ltd	Singapore	100
Vietnam Singapore Industrial Park Pte Ltd	Singapore	96.59
Sembcorp Utilities (UK) Limited	United Kingdom	100
Sembcorp Energy UK Limited	United Kingdom	100
Nanjing Riverside Quay Co., Ltd	China	100
Sembcorp Myingyan Power Company Limited	Myanmar	100
Sembcorp North-West Power Company Ltd.	Bangladesh	71
Sembcorp Energy India Ltd (SEIL)	India	100
Sembcorp Green Infra Limited (SGI)	India	100
Sembcorp Huiyang New Energy (Shenzhen) Co., Ltd	China	98

5 Excluding SEIL, Sembcorp Industries' GHG emissions intensity (Scope 1 and 2) in 2022 would reduce from 0.50 to 0.31 tonnes of carbon dioxide equivalent per megawatt-hour (tCO_2e/MWh) and absolute emissions (Scope 1 and 2) in 2022 would decrease from 25.5 million to 10.4 million tCO_2e.

6 On 8 November 2022, shareholders of SCI approved the SEIL Disposal. Consequently, the performance of SEIL for the period is reported under discontinued operation. The SEIL Disposal was completed on 19 January 2023.

Name of Key Associate	Country of incorporation	2022 (%)
Renewables		
SDIC New Energy Investment Co., Ltd	China	35.11
Hunan Xingling New Energy Co., Ltd.	China	45.30
Integrated Urban Solutions		
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd	China	21.50
Conventional Energy		
Sembcorp Salalah Power and Water Company SAOG	Oman	40.00

Name of Key Joint Venture	Country of incorporation	2022 (%)
Renewables		
Guohua AES (Huanghua) Wind Power Co., Ltd	China	49.00
Integrated Urban Solutions		
Vietnam Singapore Industrial Park J.V. Co., Ltd.	Vietnam	49.26
Conventional Energy		
Shanghai Cao Jing Co-generation Co. Ltd	China	30.00
Emirates Sembcorp Water & Power Company P.J.S.C	United Arab Emirates	40.00

Notes:

- This list of companies is not exhaustive.
- Figures reflect shareholdings as at 31 December 2022.
- With the shareholders' approval of its divestment on 8 November 2022, SEIL has been classified as a disposal group held for sale. The sale of SEIL was completed on 19 January 2023. For further information, please refer to "*Description of Sembcorp Industries Ltd – Recent Developments – Sale of Sembcorp Energy India Limited*".
- On 14 June 2023, Sembcorp Industries announced that the National Company Law Tribunal in India approved the Scheme of Amalgamation for its wholly-owned subsidiaries, Sembcorp Green Infra Limited with GIWEL. Upon completion of the amalgamation, GIWEL will be the holding entity of the Group's renewables business in India.

Competitive Strengths

Sembcorp Industries possesses a number of competitive strengths that distinguish it from its competitors and enable the execution of its business plan and strategies.

Well positioned to benefit from global megatrends

With a track record in various parts of Asia and expertise in the renewables and urban solutions segments, Sembcorp Industries has expertise and capabilities to take advantage of the global energy transition and sustainable development, and aims to achieve good fundamentals and benefit from long term megatrends. These megatrends include:

- a growing momentum towards the decarbonisation of the global economy, with global power generation projected to be increasingly derived from renewable sources;
- electricity demand projected to grow significantly, driven by an increase in demand for electric vehicles and electrification in buildings and industry; and

- a potential shift of the world's economic centre of gravity towards Asia, resulting from a forecasted increase in Asia's urban population.

In addition, a number of governments have spearheaded various initiatives and/or commitments to advance sustainability and sustainable development:

- in Singapore, the government launched the "*Singapore Green Plan 2030*" in February 2021 with the aim of galvanising a whole-of-nation movement and advancing Singapore's national agenda on sustainable development. Key targets include increasing solar deployment to at least 1.5 gigawatt peak ("**GWp**") by 2025 and at least 2GWp by 2030. In October 2022, the Singapore government announced that it would raise its national climate target to achieve net-zero emissions by 2050, and to reduce emissions to around 60 million tonnes of carbon dioxide equivalent in 2030 after peaking emissions earlier, as part of its revised 2030 Nationally Determined Contribution;

- the Indian government targeted to increase non-fossil fuel-based capacity to 500GW by 2030 and meet 50% of its energy requirements from renewable energy sources by 2030, in addition to reaching net-zero emissions by 2070;

- the Chinese government published the "*Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*" which sets out, among others, its aim to reach peak carbon dioxide emissions before 2030 and carbon neutrality by 2060, with total installed capacity of wind power and solar power reaching over 1200GW by 2030. China also aims to add 160GW of wind and solar installed capacity in 2023, post the achievement of China's 1,200GW renewables target in 2022; and

- in Vietnam, the government approved the "*Power Development Plan VIII*" in May 2023. Vietnam targets generating 30% – 39% of power from renewable sources by 2030, from around 12% in 2022, and around 75% of generation capacity from renewables, including hydropower and gas, by 2030, from 65% in 2022.

These megatrends and government efforts are expected to lead to, among others, a rapid expansion of the global and regional green technology and sustainability market size. According to the Renewables 2022 report[7] published by International Energy Agency, the global energy crisis in 2022 has sparked renewables growth, with many countries strengthening policies supporting renewables as they seek to strengthen energy security. Further, renewable energy is expected to transform the global power mix through 2027 and become the largest source of electricity. In Sembcorp Industries' key markets of Southeast Asia, China and India, the wind and solar renewable energy market is expected to grow to over 1,400GW by 2025 with a total addressable market opportunity of over 500GW between 2022-2025, based on forecasts from GlobalData[8].

By adopting a long-term strategic approach through its brown to green transformation strategy and focus on sustainability, Sembcorp Industries believes that it is positioned to seize opportunities for growth. Sembcorp Industries has been an early entrant in several Asian growth markets and its renewable energy portfolio comprises wind, solar and energy storage in China, India, Singapore, Vietnam, Indonesia and the UK, as well as trading of energy attribute certificates and the provision of system services that support integration of renewables into the grid. Sembcorp Industries continues to pursue renewables opportunities by leveraging on partnerships and capitalising on platforms to grow its presence in focus markets as well as to expand into new markets such as the Middle East. The successful commissioning of Southeast Asia's largest energy storage system on Jurong Island in a space of six months in 2022 demonstrates Sembcorp Industries' ability to apply its capabilities in markets such as the UK to other markets.

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[7] International Energy Agency, which can be accessed at https://www.iea.org/reports/renewables-2022.

[8] Based on forecasts for wind and solar from © GlobalData Plc. All Rights Reserved.

Complementing its offering as a leading renewable energy player, Sembcorp Industries launched GoNetZero™, a carbon management solutions corporate venture which offers one-stop access to renewable energy certificates and carbon credits, as well as renewable energy and environmental attribute portfolio management. Looking ahead in the energy transition space, hydrogen is expected to play a vital role. As a leading renewable energy producer and the largest importer of natural gas based in Singapore, Sembcorp Industries is well positioned to support the Singapore government's national strategy to develop hydrogen as a major decarbonisation pathway.

Strong track record with presence in key Asia markets

Sembcorp Industries has established a track record as an energy and urban solutions provider with a geographically diversified renewables portfolio. It operates in countries including China, India, Middle East, Rest of Asia[9], Singapore, and the UK.

Sembcorp Industries is a originator, owner and operator of energy assets with operational, management and technical capabilities. It has over 25 years of experience in developing integrated urban developments including industrial parks, business hubs, industrial properties and residential spaces. Operating across 10 countries with more than 5,000 employees and having a market capitalisation of approximately S$10.3 billion as at 30 June 2023, Sembcorp Industries believes that it will be able to continue to leverage on its position and brand name to grow and develop its businesses.

Sembcorp Industries works closely with and supports various countries in their energy and urban solution needs and also contributes towards their sustainability pathways. For example, Sembcorp Industries has been providing renewable energy and high-efficiency power generation as well as integrated urban solutions in close to 20 provincial regions across China for over 20 years. In India, Sembcorp Industries is a leading wind renewables player with one of the largest portfolios under self-operation and maintenance. In the UK, Sembcorp Industries' Wilton International site on Teesside sits within a hub of decarbonisation innovation, with players exploring technologies such as carbon capture and storage as well as hydrogen. At the site, Sembcorp Industries helps major energy users and suppliers improve their efficiency and sustainability by providing them with combined heat and power via its private wire network that supplies electricity generated by gas and biomass. In Vietnam, Sembcorp Industries' contribution to the country's industrialisation and sustainable development dates back to 1996, with the development of the first Vietnam Singapore Industrial Park ("**VSIP**"). As at 31 December 2022, the Group had a total of 16 industrial parks, of which 13 are in Vietnam, two in China and one in Indonesia. The Group's industrial parks serve more than 1,000 multinational companies and global enterprises, and have played a part in drawing in over US$40 billion in investments and the creation of over 350,000 jobs, enhancing the socio-economic development of these regions. In March 2023, the joint venture company of Sembcorp Industries and Becamex IDC Corporation, Vietnam-Singapore Industrial Park J.V. Co., Ltd ("**VSIP J.V. Co**"), signed memoranda of understanding ("**MOUs**") with nine provinces in Vietnam. Under the MOUs, VSIP J.V. Co. and the participating provinces will jointly engage in feasibility studies for smart and sustainable industrial parks.

In addition, Sembcorp Industries has been operating in the Middle East (Oman and the United Arab Emirates) since 2006, providing expertise in sustainable solutions. The combined water and power plants in the Middle East are configured for greater environmental efficiency to fuel the desalination process and help meet increasing water demand.

Financial strength built over multiple decades

Sembcorp Industries maintains a disciplined approach to capital management and seeks to maintain sufficient financial resources and capabilities to support the growth of its business and execution of its strategies, return value to shareholders and ensure financial flexibility while maintaining strong creditworthiness and liquidity.

[9] Rest of Asia includes Bangladesh, Indonesia, Myanmar and Vietnam.

Key highlights for Sembcorp Industries for FY2021 and FY2022[10] include the following:

- Turnover of S$7,795 million and S$7,825 million in FY2021 and FY2022, respectively. Turnover including the discontinued operation of SEIL for FY2022 would have been S$9,395 million;

- Strong adjusted EBITDA of S$1,494 million and S$1,556 million generated from its businesses in FY2021 and FY2022, respectively. Adjusted EBITDA including the discontinued operation of SEIL for FY2022 would have been S$1,935 million;

- Balance sheet remains strong and well capitalised, which provides the capacity to invest and grow; and

- Strong performance track record, generating return on equity before exceptional items (and exclude discontinued operations for the respective financial years) of 12.9% and 19.0% in FY2021 and FY2022, respectively.

Sembcorp Industries' capital management policy is to borrow centrally using a mixture of long-term and short-term capital market issuances and loan facilities to meet anticipated funding requirements. Sembcorp Industries possesses funding flexibility across various sources such as banking facilities and bonds, including having a proven track record of being able to tap green and sustainability-linked financing for fundraising. Following the launch of the Sembcorp Green Financing Framework and the Sembcorp Sustainable Financing Framework in 2021, Sembcorp Industries successfully raised approximately S$3.3 billion as at 31 December 2022 from its issuances of green and sustainability-linked bonds and receipt of loans. This includes a five-year S$1.2 billion syndicated sustainability-linked revolving credit facility, the first and largest SORA-based facility for an energy company in Southeast Asia. The integration of its sustainability targets into its financing strategy underscores Sembcorp Industries' commitment to transform its portfolio from brown to green, and highlights investors' receptivity to the same. Sembcorp Industries' financial strategy also includes systematic capital recycling, which not only redeploys capital to further growth but also provides uplifts in returns through lower borrowing costs as Sembcorp Industries focuses on sustainable solutions assets.

Experienced management team and Board

Sembcorp Industries is managed by a strong executive management team, which has extensive experience in energy, investment management, sustainable solutions, industrial assets, strategy, legal matters, finance, risk management, engineering, digitalisation and technology. This is instrumental in managing the Group's business and providing strategic leadership.

Sembcorp Industries has an experienced board of directors (the "**Board**") with competencies in finance and accounting, as well as business acumen, management experience, energy sector knowledge, technology expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

The Board functions to exercise diligence and independent judgement and engage in decision making with the best interests of the Group in mind. The Board also aids in the development of strategic proposals and oversees the implementation of set objectives by the management team. The Board has seven members as at the date of this Offering Circular, comprising four independent directors, and three non-executive and non-independent directors including the Group President and Chief Executive Officer ("**CEO**").

[10] On 8 November 2022, shareholders of SCI approved the sale of SEIL. Consequently, the performance of SEIL for the period is reported under discontinued operation. The sale of SEIL was completed on 19 January 2023.

Sembcorp Industries believes that the Board and its management team have been, and will continue to be, instrumental in the financial and operational performance of Sembcorp Industries and in cultivating a strong and positive working relationship with Sembcorp Industries' various stakeholders. For further information on the Board and the management team, see "*Directors and Management*".

Business Strategies

Focused on growing its sustainable solutions portfolio

One of Sembcorp Industries' key business strategies is to accelerate the transformation of its portfolio from brown to green by focusing on growing its renewables and integrated urban solutions businesses. This is in alignment with the megatrends of decarbonisation, urbanisation and electrification which continue to impact the world, therefore positioning Sembcorp Industries to take advantage of such megatrends.

As at 31 December 2022, Sembcorp Industries has achieved the following performance indicators:

- the Group's sustainable solutions portfolio comprised 27% of its net profit;
- gross installed renewable energy capacity amounted to 8.3GW;
- Integrated Urban Solutions business' land sales totalled 172 hectares per annum; and
- GHG emissions intensity amounted to 0.50[11] tCO_2e/MWh. With the divestment of SEIL, Sembcorp Industries has met its 2025 carbon emissions intensity target ahead of time.

Given the strong growth momentum, Sembcorp Industries is looking beyond 2025 and plans to communicate its revised strategy and targets to shareholders and investors in the second half of 2023.

Sembcorp Industries has made good progress and will continue to focus on securing more renewables opportunities in its countries of focus. This includes originating quality partnerships for investments into renewables projects, developing strong in-house operations and maintenance as well as engineering capabilities to drive greenfield and brownfield growth. Increasingly, regional collaboration will be needed to enhance energy resilience and sustainability. In Southeast Asia, Sembcorp Industries gained traction on its targets with multiple partnerships formed across various energy opportunities that aim to advance energy transition in both the host country and Singapore. Sembcorp Industries will continue to explore importation and utility-scale renewables development partnerships, in addition to various collaborations around energy transition capabilities. For example, Sembcorp Industries successfully commissioned Southeast Asia's largest energy storage system on Jurong Island in six months, demonstrating the Group's ability to apply its capabilities in markets such as the UK to other markets.

Sembcorp Industries is equally focused on driving sustainable development. This entails delivering innovative and essential solutions to its customers and deepening strategic partnerships. As an example, in November 2022, Sembcorp Industries broke ground for VSIP Binh Duong III, which has the distinguishing feature of a 50ha onsite solar farm, marking a new smart and sustainable design concept that aligns with Sembcorp Industries' focus on growing its portfolio of sustainable urban developments. LEGO Group will commence the construction of its first carbon-neutral factory across a 44ha site at VSIP Binh Duong III.

[11] This includes emissions from SEIL. The SEIL Disposal was completed in January 2023. The 2022 pro forma emissions intensity (Scope 1 and 2) excluding emissions attributable to SEIL is 0.31 tCO_2e/MWh. We worked with an external consultant with regards to the classification of SEIL's emissions in accordance with the Greenhouse Gas Protocol ("**GHG Protocol**") post-transaction. The proportional emissions of SEIL will be accounted for under Scope 3 (Category 15 – Investments) and reported in Sembcorp Industries' Sustainability Report 2023.

Forging partnerships for long term decarbonisation goals

Sembcorp Industries recently announced that it had entered into strategic partnerships with the Japanese government and various corporations, to progress hydrogen and other decarbonisation initiatives. As a leading producer of renewable energy and the largest importer of natural gas in Singapore, Sembcorp Industries is well-positioned to support the Singapore government's approach to develop hydrogen as a major decarbonisation pathway.

As an extension of Sembcorp Industries' commitment towards decarbonisation, Sembcorp Industries launched GoNetZero^{TM}, a carbon management solutions corporate venture to support its customers and its corporate climate action plans. GoNetZero^{TM} complements Sembcorp Industries' offering as a leading renewable energy player by providing one-stop access to renewable energy and carbon management solutions including renewable energy certificates and carbon credits.

Recent Developments

Sale of Sembcorp Energy India Limited

On 5 September 2022, Sembcorp Industries announced that Sembcorp Utilities had entered into a share purchase agreement with Tanweer Infrastructure Pte. Ltd. ("**Tanweer Infrastructure**") in relation to the SEIL Disposal. At the time of the SEIL Disposal, SEIL was one of the largest independent power producers in India, operating two supercritical coal-fired power plants totalling 2,640 megawatt ("**MW**"). Following the completion of the SEIL Disposal on 19 January 2023, SEIL was deconsolidated from Sembcorp Industries.

The aggregate consideration for the SEIL Disposal was approximately INR117,338 million, or approximately S$2,059 million based on an SGD:INR exchange rate of 1:57, as specified in the relevant announcement, which was settled by Tanweer Infrastructure by way of a facility provided by Sembcorp Utilities under a deferred payment note. Sembcorp Industries believes that the SEIL Disposal will accelerate the transformation of its portfolio from brown to green, while strengthening its balance sheet and preserving value for shareholders of Sembcorp Industries. Through the SEIL Disposal, Sembcorp Industries underscores its commitment to sustainable energy transition.

Arbitration in India involving Green Infra Wind Energy Limited

On 26 June 2023, Sembcorp Industries announced arbitration proceedings between its indirect Indian wholly owned subsidiary GIWEL and Siemens Gamesa Renewable Power Private Limited (the "**Vendor**").

The arbitration proceedings involve issues and disputes arising from a composite supply contract and land and site development contract (the **"Project Contract**") entered by GIWEL with the Vendor for the supply, erection and commissioning of a 300 MW wind power project consisting of 143 wind turbine generators and associated transmission facilities.

Following various defaults on the part of the Vendor, GIWEL terminated the Project Contract, and filed a Statement of Claim against the Vendor for INR 8,159.85 million (approximately SGD134.1 million)[12] during its financial year ended 31 March 2023. The Vendor filed its Statement of Defence and counterclaimed for INR 19,575.50 million (approximately S$321.7 million)[13]. On 15 May 2023, the arbitral tribunal agreed upon the issues relating to claims to be determined by way of the arbitration.

[12] Based on an SGD:INR exchange rate of 1:60.846 as specified in the relevant announcement.

[13] Based on an SGD:INR exchange rate of 1:60.846 as specified in the relevant announcement.

Sembcorp Industries has reviewed the relevant information pertaining to the arbitration and taken appropriate external legal advice on the same. Based on the external legal advice, the management of Sembcorp Industries has assessed that the counterclaims by the Vendor lacked merit and the probability of its success against GIWEL is remote. Therefore, no provision was made in relation to the arbitration.

Business Segments

Sembcorp Industries is listed on the SGX-ST with total assets of S$16.0 billion as at 31 December 2022. The Group is primarily involved in three main businesses, namely, Renewables, Integrated Urban Solutions and Conventional Energy.

(A) Renewables

Sembcorp Industries is a leading Asian provider of renewable energy solutions. Its principal activities are the provision of electricity from solar and wind resources (both self-generated and imported), energy storage, trading of energy attribute certificates and the provision of system services that support the integration of renewables into the grid. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets.

Turnover for the Renewables business segment was S$506 million in FY2022, 43% higher as compared to the turnover of S$354 million registered in FY2021. The Renewables business segment yielded a net profit of $132 million in FY2022, which translated to an increase of 136% from S$56 million in FY2021.

The following table sets out the key financial indicators with respect to the Group's Renewables business segment for FY2022 and FY2021.

	FY2022	**FY2021**
	(S$ million)	
Turnover[1]	506	354
Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**")[2]	352	251
Share of Results: Associates and Joint Ventures (net of tax)	62	27
Adjusted EBITDA[3]	414	278
Net Profit	132	56
– Net Profit Before Exceptional Items	140	56
– Exceptional Items[4]	(8)	–
Return on Equity Before Exceptional Items	10.2%	4.6%
Return on Equity	9.6%	4.6%

Notes:

(1) Turnover figures are stated before inter-segment eliminations.

(2) EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

(3) Adjusted EBITDA is calculated by adding reported EBITDA to share of results from associates and joint ventures (net of tax).

(4) 2022 exceptional item pertained to the write-off of an investment in Vietnam for project expenses incurred by the company.

The following table sets out the key operational indicators with respect to the Group's Renewables business segment for FY2022 and FY2021[1].

	FY2022	FY2021
	(MW)[2]	
Gross Renewables Capacity	8,293	3,598
– Wind	5,553	2,599
– Solar	2,031	875
– Energy Storage[2]	709	124
Gross Renewables Capacity	8,293	3,598
– Installed	6,832	2,751
– Under Development	1,461	847

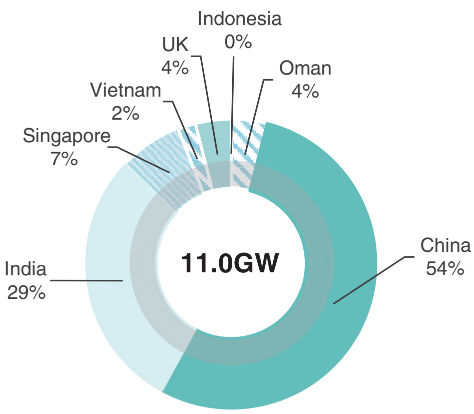
Notes:

(1) Figures refer to total gross renewables capacity as at 31 December 2022 and 31 December 2021, respectively.

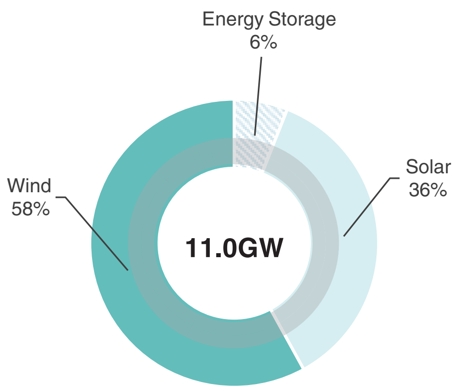
(2) Energy storage capacity is in megawatt-hour (MWh).

As at 31 March 2023, Sembcorp Industries has a portfolio of 11.0GW of gross installed renewable energy capacity comprising solar, wind and energy storage globally. A breakdown of the Group's gross renewables capacity by country and technology type, respectively, as at 31 March 2023 is set out below:

Gross Renewables Capacity by Country



Gross Renewables Capacity by Technology Type



Wind, Solar and Energy Storage Portfolio

Sembcorp Industries' renewable energy portfolio comprises wind, solar and energy storage assets in China, India, Singapore, Vietnam, Indonesia and the UK. In March 2023, the Group expanded its renewables geographical footprint to the Middle East with the award of a greenfield solar project in the Sultanate of Oman. Sembcorp Industries pursues renewables opportunities in its countries of focus and establishes strategic collaborations to support the energy transition. In 2022, Sembcorp Industries announced the acquisitions of renewable energy assets in China, India and Vietnam totalling 2.4GW.

Sembcorp Industries' wind power assets are located in India and China, with a gross wind power capacity, comprising assets installed and under development, of 6.3GW as at 31 March 2023.

Sembcorp Industries' solar power assets (including assets under development) are located in Singapore, Vietnam, Indonesia, India and China, with a gross solar power capacity, comprising assets installed and under development of 3.9GW as at 31 March 2023. As a leading provider in the region, Sembcorp Industries is a fully integrated solar developer equipped with key capabilities covering business and project development, asset management and digital analytics.

Battery energy storage provides frequency and stability support to power grids. As one of Asia's largest battery operators, Sembcorp Industries' energy storage portfolio is well positioned to take advantage of the evolving needs of power markets as they increase their proportion of renewable energy. Sembcorp Industries has a battery energy storage portfolio of 501MW or 709 megawatt hour ("**MWh**") as at 31 March 2023, located across Singapore and the UK.

Further diversification of the Group's renewables portfolio in China

In China, Sembcorp Industries has originated quality partnerships for investments into renewables projects and leverages its established partnerships to grow its presence. In 2022, the Group increased its presence in China, with acquisitions of renewables portfolio assets totalling 1.7GW in output, and organic growth of over 350MW in output.

The Group established its renewables presence in China in 2012. The Group's portfolio in China as of the end of 2022 was 4.4GW, of which 4.3GW was operational. The increase in capacity from 725MW as of the end of 2021 was largely driven by the completion of acquisitions of a 35% interest in SDIC New Energy and a 98% interest in Shenzhen Huiyang New Energy in the first half of 2022, as well as a 792MW portfolio held through a 45.3% stake in Hunan Xingling New Energy in December 2022. Electricity generated following the increase in capacity to 6.1terawatt hour ("**TWh**") was almost quadruple the electricity generated in 2021.

Growing presence in India

Given India's position as a country of focus for the Group, Sembcorp Industries continues to pursue renewables opportunities and establish strategic collaborations to support energy transition in India. In India, in-house operations and maintenance as well as engineering capabilities are drivers of greenfield and brownfield growth. Renewables capacity in India is now over 3GW, with 2.3GW of installed capacity and 823MW under development. Sembcorp Industries' operational capacity in India as at 31 December 2022 was 1.7GW and electricity generated was 3.9TWh, similar to 2021. While the market for renewable energy projects in India remains competitive, the Group was able to secure 195MW of renewables contracts in 2022.

Sembcorp Industries was the first developer to complete and deliver 800MW of wind power from the first three tenders by the Solar Energy Corporation of India in 2020. Through a focus on technology and building assets for long term deployment, Sembcorp Industries also achieved one of the highest wind capacities under self-operation of any independent power producer in India. Demonstrating Sembcorp Industries' commitment to growing its renewables portfolio in India, Sembcorp Industries announced on 11 January 2023 that it had completed the acquisition of Vector Green Energy Private Limited, an independent power producer with renewable power generation assets spread across 13 Indian states, adding 583MW of renewable assets to Sembcorp Industries' portfolio. The acquisition was funded through internal cash resources and external borrowings. This portfolio comprises 559MW of solar capacity and 24MW of wind capacity. The acquisition of Vector Green Energy Private Limited brings significant utility-scale solar capacity to Sembcorp Industries' India business, which complements the Group's existing wind portfolio and deepens the Group's renewable energy presence across the states in India.

Strengthening energy capabilities in Southeast Asia

In Singapore, Sembcorp Industries is a leading renewables provider with greenfield projects in solar and energy storage. Sembcorp Industries is one of the largest solar energy providers in Singapore, managing a full spectrum of solar capabilities across rooftop, ground-mounted and floating solar projects. In 2022, Sembcorp Industries reached a new milestone for its solar portfolio in Singapore, with a total solar operational capacity of 551MWp installed and under development, compared to 240MWp as at the end of 2021. This gross contracted capacity fulfils more than a third of the nation's 2025 solar target of 1.5GWp.

Sembcorp Industries' solar projects include the Sembcorp Tengeh Floating Solar Farm on Tengeh Reservoir, which commenced operations in July 2021. With 122,000 solar panels spanning across 45 hectares, the 60MWp solar photovoltaic ("**PV**") farm is one of the world's largest inland floating solar PV farms. The Sembcorp Tengeh Floating Solar Farm is also Singapore's first solar farm with an integrated rainwater harvesting system. Tapping on Singapore's rainy weather, the facility is expected to collect and treat up to 170,000 cubic metres of rainwater annually to cool and clean solar panels for optimum performance. Sembcorp Industries continues to secure contracts in its solar portfolio, including the SolarNova 7 project under the SolarNova programme announced in October 2022.The SolarNova 7 programme is a whole-of-government effort led by Singapore's Economic Development Board and Housing Development Board to accelerate the deployment of solar PV systems in Singapore.

Additionally, Sembcorp Industries has also strengthened its renewable energy capabilities in Singapore, with the completion of Southeast Asia's largest Energy Storage System. The Sembcorp Energy Storage System spans across two hectares of land in the Banyan and Sakra region on Jurong Island. Commissioned in six months, the facility started operations in December 2022 and, as at the point of commencing operations, is the fastest in the world of its size to be deployed. The 285MWh system on Jurong Island demonstrates Sembcorp Industries' development capabilities in the energy storage segment, and supports Singapore's growing deployment of solar energy, enhancing grid reliability and energy supply security.

In Vietnam, the Group believes that its deep experience puts it in good stead to capitalise on opportunities when they arise. In terms of renewables, Sembcorp Industries' solar capacity installed and under development in Vietnam currently totals 260MWp as at 31 March 2023. This includes the acquisition of a 49% stake in Bamboo Capital Group GAIA, the Group's first utility-scale acquisition in Vietnam, with 141MWp of operational solar capacity located in Thanh Hoa district, Long An Province. Furthermore, as part of driving sustainable development, Sembcorp Industries helps its customers in integrated townships and industrial parks green their operations with rooftop solar solutions.

Supporting energy transition in the UK

In the UK, Sembcorp Industries has 420MWh of battery energy storage in operation and under development as at 13 March 2023. Sembcorp Industries has plans in the pipeline to construct a 360MW battery at Wilton International on Teesside. As part of this project, Sembcorp Industries has commenced development on the first tranche of 150MW/300MWh of battery storage, which has secured a 15-year capacity market contract starting in October 2025. These battery energy storage systems, when completed, will be one of the UK's largest battery energy storage projects, which will further enhance Sembcorp Industries' presence in the energy storage segment in the UK. Battery energy storage systems have the ability to supply power and other services to the national grid within a few milliseconds, providing a secure and stable energy system that will aid the UK's low-carbon transition.

Complementary Carbon Management Solutions

In recognition that moving from climate commitment to action requires ready solutions for decarbonisation, and as an extension of Sembcorp Industries' commitment towards decarbonisation, Sembcorp Industries launched its carbon management solutions corporate venture, GoNetZero™, on 15 November 2022.

GoNetZero™ provides one-stop access to renewable energy and carbon management solutions including high quality and verified renewable energy certificates and carbon credits. The establishment of GoNetZero™ complements Sembcorp Industries' offering as a leading renewable energy player.

GoNetZero™ also has a collaborative digital platform underpinned by blockchain technology to ensure transparency. From renewable energy and environmental attribute portfolio management to a marketplace for renewable energy certificates and carbon credits, the GoNetZero™ platform provides analytics, reporting as well as buying and selling tools for organisations on their net-zero journey.

In addition, GoNetZero™ has the ability to verify renewable energy generation from sources in real-time. This provides proof of renewable energy origin and credibility for green energy claims.

(B) Integrated Urban Solutions

With more than 25 years of track record delivering innovative and essential solutions to customers and communities, Sembcorp Industries' Integrated Urban Solutions portfolio supports sustainable development through a suite of urban, water as well as waste and waste-to-resource solutions. This includes the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions. This segment also includes decarbonisation solutions like carbon capture, utilisation and storage projects.

Turnover for the Integrated Urban Solutions business segment was S$444 million in FY2022, 5% lower as compared to the turnover of S$465 million registered in FY2021. Net profit decreased by 13% to S$140 million in FY2022 from S$161 million in FY2021.

The following table sets out the key financial indicators with respect to the Group's Integrated Urban Solutions business segment for FY2022 and FY2021.

	FY2022	**FY2021**
	(S$ million)	
Turnover(1)	444	465
EBITDA(2)	130	143
Share of Results: Associates and Joint Ventures (net of tax)	93	97
Adjusted EBITDA(3)	223	240
Net Profit	140	161
– Net Profit Before Exceptional Items	148	155
– Exceptional Items(4)	(8)	6
Return on Equity Before Exceptional Items	8.5%	9.9%
Return on Equity	8.0%	10.2%

Notes:

(1) Turnover figures are stated before inter-segment eliminations.

(2) EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

(3) Adjusted EBITDA is calculated by adding reported EBITDA to share of results from associates and joint ventures (net of tax).

(4) 2022 exceptional items totalling negative S$8 million comprised an impairment of a water asset in China following changes in water tariffs, an impairment of an investment in the UK for project expenses incurred by the company and Urban's share of lower market valuations of underlying property assets in China.

(5) 2021 exceptional item was related to a gain of S$6 million from the divestment of Sembcorp Jingmen Water Co.

The following table sets out the key operational indicators with respect to the Group's Integrated Urban Solutions business segment for FY2022 and FY2021.

	FY2022	FY2021
Urban[(1)]		
– Saleable Land Inventory *(hectares)*	6,363	5,718
– Land Sold (Cumulative) *(hectares)*	3,308	3,136
– Total Net Orderbook *(hectares)*	312	279
– Remaining Saleable Land *(hectares)*	2,743	2,303
Water		
– Water and Wastewater Treatment Capacity *(m^3/day)*	8,051,470	8,255,029
Waste and Waste-to-resource		
– Waste Collection *(tonnes)*	1,085,404	1,254,840
– Recyclables Collection *(tonnes)*	11,775	33,632
– Energy-from-waste ("**Efw**") Gross Installed Capacity		
– Wilton 11 Efw Plant[(2)] *(MW)*	48	48

Notes:

(1) Figures for Urban operational indicators are based on current planned estimates.

(2) The Wilton 11 Efw Plant produces both power and steam. The asset's gross installed steam capacity is 160 tonnes per hour.

Urban

As a leading Asian master developer, Sembcorp Industries has a proven track record in transforming raw land into sustainable urban developments. As at 31 December 2022, Sembcorp Industries has a portfolio of 16 large-scale urban projects spanning over 12,000 hectares in Vietnam, China and Indonesia. These projects have attracted US$42 billion in direct investments and over 1,000 customers, comprising multinational companies and leading local enterprises as tenants.

Sembcorp Industries aims to position itself as a valued partner to governments through its ability to attract local and international investments. It also deploys a people-centric approach to urban planning with the incorporation of green solutions and smart technology to enhance the liveability and sustainability of its developments.

Sembcorp Industries' total solutions approach to urban development is anchored in six core capabilities, as follows:

(1) **Industry Positioning & Investment Promotion**. Sembcorp Industries identifies key industry clusters aligned with national directives and undertakes investment promotion internationally to attract foreign direct investment.

(2) **Master Planning & Urban Design**. Sembcorp Industries conducts strategic and detailed land planning to optimise land use and designs the built environment using insights into how people and places interact.

(3) **Infrastructure & Land Development**. Sembcorp Industries prepares raw land for development and designs key infrastructure, from energy to water management systems and wastewater treatment facilities, in order to create self-sufficient townships.

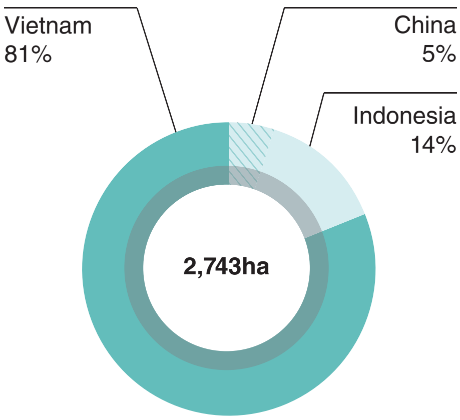
(4) **Property Development**. Sembcorp Industries provides the factories, warehouses, offices and homes that are needed for businesses and people to thrive over time.

(5) **Asset, Facilities & Operational Management**. Sembcorp Industries operates, maintains and manages for the long term.

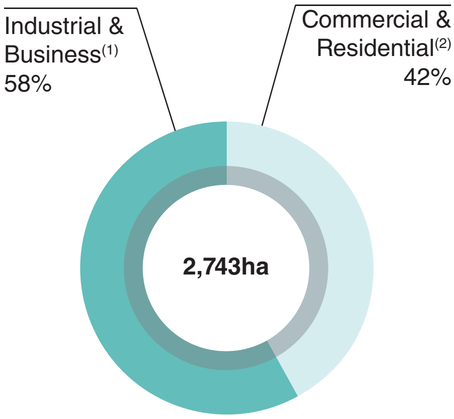
(6) **Permits & Licensing**. Sembcorp Industries liaises with local authorities to obtain permits and licenses, and ensure that its developments operate within regulatory guidelines.

A breakdown of the Group's remaining saleable land by geography and segment, respectively, as at 31 December 2022 is set out below:

Remaining Saleable Land by Geography



Remaining Saleable Land by Segment



Notes:

(1) Industrial and business land includes space for general and high-tech manufacturing, research and development, as well as business and technology incubators.

(2) Commercial and residential land includes space for residences, food and beverage businesses, malls, hotels, serviced apartments and modern services such as accounting and legal firms, consultancies and corporate headquarters.

Sembcorp Industries' track record in development and driving growth has allowed it to secure land bank to ensure a steady sales pipeline and to develop its reputation for delivering quality developments.

In Vietnam, the Urban business has partnered with the Vietnamese government to create integrated townships and industrial parks since 1996. Over the years, these Vietnam Singapore Industrial Parks ("**VSIPs**") strategically located in Vietnam's southern, central and northern economic zones have drawn over US$18 billion in investments from more than 800 multinational companies and have created more than 288,000 jobs in the industrial sector. These projects uniquely integrate industrial, commercial and residential solutions localised to suit the demands of Vietnam's rapid urbanisation and industrialisation. VSIP J.V. Co., Sembcorp's joint venture with Becamex IDC Corporation, was named the "*Best Industrial/Warehouse Developer*" in Vietnam in 2022 by Euromoney magazine. This is the seventh time that VSIP J.V. Co. has won this accolade. More recently, Sembcorp Industries announced on 10 February 2023 that it had entered into a memorandum of understanding (the "**VSIP MOU**") with its long-standing partner, Becamex IDC Corporation, to co-establish five VSIPs in Vietnam valued at approximately US$1 billion. The Vietnamese government also presented Sembcorp Industries and Becamex IDC Corporation with an investment licence to develop a 500-hectare VSIP in Nghe An province (park II). The licence expands Sembcorp Industries' presence in Nghe An, post the successful development of the 750-hectare VSIP Nghe An (park I) established in 2015. Further in March 2023, the VSIP MOU was expanded to include VSIP J.V. Co.'s engagement with nine provinces of Vietnam in feasibility studies for smart and sustainable industrial parks. Such collaborations seek to enhance the socio-economic development of these provinces through higher value manufacturing, job creation and development of new urban areas to support the growing communities.

In China, the Urban business has partnered the Chinese government for more than two decades to develop the Wuxi-Singapore Industrial Park, China-Singapore Suzhou Industrial Park as well as the Sino-Singapore Nanjing Eco Hi-tech Island in Jiangsu and Singapore-Sichuan Hi-tech Innovation Park in Chengdu. Built on sustainable and environmentally-conscious ideals, Sembcorp Industries' urban developments in China support the rapid growth of the country's innovative and high-tech industries.

In Indonesia, Sembcorp Industries has developed the Kendal Industrial Park in Central Java, along the Jakarta-Semarang-Surabaya Economic Corridor. This is the largest industrial township development of its kind in Central Java. The Kendal Industrial Park is also the first industrial development on Java Island to be designated a special economic zone with accompanying government-provided investment incentives for manufacturing tenants.

Water

In the Water business, Sembcorp Industries owns and operates highly specialised facilities across China, the Middle East, Singapore, and the UK, with a gross water and wastewater treatment capacity of about 8.3 m^3/day. Its water and wastewater management solutions encompass all aspects of the water cycle including water supply, wastewater treatment and water reclamation, as illustrated below, in a way that minimises liquid discharge, conserves water resources and supports Sembcorp Industries' customers in achieving their sustainability targets in water resources management.

In the Middle East, in relation to water supply solutions, Sembcorp Industries develops, owns and operates large-scale integrated power and desalination plants in the United Arab Emirates and Oman, including the Salalah Independent Water and Power Plant in Oman and the Fujairah 1 Independent Water and Power Plant in the United Arab Emirates. Through applying various seawater desalination technologies such as multi-stage flash and reverse osmosis, Sembcorp Industries assists in providing a sustainable supply of clean water to the communities in these water-stressed regions.

In Singapore, Sembcorp Industries is a pioneer in the field of commercial reclamation of water from treated municipal and industrial wastewater effluent. Such effluent is turned into high-purity water for power and steam generation, as well as for municipal and other industrial uses. Sembcorp Industries' presence in the water reclamation sector in Singapore includes the Sembcorp NEWater Plant, one of the largest water reclamation plants in the world.

Waste and Waste-to-resource

The Waste and Waste-to-resource businesses include solid waste management services in Singapore, as well as energy-from-waste facilities in Singapore and the UK.

Sembcorp Industries believes that an innovative and holistic approach to waste and resource management is essential for a sustainable future. Accordingly, Sembcorp Industries has developed deep expertise in this area, providing businesses with essential waste and waste-to-resource solutions.

Through its solid waste management business, Sembcorp Industries offers (a) municipal, industrial and commercial as well as construction and demolition waste collection services to households and industrial and commercial customers, government agencies, and healthcare establishments in Singapore, (b) post-collection treatment and recycling services, which involves the recycling of waste that would usually be disposed of in landfill and incineration facilities and (c) public cleaning services, whereby Sembcorp Industries provides a comprehensive suite of public cleaning services to various districts in Singapore including mechanical sweeping of roads, removal of flotsam from major waterways and cleaning of recreational beaches and parks.

Using its energy-from-waste facilities in Singapore and the UK, Sembcorp Industries can harness precious resources such as energy and biomass from collecting industrial, commercial and municipal waste, including recycled wood from construction and demolition waste. This not only creates value from waste, but also helps to reduce GHG emissions. In Singapore, Sembcorp Industries manages the entire energy-from-waste value chain, from waste collection to the generation of steam, which in turn is supplied to its customers.

(C) Conventional Energy

Sembcorp Industries is an established power player with over 6.8[14]GW of conventional power capacity in key markets around the world including Bangladesh, China, Myanmar, Singapore, the UK and Vietnam. It has a global track record as an originator, owner or investor, operator and optimiser of energy assets with strong technical, operational and management capabilities. The principal activities of Sembcorp Industries' Conventional Energy segment include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas and coal), as well as the sale of water products from Sembcorp Industries' integrated assets.

Sembcorp Industries also provides a wide variety of gas and related services such as gas sourcing, importation and trading in Singapore. Sembcorp Industries is one of the largest players in Singapore's natural gas market and the nation's first commercial importer and retailer of natural gas, offering a comprehensive suite of gas and related services. Leveraging Sembcorp Industries' core capabilities in gas import and retail, Sembcorp Industries signed a supply agreement with TotalEnergies in October 2022, to import liquified natural gas into Singapore for five years starting from 2025. Sembcorp Industries' product offering in the gas, multi-utilities and renewables segments allow it to provide customers with a comprehensive suite of energy and utilities solutions that are sustainable, competitive and reliable.

In February 2023, Sembcorp Industries announced that it had secured an 18-year power purchase agreement ("**PPA**") with Micron Semiconductor Asia Operations Pte Ltd ("**Micron**") to supply Micron with up to 450MW of power.

In May 2023, Sembcorp Industries announced that it had signed a 10-year PPA to supply electricity to Singapore Telecommunications Limited ("**Singtel**"), commencing on 1 October 2023. This PPA is subject to and conditional upon Singtel obtaining its shareholders' approval at its upcoming Annual General Meeting. In May 2023, Sembcorp Industries also announced that it would be proceeding with the development of a new multi-utilities centre on Jurong Island, including a new 600MW hydrogen-ready power plant, which is expected, to be fully operational by 2026. This will be Sembcorp Industries' fourth combined cycle power plant in Singapore with the turnkey contract for the development of the said power plant awarded to the consortium of Mitsubishi Power Asia Pacific Pte Ltd and Jurong Engineering Limited.

[14] The figure excludes SEIL's capacity of 2.6GW. The sale of SEIL, which operates two coal-fired power plants, was completed on 19 January 2023.

On comparable basis, turnover for the Conventional Energy business segment for continuing operations was S$6,547 million in FY2022, 24% higher as compared to the turnover of S$5,292 million recorded in FY2021, while net profit grew by 570% to S$603 million in FY2022 from S$90 million in FY2021.

The following table sets out the key financial indicators with respect to the Group's Conventional Energy business segment for FY2022 and, FY2021[15].

(S$ million)	**FY2022**	**FY2021**
Continuing operations		
Turnover[(1)]	6,547	5,292
EBITDA[(2)]	886	561
Share of Results: Associates and Joint Ventures (net of tax)	93	81
Adjusted EBITDA[(3)]	979	642
Net Profit	603	90
– Net Profit Before Exceptional Items	622	289
– Exceptional Items[(4)]	(19)	(199)
Return on Equity Before Exceptional Items	34.8%	23.3%
Return on Equity	33.9%	7.9%
Discontinued operation		
Net Profit from Discontinued Operations	144	149
Total Net Profit	747	239
– Net Profit Before Exceptional Items	766	438
– Exceptional Items[(4)]	(19)	(199)

Notes:

(1) Turnover figures are stated before inter-segment eliminations.

(2) EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

(3) Adjusted EBITDA is calculated by adding reported EBITDA to share of results from associates and joint ventures (net of tax).

(4) 2022 exceptional items totalling negative S$19 million were mainly for the impairment of a woodchip boiler and other facilities in Singapore.

2021 exceptional items totalling negative S$199 million comprised an impairment of S$212 million for the Chongqing Songzao power plant in China and a S$13 million gain from the UK land sales and connection fee income.

[15] On 8 November 2022, shareholders of SCI approved the SEIL Disposal. Consequently, SEIL was classified as a disposal group held for sale and the financial performance of SEIL was classified as a discontinued operation, with comparative information of its financial performance re-presented accordingly. The SEIL Disposal was completed on 19 January 2023.

The following table sets out the key operational indicators with respect to the Group's Conventional Energy business segment for FY2022 and FY2021.

	FY2022	FY2021
	(MW)	
Gross Conventional Power Capacity[1]	9,477	9,477
– Gas	5,457	5,457
– Coal and Diesel	4,020	4,020
Contracted Conventional Capacity with Long-term Agreements[2]	5,259	5,058

Notes:

(1) All 2021 and 2022 capacities are operational. On 19 January 2023, the sale of SEIL (which operates two coal-fired power plants totalling 2.6GW) was completed. Excluding SEIL, gross conventional power capacity is 6.8GW and contracted conventional capacity with long-term agreements is 3.1GW.

(2) Long-term agreements refer to agreements with a tenure of at least five years from the contract effective date.

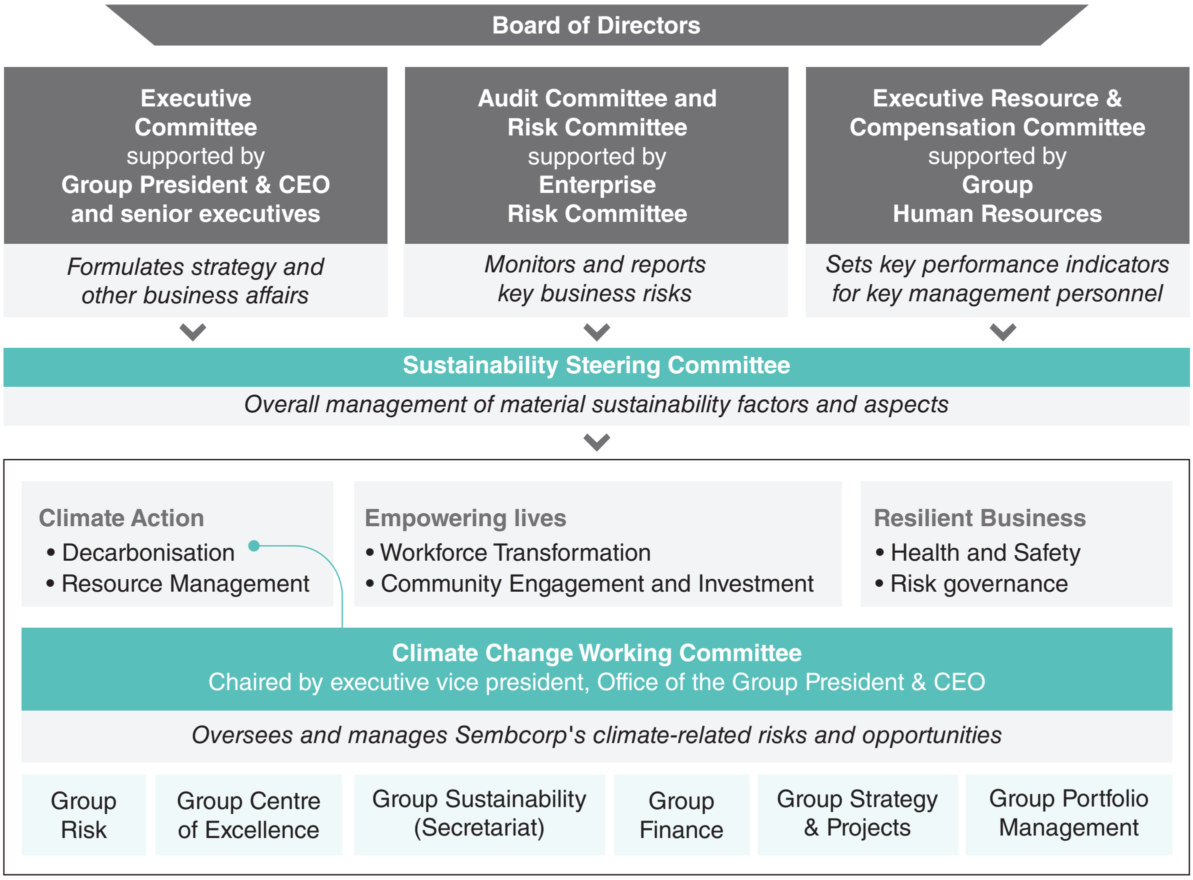
Sustainability

Driven by a purpose to help build a sustainable future, Sembcorp Industries considers sustainability as part of its business and strategy. Sembcorp Industries was the first Singapore energy company to launch a comprehensive climate change strategy in 2018 and continues to play a transformative role in an inclusive energy transition. Sembcorp Industries' sustainability framework reflects the material sustainability factors that the Group seeks to focus on and manage well, to drive improved performance and impact.

In line with its strategic focus as a provider of sustainable solutions, Sembcorp Industries has adopted UN Sustainable Development Goals ("**SDG**") 7 (*Affordable and Clean Energy*) and SDG 13 (*Climate Action*) as the priority UN SDGs. Sembcorp Industries recognises that the UN SDGs are a holistic framework for sustainable development and will continue to manage other relevant areas to maximise positive impacts while minimising negative impacts.

To ensure that sustainability is embedded into the business, ESG Key Performance Indicators are a part of the performance scorecard of Sembcorp Industries' senior executives. These include GHG emissions intensity and gross installed renewable energy capacity.

Further, Sembcorp Industries has established the Sustainability Steering Committee that provides strategic direction for managing sustainability-related risks and opportunities. The Sustainability Steering Committee is chaired by the Group President & CEO, and comprises senior executives who are accountable for the management of Sembcorp Industries' material sustainability factors.



Sembcorp Industries has been:

- Rated "AA" grade on the MSCI ESG Ratings, 2022;
- Awarded "B" CDP Climate Change score, 2022, 2021 and 2020[16].

[16] According to CDP, a "B" score indicates environmental management. Companies that score a B have addressed the environmental impacts of their business and ensure good environmental management. For further information, please refer to https://www.cdp.net/en/scores/cdp-scores-explained.

For more information about Sembcorp Industries' sustainability framework and how Sembcorp Industries manages its material sustainability factors, please refer to the Sustainability Report published annually by Sembcorp Industries, which can be found in the most recently published annual reports of the Group incorporated by reference in this Offering Circular.

Employees

As at 31 December 2022, the Group has over 5,000 employees. The Group also employs temporary employees from time to time.

Sembcorp Industries believes that having a competent, highly motivated and performance-led workforce is key to ensuring the success of its business. In recognising that its employees play a vital role in ensuring its business stays relevant by delivering on its transformation goals, Sembcorp Industries has identified the following areas of focus:

(a) Employee engagement. The leadership of Sembcorp Industries communicates with its employees through various channels, including dialogues, town halls, video conferencing, newsletters and email circulars.

(b) Employment development. Sembcorp Industries' talent strategy and development as well as succession planning are supported by its talent review and succession planning framework, talent development framework, performance management system and the Sembcorp academy learning platform.

(c) Compensation and benefits. Sembcorp Industries has in place a competitive remuneration and reward system based on the key principles of equity and meritocracy. Salary levels are reviewed regularly and benchmarked against local markets, as well as data from global market surveys and consultancy firms. Where applicable, Sembcorp Industries also undergoes negotiations with employee unions.

(d) Employee wellness. Sembcorp Industries adopts a holistic approach to workplace wellness encompassing the physical, social and psychological well-being of its employees. Its workplace wellness plans are supported by a dedicated budget for activities that encourage employee well-being and team bonding, employee-led committees that organise a range of recreational and wellness activities, and mandatory medical screenings for employees whose work may include occupational health hazards for all employees in most markets.

(e) Human rights and labour standards. Sembcorp Industries' human rights policy sets out its principles with respect to human rights and labour standards, while its code of conduct sets out key principles on fairness, opportunity, non-discrimination, dignity, respect and non-harassment.

(f) Diversity and equal opportunities. Recruitment, promotion, rewards and career development opportunities are based on merit, without discrimination against age, race, gender, sexual orientation, religion, family or marital status, or any other status protected by the laws or regulations in the locations where Sembcorp Industries operates. Sembcorp Industries also offers its employees placements in different markets to encourage greater exposure and to diversify their skills and experience.

Intellectual Property

Sembcorp Industries relies on a combination of patent, trademark, domain name registrations, copyright protection and contractual restrictions to protect its technologies, brand name and logos, marketing designs and internet domain names.

In addition, Sembcorp Industries has established a technology advisory panel (the "**Technology Advisory Panel**") which advises it on digital and technological developments in line with its strategy to be a leading provider of sustainable solutions. The Technology Advisory Panel provides independent advice on the development and application of significant emerging as well as potentially disruptive technologies. It further guides the appropriate management of specialised research and development projects and systems for intellectual property creation and protection. The Technology Advisory Panel also advises Sembcorp Industries on technological trends and opportunities. Members of the Technology Advisory Panel help to introduce new and emerging technologies or companies to the Group and regularly advise on topical issues and technologies in their respective fields of interest and expertise. Please refer to "*Directors and Management – Board Committees – Technology Advisory Panel*" for further details.

Litigation

Save as disclosed in this Offering Circular, none of Sembcorp Industries, SFS or any other member of the Group are involved in any legal or arbitration proceedings the outcome of which Sembcorp Industries believes may have a material adverse effect on the financial position of Sembcorp Industries, SFS or the Group, taken as a whole, and there are no such proceedings, so far as Sembcorp Industries and SFS are aware, pending or threatened against Sembcorp Industries, SFS or the Group, which are material in the context of the issue of the Instruments.

Insurance

Sembcorp Industries maintains insurance policies, which provide coverage for, among others, directors and officers liability, property damage, business interruption, general liability and terrorism. In addition, the Group maintains term life, health and personal accident, work-related injury and business travel policies for its employees.

Sembcorp Industries conducts periodic reviews of the adequacy of its insurance coverage and believes that the types and amounts of insurance coverage it currently maintains are adequate for the conduct of its business. However, there can be no assurance that all risks are covered or are adequately insured against. Please refer to "*Risk Factors – Risks relating to the Group's Business – The Group's insurance coverage may not adequately cover all situations, some of which may not be insurable*" for further details.

DESCRIPTION OF SEMBCORP FINANCIAL SERVICES PTE. LTD.

History and Background

SFS was incorporated in Singapore on 14 March 2003 and is a wholly-owned subsidiary of SCI.

The registered office of SFS as at the date of this Offering Circular is 30 Hill Street, #05-04, Singapore 179360.

As at the date of this Offering Circular, the issued and paid-up capital of SFS is S$15,000,000 comprising 15 million ordinary shares.

Principal Business Activities

The principal activities of SFS include the provision of financial and treasury services to the Group. Apart from the issue of Instruments under the Programme, it is also intended that SFS, as a central funding vehicle for the Group, may enter into other transactions for the purpose of raising funds to meet the financial requirements of the Group.

Directors

The name and position of each of the Directors of SFS are set out below:

Name	Position
Eugene Cheng Chee Mun	Director
Chong Kwang Cheong Robert	Director
Yap Siew Leng	Director
Foo Fei Voon	Director

DIRECTORS AND MANAGEMENT

Directors

The Board's principal duties are to:

- provide leadership and guidance to management on the Group's overall strategy with a focus on value creation, innovation and to ensure the necessary financial and human resources are in place, deployed and optimised;

- ensure the adequacy of the Group's risk management together with internal control framework and standards, so that the Group's obligations to shareholders and stakeholders are met;

- review management performance and oversee the Group's overall performance objectives, key operational initiatives, financial plans, annual budgets, major investments, divestments, funding proposals, financial performance reviews, corporate governance practices; and

- provide guidance and oversight on sustainability issues, including the determination of material environmental, social and governance factors, as part of the Group's overall business strategy.

The following table and description below sets forth certain information concerning the Board as at the date of this Offering Circular:

Name	**Position**
Mr Tow Heng Tan	Chairman, Non-Executive and Non-Independent Director
Mr Lim Ming Yan	Lead Independent Director
Mr Ajaib Haridass	Non-Executive and Independent Director
Mr Yap Chee Keong	Non-Executive and Independent Director
Dr Josephine Kwa Lay Keng	Non-Executive and Independent Director
Mr Nagi Hamiyeh	Non-Executive and Non-Independent Director
Mr Wong Kim Yin	Group President and CEO

Note:

(1) As announced in SCI's announcement on 28 July 2023, Mr Kunnasagaran Chinniah will be appointed as a Non-Executive and Independent Director with effect from 1 August 2023.

The address of each of the Directors of Sembcorp Industries, in their capacity as Directors of Sembcorp Industries, is 30 Hill Street, #05-04, Singapore 179360.

Mr Tow Heng Tan

Chairman, Non-Executive and Non-Independent Director

Mr Tow was appointed to the Board on 1 June 2021. He is Chairman of the Executive Committee, and a member of the Executive Resource and Compensation Committee and the Nominating Committee.

Mr Tow is chief executive officer of Pavilion Capital International, a North Asia-focused private equity firm.

He previously held senior leadership positions serving as chief investment officer of Temasek International, senior director of DBS Vickers and managing director of Lum Chang Securities. He was also an investment banker with Schroders Singapore.

He sits on the boards of Fullerton Financial Holdings, the National Healthcare Group, Temasek Trust and Temasek Trust Asset Management (formerly known as ABC World Asia).

Mr Tow is a fellow of the Association of Chartered Certified Accountants and Chartered Institute of Management Accountants in the United Kingdom. He is a chartered accountant with the Institute of Singapore Chartered Accountants.

Mr Lim Ming Yan

Lead Independent Director

Mr Lim was appointed to the Board on 18 January 2021. He is Chairman of the Executive Resource and Compensation Committee and the Nominating Committee, and a member of the Executive Committee. He also sits on the Technology Advisory Panel.

Mr Lim is chairman of the Singapore Business Federation. He also sits on the boards of DLF Cyber City Developers, DLF Assets and Enterprise Singapore. Mr Lim is a member of the board of trustees of Chinese Development Assistance Council and Singapore Management University. He is Singapore's Non-Resident High Commissioner to the Republic of Mauritius as well.

Mr Lim previously served as president and group chief executive officer of CapitaLand Group.

Mr Lim holds a first-class honours in Mechanical Engineering and Economics as well as an honorary doctorate from University of Birmingham. He has also completed the Advanced Management Program at Harvard Business School.

Mr Ajaib Haridass

Non-Executive and Independent Director

Mr Haridass was appointed to the Board on 1 May 2014. He is Chairman of the Risk Committee, and a member of the Audit Committee.

With 45 years of legal experience, Mr Haridass specialises in maritime law, and deals with commercial and banking litigation. Currently a consultant with Haridass Ho & Partners, he is a panel member of Singapore International Arbitration Centre and Singapore Chamber of Maritime Arbitration. Mr Haridass is also an accredited principal mediator of the Singapore Mediation Centre and a senior accredited specialist (maritime and shipping law), Singapore Academy of Law. He is a commissioner for oaths, a notary public and a retired justice of the peace.

Mr Haridass is lead independent director of Nam Cheong and also sits on the boards of Metis Energy (formerly known as Manhattan Resources) and Singapore LNG Corporation.

Mr Haridass holds a Bachelor of Laws with honours from University of London and is a qualified barrister-at-Law at the Honourable Society of the Middle Temple.

Mr Yap Chee Keong

Non-Executive and Independent Director

Mr Yap was appointed to the Board on 1 October 2016. He is Chairman of the Audit Committee, and a member of the Risk Committee.

Mr Yap brings to the Board financial, management and audit expertise, as well as experience in industry sectors including energy, infrastructure and real estate. He was formerly the executive director of The Straits Trading Company and chief financial officer of SP Group.

Mr Yap is a director of various companies such as Shangri-La Asia, Olam Group, Mediacorp, Ensign InfoSecurity, Pacific International Lines, Singapore Life Holdings *(formerly known as Aviva Singlife Holdings)* and Seatrium (*formerly known as Sembcorp Marine*).

Previously, Mr Yap served on the board of Singapore's Accounting and Corporate Regulatory Authority ("**ACRA**") and on ACRA's Public Accountants Oversight Committee. He was a member of the working group convened by ACRA, the MAS and the Singapore Exchange ("**SGX**") to review the Guidebook for Audit Committees in Singapore, as well as the panel convened by ACRA, MAS, SGX and Singapore Institute of Directors which formulated guidelines for board risk committees.

Mr Yap holds a Bachelor of Accountancy from National University of Singapore and is a fellow of Institute of Singapore Chartered Accountants and CPA Australia.

Dr Josephine Kwa Lay Keng

Non-Executive and Independent Director

Dr Kwa was appointed to the Board on 1 August 2018. She is a member of the Risk Committee and the Audit Committee. She also sits on the Technology Advisory Panel.

Dr Kwa brings to the Board rich experience in technology as well as research and development ("**R&D**") across various industries, including energy and engineering. She is a member of the board and audit committee of Agency for Science, Technology and Research. She is also a director of Barghest Building Performance.

Dr Kwa was previously chief executive officer of NSL and served in various functions over her 23-year tenure with the company, including being its chief operating officer and head of technology, responsible for R&D, information technology, energy and environmental investments, and strategy. Dr Kwa chaired the National Energy Efficiency Committee for Industries in Singapore from 2000 to 2009 and continues to sit on the steering committee for the Singapore Certified Energy Manager Programme.

Dr Kwa holds a PhD and Bachelor of Science with honours in Mechanical Engineering from University of Leeds.

Mr Nagi Hamiyeh

Non-Executive and Non-Independent Director

Mr Hamiyeh was appointed to the Board on 3 March 2020. He is a member of the Executive Committee.

Mr Hamiyeh is Temasek's head of portfolio development. Over the course of his career with Temasek, he has led the firm's Investment Group, consumer, industrials, natural resources and real estate investment teams and was joint head of the enterprise development group as well as head of Africa and Middle East, Australia and New Zealand.

Mr Hamiyeh sits on the boards of Olam Group, OFI Group, Kyanite Investment Holdings, Kyanite Investment Holdings (I), Olam Agri Holdings and Seatrium (*formerly known as Sembcorp Marine*).

Prior to Temasek, Mr Hamiyeh was a banker with Credit Suisse First Boston's Energy Group. He began his career at Bain & Company.

Mr Hamiyeh holds a Master of Science in Civil and Environmental Engineering from Massachusetts Institute of Technology, as well as a Bachelor of Science in Civil Engineering from University of Texas.

Mr Wong Kim Yin

Group President and CEO

Mr Wong was appointed to the Board on 1 July 2020. He is a member of the Executive Committee, and sits on the Technology Advisory Panel.

Mr Wong has close to 30 years of leadership experience in the energy sector and in investment management. He has been instrumental in leading Sembcorp Industries' transformation of its portfolio from brown to green.

Mr Wong was the group chief executive officer of Singapore Power ("**SP Group**") from 2012 to 2020. Prior to SP Group, he led investments and project development in his roles at Temasek International and The AES Corporation.

Mr Wong is the chairman of SkillsFuture Singapore and serves on the boards of the National Research Foundation, the Inland Revenue Authority of Singapore and DSO National Laboratories. He is also a board member of China Venture Capital Fund Corporation and a Vice Chairman of the World Energy Council.

Mr Wong holds a Bachelor of Science in Computer Science and Information Systems from the National University of Singapore and a Master of Business Administration from the University of Chicago Booth School of Business.

Management

The following table and description below sets forth certain information concerning the key management of Sembcorp Industries as at the date of this Offering Circular:

Name	Position
Mr Wong Kim Yin	Group President and CEO
Mr Eugene Cheng	Group Chief Financial Officer ("**Group CFO**")
Mr Robert Chong	Chief Corporate and Human Resource Officer
Mr Hong Howe Yong	Head, Group Centre of Excellence
Mr Charles Koh	Chief Digital Officer and Platform Founder, GoNetZero™
Mr Koh Chiap Khiong	CEO, Singapore and Southeast Asia
Mr Andy Koss	CEO, UK and Middle East

Name	Position
Mr Lee Kok Kin	CEO, SembWaste
Mr Appakudal Nithyanand	CEO, Sembcorp Green Infra (India)
Ms Nuraliza Osman	Group General Counsel
Mr Alex Tan	CEO, China
Mr Vipul Tuli	Chairman, South Asia and CEO, Hydrogen Business
Mr Soon Sze Meng	CEO, GoNetZero™
Mr Tan Cheng Guan	Executive Vice President, Office of the Group President and CEO

Mr Wong Kim Yin

Group President and CEO

Mr Wong was appointed Group President and CEO of Sembcorp Industries on 1 July 2020. For details on his profile, see "*Directors and Management – Directors*" above.

Mr Eugene Cheng

Group CFO

Mr Cheng was appointed Group CFO of Sembcorp Industries on 8 March 2021.

Mr Cheng oversees the Group's finance, treasury, tax, portfolio and investment management, sustainability, investor relations and media communications functions.

He brings extensive experience in financial and strategic leadership across the aviation, offshore oil and gas, marine engineering and logistics industries. Prior to joining Sembcorp Industries, Mr Cheng was chief corporate officer of SATS where he oversaw key business functions such as business development, strategic investments, mergers and acquisitions ("**M&A**"), as well as corporate strategy. Mr Cheng also served as group chief corporate officer of IMC Industrial Group. He was an investment banker with JP Morgan and Citigroup, specialising in M&A advisory, corporate financing and capital raising.

Mr Cheng holds a Bachelor of Accountancy with first-class honours and a Master of Science in Accountancy from Nanyang Technological University. He is also a member of the ACRA's Accounting Standards Committee.

Mr Robert Chong

Chief Corporate and Human Resource Officer

Mr Chong was appointed Chief Corporate and Human Resource Officer of Sembcorp Industries on 1 December 2020.

Mr Chong oversees the Group's human resource, integrated communications, health, safety, security and environment, procurement, and corporate secretariat functions. He has over 30 years of senior management experience in human resources, organisational transformation and diverse corporate functions supporting business growth.

He helmed senior roles at various global companies such as the Shangri-La Group, Keppel Corporation, Temasek International and Shell (Asia Pacific and Middle East).

He is certified as a Master Professional by the Institute for Human Resource Professionals.

Mr Chong holds a Bachelor of Arts in Sociology from National University of Singapore and a Master of Business Administration in Accountancy from Nanyang Technological University. He has also completed the Advanced Management Program at Harvard Business School, and other senior leadership programmes at INSEAD, France, and International Institute for Management Development in Switzerland.

Mr Hong Howe Yong

Head, Group Centre of Excellence

Mr Hong was appointed Head, Group Centre of Excellence of Sembcorp Industries on 1 January 2022.

Mr Hong oversees the standards and governance of the Group's engineering and technological capabilities. He is also responsible for growing the Group's capabilities to support its renewables, energy storage, conventional energy, water and green hydrogen businesses.

He brings with him deep experience in engineering and technology, including managing multiple business teams in an integrated refining-petrochemical complex. He has also held various corporate roles in strategic planning, global marketing and supply chain over his 27 years in the refining and petrochemicals industry.

Mr Hong holds a Master of Business in Information Technology from the University of Surrey and a Bachelor of Science in Chemical Engineering from the National University of Singapore.

Mr Charles Koh

Chief Digital Officer and Platform Founder, GoNetZero™

Mr Koh was appointed Chief Digital Officer of Sembcorp Industries on 1 April 2021.

Mr Koh drives the Group's digitalisation journey, focusing on efforts to build and scale key digital capabilities across the Group's businesses. This includes overseeing the Group's new carbon management solutions corporate venture GoNetZero™.

He has more than 25 years of experience digitalising businesses in various senior roles across the energy, financial, hospitality, logistics and consulting sectors in companies such as Temasek Holdings, McKinsey & Company and PepsiCo. Prior to Sembcorp Industries, Mr Koh led the Future Ready and Future of Work platforms at DBS Bank, a leading financial services group in Asia. He was responsible for 5G, blockchain and Internet of Things applications in cross-industry ecosystems and digital fulfilment via Conversational Artificial Intelligence at the bank. He also founded a tech start-up which he took to profitability.

Mr Koh holds a Bachelor of Science in Economics and Management from the London School of Economics.

Mr Koh Chiap Khiong

CEO, Singapore and Southeast Asia

Mr Koh was appointed CEO, Singapore and Southeast Asia of Sembcorp Industries on 1 January 2021.

Mr Koh oversees Sembcorp Industries' operations comprising large-scale energy, water and battery storage assets on Jurong Island (Singapore) and a portfolio of energy assets across Southeast Asia. He is also responsible for driving the strategic direction and business growth of the energy businesses across the region.

Mr Koh has deep knowledge of the energy and water sectors with extensive experience in managing infrastructure-related businesses, supported by a strong financial background. Prior to his current appointment, he was the group chief financial officer of Sembcorp Industries from 2010 to 2018, and was instrumental in shaping and expanding the company's growth and investments overseas.

Mr Koh holds a first-class honours in Accountancy from the National University of Singapore and has also completed the Advanced Management Program at Harvard Business School.

Mr Andy Koss

CEO, UK and Middle East

Mr Koss was appointed CEO, UK and Middle East of Sembcorp Industries on 1 January 2021.

Mr Koss oversees Sembcorp Industries' operations comprising large-scale industrial assets on the Wilton International site, a portfolio of flexible gas engines and battery energy storage systems across the UK, together with Sembcorp Industries' business interests in the Middle East.

Mr Koss has 30 years of experience in the financial and energy sectors. Prior to joining Sembcorp Industries, he spent 15 years at Drax Group where he rose to chief executive officer of generation and oversaw the group's UK power generation sites and key functions. Before Drax Group, he was deputy group treasurer of Provident Financial, and had held various accounting and investment banking roles at companies including Coopers & Lybrand, UBS and Dresdner Kleinwort Benson.

Mr Koss is a qualified chartered accountant and treasurer. He holds a first-class honours in Mathematics, Operational Research, Statistics and Economics from the University of Warwick.

Mr Lee Kok Kin

CEO, SembWaste

Mr Lee was appointed CEO of SembWaste on 1 October 2021.

Mr Lee oversees the operations and strategic growth of SembWaste, a wholly-owned subsidiary of Sembcorp Industries, which provides waste management, public cleaning and recycling services in Singapore.

An engineer by training, Mr Lee has over 22 years of experience, primarily in the energy sector. Prior to joining Sembcorp Industries, he was with SP Group. During his career there, he was involved with electricity and gas transmission and distribution ("**T&D**") project development, operations and maintenance (supervisory control and data acquisition and emergency response), T&D gas metering, risk management, and corporate planning.

Mr Lee holds a Bachelor of Engineering (Electronic and Electrical) from the University of Southern Queensland and a Master of Business Administration from the University of Chicago Booth School of Business. He is a Chartered Professional Engineer, member of Engineers Australia (CPEng, MIEAust), and a Certified Professional Risk Manager.

Mr Appakudal Nithyanand

CEO, Sembcorp Green Infra (India)

Mr Nithyanand was appointed CEO of Sembcorp Green Infra (India) on 1 April 2023.

Mr Nithyanand oversees Sembcorp's renewable energy operations and strategic growth in India.

Mr Nithyanand has 28 years of experience in leadership roles across the infrastructure, real estate, healthcare, and utilities sectors. Before joining Sembcorp Industries, he was CEO, Asia of Roadis Transportation, a global investment and operating infrastructure company. Prior to that, he was the Chief Commercial & Business Development Officer (Airports) at the GMR Group where he was responsible for revenue and growth of its airport business. Over the span of his career, he has led business development and sales, strategic acquisitions and divestments as well as managed key stakeholder relationships.

Mr Nithyanand holds a Master of Business Administration from Carnegie Mellon University, a Masters in Finance from Delhi University and a Bachelor's degree in Economics from Delhi University.

Ms Nuraliza Osman

Group General Counsel

Ms Osman was appointed Group General Counsel on 29 March 2023.

Ms Osman oversees legal, compliance and ethics matters within the Group. She is an attorney qualified in Singapore and New York and brings rich experience in the energy industry across the entire value chain internationally, including in the upstream, downstream and renewables sectors.

Ms Osman was previously from an international energy major and had served in various functions during her 17.5-year tenure with the company. Before joining Sembcorp Industries, she was managing counsel for mergers and acquisitions leading a team of lawyers responsible for advising on significant high-risk transactions and complex joint ventures across Asia. Over the course of her career, she has worked in Singapore, London, the Netherlands and West Africa (Gabon, Ghana and Nigeria) and has built deep and proven expertise in dealing with challenging legal dilemmas in extremely difficult environments.

Prior to this, Ms Osman was a lawyer specialising in commercial litigation and practiced in two of Singapore's leading law firms, Messrs Rajah & Tann and Messrs Tan Kok Quan Partnership working under senior counsels of the Singapore bar.

She was previously nominated by GIC Private Limited as one of 10 leading female leaders making a difference and by the Law Society of Singapore as a notable Young Lawyer.

Ms Osman is a director of and has been volunteering with the Make-A-Wish Foundation for more than 20 years. She holds a Bachelor of Laws (Honours) from National University of Singapore.

Mr Alex Tan

CEO, China

Mr Tan was appointed CEO, China of Sembcorp Industries on 12 April 2021.

Mr Tan is responsible for the operations, strategic direction and business growth of the Group's energy and sustainable solutions offerings in China.

He has over 20 years of experience in the chemical, logistics and financial sectors. He spent 17 years at Air Products, an industrial gases company, taking on various management roles in Singapore and China before becoming President of its Southeast Asia operations. Mr Tan also held various corporate development and finance roles at IMC Industrial Group and TD Securities.

Mr Tan holds a Bachelor's degree in Economics and Statistics from National University of Singapore and a Master of Business Administration from the University of Rochester (Simon School).

Mr Vipul Tuli

Chairman, South Asia and CEO, Hydrogen Business

Mr Tuli was appointed CEO, Hydrogen Business of Sembcorp Industries and Chairman, South Asia on 6 January 2023 and 1 April 2023, respectively.

Mr Tuli oversees Sembcorp Industries' investments and key stakeholder relationships in India and Bangladesh. He is concurrently the CEO of Sembcorp Industries' newly created global Hydrogen Business since 6 January 2023.

Mr Tuli has 30 years of experience in the energy sector. Prior to Sembcorp Industries, he was a senior partner with McKinsey & Company where he helped to build and lead its Asian energy practice. He has also advised government institutions on issues of energy policy, organisation, industry structure, and regulation.

Mr Tuli holds a Bachelor's degree in Chemical Engineering from Indian Institute of Technology Delhi and completed his post graduate studies in business management from Indian Institute of Management Calcutta.

Mr Soon Sze Meng

CEO, GoNetZero™

Mr Soon was appointed CEO, *GoNetZero™* of Sembcorp Industries on 1 May 2023.

Mr Soon is responsible for the operations, strategic direction and growth of Sembcorp Industries' carbon management business, GoNetZero™.

He brings with him over 20 years of experience in senior executive roles and board experiences in consulting, e-commerce, payments and technology across China, Southeast Asia and the United States. In one of his previous roles, he was President, Southeast Asia of JD.com, a listed e-commerce company. He also serves as a member of the Board of Trustees of Singapore Institute of Technology.

Mr Soon holds a bachelor's degree in Public Policy from Stanford University and a Master of Business Administration from Northwestern University's Kellogg School of Management.

Mr Tan Cheng Guan

Executive Vice President, Office of the Group President and CEO

Mr Tan was appointed Executive Vice President, Office of the Group President and CEO of Sembcorp Industries on 1 January 2021.

Mr Tan leads the development of Sembcorp Industries' water business and is also non-executive Chairman of Sembcorp China, providing strategic guidance to the business.

He is also chairman of Sembcorp Industries' Climate Change Working Committee, and drives Sembcorp Industries' performance towards climate-related metrics and targets, overseeing key initiatives such as risk mitigation, opportunities, and GHG mitigation.

Mr Tan pioneered the early development of Sembcorp Industries' utilities business on Jurong Island in Singapore. He was instrumental in leading the Group's entry into the renewables business, and also led Sembcorp Industries' business expansion in China, India, the UK, the Middle East, Myanmar and Bangladesh. He has held various senior appointments in Sembcorp Industries, including head of business development and commercial as well as head of Group Centre of Excellence.

Possessing broad experience in engineering, strategy, business and project development for the utilities and energy industry, Mr Tan has worked in Shanghai, London, Kuala Lumpur and Sarawak.

Mr Tan holds an honours degree in Civil Engineering from the University of Liverpool and has also completed the Advanced Management Program at Harvard Business School.

Board Committees

As at the date of this Offering Circular, the Board has established six Board committees, namely the Executive Committee, the Audit Committee, the Risk Committee, the Executive Resource and Compensation Committee, the Nominating Committee and the Technology Advisory Panel to assist in the efficient discharge of responsibilities and provide independent oversight of management. These committees operate within clearly defined terms of reference.

Executive Committee

The Executive Committee is chaired by Mr Tow Heng Tan and its members are Mr Nagi Hamiyeh, Mr Wong Kim Yin and Mr Lim Ming Yan. The Executive Committee assists the Board in ensuring that the Group's business and affairs are conducted in line with the strategic direction set by the Board. In pursuing the objective, the Executive Committee assists in developing the overall strategy for the Group and supervising the management of the Group's business and affairs, including its material sustainability factors.

The key roles and responsibilities of the Executive Committee are to:

- review and approve business opportunities, major contracts, strategic investments and divestments of the Group that fall within the financial authority limits delegated by the Board;

- review the status of the Group's projects from development till completion; and

- review and endorse the post investment review report for the Group's investments.

Audit Committee

The Audit Committee is chaired by Mr Yap Chee Keong and its members are Mr Ajaib Haridass and Dr Josephine Kwa Lay Keng. All members of the Audit Committee are non-executive and independent Directors.

The key roles and responsibilities of the Audit Committee are to:

- review and report to the Board, at least annually, the Group's financial and accounting matters, as well as internal controls encompassing operational, compliance, risk management and information technology. This includes ensuring the adequacy and accuracy of the half-yearly and annual financial statements prior to submission to the Board;

- approve the respective audit work plans, review the evaluation and reports submitted by external and internal auditors and ensure that audit resources are allocated in line with key business, operational and financial risk areas;

- review the assistance rendered by management to the auditors and discuss issues or concerns (if any) arising and conduct discussions with the external and internal auditors in the absence of management (where necessary);

- review and approve the Group's whistleblowing programme and policy and ensure that independent investigations are conducted by the internal auditors and management for any suspected fraud, irregularity or suspected infringement of rules, regulations and laws which may have material impact on the operations and financial position of the Group;

- monitor and oversee the independence, objectivity, scope and effectiveness, appointment or re-appointment of external auditors annually;

- review and approve interested person transactions in accordance with the requirements of Chapter 9 of the SGX-ST Listing Rules; and

- undertake any reviews as requested by the Board and other duties as prescribed by statutes and the SGX-ST Listing Rules or recommended by the Code of Corporate Governance 2018 (as amended on 11 January 2023) (the "**Code of Corporate Governance**") and by such amendments made thereto from time to time.

Risk Committee

The Risk Committee is chaired by Mr Ajaib Haridass and its members are Mr Yap Chee Keong and Dr Josephine Kwa Lay Keng. All members of the Risk Committee are non-executive and independent Directors.

The key roles and responsibilities of the Risk Committee are to:

- review and approve Group-wide risk appetite and risk tolerance, Group risk policies, guidelines, limits and key risk indicators;

- review and report to the Board on the adequacy and effectiveness of the risk management systems, processes and procedures of the Group (in consultation with the Audit Committee);

- review the Group's Integrated Assurance Framework reports established for management reporting to the Board and Risk Committee; and

- ensure the adequacy of resources to support the management of risks.

Executive Resource and Compensation Committee

The Executive Resource and Compensation Committee is chaired by Mr Lim Ming Yan and its member is Mr Tow Heng Tan. All members of the Executive Resource and Compensation Committee are non-executive Directors. The Executive Resource and Compensation Committee is responsible for developing, reviewing and recommending the framework of remuneration for the Board and key management personnel as defined in the Code of Corporate Governance, as well as reviewing succession plans for key management personnel.

The key roles and responsibilities of the Executive Resource and Compensation Committee are to:

- assist the Board to ensure competitive remuneration policies and practices are in place, and in line with prevailing economic environment, industry practices as well as compensation norms;

- review the Directors' Fee Framework and remuneration package of the Group President and CEO and each key management personnel of the Group periodically, and make recommendations on such matters to the Board for its consideration;

- review and recommend to the Board on the guidelines on share-based incentives and other long-term incentive plans and approve the grant of such incentives to key management personnel; and

- review succession planning for key management personnel and the leadership pipeline for the organisation.

Nominating Committee

The Nominating Committee is chaired by Mr Lim Ming Yan and its member is Mr Tow Heng Tan. All members of the Nominating Committee are non-executive Directors. The Nominating Committee helps to ensure a sound, balanced and independent Board for the continued success of Sembcorp Industries.

The key roles and responsibilities of the Nominating Committee are to:

- ensure that the Board has the appropriate balance of attributes, skills, knowledge and experience in business, finance and related industries, as well as other aspects of diversity and management expertise critical to Sembcorp Industries' businesses;

- recommend the targets to achieve board diversity as they deem fit and without compromising the meritocracy principle of appointing qualified directors;

- review the composition and size of the Board and its committees and recommend new appointments, re-appointments or re-elections to the Board and Board committees as appropriate;

- review and endorse the directors' independence and succession plans for the Board;

- develop an evaluation process and criteria for the Board and Board committees' performance; and

- review and recommend training and professional development programmes for the Directors.

Technology Advisory Panel

The members of the Technology Advisory Panel are Dr Josephine Kwa Lay Keng, Mr Lim Ming Yan and Mr Wong Kim Yin. The Technology Advisory Panel also includes two co-opted members, Prof Ng How Yong and Prof Lui Pao Chuen.

The key roles and responsibilities of the Technology Advisory Panel are to:

- provide guidance and advice to Sembcorp Industries' Board and management on technology trends and opportunities to enhance Sembcorp Industries' leadership in its business sectors;

- advise on technology and digital development and areas for innovation and investment;

- oversee the development and application of significant emerging and potentially disruptive technologies relevant to Sembcorp Industries;

- advise on the appropriate management of specialised research, development and demonstration projects; and

- provide guidance to develop systems for intellectual property creation and protection. Please also refer to "*Description of Sembcorp Industries Ltd – Intellectual Property*" for further details.

TAXATION

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

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, ***provided that*** *the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Securities.*

Singapore Taxation

1. **Interest and Other Payments**

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

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

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is 22.0 per cent. prior to the year of assessment 2024, and 24.0 per cent. thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

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

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

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

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023 ("**MAS Circular**") that the QDS scheme is extended until 31 December 2028 and the requirement that QDS have to be substantially arranged in Singapore is rationalised, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) Company, a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences ("**Specified Licensed Entities**") for all debt securities that are issued on or after 15 February 2023:

(i) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

As the Programme as a whole is arranged by DBS Bank Ltd., which is a Specified Licensed Entity, any tranche of the Instruments (the "**Relevant Instruments**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2028 would be QDS for the purposes of the ITA pursuant to the MAS Circular, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Instruments in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Instruments as MAS may require and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Instruments of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Instruments is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Instruments using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Instruments, paid by the relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Instruments are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Instruments in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Instruments as MAS may require), Qualifying Income from the Relevant Instruments paid by the relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

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

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

Notwithstanding the foregoing:

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

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

    (I) any related party of the relevant Issuer; or

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

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

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

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

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

"**redemption premium**", in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

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

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

Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from 15 February 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Relevant Instruments upon their maturity or on the early redemption of the Relevant Instruments is derived from the Relevant Instruments by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Instruments using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Relevant Instruments upon their maturity or on the early redemption of the Relevant Instruments which is derived from the Relevant Instruments is not exempt from tax is required to include such income in a return of income made under the ITA.

2. **Capital Gains**

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

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

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

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

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

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

4. **Estate Duty**

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

Proposed Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Instruments are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. Each of the Issuers may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of these rules to instruments such as the Instruments, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Instruments issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Instruments (as described under Condition 19 of the Notes and Condition 16 of the Securities) that are not distinguishable from previously issued Instruments are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Instruments, including the Instruments offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Noteholders and Securityholders should consult their own tax advisors regarding how these rules may apply to their investments in the Instruments. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Instruments, no person will be required to pay additional amounts as a result of the withholding.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Instruments which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Instruments that are to be listed on the SGX-ST may be cleared through CDP.

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

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

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

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

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

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Instruments held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SUMMARY OF PROVISIONS RELATING TO THE INSTRUMENTS WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes or Securities represented by a Global Note or, as the case may be, Global Security in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" or references in the Terms and Conditions of the Securities to "Securityholder" are references to the bearer of the relevant Global Note or, as the case may be, Global Security which, for so long as the Global Note or Global Security is held by CDP and/or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be CDP, that common depository or sub-custodian, as the case may be.

In relation to any Tranche of Notes or Securities represented by a Global Note Certificate or, as the case may be, Global Security Certificate, references in the Terms and Conditions of the Notes to "Noteholder" and references in the Terms and Conditions of the Securities to "Securityholders" are references to the person in whose name such Global Note Certificate or, as the case may be, Global Security Certificate is for the time being registered in the Register which, for so long as the Global Note Certificate or, as the case may be, Global Security Certificate is held by or on behalf of CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be CDP or a common depositary or a nominee for such common depositary.

Each of the persons shown in the records of CDP and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note, a Global Security, a Global Note Certificate or a Global Security Certificate (each an "**Accountholder**") must look solely to CDP and/or Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Global Note, Global Security, Global Note Certificate or Global Security Certificate and in relation to all other rights arising under such Global Note, Global Security, Global Note Certificate or Global Security Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note, a Global Security, a Global Note Certificate or a Global Security Certificate will be determined by the respective rules and procedures of CDP, Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes or Securities are represented by a Global Note, a Global Security, a Global Note Certificate or, as the case may be a Global Security Certificate, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Instruments and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note, Global Security, Global Note Certificate or Global Security Certificate.

Conditions applicable to Global Notes and Securities

Each Global Note, Global Security, Global Note Certificate and Global Security Certificate will contain provisions which modify the Terms and Conditions of the Notes or, as the case may be, Terms and Conditions of the Securities as they apply to the Global Note, Global Security, Global Note Certificate or, as the case may be, Global Security Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note, Global Security, Global Note Certificate and Global Security Certificate which, according to the Terms and Conditions of the Notes or, as the case may be, Terms and Conditions of the Securities, require presentation and/or surrender of a Note, Note Certificate, Security, Security Certificate or Coupon or Talon will be made against presentation and (in the case of payment of principal in full with all interest or distribution accrued thereon) surrender of the Global Note, Global Security, Global Note Certificate or Global Security Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Instruments. On each occasion on which a payment of principal or interest or distribution is made in respect of the Global Note or Global Security, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, Global Security, Global Note Certificate or Global Security Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Note Certificate or Global Security Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate or, as the case may be, Global Security Certificate is being held is open for business.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in the Terms and Conditions of the Notes, in relation to some only of the Notes, the Permanent Global Note or a Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions of the Notes and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of CDP, Euroclear and Clearstream, Luxembourg (to be reflected in the records of CDP, Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Exercise of put option: In order to exercise the option contained in Condition 9(d) (*Redemption at the option of Noteholders*) in the Terms and Conditions of the Notes, the bearer of the Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent, in accordance with the rules and procedures of CDP, Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Similarly, the provisions for meetings of Noteholders in the Trust Deed contain provisions that apply while the Instruments are represented by a Global Note, Global Note, Global Security, Global Note Certificate or Global Security Certificate. The following is a summary of certain of those provisions:

Electronic Consent and Written Resolution: For so long as the Instruments are in the form of a Global Instrument held on behalf of, or a Global Instrument Certificate (as defined in the Trust Deed) registered in the name of any nominee for, one or more of Euroclear, Clearstream, the Depository or any other relevant clearing system (the "**relevant clearing system**"), then:

(a) approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters of the aggregate principal amount of the Instruments outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes, take effect as a resolution passed at a meeting of Instrumentholders duly convened and held, and shall be binding on all

Instrumentholders and, in relation to Bearer Instruments and Couponholders, even if the relevant consent or instruction proves to be defective; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Relevant Issuer (as defined in the Trust Deed), the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Relevant Issuer, the Guarantor and/or the Trustee, as the case may be, (i) accountholders in the clearing system(s) with entitlements to such Global Note, Global Security, Global Note Certificate or Global Security Certificate and/or, (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and **provided that**, in each case, the Relevant Issuer, the Guarantor and the Trustee have obtained commercially reasonable evidence as to the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, the Depository or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain as the Trustee in its absolute discretion may require and accept, in each case in relation to the holding of interests in the Instruments. Any resolution passed in such manner shall be binding on all Instrumentholders and, in relation to Bearer Instruments and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, once it has been accepted by the Trustee and in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Instruments is clearly identified together with the amount of such holding.

SUBSCRIPTION AND SALE

The Dealers have, in the dealer agreement dated 31 July 2023 (the "**Dealer Agreement**"), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Instruments. Any such agreement will extend to those matters stated (in the case of Notes) under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" or (in the case of Securities) under "*Form of the Securities*" and "*Terms and Conditions of the Securities*". In the Dealer Agreement, the Issuers and the Guarantor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and pay each relevant Dealer (as stated in the applicable Pricing Supplement) a commission as agreed between the relevant Issuer and the relevant Dealer in respect of the Instruments subscribed by it. The Issuers and the Guarantor have agreed to indemnify the relevant Dealers against certain liabilities in connection with the offer and sale of the Instruments.

The Sole Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuers, the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuers, the Guarantor and/or their respective affiliates in the ordinary course of the relevant Issuer's or the Guarantor's business. The relevant Issuer or the Guarantor may from time to time agree with the relevant Dealer(s) that the relevant Issuer or the Guarantor may pay certain third parties (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

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

United States

The Instruments and the Guarantee of the Instruments have not been and will not be registered under the Securities Act and Bearer Instruments are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered or sold within the United States. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or in the case of Bearer Instruments deliver the Notes within the United States. In addition, until 40 days after the commencement of any offering, an offer or sale of Instruments from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or

(ii) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Public Offer Selling Restriction under the EU Prospectus Regulation

If the Pricing Supplement in respect of any Instruments does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Instruments to the public in that Member State:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) *Fewer than 150 offerees:* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) *Other exempt offers:* at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Instruments referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

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

Prohibition of Sales to UK Retail Investors

If the Pricing Supplement in respect of any Instruments includes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented, warranted and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Instruments does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented, warranted and agreed, that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement to the public in the United Kingdom except that it may make an offer of such Instruments to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

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

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

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking:*** in relation to any Instruments which have a maturity of less than one year:

    (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

    (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons:

        (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer or the Guarantor;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) ***General compliance:*** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer represents, warrants and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Instruments in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan, and "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

PRC

Each of the Dealers has represented, warranted and undertaken that the Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws of the PRC.

General

Each Dealer represents, warrants and undertakes to the Issuers and the Guarantor that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Instruments or has in its possession or distributes the Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification may be set out in the relevant pricing supplement (in the case of a supplement or modification relevant only to a particular Tranche of Instruments) or in a supplement to this Offering Circular.

GENERAL INFORMATION

Authorisation

The establishment of the Programme, the issue of the Instruments under the Programme and the giving of the Guarantee were authorised by resolutions of the Board of Directors of SCI passed on 20 July 2023. The establishment of the Programme and the issue of the Instruments under the Programme has been duly authorised by resolutions of the Board of Directors of SFS passed on 20 July 2023.

Listing

Application has been made to the SGX-ST in connection with the Programme for permission to deal in, and for a quotation of, any Instruments that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents herein. The approval-in-principle from, and the admission of any Instruments to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, the Programme or the Instruments. Unlisted Instruments may be issued under the Programme.

The relevant Pricing Supplement in respect of any Series will specify whether or not such Instruments will be listed and, if so, on which exchange(s) the Instruments are to be listed. For so long as any Instruments are listed on the SGX-ST and the rules of the SGX-ST so require, the Instruments will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Clearing systems

The Instruments to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Instruments allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer and/or the Guarantor may also apply to have the Instruments accepted for clearance through CDP. If the Instruments are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588.

Conditions for determining price

The price and amount of Instruments to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

No material adverse change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of the Group since 31 December 2022.

Auditors

KPMG LLP, independent auditors, have audited and issued unqualified audit reports on the financial statements of the Group's accounts for FY2021 and FY2022, and have given their written consent for the inclusion or incorporation of their audit reports in this document in the form and context in which they are respectively included.

Legal Entity Identifier

The Legal Entity Identifier of SCI and SFS are 254900J0FF14U6TPQM96 and 25490038TP4G8MN6YS52 respectively.

Documents

So long as Instruments may be issued under the Programme, copies of the following documents will, when published, be available by each of the Paying Agents and the Registrar, by e-mail or for inspection at the their respective specified office to the relevant holder free of charge upon prior written notice and satisfactory proof of holding:

(i) the constitutional documents of the Issuers;

(ii) the most recently published and publicly available audited financial statements of the Group (together with the audit reports in connection therewith) and the most recently published and publicly available unaudited consolidated financial statements of the Group;

(iii) the Trust Deed, (which includes the forms of the Global Notes, the Instruments in definitive form, the Coupons and the Talons) and the Agency Agreement;

(iv) a copy of this Offering Circular; and

(v) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or Securities will only be available for inspection by a holder of such Note or Securities and such holder must produce evidence satisfactory to the relevant Issuer and the Principal Paying Agent as to its holding of Instruments and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

SCHEDULE 1
AUDITED FINANCIAL STATEMENTS OF SEMBCORP INDUSTRIES LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The information contained in this Schedule has been extracted from the annual report of Sembcorp Industries Ltd for the financial year ended 31 December 2022 and has not been specifically prepared for inclusion in this Offering Circular. The financial statements of Sembcorp Industries Ltd for the financial year ended 31 December 2022 have been prepared in accordance with SFRS(I) and IFRS.

Independent Auditors' Report

Members of the Company
Sembcorp Industries Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sembcorp Industries Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at December 31, 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 53 to 115.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Group and the Company as at December 31, 2022 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

Impairment assessment of property, plant and equipment, intangible assets and interests in associates and joint ventures (collectively, the Group's non-financial assets)

(Refer to Notes D1, D3 and G3 to the financial statements: property, plant and equipment of S$5,305,000,000, intangible assets of S$697,000,000 and associates and joint ventures of S$2,287,000,000).

Risk:

As at December 31, 2022, the Group's non-financial assets amounted to S$8,289,000,000. Management performs impairment assessment of these assets at least annually and as and when indicators of impairment or impairment reversal occur.

CGUs identified for impairment assessment are found in Note D3.

The recoverable amount of a CGU is the higher of the CGU's fair value less costs of disposal and its value-in-use (VIU). As the fair values of these assets are not readily determinable, the Group measures the recoverable amounts using the discounted cash flow technique to derive the assets' VIU.

The determination of the recoverable amounts of these CGUs involves a high degree of judgement and is subject to significant estimation uncertainties, principally, the gross margin forecasts, plant load factors and discount rates used. Gross margin forecasts and plant load factors depend on customer demand that corresponds with tariff rates that can be affected by political and regulatory developments.

Independent Auditors' Report

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

Impairment assessment of property, plant and equipment, intangible assets and interests in associates and joint ventures (collectively, the Group's non-financial assets) *(cont'd)*

Our response:
We assessed the Group's process for identifying and reviewing the CGUs subject to impairment testing.

We reviewed the key assumptions supporting the value-in-use calculations. We compared the plant load factors and gross margin forecasts to what had been achieved historically and prevailing market conditions affecting tariff and electricity demand. Together with our valuation specialist, we compared the discount rates to market observable data of peer companies and applicable risk premiums.

We performed sensitivity analysis of key assumptions driving the cash flow forecasts for the individual CGUs and considered the likelihood of such changes arising.

Our findings:
The Group has a process for identifying and reviewing the CGUs for impairment testing. Key inputs on revenue and margins, cash flow projections period, maintenance capital expenditure, assumed inflationary adjustment on operating costs and discount rates are used in assessing the recoverable amounts of the CGUs. We found these key inputs comparable to market expectations. The disclosures describing the estimation uncertainties and the sensitivity of the assumptions applied are appropriate.

Valuation of trade and service concession receivables
(Refer to Note E1 to the financial statements: Trade receivables of S$677,000,000 and service concession receivables of S$897,000,000)

Risk:
As at December 31, 2022, the Group's gross trade and service concession receivables totalled S$1,574,000,000 against which a loss allowance of S$136,113,000 was recorded. Such assessment of expected credit losses involving customer-specific and forward-looking information requires management judgement.

Of the loss allowance recorded, S$110,494,000 originated from service concession receivables recorded by a subsidiary, Sembcorp Myingyan Power Company (SMPC). A lifetime approach was applied in determining this loss allowance following a deterioration in credit risk rating from initial recognition of these trade receivables. SMPC operates in an emerging economy which is currently facing an unstable political environment, a weakening economy impacting foreign exchange reserves and potentially facing increased trade and economic sanctions. The probability default rate of "CC" sovereign rating assigned to bonds issued by external credit rating agencies is applied to determine this expected credit loss allowance.

Our response:
We reviewed the Group's estimation process in determining the amount of loss allowance recognised on these receivables.

We evaluated the creditworthiness of individually significant receivable accounts including the ones with deterioration in credit risk after initial recognition; and checked the probability of default and loss given default factors appraised by external credit agencies.

We assessed the adequacy of disclosures surrounding management's assessment on recoverability of these receivables.

Our findings:
The Group performs credit risk assessment on its trade and service concession receivables.

Management's basis of expected credit loss allowances booked on these receivables is supported by past historical experience together with probabilities of default and loss given default obtained from Standards and Poor and Moody's.

We found the disclosures surrounding credit risk assessment to be adequate.

Accounting for acquisitions of subsidiaries and associates in China
(Refer to Note D3, G1, G3 and G5 to the financial statements: Goodwill of S$126,000,000, Subsidiaries of S$2,309,000,000, Associates and Joint Ventures of S$2,287,000,000)

Risk:
During the financial year ended December 31, 2022, the Group completed the following acquisitions in China through its subsidiaries: 98% equity interest in Shenzhen Huiyang New Energy Group (HYNE), 35% equity interest in SDIC New Energy Investment Co., Ltd. (SDIC) and 45.3% equity interest in Hunan Xingling New Energy Co., Ltd. (Xingling) (collectively, the "Chinese companies").

These acquisitions require purchase price to be allocated to the fair values of the identifiable assets (including intangible assets) acquired and liabilities assumed. There is judgement involved in the purchase price allocation process including valuation of any intangible assets that emerged on business combination. There is also an on-going nationwide audit carried out by regulators in relation to subsidies on energy production received by Chinese renewables companies. The initial purchase price allocation assigned to the individual assets and liabilities of these companies acquired together with contingent consideration payable estimated by management may be subject to adjustments.

Our response:
We read the sales and purchase agreements in relation to these acquisitions and reviewed the key terms.

We referred the fair valuation of the acquired assets and assumed liabilities by reference to the Chinese companies' business model.

We assessed the objectivity, competence and capabilities of the external valuation specialist engaged by management to perform the PPA and determine the fair values of acquired assets and assumed liabilities.

We involved our valuation specialist to compare the outcomes of PPA exercise against market expectations.

We sought external legal opinions on subsidy audit and implications on initial PPA exercise conducted on the Chinese companies acquired.

We also assessed the disclosures surrounding the acquisitions in Note G1, G3 and G5.

Our findings:
We found the estimates used in allocating purchase price to the individual assets acquired, and liabilities assumed (determined on a provisional basis) to be appropriate. The inputs including tariff and electricity demand used in the valuation model for intangible asset are comparable with market expectations.

We found the external valuation specialist engaged by management to be objective, competent and experienced.

We reviewed legal opinion from external legal counsel about the subsidy audit and expected implications on current tariff recorded by the Chinese companies.

We found the disclosures surrounding new acquisitions to be adequate.

Independent Auditors' Report

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

Valuation of consideration to be received for discontinued operation and disposal group held for sale

(Refer to Note G6 to the financial statements: Assets held for sale of S$3,432,000,000 and liabilities held for sale of S$1,494,000,000)

Risk:

During the financial year ended December 31, 2022, the Group entered into a sales and purchase (S&P) agreement to divest subsidiary, Sembcorp Energy India Limited and its subsidiaries ("SEIL"). The assets and liabilities of SEIL have been presented as "held for sale" and measured at lower of carrying amount and fair value less costs to sell (the "Re-measurement" exercise).

The consideration for the sale of SEIL is deferred and the Group shall issue deferred payment note ("DPN") to purchaser upon completion of the transaction. The assessment of present value of DPN therefore becomes necessary in this re-measurement exercise; and the Group assessed that there is no write-down of carrying value of assets held for sale needed as at December 31, 2022 by reference to discounted cash flow model ("DCF") of SEIL as appraised by the Group.

In determining the fair value of DPN, it is assumed that the purchaser settles the DPN from agreed portions (as set out in S&P agreement) of distributions including dividends declared by SEIL. The Group has performed a discounted cashflow using the forecasted distributable reserves available from SEIL, taking into account (i) secured cash flows from various power purchase agreements ("PPA") with an average remaining duration of 15 years and (ii) unsecured cash flows from contract renewals and / or new contracts.

Following the above analysis, management applied a discount rate to present value the DPN to reflect the cash flow risks associated with the forecasted distributable dividends from SEIL, and credit-default risk of the purchaser.

Our response:

We read the sales and purchase agreement to obtain an understanding of the transaction and key terms together with terms of repayment arrangement of DPN.

We involved our valuation specialist to obtain market observable data including credit ratings of bonds issued by Indian public energy sector to benchmark with discount rate used by management.

Our findings:

Management's use of discount rate to present value the DPN reflects the risks associated with the cash flows and credit risk as appraised under prevailing market conditions and circumstances applicable to SEIL and the purchaser, respectively. Any changes in market conditions and circumstances may change the subsequent measurement value of DPN, with effects on future periods' profit or loss.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the following items prior to the date of this auditors' report:

- Our Leadership
- Corporate Information
- Group FY2022 Highlights
- Chairman and CEO's Statement
- Renewables Review
- Integrated Urban Solutions Review
- Conventional Energy Review
- Directors' Statement

The following items (the Reports) are expected to be made available to us after that date:

- Group Financial Review
- Environmental, Social and Governance Review
- Shareholding Statistics
- Additional Information on Directors Seeking Re-election

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 Auditors' Report

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 auditors' 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.

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 auditors' report is Koh Wei Peng.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
February 20, 2023

On September 5, 2022, the Group publicly announced the proposed sale of Sembcorp Energy India Limited (SEIL), a wholly-owned subsidiary. The sale was approved by the shareholders of the Company on November 8, 2022 (EGM). SEIL was classified as a disposal group held for sale with its performance presented under discontinued operation and comparative information re-presented accordingly. SEIL's assets and liabilities were presented as assets and liabilities held for sale respectively. On January 19, 2023, the sale of SEIL was completed (see Note H3).

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Consolidated Financial Statements

Notes to the Financial Statements

Balance Sheets

As at December 31, 2022

(S$ million)	Note	Group 2022	Group 2021	Company 2022	Company 2021
Property, plant and equipment	D1	5,305	7,094	348	365
Investment properties	D2	133	138	–	–
Investments in subsidiaries	G1	–	–	2,309	2,309
Associates and joint ventures	G3	2,287	1,600	–	–
Other financial assets	H1	183	219	–	–
Trade and other receivables	E1	855	982	1	3
Contract costs		–	1	–	–
Intangible assets	D3	697	390	27	25
Deferred tax assets	B3(b)	52	38	–	–
Non-current assets		**9,512**	**10,462**	**2,685**	**2,702**
Inventories	E2	137	222	9	7
Trade and other receivables	E1	1,564	1,986	119	115
Contract assets	B2(c)	29	28	–	–
Contract costs		3	1	–	–
Other financial assets	H1	89	352	*	–
Cash and cash equivalents	E4	1,254	1,344	239	427
Current assets		**3,076**	**3,933**	**367**	**549**
Assets held for sale	G6	**3,432**	**–**	*****	**–**
Total assets		**16,020**	**14,395**	**3,052**	**3,251**
Trade and other payables	E3	1,715	1,708	144	155
Lease liabilities	D1.1	17	14	10	5
Contract liabilities	B2(c)	139	121	2	2
Provisions	H2	42	40	17	19
Other financial liabilities	H1	99	87	–	–
Current tax payable		219	181	30	49
Interest-bearing borrowings	C5	1,096	754	–	–
Current liabilities		**3,327**	**2,905**	**203**	**230**
Liabilities held for sale	G6	**1,494**	**–**	**–**	**–**
Net current assets		**1,687**	**1,028**	**164**	**319**

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

(S$ million)	Note	Group 2022	Group 2021	Company 2022	Company 2021
Deferred tax liabilities	B3(b)	492	392	25	25
Other long-term payables	E3	93	105	1,379	1,465
Lease liabilities	D1.1	270	244	107	110
Provisions	H2	62	64	24	12
Other financial liabilities	H1	23	56	–	–
Interest-bearing borrowings	C5	5,974	6,637	–	–
Contract liabilities	B2(c)	69	74	25	27
Non-current liabilities		**6,983**	**7,572**	**1,560**	**1,639**
Total liabilities		**11,804**	**10,477**	**1,763**	**1,869**
Net assets		**4,216**	**3,918**	**1,289**	**1,382**
Equity attributable to owners of the Company:					
Share capital	C2	566	566	566	566
Reserve for own shares	C3	(31)	(15)	(31)	(15)
Other reserves	C3	(608)	(133)	19	5
Revenue reserve		4,050	3,349	735	826
		3,977	**3,767**	**1,289**	**1,382**
Non-controlling interests	G2	**239**	**151**	**–**	**–**
Total equity		**4,216**	**3,918**	**1,289**	**1,382**

Consolidated Statement of Profit or Loss

Year ended December 31, 2022

		Group	
(S$ million)	Note	2022	2021#
Continuing operations			
Turnover	B1, B2	7,825	6,408
Cost of sales		(6,598)	(5,589)
Gross profit		1,227	819
General and administrative expenses		(499)	(393)
Other operating income, net		169	114
Non-operating income		9	21
Non-operating expenses		(16)	(218)
Finance income	C6	37	21
Finance costs	C6	(310)	(296)
Share of results of associates and joint ventures, net of tax		248	206
Profit before tax		865	274
Tax expense	B3	(138)	(123)
Profit from continuing operations[1]	B4	727	151
Discontinued operation			
Profit from discontinued operation, net of tax	G6	144	149
Profit for the year		**871**	**300**
Profit attributable to:			
Owners of the Company		848	279
Non-controlling interests		23	21
Profit for the year		871	300
Earnings per share (cents):	B5		
Basic		47.59	15.64
Diluted		46.57	15.45
Earnings per share (cents) – Continuing operations:	B5		
Basic		39.51	7.29
Diluted		38.66	7.20

Post November 8, 2022, the results of SEIL, the Coal-fired thermal power business in India under the Conventional segment, was classified as discontinued operation. Comparative information is re-presented accordingly.

[1] After elimination of inter-segment finance income of S$nil (2021: S$65 million) with corresponding reduction of inter-segment finance expense in discontinued operation.

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

Consolidated Statement of Comprehensive Income

Year ended December 31, 2022

(S$ million)	Note	Group 2022	Group 2021#
Profit for the year		871	300
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(559)	84
Exchange differences on monetary items forming part of net investment in foreign operation		(7)	1
Net change in fair value of cash flow hedges		318	181
Net change in fair value of cash flow hedges reclassified to profit or loss		(341)	(2)
Cost of hedging reserve – changes in fair value		–	(46)
Cost of hedging reserve – reclassified to profit or loss		–	47
Realisation of reserves upon disposal / liquidation of an associate, subsidiaries and assets held for sale		2	*
Share of other comprehensive income of associates and joint ventures		62	35
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	F2	*	(1)
Income tax relating to these items	B3(c)	9	(31)
		(516)	268
Items that may not be reclassified subsequently to profit or loss:			
Defined benefit plan actuarial gains and losses		(7)	20
Change in fair value of financial assets at fair value through other comprehensive income		*	(20)
Income tax relating to these items	B3(c)	2	(6)
		(5)	(6)
Other comprehensive income for the year, net of tax	B3(c)	(521)	262
Total comprehensive income for the year		350	562
Total comprehensive income attributable to:			
Owners of the Company		334	536
Non-controlling interests		16	26
Total comprehensive income for the year		350	562
Total comprehensive income attributable to owners of the Company:			
Continuing operations		452	516
Discontinued operation		(118)	20
		334	536

Consolidated Statement of Changes in Equity

Year ended December 31, 2022

	Attributable to owners of the Company												
(S$ million)	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Cost of hedging reserve	Revenue reserve	Total	Non-controlling interests	Total equity
Group													
Balance at January 1, 2022	566	(15)	(401)	156	29	(5)	40	48	–	3,349	3,767	151	3,918
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	–	848	848	23	871
Other comprehensive income													
Foreign currency translation differences for foreign operations	–	–	(548)	–	–	–	–	–	–	–	(548)	(11)	(559)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	(7)	–	–	–	–	–	–	–	(7)	–	(7)
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	266	–	–	266	4	270
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	(284)	–	–	(284)	–	(284)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	*	–	–	–	*	–	*
Realisation of reserves upon disposal of an associate	–	–	1	1	–	–	–	–	–	–	2	–	2
Transfer of reserves	–	–	(2)	20	–	–	–	–	–	(18)	–	–	–
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	–	–	–	–	–	–	–	*	–	–	*	–	*
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	–	(5)	(5)	–	(5)
Share of other comprehensive income of associates and joint ventures	–	–	–	(1)	–	–	–	63	–	–	62	–	62
Total other comprehensive income for the year	–	–	(556)	20	–	–	*	45	–	(23)	(514)	(7)	(521)
Total comprehensive income for the year	–	–	(556)	20	–	–	*	45	–	825	334	16	350
Transactions with owners of the Company, recognised directly in equity													
Share issuance	–	–	–	–	–	–	–	–	–	–	–	21	21
Share-based payments	–	–	–	–	–	27	–	–	–	–	27	–	27
Purchase of treasury shares	–	(27)	–	–	–	–	–	–	–	–	(27)	–	(27)
Treasury shares transferred to employees	–	11	–	–	–	(11)	–	–	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	63	63
Dividend paid / payable to owners (Note C4)	–	–	–	–	–	–	–	–	–	(125)	(125)	–	(125)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(12)	(12)
Unclaimed dividends	–	–	–	–	–	–	–	–	–	1	1	–	1
Total transactions with owners	–	(16)	–	–	–	16	–	–	–	(124)	(124)	72	(52)
At December 31, 2022	566	(31)	(957)	176	29	11	40	93	–	4,050	3,977	239	4,216

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

Consolidated Statement of Changes in Equity
Year ended December 31, 2022

	Attributable to owners of the Company												
(S$ million)	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Cost of hedging reserve	Revenue reserve	Total	Non-controlling interests	Total equity
Group													
Balance at January 1, 2021	566	(11)	(475)	160	29	(10)	60	(132)	(1)	3,153	3,339	137	3,476
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	–	279	279	21	300
Other comprehensive income													
Foreign currency translation differences for foreign operations	–	–	81	–	–	–	–	–	–	–	81	3	84
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	136	–	–	136	2	138
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	10	–	–	10	–	10
Cost of hedging reserve – changes in fair value	–	–	–	–	–	–	–	–	(46)	–	(46)	–	(46)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	–	–	–	–	–	47	–	47	–	47
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(20)	–	–	–	(20)	–	(20)
Realisation of reserves upon disposal / liquidation of subsidiaries and asset held for sale	–	–	*	–	–	–	–	–	–	–	*	–	*
Transfer of reserves	–	–	(8)	(2)	–	*	*	–	–	10	–	–	–
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	–	–	–	–	–	–	–	(1)	–	–	(1)	–	(1)
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	–	14	14	*	14
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	–	–	35	–	*	35	–	35
Total other comprehensive income for the year	–	–	74	(2)	–	*	(20)	180	1	24	257	5	262
Total comprehensive income for the year	–	–	74	(2)	–	*	(20)	180	1	303	536	26	562
Transactions with owners of the Company, recognised directly in equity													
Share-based payments	–	–	–	–	–	14	–	–	–	–	14	–	14
Purchase of treasury shares	–	(13)	–	–	–	–	–	–	–	–	(13)	–	(13)
Treasury shares transferred to employees	–	9	–	–	–	(9)	–	–	–	–	–	–	–
Acquisition of non-controlling interests	–	–	–	(2)	–	–	–	–	–	–	(2)	2	–
Dividend paid to owners (Note C4)	–	–	–	–	–	–	–	–	–	(107)	(107)	–	(107)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(14)	(14)
Total transactions with owners	–	(4)	–	(2)	–	5	–	–	–	(107)	(108)	(12)	(120)
At December 31, 2021	566	(15)	(401)	156	29	(5)	40	48	–	3,349	3,767	151	3,918

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

Consolidated Statement of Cash Flows

Year ended December 31, 2022

	Group	
(S$ million)	2022	2021
Cash flows from operating activities		
Profit for the year:		
– Continuing operations	727	151
– Discontinued operation	144	149
Adjustments for:		
Dividend income	(2)	(2)
Finance income	(54)	(26)
Finance costs	444	423
Depreciation and amortisation	461	457
Amortisation of deferred income and capital grants	(4)	(4)
Share of results of associates and joint ventures, net of tax	(248)	(206)
Gain on disposal of:		
– property, plant and equipment, intangible assets and other financial assets	(4)	(21)
– assets held for sale	–	(3)
Loss on disposal and liquidation of subsidiaries	*	3
Changes in fair value of financial instruments	4	(29)
Equity settled share-based compensation expenses	27	14
Allowance for:		
– impairment of investment in an associate and a joint venture	–	212
– impairment loss in value of assets and assets written off, net	31	11
– intangible assets	–	*
– impairment on assets held for sale	–	1
Provision for remediation of legacy sites	–	30
Inventories written down and allowance for stock obsolescence (net)	–	2
Tax expense	166	123
Operating profit before working capital changes	1,692	1,285
Changes in:		
Inventories	(51)	(28)
Receivables	277	(470)
Payables	(212)	498
Contract costs	(2)	*
Contract assets	(1)	(13)
Contract liabilities	13	(17)
	1,716	1,255
Tax paid	(64)	(36)
Net cash from operating activities	**1,652**	**1,219**

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

(S$ million)	Note	Group 2022	2021
Cash flows from investing activities			
Dividend received		95	95
Interest received		51	30
Proceeds from:			
– disposal of investments in joint ventures and associates		12	–
– divestment of asset held for sale		–	30
– sale of property, plant and equipment		2	17
– sale of intangible assets		–	*
– disposal of other financial assets and business		617	311
Acquisition of subsidiaries, net of cash acquired		(350)	–
Acquisition of additional investments in joint ventures and associates		(630)	*
Acquisition of other financial assets		(567)	(293)
Purchase of property, plant and equipment and investment properties		(608)	(282)
Purchase of intangible assets		(7)	(8)
Net cash used in investing activities		**(1,385)**	**(100)**
Cash flows from financing activities			
Proceeds from share issued to non-controlling interests of subsidiaries		21	–
Purchase of treasury shares		(27)	(13)
Repayment of lease liabilities		(23)	(15)
Proceeds from borrowings		3,854	3,403
Repayment of borrowings		(3,544)	(3,752)
Dividends paid to owners of the Company		(125)	(107)
Dividends paid to non-controlling interests of subsidiaries		(12)	(17)
Receipts / (Payment) in restricted cash held as collateral		39	(24)
Interest paid		(386)	(330)
Net cash used in financing activities		**(203)**	**(855)**
Net increase in cash and cash equivalents		64	264
Cash and cash equivalents at beginning of the year		1,297	1,009
Effect of exchange rate changes on balances held in foreign currency		(79)	24
Cash and cash equivalents at end of the year (including held for sale)		**1,282**	**1,297**
Cash and cash equivalents classified as held for sale	G6	(36)	–
Cash and cash equivalents at end of the year	E4	**1,246**	**1,297**

Notes to the Financial Statements

A. About These Financial Statements

Sembcorp Industries Ltd (the Company) is a company incorporated in the Republic of Singapore and has its registered office at 30 Hill Street, #05-04, Singapore 179360.

The Company is 49.61% owned by Temasek Holdings (Private) Limited. Under SFRS(I) 10 Consolidated Financial Statements, the Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The financial statements of the Group as at and for the year ended December 31, 2022 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

The financial statements were authorised for issue by the Board of Directors on February 20, 2023.

A1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies.

The preparation of the financial statements in conformity with SFRS(I) 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. The estimates and associated assumptions, which are based on historical experience and various other factors believed to be reasonable under the circumstances, form the basis of judgement about carrying value of the assets and liabilities that are not readily apparent from other sources. 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 about key management judgements and estimates that are considered material to the financial statements are incorporated in respective notes to the financial statements.

The financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million unless otherwise stated. '*' denotes financial value that is less than S$1 million.

Information is only being included in the financial report to the extent it is considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if:

- dollar amount is significant in value
- dollar amount is significant by nature
- financial results cannot be understood without specific disclosure
- critical to allow user to understand significant changes in group businesses

A2. Summary of Significant Accounting Policies

The accounting policies have been applied consistently by Group entities to all periods presented in these financial statements. Besides the accounting polices described below, other accounting policies are included in the respective notes to the financial statements.

i. Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities using exchange rates at the dates of the transactions. At each balance sheet date, foreign currency monetary assets and liabilities are translated to the functional currency using foreign exchange rates at that date.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the date of the transaction while those measured at fair value are translated to the functional currency using exchange rates at the date the fair value was determined.

Foreign currency differences are recognised in profit or loss, except when arising from the translation of the following items, in which case the differences are recognised in other comprehensive income:

- Equity instruments designated as fair value through other comprehensive income (FVOCI). (However, upon impairment, the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of a net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Singapore dollar are expressed in Singapore dollar using exchange rates prevailing at the balance sheet date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

On disposal of a foreign entity, the cumulative amount previously recognised in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to the foreign currency translation reserve in the consolidated statement of comprehensive income and are released to the consolidated statement of profit or loss upon disposal of the investment as part of the gain or loss on disposal.

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A2. Summary of Significant Accounting Policies *(cont'd)*

ii. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group. All intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition includes fair values of any contingent or deferred consideration arrangement and any pre-existing equity interest in the subsidiary. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. From January 1, 2017, acquisition related costs are recognised in profit or loss as incurred whereas prior to this date, acquisition related costs formed part of the cost of acquisition. The unwinding of any interest element of deferred consideration is recognised in profit or loss.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in profit or loss on the date of acquisition.

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Such combinations are accounted at historical costs in a manner similar to the pooling-of-interest method, in the preparation of the consolidated financial statements. Under this method of accounting, the difference between the value of the share capital issued and the value of shares received is taken to the merger reserve.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or financial assets at FVOCI depending on the level of influence retained.

From January 1, 2010, changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The difference between the change in the carrying amounts of the non-controlling interests (NCI) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Prior to January 1, 2010, any excess of the cost of acquisition of NCI over the carrying amount of the interest in the net assets acquired at the date of acquisition was recognised as goodwill.

On a transaction-by-transaction basis, the measurement of NCI is either at fair value or at the NCI's share of the fair value of the identifiable net assets of the acquiree.

Non-controlling interest

NCI comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statements of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the NCI based on their respective interest in a subsidiary, even if this results in the NCI having a deficit balance.

Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of net assets of the subsidiary.

Associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases and are recognised initially at cost. The cost of investments includes transaction costs. When the Group's share of losses exceeds its interest in the associate or joint venture, the carrying amount of the investment (including any other unsecured receivables, that in substance, form part of the Group's net investment) is reduced to zero, and the recognition of further losses is discontinued unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition. Where the audited financial statements are not yet available for the purpose of statutory filing, the share of results is arrived at from management financial statements.

Impairment for associates and joint ventures

An impairment loss in respect of an associate or joint venture shall be recognised if, and only if, the recoverable amount of the investment is less than the carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

iii. Adoption of new accounting policies

New standards and amendments

The Group has adopted the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on January 1, 2022:

Amendments to:

- *SFRS(I) 16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*
- *SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)*
- *SFRS(I) 1-16 Property, Plant and Equipment (Proceeds before Intended Use)*
- *SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)*
- *Annual improvements to SFRS(I)s 2018-2020*

The adoption of these amendments to standards does not have a material effect on the financial statements.

Notes to the Financial Statements

B. Our Performance

B1. Segments Information

The principal activities of the Company are those of an investment holding company, corporate headquarter and the production and supply of utilities services, terminalling and storage of petroleum products and chemicals.

The Group's businesses are organised into four reportable segments based on nature of products and services, namely Renewables, Integrated Urban Solutions, Conventional Energy and Other Businesses and Corporate.

The operating segments outlined below have been identified based on reports reviewed by the Group's President & CEO that are used to make strategic decisions, allocate resources, monitor, and assess performance. The performance of operating segments is evaluated based on net profit and is measured in accordance with the Group's accounting policies.

The principal activities of key subsidiaries are as follows:

i. Renewables

The Renewables segment's principal activities are the provision of electricity from solar and wind resources (both self-generated and imported), energy storage, trading of Energy Attribute Certificates as well as provision of system services that support integration of renewables into the grid. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets;

ii. Integrated Urban Solutions

The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment's businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions. This segment also includes decarbonisation solutions like carbon capture, utilisation and storage (CCUS) projects;

iii. Conventional Energy

The Conventional Energy segment's principal activities include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas and coal). This segment also includes sale of water products from its integrated assets.

On November 8, 2022, the shareholders of the Company approved the sale of SEIL, the India coal-fired thermal power business. SEIL was classified as a disposal group held for sale and as a discontinued operation. Details of the discontinued operation are shown in Note G6; and

iv. Other Businesses and Corporate

The Other Businesses and Corporate segment comprises businesses mainly relating to specialised construction, minting, the Group's captive insurance and financial services, as well as corporate costs.

a. Operating Segments

Information regarding the continuing operations' results of each reportable segment is included below.

	Continuing operations					
(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
2022						
Turnover						
External sales	506	444	6,547	328	–	7,825
Inter-segment sales	1	8	54	6	(69)	–
Total	507	452	6,601	334	(69)	7,825

(S$ million)	Continuing operations: Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
2022 *(cont')*						
Results						
Earnings before interest, taxes, depreciation and amortisation[1] (EBITDA)	352	130	886	(60)	–	1,308
Share of results of associates and joint ventures, net of tax	62	93	93	*	–	248
Adjusted EBITDA	**414**	**223**	**979**	**(60)**	**–**	**1,556**
Depreciation and amortisation	(124)	(53)	(184)	(11)	–	(372)
Other non-cash (expenses) / income:						
– (Impairment and write off) / Write back of investments	(8)	(2)	–	–	–	(10)
– Allowance for impairment in value of assets and assets written off	(1)	(6)	(25)	*	–	(32)
– Others	*	1	–	(5)	–	(4)
Finance income	13	14	19	63	(72)	37
Finance costs	(130)	(13)	(92)	(147)	72	(310)
Profit / (Loss) before tax	**164**	**164**	**697**	**(160)**	**–**	**865**
Tax expense	(26)	(18)	(83)	(11)	–	(138)
Non-controlling interests	(6)	(6)	(11)	–	–	(23)
Profit / (Loss) from continuing operations	**132**	**140**	**603**	**(171)**	**–**	**704**
Profit from discontinued operation, net of tax						**144**
Profit attributable to owners of the Company						**848**
Assets						
Segment assets	4,860	1,402	4,855	2,108	(2,986)	10,239
Associates and joint ventures	870	908	504	5	–	2,287
Tax assets	9	19	17	17	–	62
	5,739	**2,329**	**5,376**	**2,130**	**(2,986)**	**12,588**
Assets held for sale						3,432
Total assets						**16,020**
Liabilities						
Segment liabilities	3,979	488	3,211	4,907	(2,986)	9,599
Tax liabilities	220	47	326	118	–	711
	4,199	**535**	**3,537**	**5,025**	**(2,986)**	**10,310**
Liabilities held for sale						1,494
Total liabilities						**11,804**
Capital expenditure[2]	**488**	**32**	**142**	**10**	**–**	**672**

[1] Indicates EDITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-off.

[2] Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments *(cont'd)*

(S$ million)	Continuing operations: Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
2021						
Turnover						
External sales	354	465	5,292	297	–	6,408
Inter-segment sales	*	8	33	10	(51)	–
Total	**354**	**473**	**5,325**	**307**	**(51)**	**6,408**
Results						
EBITDA[1]	251	143	561	(70)	–	885
Share of results of associates and joint ventures, net of tax	27	97	81	1	–	206
Adjusted EBITDA	**278**	**240**	**642**	**(69)**	**–**	**1,091**
Depreciation and amortisation	(82)	(54)	(181)	(8)	–	(325)
Other non-cash (expenses) / income:						
– Impairment of investment in a joint venture	–	–	(212)	–	–	(212)
– Allowance for impairment in value of assets and assets written off	*	(4)	(6)	(1)	–	(11)
– Others	*	–	1	5	–	6
Finance income	5	15	25	104	(128)	21
Finance costs	(117)	(13)	(108)	(121)	63	(296)
Profit / (Loss) before tax	**84**	**184**	**161**	**(90)**	**(65)**	**274**
Tax expense	(25)	(17)	(59)	(22)	–	(123)
Non-controlling interests	(3)	(6)	(12)	–	–	(21)
Profit / (Loss) from continuing operations	**56**	**161**	**90**	**(112)**	**(65)**	**130**
Profit from discontinued operation before elimination of inter-segment finance cost, net of tax						84
Elimination of inter-segment finance cost						65
Profit from discontinued operation, net of tax						**149**
Net profit attributable to owners of the Company						**279**
Assets						
Segment assets	2,778	1,432	8,774	1,498	(1,744)	12,738
Associates and joint ventures	265	877	458	–	–	1,600
Tax assets	7	20	13	17	–	57
Total assets	**3,050**	**2,329**	**9,245**	**1,515**	**(1,744)**	**14,395**
Liabilities						
Segment liabilities	1,747	586	5,217	4,098	(1,744)	9,904
Tax liabilities	98	52	310	113	–	573
Total liabilities	**1,845**	**638**	**5,527**	**4,211**	**(1,744)**	**10,477**
Capital expenditure[2]	**189**	**50**	**71**	**7**	**–**	**317**

[1] Indicates EDITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-off.

[2] Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

b. Geographical Segments

The Group's geographical segments are presented in six principal geographical areas: Singapore, India, UK, Rest of Asia, China and Middle East. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

	Turnover		Capital Expenditure	
(S$ million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Singapore	5,828	4,817	404	212
UK	1,165	859	118	58
China[1]	301	210	29	13
India	277	285	52	16
Rest of Asia	211	203	36	7
Middle East	42	32	–	–
Other Countries	1	2	–	–
Total – continuing operations	**7,825**	**6,408**	**639**	**306**
India – discontinued operation / held for sale	1,570	1,387	33	11
Total	**9,395**	**7,795**	**672**	**317**

[1] China businesses under Renewables and Integrated Urban Solutions segments comprise associates or joint ventures that are accounted for under the equity method.

	Non-current Assets		Total Assets	
(S$ million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
China	3,212	1,436	4,016	1,948
Singapore	2,163	1,967	3,343	3,464
India	1,644	4,721	1,989	5,941
Rest of Asia	1,309	1,303	1,632	1,586
UK	828	731	1,233	1,131
Middle East	341	290	358	311
Other Countries	15	14	17	14
	9,512	10,462	12,588	14,395
India – held for sale	–	–	3,432	–
Total	9,512	10,462	16,020	14,395

Majority of the Group's revenue from continuing operations is from Singapore and UK which contributed to 74% (2021: 75%) and 15% (2021: 13%) respectively.

In 2022, 21% (2021: 24%) and 8% (2021: 8%) of the Group's total assets are located in Singapore and UK respectively. During the year, the Group also added significant assets through acquisitions in the Renewables segment in China, contributing to 32% of the Group's total assets on continuing basis.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover

This note explains how the Group's revenue from contracts with customers is measured and recognised. Turnover of the discontinued operation is shown in Note G6.

Accounting policies

Revenue is measured based on consideration specified in a contract with customer. The Group recognises revenue when it transfers control over a good or service to a customer.

For all revenue contracts with customers, the Group accounts for modifications to the scope or price (or both) of a contract, as separate contracts, if the modifications add distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group applies a new transaction price, combining the remaining consideration with the consideration promised on the modification, to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises a cumulative adjustment to revenue at the date of the modification.

Revenue from Contracts with Customers

a. Sale of Electricity, Utilities and Gas and Related Services

The sale of electricity, utilities and gas and related services are determined to be a series of distinct goods satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group. Invoices are generated monthly based on the output delivered to the customers. No significant element of financing is deemed present as the sales are typically made with a credit term of 30 days, consistent with market practice.

Revenue from these sales is recognised based on price (including variable considerations) specified in the contracts. Variable considerations such as off specification delivery are reviewed and estimated monthly. A refund liability is recognised in provisions for off specification delivery and outage, if any.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds one year, the Group adjusts the consideration for time value of money and recognises a financing component.

b. Service Concession Revenue

The Group has entered into service concession contracts with local governments or governing agencies (the grantor) to design, build and operate (including the maintenance of) water treatment plants or power generation plants over an agreed period ranging from 22 to 30 years. At the end of the concession period, these assets are to be transferred to the grantor and any extension will be based on mutual agreements. These contractual arrangements fall within the scope of SFRS(I) INT 12.

The Group recognises and measures revenue for building (construction services) and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligations are satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the Group's accounting policy on recognising revenue on sale of electricity, utilities and gas and related services (see Note B2(a) above). When the Group provides more than one service in a service concession arrangement, the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

c. Construction of Infrastructure and Related Engineering Services

The Group builds specialised assets for customers for which the Group does not have an alternative use. Revenue is recognised when control over the specialised asset has been transferred to customers.

Contracts with Enforceable Right to Payment

For contracts where the Group has contractual enforceable rights to payment, revenue is recognised over time with reference to the Group's progress towards completing the construction of the specialised asset. The stage of completion is typically assessed either by surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method), depending on which method commensurates with the pattern of transfer of control to customers. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The Group recognises a financing component using discount rates at contract inception if the delivery of goods and payment by customers exceed one year. If the period between the delivery and payment is one year or less, the Group applies the practical expedient not to adjust for significant financing component.

For contracts with standard warranty terms on the performance of the asset, a warranty provision is estimated based on historical data, from known and expected warranty work as well as contractual obligations to be performed after completion. The warranty expense incurred could be higher or lower than the provision made.

d. Sales of Development Properties

The Group develops and sells residential projects to customers through fixed price contracts. For such contracts, the Group does not have enforceable rights to payment in accordance with the contractual terms. Revenue is recognised at a point in time when the control over the residential project has been transferred to customers and customers' acceptance has been obtained, which is also when the rights to payment become enforceable.

e. Sales of Other Goods

Revenue is recognised at a point in time when the goods are transferred to customers and the criteria for acceptance have been satisfied.

Rental Income

Rental income receivable under operating lease is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

Contingent rentals are recognised as income in the accounting period in which they are earned.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

Key estimates and judgements

The Group has applied judgement and estimates in recognising revenue from long-term contracts. Any increases or decreases in estimated revenue or costs due to changes in circumstances are reflected in the profit or loss in the period in which the changes become known to management. The key estimates and judgements applied are:

Performance Obligation

Significant judgement is required in determining whether the performance obligations are distinct. The Group's assessment includes considerations of whether customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and whether the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contracts. The Group has assessed that long-term contracts with customers have a single performance obligation in view that the services in the contracts are not distinct.

Variable Considerations

For contracts with variable considerations (i.e. liquidated damages, or where customers can contractually rescind the delivery of utilities and gas which do not meet the specifications), the Group has applied judgement in determining the transaction price, based on evaluation of any potential risks and factors which may affect the completion or delivery of the contracts, in accordance with the contractual obligations.

Percentage of Completion

For revenue recognised over time, the percentage of completion for certain contracts is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each contract. In making these estimates, the Group has relied on the expertise of surveying engineers and management's past experiences from completed projects. The estimated total costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Onerous Contracts

The Group conducts critical review of all its long-term construction contracts regularly. Allowance is made to account for onerous contracts. The Group monitors and reviews the progress of all long-term land development and construction contracts, taking into consideration inputs from internal project managers and external customers in estimating the total contract costs to complete as well as evaluating any potential risks and factors which may affect contract prices, costs and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

Cost Allocation Method on Long-term Land Development Contracts

Land development costs incurred are capitalised as work-in-progress and allocated to the respective parcels of land based on the relative sales method.

Fulfilment Costs

Significant judgement is required to determine if the contract costs recognised are expected to be recovered. Such judgement includes assessment of any potential risks and factors which may affect customers' ability to take delivery of the construction. The assessment also encompasses the analysis of the industry outlook and customers' financial health.

Information regarding the turnover for continuing operations is included below:

(S$ million)	Note	2022	2021[#]
Revenue from contracts with customers	a	7,818	6,403
Rental income		7	5
		7,825	6,408

There was no revenue from performance obligations satisfied or partially satisfied in previous periods due to change in estimate of the transaction price in 2022 and 2021.

Revenue from Contracts with Customers

a. Disaggregation of Revenue from Contracts with Customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major product / service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments				
(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Total
2022					
Primary geographical markets					
Singapore	101	226	5,187	314	5,828
UK	35	–	1,129	1	1,165
China	86	208	*	–	294
India	277	–	–	–	277
Rest of Asia	7	3	189	12	211
Middle East	–	–	42	*	42
Other Countries	–	–	–	1	1
Total	**506**	**437**	**6,547**	**328**	**7,818**
Major product / service lines					
Provision of energy products and related services (including electricity, gas and steam)	490	–	6,122	*	6,612
Provision of water products, reclamation of water and industrial wastewater treatment	–	200	146	–	346
Solid waste management	–	212	*	–	212
Service concession revenue	–	14	189	–	203
Construction and engineering related activities	–	–	–	298	298
Others	16	11	90	30	147
Total	**506**	**437**	**6,547**	**328**	**7,818**
Timing of revenue recognition					
Over time	469	425	6,547	298	7,739
At a point in time	37	12	–	30	79
Total	**506**	**437**	**6,547**	**328**	**7,818**

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

a. Disaggregation of Revenue from Contracts with Customers *(cont'd)*

	Reportable segments				
(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Total
2021#					
Primary geographical markets					
Singapore	45	252	4,236	284	4,817
UK	20	–	838	1	859
India	285	–	–	–	285
China	*	205	*	*	205
Rest of Asia	4	3	186	10	203
Middle East	–	–	32	*	32
Other Countries	–	–	–	2	2
Total	**354**	**460**	**5,292**	**297**	**6,403**
Major product / service lines					
Provision of energy products and related services (including electricity, gas and steam)	350	–	4,889	*	5,239
Provision of water products, reclamation of water and industrial wastewater treatment	–	187	126	–	313
Solid waste management	–	237	1	–	238
Service concession revenue	–	15	185	–	200
Construction and engineering related activities	–	–	–	271	271
Others	4	21	91	26	142
Total	**354**	**460**	**5,292**	**297**	**6,403**
Timing of revenue recognition					
Over time	319	446	5,292	271	6,328
At a point in time	35	14	–	26	75
Total	**354**	**460**	**5,292**	**297**	**6,403**

Service concession revenue included interest revenue of S$63 million (2021: S$64 million).

b. Transaction Price Allocated to Remaining Performance Obligations

Accounting policies

The Group has elected to apply the practical expedient, in paragraph 121 of SFRS(I) 15, and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at balance sheet date. This is estimated based on the expected progress of the projects or expected energy output. Estimated amounts of considerations which are variable in nature are not included in the table below.

(S$ million)	Note	Within the next 12 months	Between 1 to 5 years	More than 5 years	Total
2022					
Segment					
Renewables	i	–	–	–	–
Integrated Urban Solutions		52	58	30	140
Conventional Energy		942	579	358	1,879
Other Businesses and Corporate		413	866	55	1,334
Total		1,407	1,503	443	3,353
2021#					
Segment					
Renewables	i	–	–	–	–
Integrated Urban Solutions		88	206	218	512
Conventional Energy		1,346	1,252	436	3,034
Other Businesses and Corporate		336	654	–	990
Total		1,770	2,112	654	4,536

i. The Group does not disclose information about its remaining performance obligations as the Renewables' energy output is variable in nature and the Group has a right to invoice the customers amounts that correspond directly with its actual energy output.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

c. Assets and Liabilities Related to Contracts with Customers

Contract Assets and Contract Liabilities

The Group and the Company have recognised the following assets and liabilities related to contracts with customers:

	Group		Company	
(S$ million)	2022	2021	2022	2021
Contract assets	29	28	–	–
Contract liabilities				
Current	139	121	2	2
Non-current	69	74	25	27
Total	208	195	27	29

Contract assets

The contract assets relate to the Group's conditional rights to consideration in the sale of the renewable obligation certificates and the construction of infrastructure. Contract assets are recognised when the value of goods transferred, or services rendered for the contract exceeds payments received from customers. The contract assets are transferred to trade receivables when the rights become unconditional.

Significant changes in the contract assets balances during the period are as follows:

	Group		Company	
(S$ million)	2022	2021	2022	2021
Transfer of contract assets recognised at the beginning of the year to trade receivables	(19)	(10)	–	–
Recognition of revenue, net of transfer to trade receivables during the year	23	25	–	–
Currency translation changes	(4)	*	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	*	*	–	–
– Contract modifications	1	(2)	–	–

Contract liabilities

Contract liabilities refer to payments received from customers that exceed the revenue recognised, which include advances received for connection and capacity charges used for delivery of utilities and revenue is recognised either over time or at a point in time. For revenue recognised over time, the balance at year-end will be recognised over the remaining period stipulated in the contracts.

Significant changes in the contract liabilities balances during the year are as follows:

	Group		Company	
(S$ million)	2022	2021	2022	2021
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(108)	(130)	(3)	(3)
Increases due to cash received, excluding amounts recognised as revenue during the year	147	115	–	–
Currency translation changes	(6)	3	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	(7)	(3)	–	–
– Contract modifications	(13)	(4)	–	–

B3. Taxation

This note explains how the Group's tax charge arises. The deferred tax section of the note also provides information on our expected future tax charges and sets out the tax assets held across the Group together with our view on whether we expect to be able to make use of these in future.

a. Tax Expenses

Accounting policies

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to business combinations, or to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or recoverable in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and for taxation purposes. Deferred tax is not recognised for the following temporary differences:

i. the initial recognition of goodwill;

ii. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

iii. differences relating to investments in subsidiaries, joint ventures and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Key estimates and judgements

The Group is subjected to taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for taxes. In determining the amount of current and deferred taxes, the Group takes into account current understanding and interpretations of existing tax laws and applies judgement as to whether the tax balances will be utilised and / or reversed in foreseeable future. The eventual taxes paid or received may vary, for which the differences will be charged to profit or loss in the period when determination is made.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

a. Tax Expenses *(cont'd)*

(S$ million)	Note	Group 2022	Group 2021#
Current tax expense			
Current year		136	66
Over provided in prior years	i	(43)	(14)
Foreign withholding tax		9	9
		102	61
Deferred tax expense			
Movements in temporary differences		11	33
Under provided in prior years	i	20	15
Effect of changes in tax rates	ii	5	15
		36	63
Land appreciation tax expense			
Current year		–	(1)
Tax expense on continuing operations		138	123

Reconciliation of effective tax rate

(S$ million)	Group 2022	Group 2021
Profit from continuing operations	727	151
Tax expense	138	123
Share of results of associates and joint ventures, net of tax	(248)	(206)
Profit before tax and share of results of associates and joint ventures from continuing operations	617	68
Tax using Singapore tax rate of 17%	105	12
Effect of changes in tax rates	5	15
Effect of different tax rates in foreign jurisdictions	11	12
Tax incentives and income not subject to tax	(21)	(32)
Expenses not deductible for tax purposes	53	94
Utilisation of deferred tax benefits not previously recognised	(6)	(1)
(Over) / Under provided in prior years	(23)	1
Deferred tax benefits not recognised	13	7
Foreign withholding tax	9	9
Deferred tax on unremitted dividend income	1	2
Land appreciation tax	–	(1)
Others	(9)	5
Tax expense on continuing operations	138	123

i. The under-provision of deferred tax expense with corresponding over-provision of current tax, was mainly related to tax optimisation through Group Tax Relief.

ii. Related to the enactment of United Kingdom (UK) corporation tax rate from 19% to 25%, which will take effect from 2023.

b. Deferred Tax Assets and Liabilities

Accounting policies

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities and assets on a net basis.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Key estimates and judgements

Certain Group entities have tax benefits arising from unutilised tax losses, tax credits and deductible temporary differences, which are available for offset against future taxable profits. The utilisation of these tax benefits, for which deferred tax asset was recognised, is premised on these Group entities' ability to generate taxable profits in the foreseeable future.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

b. Deferred Tax Assets and Liabilities *(cont'd)*

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

(S$ million)	At January 1	Recognised in profit or loss – continuing operations (Note (a))	Recognised in profit or loss – discontinued operation (Note G6)
2022			
Deferred tax liabilities			
Property, plant and equipment	456	65	289
Other financial assets	43	(6)	–
Trade and other receivables	32	1	–
Intangible assets	28	1	–
Other items	17	(5)	1
Total	576	56	290
Deferred tax assets			
Property, plant and equipment	(79)	*	–
Inventories	(2)	*	–
Trade receivables	(4)	(1)	(5)
Trade and other payables	(13)	1	–
Tax losses	(69)	(8)	(247)
Provisions	(28)	(15)	(1)
Other financial liabilities	(12)	*	*
Retirement benefit obligations	6	*	(4)
Other items	(21)	3	*
Total	(222)	(20)	(257)

	Group		
(S$ million)	At January 1	Recognised in profit or loss (Note (a))	Recognised in equity (Note (c))
2021			
Deferred tax liabilities			
Property, plant and equipment	400	61	–
Other financial assets	24	*	19
Trade and other receivables	30	2	–
Intangible assets	30	(2)	–
Other items	5	7	5
Total	489	68	24
Deferred tax assets			
Property, plant and equipment	(86)	7	–
Inventories	(2)	*	–
Trade receivables	(3)	(1)	–
Trade and other payables	(12)	*	–
Tax losses	(45)	(26)	–
Provisions	(30)	2	–
Other financial liabilities	(26)	*	13
Retirement benefit obligations	6	*	–
Other items	(34)	13	–
Total	(232)	(5)	13

Group				
cognised in equity (Note (c))	Acquisition of subsidiaries (Note G5)	Transfer to held for sale (Note G6)	Translation adjustments	At December 31
–	–	(281)	(54)	475
3	7	–	(1)	46
–	–	–	–	33
–	97	(6)	(8)	112
(1)	–	(1)	(1)	10
2	104	(288)	(64)	676
–	–	–	*	(79)
–	–	–	–	(2)
–	–	5	1	(4)
*	–	–	1	(11)
–	*	228	32	(64)
–	–	1	1	(42)
(13)	–	*	1	(24)
*	–	4	*	6
–	–	*	2	(16)
(13)	*	238	38	(236)

anslation ustments	At December 31
(5)	456
*	43
–	32
*	28
*	17
(5)	576
*	(79)
–	(2)
*	(4)
(1)	(13)
2	(69)
*	(28)
1	(12)
*	6
*	(21)
2	(222)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

b. Deferred Tax Assets and Liabilities *(cont'd)*

(S$ million)	Company				
	At January 1, 2021	Recognised in profit or loss	At December 31, 2021	Recognised in profit or loss	At December 31, 2022
Deferred tax liabilities					
Property, plant and equipment	38	(3)	35	(1)	34
Other items	(3)	(1)	(4)	*	(4)
	35	(4)	31	(1)	30
Deferred tax assets					
Provisions	(7)	1	(6)	1	(5)

The deferred tax liabilities and assets amounts determined after appropriate offsetting included in the balance sheet are as follows:

(S$ million)	Group		Company	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Deferred tax liabilities	492	392	25	25
Deferred tax assets	(52)	(38)	–	–
	440	354	25	25

Unrecognised deferred tax liabilities

As at December 31, 2022, a deferred tax liability of S$3 million (2021: S$3 million) for potential taxable temporary differences arising from undistributed retained earnings related to investment in subsidiaries and joint ventures was not recognised.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised where:

i. they qualify for offset against the tax liabilities of member companies within the Group under the Loss Transfer System of Group Relief, but the terms of the transfer have not been ascertained as at year-end; or

ii. it is uncertain that future taxable profit will be available against which the Group entities can utilise the benefits.

The deferred tax assets that have not been recognised, which are available to be set off against future taxable income subject to the tax provisions and agreement by the relevant tax authorities of the various jurisdictions, are disclosed below:

(S$ million)	Group	
	December 31, 2022	December 31, 2021
Deductible temporary differences	51	49
Tax losses	57	95
Capital allowances	54	60
	162	204

Tax losses of the Group amounting to S$45 million (2021: S$53 million) will predominantly expire between 2023 and 2027 (2021: 2022 and 2027). The remaining tax losses, capital allowances and deductible temporary differences do not expire under current tax legislation.

The unrecognised tax losses are reported to the extent that the taxable temporary differences arising from deferred tax liabilities have been set off against the unused tax losses (2022: S$nil; 2021: S$1,041 million).

c. Other Comprehensive Income

There is no income tax relating to each component of other comprehensive income, except as tabled below:

	Group					
	2022			2021		
(S$ million)	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Cash flow hedges: net movement in hedging reserves	(23)	9	(14)	179	(31)	148
Defined benefit plan actuarial gains and losses	(7)	2	(5)	20	(6)	14
	(30)	11	(19)	199	(37)	162

B4. Profit for the Year

Accounting policies

Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Grant Income

Government grants relating to asset are credited to a deferred asset grant account at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached. These grants are then recognised in profit or loss as other operating income on a straight-line basis over the estimated useful lives of the relevant assets.

Non-monetary government grants and assets received are valued at fair value or nominal amounts.

Grants that compensate the Group for expenses already incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year *(cont'd)*

Detailed below are the key amounts recognised in arriving at our profit for the year:

		Group	
(S$ million)	Note	2022	2021#
a. Expenses			
Materials		5,496	4,479
Staff costs:			
– salaries, bonuses and other personnel related costs		436	418
– contributions to defined contribution plan		34	36
– equity-settled share-based payments	B6	25	14
– cash-settled share-based payments	B6	*	*
– contributions to defined benefit plan		1	1
Depreciation:			
– property, plant and equipment	D1	340	300
– investment properties	D2	4	3
Sub-contract cost		294	260
Repair and maintenance		102	94
(Write-back of) / Provision for remediation of legacy sites	H2	(3)	30
Amortisation of intangible assets	D3	28	21
Allowance for / (Write-back of) impairment losses (net):			
– receivables and contract assets	F4	108	16
– property, plant and equipment	D1	22	3
– intangible assets, excluding goodwill	D3	–	*
Property, plant and equipment written off		8	8
Inventories written down	E2	*	2
Audit fees paid / payable to:			
– auditors of the Company		2	1
– other member firms of KPMG International		2	2
– other auditors		1	*
Non-audit fees paid / payable to:			
– auditors of the Company		*	*
– other member firms of KPMG International		*	*
– other auditors		*	*
Intangible assets written off	D3	*	*
Bad debts written off		1	*

(S$ million)	Note	Group 2022	Group 2021#
b. Other operating income			
Net change in fair value of financial assets at FVTPL (mandatorily measured)		61	43
Grants received (income related)	(i)	6	20
Gain on disposal of property, plant and equipment		1	13
Net exchange gain		14	10
c. Non-operating income / (expenses)			
Gain / (Loss) on disposal / liquidation of:			
– other financial assets		3	8
– assets held for sale	G6	–	3
– associate and joint venture		2	–
– subsidiaries		*	(3)
Net change in fair value of financial assets at FVTPL (designated on initial recognition)		(4)	7
Gross dividend income from financial assets at FVOCI		2	2
Impairment and write off of:			
– joint venture	G3biii	(2)	(212)
– other investments	ii	(8)	(1)

i. Grant income of S$6 million (2021: S$20 million) in 2022 included S$1 million (2021: S$10 million) COVID-19 related relief mainly in the form of Foreign Worker Levy (FWL) and Job Growth Incentive (JGI). The FWL and JGI are temporary schemes introduced in the Singapore Budget to help enterprises to retain and expand the hiring of local employees.

ii. Amount in 2022 mainly related to an investment in Vietnam for project expenses incurred by the company.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B5. Earnings Per Share

(S$ million)	Group 2022	Group 2021#
a. Profit attributable to owners of the Company:		
Continuing operations:		
Profit attributable to equity holders of the Company	704	130
Discontinued operation:		
Profit from discontinued operation, net of tax attributable to owners of the Company	144	149
Profit for the year attributable to owners of the Company	**848**	**279**
b. Weighted average number of ordinary shares (in million)		
Issued ordinary shares at January 1	1,780	1,781
Effect of performance shares and restricted shares released	4	4
Effect of own shares held	(2)	(1)
Weighted average number of ordinary shares	1,782	1,784
Adjustment for dilutive potential ordinary shares		
– performance shares	35	15
– restricted shares	4	7
Weighted average number of ordinary shares adjusted for all dilutive potential shares	**1,821**	**1,806**
c. Earnings per ordinary share (cents)		
– basic[1]	47.59	15.64
– diluted[2]	46.57	15.45
Earnings per ordinary share (cents) – Continuing operations		
– basic[1]	39.51	7.29
– diluted[2]	38.66	7.20

[1] Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

[2] Diluted earnings per ordinary share is calculated by dividing the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: performance shares and restricted shares.

B6. Share-based Incentive Plans

This section sets out details of the Group's share-based remuneration arrangements, including details of the Company's PSP and RSP, collectively known as Share Plans. The Company's 2020 Share Plans was approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

Accounting policies

Equity settled share-based incentive plan

The fair value of the compensation cost is charged to the profit or loss with a corresponding increase directly in equity. The fair value is measured at grant date and amortised over the service period to which the performance criteria relates and during which the employees become unconditionally entitled to the shares.

For awards granted with market-based performance conditions, market-based performance conditions are taken into account in estimating the fair value. For awards granted with non-market-based performance conditions, the compensation cost is estimated on a basis that the amount fairly reflects the manner in which the benefits will accrue to the employee over the service period to which the performance period relates.

At the balance sheet date, the Group revises its estimates of the number of performance-based shares that the employees are expected to receive based on the achievement of non-market performance conditions and the number of shares ultimately given. It recognises the impact of the revision of the original estimates in employee expense, with a corresponding adjustment to equity over the remaining vesting period.

The share-based payments reserve relating to the performance shares released is transferred to share capital when new shares are issued. When treasury shares are issued, the cost of treasury shares is transferred to share-based payments reserve.

In the Company's separate financial statements, the fair value of performance shares and restricted shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

Cash settled share-based incentive plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the share price of the Company. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay. The liability takes into account the performance achieved for the year and the probability of achieving the performance conditions in the future.

Until the liability is settled, the Group will remeasure the fair value of the liability at each balance sheet date and at the date of settlement with any changes in fair value recognised in profit or loss for the period.

Key estimates and judgements

The fair value of equity-related compensation is measured using the Monte Carlo simulation method as at the date of the grant. The method involves projecting future outcomes using statistical distributions of key random variables including the share prices and volatility of returns. This model takes into account the probability of achieving the performance conditions in the future.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

The table below shows share-based expense that was recognised during the year.

(S$ million)	2022	2021#
Equity-settled share-based	25	14
Cash-settled share-based	*	*

a. Equity-settled share-based incentive
Performance Share Plan (PSP)

One of the primary objectives of the SCI PSP 2020 is to further motivate key senior management, who has the responsibility and are able to drive the growth of the Company, strive for superior performance and deliver long-term shareholder value.

Awards granted under the SCI PSP 2020 are performance-based. Performance targets set under the SCI PSP 2020 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

The ERCC grants an initial number of shares (initial award) which are conditional on targets set for a performance period. A specified number of shares will only be released by the ERCC to the participants at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over the performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

For grants made in 2022, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

3-Year PSP Performance Conditions	Final Number of Shares to be Released
1. Absolute Total Shareholders' Return (ATSR)	0% to 200% of initial grant
2. Relative Total Shareholders' Return (RTSR)	
3. Gross Renewable Energy Capacity	

5-Year PSP-TI Performance Conditions	Final Number of Shares to be Released
1. Gross Installed Renewable Energy Capacity	0% to 140% of initial grant
2. Sustainable Solutions' Profit	
3. Sustainable Land Banking and Land Sales	
4. Greenhouse Gas Emission Intensity Reduction	

Restricted Share Plan (RSP)

The number of restricted share awards granted was based on the achievement of stretched financial and non-financial targets for the preceding financial year, with emphasis on organisational transformation to meet future challenges and adherence to environment, health and safety standards.

For the grant awarded in 2022, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches.

To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the SCI RSP 2020. Non-executive directors were not awarded any shares except as part of their directors' fees (except for Wong Kim Yin, who is the Group President & CEO, and who does not receive any directors' fees). The awards granted comprised fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares (including shares obtained by other means) worth the value of their annual base retainer; any excess may be sold as desired, subject to SGX-ST listing rules. A non-executive director may only dispose all of his shares one year after leaving the board.

The actual number of shares awarded to each non-executive director will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange (SGX) over the 14 trading days from (and including) the day on which the shares are first quoted ex-dividend after the Annual General Meeting (AGM) (or, if the resolution to approve the final dividend is not approved, over the 14 trading days immediately following the date of the AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive director who steps down before the payment of the share component will receive all of his director's fees for the year (calculated on a pro-rated basis, where applicable) in cash.

Movement in the number of shares under the Company's PSP and RSP are as follows:

	2022		2021	
	PSP	RSP	PSP	RSP
At January 1	14,297,428	6,307,724	7,682,784	10,512,748
Shares awarded	12,103,400	2,931,594	11,579,491	2,973,712
Shares released	(1,076,800)	(4,904,932)	–	(5,924,403)
Shares lapsed	(505,994)	(262,339)	(1,360,565)	(1,254,333)
Performance shares lapsed arising from targets not met	(2,106,243)	–	(3,604,282)	–
At December 31	22,711,791	4,072,047	14,297,428	6,307,724

Subsequent to December 31, 2022 and up to the date of this report, a total of 8,224,400 shares was awarded to employees of the Group including a director of the Company under the SCI PSP 2020. Please refer to the Directors' Report for more details.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive *(cont'd)*

SCI PSP

PSP awards granted have both market-based and non-market-based performance conditions. The Committee reviews achievement of the performance targets annually. In 2022, 2,106,243 (2021: 3,604,282) performance shares lapsed for under-achievement of the performance targets for the performance period 2019 to 2021 (2021: 2018 to 2020).

Of the performance shares released, 19,900 (2021: nil) performance shares were cash-settled. The remaining performance shares were released via the issuance of treasury shares.

The total number of performance shares in awards granted conditionally but not released as at December 31, 2022, was 22,711,791 (2021: 14,297,428). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 34,557,122 (2021: 22,348,888) performance shares.

SCI RSP

Of the restricted shares released, 262,954 (2021: 420,456) restricted shares were cash-settled. The remaining restricted shares were released via the issuance of treasury shares.

The total number of restricted shares outstanding, including award(s) achieved but not released, as at December 31, 2022, was 4,072,047 (2021: 6,307,724). The RSP balances represent 100% of targets achieved, but not released subject to individual performance and fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 4,072,047 (2021: 6,307,724) restricted shares.

Awards for the performance and corporate objectives achieved in 2022 will be granted in 2023 (2021: achieved in 2021 will be granted in 2022).

The fair values of the performance and restricted shares are estimated using a Monte Carlo simulation methodology at the grant dates.

	PSP Date of Grant				
	May 31, 2022	May 31, 2022	May 31, 2021	May 31, 2021	August 6, 2021
Fair value at measurement date	S$2.52[1]	S$3.60[1]	S$2.84[1]	S$2.60[1]	S$1.67
Assumptions under the Monte Carlo model					
Share price	S$2.85	S$2.85	S$2.23	S$2.23	S$2.00
Expected volatility	1.7% – 36.1%	36.7%	36.5%	36.5%	NA
Risk-free interest rate	1.8% – 2.6%	2.2%	0.4%	0.6%	0.4% – 1.3%
Expected dividend	3.2%	3.2%	3.9%	4.2%	3.7%

[1] Fair value computed based on different performance periods.

	RSP Date of Grant			
	March 31, 2022	April 1, 2022	March 30, 2021	May 31, 2021
Fair value at measurement date	S$2.58	S$2.58	S$1.78	S$2.15
Assumptions under the Monte Carlo model				
Share price	S$2.67	S$2.67	S$1.86	S$2.23
Expected volatility	36.4%	36.4%	35.5%	36.5%
Risk-free interest rate	1.9%	1.9%	0.6%	0.5%
Expected dividend	3.4%	3.4%	4.9%	4.2%

C. Our Funding

In 2022, the Group has continued to secure additional sustainability-linked credit facilities and has issued S$300 million sustainability-linked notes to support its strategic transformation from brown to green. Please refer to Note C5 for further details.

Equity value as at December 31, 2022 is enhanced by the strong performance for the year offset by the negative change in foreign currency translation reserve due to the depreciation of India Rupee and Renminbi against Singapore Dollar.

C1. Capital Structure

Capital management

The Group maintains a disciplined approach to capital management. The Group seeks to optimise the overall portfolio, maintain investor, creditor and market confidence, fund future developments and growth, while at the same time maintaining an appropriate dividend policy.

The Group's policy is to borrow centrally using a mixture of long-term and short-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain Group entities.

Capital is defined as equity attributable to the equity holders.

The Group's debt-to-capitalisation ratio as at the balance sheet date was as follows:

		Group	
(S$ million)	Note	2022	2021
Debt	C5, i	7,070	7,391
Total equity		4,216	3,918
Total debt and equity		11,286	11,309
Debt-to-capitalisation ratio		0.63	0.65

i. As at December 31, 2022, SEIL's borrowing of S$1,172 million was presented under liabilities held for sale (see Note G6). Including SEIL's borrowing, the Group's total borrowing is S$8,242 million.

There were no changes in the Group's approach to capital management during the year except as disclosed above.

Some of the Group entities are required to maintain a certain ratio of net borrowings to net assets and level of leverage under their respective loan arrangements with banks. These externally imposed capital requirements have been complied with as at the respective balance sheet dates.

C2. Share Capital and Treasury Shares

Accounting policies

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects.

Repurchase, disposal and re-issue of share capital (treasury shares)

When the ordinary shares are reacquired by the Company, the consideration paid is recognised as deduction from equity, presented as reserve for own shares (Note C3). Reacquired shares are classified as treasury shares.

When the treasury shares are subsequently sold or re-issued, the cost of the treasury shares is reversed from reserve for own shares account and the realised gain or loss on the transaction is presented as a change in equity of the Company. No gain or loss is recognised in profit or loss.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C2. Share Capital and Treasury Shares *(cont'd)*

	Number of shares	
	Issued Share Capital	Treasury Shares
At January 1, 2021	1,787,547,732	6,238,773
Treasury shares purchased	–	6,780,700
Treasury shares transferred pursuant to restricted share plan	–	(5,503,947)
At December 31, 2021	1,787,547,732	7,515,526
Treasury shares purchased	–	8,947,300
Treasury shares transferred pursuant to performance share plan	–	(1,056,900)
Treasury shares transferred pursuant to restricted share plan	–	(4,641,978)
At December 31, 2022	1,787,547,732	10,763,948

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

Issued and paid up capital
As at December 31, 2022, the Company's issued and paid-up capital excluding treasury shares comprised 1,776,783,784 (2021: 1,780,032,206) ordinary shares.

Treasury shares
During the year, the Company acquired 8,947,300 (2021: 6,780,700) ordinary shares in the Company by way of on-market purchases. A total of 5,698,878 (2021: 5,503,947) treasury shares were re-issued pursuant to the Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at December 31, 2022, the Company held 10,763,948 (2021: 7,515,526) of its own uncancelled shares as treasury shares that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

C3. Other Reserves

		Group		Company	
(S$ million)	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Distributable					
Reserve for own shares		(31)	(15)	(31)	(15)
Non-distributable					
Foreign currency translation reserve	a, g	(957)	(401)	–	–
Capital reserve	b, g	176	156	–	–
Merger reserve	c	29	29	–	–
Share-based payments reserve	d	11	(5)	19	5
Fair value reserve	e	40	40	–	–
Hedging reserve	f	93	48	–	–
		(639)	(148)	(12)	(10)

Type of other reserve	Nature
a. Foreign currency translation reserve	Comprises: i. foreign exchange differences arising from translation of the financial statements of foreign entities, ii. effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign entities, and iii. translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities.
b. Capital reserve	Comprises: i. acquisitions and disposals with non-controlling interests that do not result in a change of control, capitalisation of accumulated profits for the issue of bonus shares, capital reserve (net of goodwill) on consolidation and equity accounting, ii. asset revaluation reserve, capital redemption reserve, convertible loan stock reserve, iii. transfer from revenue reserve in accordance with the regulations of the foreign jurisdiction in which the Group's subsidiaries, associates and joint ventures operate, and treasury shares of a subsidiary, and iv. recognition of call options issued to non-controlling interests of subsidiaries.
c. Merger reserve	The difference between the values of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.
d. Share-based payments reserve	Represents the cumulative value of services received from employees recorded on grant of equity-settled share options, performance shares and performance-based restricted shares.
e. Fair value reserve	Includes the cumulative net change in the fair value of equity investments designated at FVOCI until the investments are derecognised. This does not include impairment losses recognised in profit or loss prior to January 1, 2018.
f. Hedging reserve	The effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

g. As at December 31, 2022, the foreign currency translation loss and capital reserve of the disposal group were S$418 million and S$290 million, respectively. These reserves will be realised to profit or loss at the completion of the sale of SEIL shares.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C4. Dividends

Accounting policies

Dividends

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares and redeemable preference shares classified as equity are accounted for as movements in revenue reserve.

A liability to distribute non-cash assets as dividend to its owners is measured at the fair value of the assets to be distributed. The differences between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

Dividend Paid / Payable

	Group and Company	
(S$ million)	2022	2021
Interim one-tier tax-exempt dividend of 4 cents per share in respect of year 2022 (2021: 2 cents per share in respect of year 2021)	71	36
Final one-tier tax-exempt dividend of 3 cents per share in respect of year 2021 (2021: 4 cents per share in respect of year 2020)	54	71
	125	107

Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a final ordinary one-tier tax-exempt dividend of 4 cents per share (2021: 3 cents per share) and a special dividend of 4 cents per share (2021: nil). This amounts to an estimated net dividend of S$142 million (2021: S$54 million) in respect of the year ended December 31, 2022, based on the number of issued shares as at December 31, 2022.

The total proposed dividend of 8 cents per share (2021: 3 cents per share) has not been included as a liability in the financial statements.

C5. Interest-bearing Borrowings

		Group	
(S$ million)	Note	December 31, 2022	December 31, 2021
Current liabilities			
Non-convertible debentures		139	11
Secured term loans	a	122	601
Unsecured term loans	b	835	142
Total		1,096	754
Non-current liabilities			
Non-convertible debentures		–	154
Secured term loans	a	1,717	2,574
Unsecured term loans	b	4,257	3,909
Total		5,974	6,637
Total interest-bearing borrowings (measured at amortised cost)		**7,070**	**7,391**

Included in interest-bearing borrowings were S$546 million (2021: S$372 million) of loans taken with a related corporation.

Effective Interest Rates and Maturity of Liabilities

	Group Effective interest rate %	
	2022	2021
Floating rate loans	1.05 – 10.58	0.96 – 10.81
Fixed rate loans	0.77 – 11.48	0.77 – 11.48
Bonds and notes	2.45 – 4.25	2.45 – 4.25
Debentures	9.15	9.15 – 9.65

(S$ million)	Group 2022	2021
Less than 1 year, or on demand	1,096	754
Between 1 to 5 years	3,593	4,165
More than 5 years	2,381	2,472
Total interest-bearing borrowings (measured at amortised cost)	7,070	7,391

a. Secured Term Loans

The secured term loans are collateralised by the following assets:

		Group Net Book Value	
(S$ million)	Note	December 31, 2022	December 31, 2021
Property, plant and equipment	D1i	1,971	4,487
Mutual funds	H1i	35	83
Trade and other receivables	E1	839	1,325
Intangible assets	D3	*	*
Inventories	E2	25	127
Cash and cash equivalents	E4	156	259
Equity shares of a subsidiary		33	241

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Interest-bearing Borrowings *(cont'd)*

b. Unsecured Term Loans

Included in the unsecured term loans of the Group are medium-term notes which the Company has jointly established with Sembcorp Financial Services Pte Ltd (SFS), a wholly-owned subsidiary of the Company via the S$2.5 billion and S$3.0 billion Multicurrency Debt Issuance Programmes (the Programme). Under the Programme, the Company, together with SFS and certain other Group entities (the Issuing Subsidiaries), may from time-to-time issue Notes and Securities under the Programme subject to availability of funds from the market. The obligations of the Issuing Subsidiaries under the Programme are fully guaranteed by the Company.

As at December 31, 2022 and December 31, 2021, the Group has the following outstanding medium-term notes issued under the Programme:

(S$ million)	Nominal interest rate	Year of issue	Year of maturity	Principal amount December 31, 2022	Principal amount December 31, 2021
S$ medium-term notes	4.25%	2010	2025	100	100
S$ medium-term notes	3.64%	2013	2024	200	200
S$ medium-term notes	3.59%	2014	2026	150	150
S$ medium-term notes	2.45%	2021	2031	400	400
S$ medium-term notes	2.66%	2021	2032	675	675
S$ medium-term notes	3.74%	2022	2029	300	–
				1,825	1,525

In 2022, the Group issued a S$300 million sustainability-linked bond and secured an additional S$1.8 billion of sustainability-linked revolving credit and term loan facilities through SFS. In 2021, the Group issued S$400 million Green Bonds and S$675 million sustainability-linked notes.

As at December 31, 2022, the Group has deployed approximately S$2,979 million (2021: S$908 million) of funding from green and sustainable financing.

As at December 31, 2022, an amount of S$489 million (2021: S$419 million) medium-term notes were held by a related corporation.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2022				2021			
(S$ million)	Accrued interest payable (Note E3)	Interest-bearing borrowings (Note C5)	Lease liabilities (Note D1.1)	Total	Accrued interest payable (Note E3)	Interest-bearing borrowings (Note C5)	Lease liabilities (Note D1.1)	Total
Balance at January 1	15	7,391	258	7,664	11	7,728	226	7,965
Cash flows								
Cash payments	–	(3,544)	(23)	(3,567)	–	(3,752)	(15)	(3,767)
Cash proceeds	–	3,854	–	3,854	–	3,403	–	3,403
Interest paid	(242)	–	(10)	(252)	(323)	–	(7)	(330)
Non-cash items								
Acquisition of subsidiaries	1	881	11	893	–	–	–	–
Transfer to liabilities held for sale	–	(1,265)	*	(1,265)	–	–	–	–
Interest expenses, including amortisation of capitalised transaction costs	255	33	10	298	327	18	9	354
New leases	–	–	45	45	–	–	43	43
Write-off of lease liabilities	–	–	*	*	–	–	*	*
Remeasurement of lease liabilities / Adjustment to upfront fees	–	–	5	5	–	–	2	2
Foreign exchange movement	*	(280)	(9)	(289)	*	(6)	*	(6)
	256	(631)	62	(313)	327	12	54	393
Balance at December 31	29	7,070	287	7,386	15	7,391	258	7,664

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C6. Net Interest Expense

Accounting policies

Finance income is recognised in profit or loss as it accrues, using the effective interest rate method. It includes interest income from non-current receivables.

Finance costs include interest expense on borrowings and lease liabilities, unwinding of discounts on provision, amortisation of capitalised transaction costs, transaction costs written off and termination of interest rate swaps. Finance costs are expensed in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the impaired financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

		Group	
(S$ million)	Note	2022	2021#
Finance income			
Finance income from financial assets measured at amortised cost			
– associates and joint ventures		6	6
– bank and others		31	15
		37	21
Finance costs			
Interest paid and payable to, measured at amortised cost			
– banks and others		280	268
Amortisation of capitalised transaction costs		13	9
Unwind of accretion on restoration costs	H2	2	1
Significant financing component from contracts with customers		3	4
Interest rate swaps:			
– changes in fair value through profit or loss		*	*
– ineffective portion of changes in fair value		2	5
Interest expense on amortisation of lease liabilities	D1.1	10	9
		310	296

C7. Contingent Liabilities

Key estimates and judgements
Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, an obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Group
The Group has provided guarantees to banks to secure banking facilities provided to joint ventures and commodities traders. These financial guarantee contracts are accounted for as insurance contracts. The principal risk that the Group and the Company are exposed is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate this risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties.

There are no terms and conditions attached to the guaranteed contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows.

Estimates of the Group's and Company's obligations arising from financial guaranteed contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates. As of the balance sheet date, there is no provision made in respect of the obligations.

As at the balance sheet date, the Group had the following contingent liabilities:

	Group	
(S$ million)	December 31, 2022	December 31, 2021
Guarantees given to banks to secure banking facilities provided to:		
– Joint ventures	25	27
– Commodities traders	168	54
– Others	*	*
Performance guarantees to external parties	264	260

The periods in which the financial guarantees expire are as follows:

	Group	
(S$ million)	December 31, 2022	December 31, 2021
Less than 1 year	193	78
Between 1 to 5 years	*	3
	193	81

The Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure has been estimated to be approximately S$52 million (2021: S$39 million), which predominately is from the disposal group.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C7. Contingent Liabilities *(cont'd)*

Company

a. The Company has provided guarantees to banks to secure banking facilities provided to a wholly-owned subsidiary, SFS. These financial guarantee contracts are accounted for as insurance contracts.

The intra-group financial guarantees granted by the Company amounted to S$8,831 million (2021: S$7,849 million), with S$4,139 million (2021: S$3,513 million) drawn down as at the balance sheet date. The periods in which the financial guarantees expire are as follows:

	Company	
(S$ million)	December 31, 2022	December 31, 2021
Less than 1 year	800	–
Between 1 to 5 years	1,963	1,847
More than 5 years	1,376	1,666
	4,139	3,513

b. The Company has provided corporate guarantees of S$159 million (2021: S$110 million) to a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for the following:

i. Two long-term agreements entered in 2010 for the purchase of a total 42 BBtud (Billion British thermal units per day) of liquefied natural gas (LNG) from Shell Gas Marketing Pte Ltd (Shell) (formerly known as BG Singapore Gas Marketing Pte Ltd). With a start date on May 7, 2013 and September 1, 2015 respectively, the agreements have a term of 10 years and SembCogen has an option to extend the term by 2 successive periods of 5 years each subject to fulfilment of conditions set in the agreements. The obligations of SembCogen under the LNG purchase agreements are currently secured by corporate guarantees issued by the Company in favour of Shell.

C8. Commitments

A commitment is a contractual obligation to make a payment in the future, mainly in relation to leases and agreements to buy assets such as network infrastructure and IT systems. These amounts are not recorded in the consolidated balance sheet since the Group has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that the Group is committed to pay.

Commitments not provided for in the financial statements are as follows:

		Group	
(S$ million)	Note	2022	2021
– Commitments in respect of acquisition of investments	a	–	1,020
– Commitments in respect of contracts placed for property, plant and equipment	b	334	152
– Commitments in respect of a civil settlement in China	c	45	45
– Uncalled commitments to subscribe for additional shares in joint ventures and other investments		40	52
– Commitments in respect of purchase of investment properties		30	–
		449	1,269

a. The commitments in respect of the acquisitions of SDIC New Energy Investment Co., Ltd and Shenzhen Huiyang New Energy (HYNE) were completed during the year (see Note G3 and G5, respectively).

b. The amount in 2022 included the construction of a 150MW battery at Wilton International, Teesside, UK.

c. As part of the settlement relating to the discharge of off-specification wastewater by its 98.42% owned wastewater treatment company, Sembcorp Nanjing Suiwu Company Limited, the Group is committed to investments of S$45 million over four years (by December 2023) to develop projects and initiatives to support environmental protection in China. As at December 31, 2022, the Group has commenced on these investments and completed certain projects including upgrading of wastewater treatment plants in China, where the actual investment spend of completed projects is subject to audit and confirmation by the Nanjing Procuratorate and court.

Notes to the Financial Statements

D. Our Assets

In line with the Group's strategic plan on energy transition and sustainable development, the Group has continued to invest in renewable power equipment to enhance its energy sustainability portfolio.

D1. Property, Plant and Equipment

Accounting policies

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses. The cost initially recognised includes acquisition costs, costs directly attributable to bringing the assets to the location and working condition for their intended use and capitalised borrowing costs. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of PPE and estimated costs to be incurred for restoring the asset upon expiry of the lease agreement.

i. Subsequent Expenditure

Subsequent expenditure is recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of PPE are expensed to profit or loss when incurred. For items subject to regular overhauls, the overhaul costs incurred are capitalised and the carrying amounts of replaced components are written off to profit or loss.

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value (i.e. the estimated net amount to be obtained from disposal). Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of PPE as follows:

Leasehold land	Lease period of 5 to 84 years
Buildings	3 to 50 years
Improvements to premises	3 to 30 years
Quays and dry docks	9 to 28 years
Infrastructure	25 to 30 years
Plant and machinery	3 to 30 years
Tools and workshop equipment	3 to 10 years
Furniture, fittings and office equipment	1 to 10 years
Motor vehicles	2 to 10 years

No depreciation is provided on freehold land and capital work-in-progress.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

iii. Impairment

At the end of each reporting period, assessment is performed to identify whether there is any indication that an asset may be impaired. Impairment occurs when the carrying value of assets or its smallest identifiable, independent asset group that generates cash flows (cash-generating unit (CGU)) is greater than their recoverable amount. The recoverable amount is the higher of the assets' fair value less cost to sell and their value-in-use (VIU) (i.e. present value of the net cash flows they are expected to generate). The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

iv. Reversals of impairment

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, and only if, there has been a change in the estimates used to determine the asset's 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. A reversal of impairment loss for an asset is recognised in profit or loss.

v. Disposals

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Key estimates and judgements

Judgments are used in estimating the recoverable amount of an asset, i.e. in determining an asset's fair value and in assessing its VIU (the future cash flows expected to be generated by the asset and the pre-tax discount rate in bringing them to present value). In making these estimates, the Group considers the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the PPE and changes to the expected usage of the asset.

The Group also applies judgement in determining an asset's depreciation methods, estimated useful lives and residual values. These are reviewed annually, taking into consideration factors such as changes in the expected level of usage and technological developments, and adjusted prospectively where appropriate.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Note	Leasehold and freehold land and buildings	Improvements to premises	Quays and dry docks	Infrastructure	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Group											
Cost / Valuation											
Balance at January 1, 2022		401	85	12	55	9,584	70	88	159	359	10,813
Translation adjustments		(20)	(7)	–	(1)	(479)	(2)	(1)	(14)	(13)	(537)
Additions		5	1	–	–	106	6	2	544	55	719
Reclassification		1	5	–	*	446	*	3	(456)	1	–
Acquisition of subsidiaries	iii	33	–	–	–	885	*	*	–	14	932
Transfer from investment properties	D2	3	–	–	–	–	*	–	–	–	3
Transfer from / (to) other financial assets		–	–	–	–	*	–	–	*	–	*
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	–	–	7	7
Transfer to assets held for sale	G6	(87)	–	–	(54)	(3,290)	(6)	(2)	(3)	(12)	(3,454)
Disposals / Write-offs		(1)	(1)	–	–	(65)	(7)	(8)	*	(6)	(88)
Balance at December 31, 2022		335	83	12	–	7,187	61	82	230	405	8,395
Accumulated Depreciation and Impairment Losses											
Balance at January 1, 2022		111	24	9	28	3,354	51	41	6	95	3,719
Translation adjustments		(5)	(1)	–	(1)	(141)	(1)	*	(1)	(2)	(152)
Depreciation for the year											
– Continuing operations	B4a	9	4	1	*	288	6	9	–	23	340
– Discontinued operation	G6	1	–	–	3	82	*	*	–	1	87
Reclassification		1	–	–	–	(1)	*	*	–	–	–
Transfer from investment properties	D2	*	–	–	–	–	–	–	–	–	*
Transfer to assets held for sale	G6	(9)	–	–	(30)	(805)	(4)	(1)	–	(1)	(850)
Disposals / Write-offs		(1)	*	–	–	(57)	(7)	(7)	*	(4)	(76)
Impairment losses	v, vi, B4a	*	*	–	–	22	*	–	–	–	22
Balance at December 31, 2022		107	27	10	–	2,742	45	42	5	112	3,090
Carrying Amounts											
At January 1, 2022		290	61	3	27	6,230	19	47	153	264	7,094
At December 31, 2022		228	56	2	–	4,445	16	40	225	293	5,305

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Note	Leasehold and freehold land and buildings	Improvements to premises	Quays and dry docks	Infrastructure	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Group											
Cost / Valuation											
Balance at January 1, 2021		388	75	12	56	9,420	63	65	158	312	10,549
Translation adjustments		4	4	–	(1)	(26)	*	*	*	2	(17)
Additions		2	2	*	–	139	7	23	136	49	358
Reclassification		5	6	–	*	113	1	7	(132)	*	–
Acquisition of subsidiaries	iii	–	–	–	–	1	–	–	–	–	1
Transfer from investment properties	D2	4	–	–	–	–	*	–	–	–	4
Transfer to intangible assets		–	–	–	–	–	–	–	(1)	–	(1)
Transfer to other financial assets		–	–	–	–	–	*	–	–	–	*
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	–	–	3	3
Disposals / Write-offs		(2)	(2)	*	–	(63)	(1)	(7)	(2)	(7)	(84)
Balance at December 31, 2021		401	85	12	55	9,584	70	88	159	359	10,813
Accumulated Depreciation and Impairment Losses											
Balance at January 1, 2021		100	21	9	24	3,022	46	35	6	82	3,345
Translation adjustments		1	1	–	*	4	*	*	*	*	6
Depreciation for the year											
– Continuing operations	B4a	8	3	*	–	255	5	10	–	19	300
– Discontinued operation	G6	1	–	–	4	126	1	*	–	*	132
Reclassification		(1)	*	–	–	1	*	–	–	–	–
Transfer from investment properties	D2	3	–	–	–	–	–	–	–	–	3
Disposals / Write-offs		(1)	(1)	*	–	(55)	(1)	(6)	–	(6)	(70)
Impairment losses	B4a	*	*	–	–	1	*	2	–	*	3
Balance at December 31, 2021		111	24	9	28	3,354	51	41	6	95	3,719
Carrying Amounts											
At January 1, 2021		288	54	3	32	6,398	17	30	152	230	7,204
At December 31, 2021		290	61	3	27	6,230	19	47	153	264	7,094

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

Group

i. PPE with the following net book values have been pledged to secure loan facilities granted to subsidiaries. The PPE of the disposal group and the corresponding amount pledged are presented under assets held for sale (Note G6).

(S$ million)	Note	Group December 31, 2022	Group December 31, 2021
Freehold land and buildings		70	160
Leasehold land and buildings including right-of-use assets		33	44
Plant and machinery		1,862	4,241
Capital work-in-progress		4	8
Other assets		2	34
	C5a	1,971	4,487

ii. During the year, interest and direct staff costs amounting to S$4 million (2021: S$2 million) and S$4 million (2021: S$2 million), respectively were capitalised as capital work-in-progress. The capitalised interest costs are calculated using a rate from 3.84% to 4.99% (2021: 4.04% to 4.99%).

iii. PPE arising from the acquisition of subsidiaries were stated at fair value at the acquisition date (Note G5).

iv. In 2022, the provision for restoration costs capitalised in PPE amounted to S$34 million (2021: S$16 million) (Note H2).

v. In 2022, due to more stringent emission standards that will come into force in Singapore in 2023, an assessment was performed on a woodchip boiler facility's efficiency and effectiveness in meeting the new emission standards. An impairment of S$18 million was recognised in cost of sales to reduce the carrying value of the facility to its recoverable amount as higher operating costs are expected to be incurred for the facility to meet the new emission standards. The recoverable amount was estimated based on its value-in-use, determined using a pre-tax discount rate of 5.5%.

vi. In 2022, following management's review of the economic performance of the water plant in Qinzhou, China, an impairment of S$4 million was made and recognised in cost of sales. The assessment takes into consideration current and future water tariffs and used 20 years cash flow projections, with the expected capital expenditure in accordance with the plant maintenance programme, representing the estimated remaining useful life of the plant and a pre-tax discount rate of 6.5% to determine the recoverable amount of the plant.

Change in estimates

In 2021, the Group revised its estimates for the useful lives of certain assets within plant and machinery from 25 to 30 years to align with the term of the Engineering, Procurement and Construction (EPC) contracts, taking into consideration that the assets have been operating within design limits and are in good condition due to regular maintenance, as observed by an external consultant during a technical study conducted. The effect of these changes on depreciation expense in current and future periods on assets currently held, which is contributed by the disposal group is as follows:

(S$ million)	2021	2022	2023	2024	2025	Later
Group						
(Decrease) / Increase in depreciation expense and increase / (decrease) in profit before tax	(6)	(25)	(25)	(25)	(25)	106

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Leasehold and freehold land and buildings	Improvements to premises	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Company									
Cost									
Balance at January 1, 2022	20	7	8	735	22	3	15	145	955
Additions	*	*	–	23	*	*	5	12	40
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	–	3	3
Reclassification	–	*	–	16	1	–	(17)	–	–
Transfer to assets held for sale	*	–	–	–	–	–	–	–	*
Disposals / Write-offs	(1)	*	–	(42)	(1)	(1)	–	*	(45)
Balance at December 31, 2022	19	7	8	732	22	2	3	160	953
Accumulated Depreciation and Impairment Losses									
Balance at January 1, 2022	14	7	4	493	19	2	–	51	590
Depreciation for the year	1	*	2	43	1	*	–	12	59
Transfer to assets held for sale	*	–	–	–	–	–	–	–	*
Disposals / Write-offs	(1)	*	–	(42)	(1)	(1)	–	*	(45)
Impairment losses	*	–	–	1	–	–	–	–	1
Balance at December 31, 2022	14	7	6	495	19	1	–	63	605
Carrying Amounts									
At January 1, 2022	6	–	4	242	3	1	15	94	365
At December 31, 2022	5	–	2	237	3	1	3	97	348
Company									
Cost									
Balance at January 1, 2021	20	7	8	730	20	3	7	142	937
Additions	*	*	*	23	2	*	9	3	37
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	–	*	*
Reclassification	–	–	–	1	–	–	(1)	–	–
Disposals / Write-offs	*	*	*	(19)	*	*	–	*	(19)
Balance at December 31, 2021	20	7	8	735	22	3	15	145	955
Accumulated Depreciation and Impairment Losses									
Balance at January 1, 2021	13	7	4	466	17	1	–	46	554
Depreciation for the year	1	*	*	44	2	*	–	5	52
Disposals / Write-offs	*	*	*	(17)	*	*	–	*	(17)
Impairment losses	*	*	–	*	*	1	–	*	1
Balance at December 31, 2021	14	7	4	493	19	2	–	51	590
Carrying Amounts									
At January 1, 2021	7	–	4	264	3	2	7	96	383
At December 31, 2021	6	–	4	242	3	1	15	94	365

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1.1 Right-of-Use Assets and Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, please refer to Note D2 Investment Properties and Note B2 under Rental Income.

Accounting policies

The Group determines whether an arrangement is or contains a lease at inception. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially used at the commencement date
- the extension option if the Group is reasonably certain to exercise that option
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- amounts expected to be payable by the Group under residual value guarantees, and
- payments of penalties for terminating the lease, if the leases term reflects the Group exercising that option

These lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. The resulting finance cost is charged to profit or loss over the lease period.

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, with a corresponding adjustment to the right-of-use asset or in profit or loss if the carrying amount of the asset has been reduced to zero.

Payment associated with short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Adoption of the amendment to SFRS(I) 16 COVID-19-related rent concession:
Rent concessions linked to COVID-19 pandemic are not assessed and accounted for as lease modifications but are taken to profit or loss.

Key estimates and judgements

The Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. If the Group should exercise the extension option, the potential future lease payments would result in an increase in lease liability.

a. **Amounts recognised in the balance sheets**

(S$ million)	Group December 31, 2022	Group December 31, 2021
Right-of-use assets		
Leasehold land and buildings	272	247
Plant and machinery	5	6
Motor vehicles	16	11
Furniture, fittings and office equipment	*	*
Total	293	264
Lease liabilities		
Current	17	14
Non-current	270	244
Total	287	258
Maturity analysis		
Within 1 year	17	14
After 1 year but within 5 years	85	56
After 5 years	185	188
Total	287	258

In 2022, additions to the right-of-use assets were S$55 million (2021: S$49 million).

(S$ million)	Company December 31, 2022	Company December 31, 2021
Right-of-use assets		
Leasehold land and buildings	72	67
Plant and machinery	25	27
Total	97	94
Lease liabilities		
Current	10	5
Non-current	107	110
Total	117	115
Maturity analysis		
Within 1 year	10	5
After 1 year but within 5 years	18	18
After 5 years	89	92
Total	117	115

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1.1 Right-of-Use Assets and Leases *(cont'd)*

b. Amounts recognised in profit or loss

(S$ million)	Note	Group 2022	Group 2021[#]
Depreciation charge of right-of-use assets:			
– Leasehold land and buildings		17	16
– Plant and machinery		1	1
– Motor vehicles		5	2
– Furniture, fittings and office equipment		*	*
		23	19
Interest expense on lease liabilities (included in finance cost)	C6	10	9
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)		*	*
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)		7	6
Expense relating to variable lease payments not included in lease liabilities (included in cost of goods sold and administrative expenses)		–	*

The total cash outflow for leases in 2022 was S$33 million (2021: S$22 million).

D2. Investment Properties

The Group holds certain properties for rental yields and capital appreciation.

Accounting policies

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives ranging from 20 to 60 years or the lease period of 15 to 16 years. The assets' depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. No depreciation is provided on freehold land.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions when it increases the future economic benefits, embodied in the specific asset to which it relates, and its costs can be measured reliably. The carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised as an expense when incurred.

The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

		Group		
(S$ million)	Note	Investment properties	Investment properties work-in-progress	Total
Cost				
Balance at January 1, 2022		159	5	164
Translation adjustments		(12)	(1)	(13)
Additions		3	11	14
Reclassification		5	(5)	–
Transfer to property, plant and equipment	D1	(3)	*	(3)
Disposals / Write-offs		(4)	–	(4)
Balance at December 31, 2022		148	10	158
Accumulated Depreciation				
Balance at January 1, 2022		26	–	26
Translation adjustments		(1)	–	(1)
Depreciation for the year	B4a	4	–	4
Transfer to property, plant and equipment	D1	*	–	*
Disposals / Write-offs		(4)	–	(4)
Balance at December 31, 2022		25	–	25
Carrying Amounts				
At January 1, 2022		133	5	138
At December 31, 2022		123	10	133

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D2. Investment Properties *(cont'd)*

		Group		
(S$ million)	Note	Investment properties	Investment properties work-in-progress	Total
Cost				
Balance at January 1, 2021		158	3	161
Translation adjustments		6	*	6
Additions		*	2	2
Reclassification		*	*	–
Transfer to property, plant and equipment	D1	(4)	–	(4)
Transfer to inventories		(1)	–	(1)
Disposals / Write-offs		*	–	*
Balance at December 31, 2021		159	5	164
Accumulated Depreciation				
Balance at January 1, 2021		26	–	26
Translation adjustments		*	–	*
Depreciation for the year	B4a	3	–	3
Transfer to property, plant and equipment	D1	(3)	–	(3)
Disposals / Write-offs		*	–	*
Balance at December 31, 2021		26	–	26
Carrying Amounts				
At January 1, 2021		132	3	135
At December 31, 2021		133	5	138

Amounts recognised in profit or loss for investment properties

	Group	
(S$ million)	2022	2021#
Rental income	11	10
Operating expenses arising from rental of investment properties	8	7

The fair value of the investment properties as at the balance sheet date is S$187 million (2021: S$186 million). The fair values are mostly determined by independent professional valuers using a combination of investment income method and direct or market comparison techniques, including adjustments to reflect the specific use of the investment properties. Such valuation is derived from observable market data from an active and transparent market. In the absence of current prices in an active market, the fair values are determined by considering the aggregate of the estimated cash flow expected to be received from renting out the properties or Directors' valuation. A yield that reflects the specific risks inherent in the cash flows is then applied to the net annual cash flows to obtain the fair values.

The Group leases out its investment properties. The lease agreement provides for additional lease payments annually based on changes to a price index. Non-cancellable operating lease rentals receivable are as follows:

	Group	
(S$ million)	2022	2021
Lease receivable:		
Within 1 year	8	10
1 to 2 years	5	9
2 to 3 years	3	6
3 to 4 years	2	3
4 to 5 years	2	2
More than 5 years	5	7
	25	37

D3. Intangible Assets

The balance sheet contains significant intangible assets, mainly in relation to goodwill, intellectual property rights and long-term contracts.

Accounting policies

a. Goodwill

Goodwill is measured at cost less accumulated impairment losses. The goodwill cost represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount recognised (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a negative goodwill is recognised immediately in profit or loss.

Goodwill is not amortised but is tested for impairment on an annual basis. An impairment loss on goodwill is recognised as an expense in profit or loss and is not reversed in a subsequent period.

Goodwill that has previously been taken to reserves is not taken to profit or loss when (i) the business is disposed of or discontinued or (ii) the goodwill is impaired. Similarly, negative goodwill that has previously been taken to reserves is not taken to profit or loss when the business is disposed of or discontinued.

b. Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. This intangible asset is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 25 to 30 years.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

Accounting policies *(cont'd)*

c. Long-term Contracts

Long-term revenue and supplier contracts are fair valued using cash flow projections over the contractual period of 1 to 30 years. Amortisation is recognised in profit or loss on a straight-line basis over the contractual period.

d. Power Generation Permits

Power generation permits are fair valued using cash flow projections over the tenure of the permits, ranging from 23 to 25 years. Amortisation is recognised in profit or loss on a straight-line basis over the tenure of the permits.

e. Carbon Allowances

Carbon allowances received are accounted for using the 'net liability' method. Any quantities of allowances above those forecast to be required for the company's own use are accounted for as an intangible asset together with a related deferred income balance in the balance sheet at their estimated recoverable value. A liability would only crystalise when emissions are greater than the allowances granted.

f. Other Intangible Assets

Other intangible assets comprise software, development rights and golf club membership.

Other intangible assets with a finite life are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense as incurred. Other intangible assets are amortised on a straight-line basis from the date the asset is available for use and over its estimated useful lives ranging from 3 to 30 years.

Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its costs can be measured reliably. All other expenditures are expensed as incurred.

Impairment (except for Goodwill, separately disclosed in (a))

Intangible assets that have indefinite useful lives or that are not yet available for use are tested for impairment annually. For intangible assets with finite useful lives, the policy on impairment is consistent with property, plant and equipment as disclosed in Note D1.

Reversal of Impairment (except for Goodwill, separately disclosed in (a))

The policy on reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Key estimates and judgements

The determination of the recoverable amounts of goodwill and other intangible assets involves a high degree of judgement and is subject to significant estimation uncertainties, principally, the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors take into account expected customer demand and forecasted tariff rates. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

(S$ million)	Note	Group						
		Goodwill	Service concession arrange-ments	Long-term contracts	Power generation permits	Carbon allowances	Others	Total
Cost								
Balance at January 1, 2022		278	58	235	–	76	61	708
Translation adjustments		(21)	(7)	(20)	(22)	(9)	(1)	(80)
Additions	i	–	*	–	–	135	7	142
Acquisition of subsidiary	G5	33	–	–	415	–	*	448
Disposal	i	–	*	–	–	(124)	*	(124)
Transfer from other category of asset		–	*	–	–	–	*	*
Transfer to assets held for sale	G6	(55)	–	(33)	–	–	(2)	(90)
Write-off	B4a	–	*	–	–	–	*	*
Balance at December 31, 2022		235	51	182	393	78	65	1,004
Accumulated Amortisation								
Balance at January 1, 2022		119	28	132	–	–	39	318
Translation adjustments		(10)	(4)	(13)	(1)	–	(1)	(29)
Amortisation charge for the year								
– Continuing operations	B4a	–	3	7	10	–	8	28
– Discontinued operation		–	–	1	–	–	1	2
Disposal		–	*	–	–	–	*	*
Transfer to assets held for sale	G6	–	–	(10)	–	–	(2)	(12)
Write-off	B4a	–	*	–	–	–	*	*
Balance at December 31, 2022		109	27	117	9	–	45	307
Carrying Amounts								
At January 1, 2022		159	30	103	–	76	22	390
At December 31, 2022		126	24	65	384	78	20	697

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

(S$ million)	Note	Goodwill	Service concession arrangements	Long-term contracts	Carbon allowances	Others	Total
		Group					
Cost							
Balance at January 1, 2021		277	54	236	21	53	641
Translation adjustments		1	4	*	(1)	1	5
Additions	i	–	1	–	78	6	85
Acquisition of subsidiary		*	–	–	–	–	*
Disposal	i	–	*	–	(22)	–	(22)
Transfer from other category of asset		–	–	–	–	1	1
Write-off	B4a	–	(1)	(1)	–	–	(2)
Balance at December 31, 2021		278	58	235	76	61	708
Accumulated Amortisation and Impairment Losses							
Balance at January 1, 2021		118	21	122	–	32	293
Translation adjustments		1	4	*	–	*	5
Amortisation charge for the year							
– Continuing operations	B4a	–	3	10	–	8	21
– Discontinued operation		–	–	1	–	*	1
Disposal		–	*	–	–	–	*
Impairment losses	B4a, B4c	–	–	–	–	*	*
Write-off	B4a	–	*	(1)	–	(1)	(2)
Balance at December 31, 2021		119	28	132	–	39	318
Carrying Amounts							
At January 1, 2021		159	33	114	21	21	348
At December 31, 2021		159	30	103	76	22	390

i. The additions during the year mainly related to the increase in carbon allowances and the disposal was for the settling of the Group's carbon obligation.

ii. Intangible assets of less than S$1 million (2021: less than S$1 million) have been pledged to secure loan facilities.

iii. The amortisation of intangible assets is analysed as follows:

(S$ million)	Group 2022	2021[#]
Cost of sales	22	15
Administrative expenses	8	7
Total	30	22

a. Goodwill

Impairment Testing

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
(S$ million)	December 31, 2022	December 31, 2021
Cash-generating Unit (CGU)		
SUT Division	19	19
Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd[1]	43	43
SEIL (Project I) (formerly known as Sembcorp Energy India Ltd)[#]	–	23
SEIL (Project II) (formerly known as Sembcorp Gayatri Power Limited)[#]	–	38
Sembcorp Green Infra Limited and its subsidiaries	31	36
Shenzhen Huiyang New Energy (HYNE)	33	–
Multiple units with insignificant goodwill	*	*
	126	159

[1] As Sembcorp Gas Pte Ltd became wholly-owned in November 2019, there is a change in CGU for Sembcorp Gas Pte Ltd to include Sembcorp Fuels (Singapore) Pte Ltd, whose principal activity is also arranging for purchase and sale of natural gas. These two entities are considered a single CGU as both have same customer bases for natural gas, pricing is set by the same management team and cash inflows are not generated largely independently.

[#] SEIL was classified as a disposal group held for sale and as a discontinued operation (See Note G6).

The increase in goodwill during the year arose from the acquisition of HYNE (See Note G5). The identified assets acquired and liabilities assumed for the CGU are measured at their fair values and there has been no changes to the goodwill determined on a provisional basis as at December 31, 2022.

The recoverable amounts for SUT Division, Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd and Sembcorp Green Infra Limited and its subsidiaries were determined using value-in-use calculations. Cash flow projections used in the value-in-use calculations were prepared based on management's past experience in operating the business and forward market outlook over the long-term nature of the utilities and power business. Pre-tax discount rates between 5.7% and 11.7% (2021: 3.9% and 10.4%) had been used.

At the balance sheet date, based on the key assumptions below, the recoverable amounts of the respective CGUs exceeded their carrying amounts.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

a. Goodwill *(cont'd)*

Impairment Testing *(cont'd)*

Key assumptions on recoverable amounts of respective CGUs

	SUT Division	Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	Sembcorp Green Infra Limited and its subsidiaries
Cash flow projections period	Remaining useful life of plants assumed 18 years (2021: 19 years)	Remaining contractual period of existing contracts	Remaining useful life of plants assumed 28 years (2021: 29 years)
Revenue and margins	Based on contracts secured along with likely renewals and forecasted demand for industrial utilities and services; as well as forecasted margins	Based on estimated sales and purchases of gas quantities derived from the contractual period of existing contracts	Based on long-term contracts secured at contracted tariffs. New contracts and contract renewals are assumed based on estimated demand and supply as well as margin
Expected capital expenditure	In accordance with plant maintenance programme	In accordance with plant maintenance programme and pipeline servicing	In accordance with plant maintenance programme
Terminal value	Nil (2021: Nil)	Nil (2021: Nil)	Nil (2021: Nil)
Inflation rate assumptions used to project overheads and other general expenses	1.5% – 2% (2021: 0.9% – 1.5%)	1.5% – 2% (2021: 0.9% – 1.5%)	3.5% (2021: 3.5%)
Others	NA	Forward USD / SGD exchange rate and High Sulphur Fuel Oil (HSFO) prices with reference to forward quotes were assumed in the forecast performance	NA

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts to exceed the recoverable amounts.

b. Service Concession Arrangements

The subsidiaries in Fuzhou and Yanjiao in China have service concession agreements with the local municipalities to supply drinking water to the local communities.

Under these arrangements, the charges for use of these assets are adjusted regularly according to agreed cost reference and escalation formula in the concession agreement as approved by respective local authorities.

c. Long-term Contracts

India

The subsidiaries in the renewables sector in India have long-term contracts with India's State Electricity Boards in Gujarat, Karnataka, Maharashtra, Rajasthan and Tamil Nadu, with tenures ranging from 10 to 30 years. These subsidiaries also sell electricity to commercial customers with tenures ranging from 10 to 25 years.

United Kingdom (UK)

The subsidiaries in the UK acquired in 2018, have contracted with the National Grid of the UK to generate electricity through a portfolio of diesel and gas generators in multiple sites across the UK and supplier contracts with tenures ranging from 1 to 15 years. The majority of these contracts provide fixed-rate cash flows relating to plant availability (Capacity Market contracts).

d. Power Generation Permits

The subsidiaries in China, acquired during the year, own power generation permits to operate solar and wind power plants in various locations of China, with tenures ranging from 23 to 25 years.

e. Carbon Allowances

These are allowances, received from the UK government and purchased from the carbon market, to settle the emission obligation from its gas-fired thermal power plants.

f. Other Intangible Assets

Other intangible assets comprise software, development rights and golf club membership.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

	Company		
(S$ million)	Goodwill	Others	Total
Cost			
Balance at January 1, 2022	19	27	46
Additions	–	4	4
Disposals / Write-offs	–	*	*
Balance at December 31, 2022	19	31	50
Accumulated Amortisation			
Balance at January 1, 2022	–	21	21
Amortisation charge for the year	–	2	2
Disposals / Write-offs	–	*	*
Balance at December 31, 2022	–	23	23
Carrying Amounts			
At January 1, 2022	19	6	25
At December 31, 2022	19	8	27
Cost			
Balance at January 1, 2021	19	26	45
Additions	–	2	2
Disposals / Write-offs	–	(1)	(1)
Balance at December 31, 2021	19	27	46
Accumulated Amortisation			
Balance at January 1, 2021	–	19	19
Amortisation charge for the year	–	2	2
Disposals / Write-offs	–	*	*
Balance at December 31, 2021	–	21	21
Carrying Amounts			
At January 1, 2021	19	7	26
At December 31, 2021	19	6	25

The Company's goodwill relates to goodwill on the acquisition of the SUT Division in 2008.

E. Our Working Capital

E1. Trade and Other Receivables

Trade and other receivables mainly consist of amounts owed to the Group by customers and amounts paid to the Group's suppliers in advance.

Accounting policies

Trade and other receivables are initially recognised at the amount of consideration receivable that is unconditional, unless they contain significant financing components, whereby they will be recognised at fair value.

Subsequently, trade and other receivables are measured at amortised cost only if (i) the asset is held within a business model whose objective is to collect the contractual cash flows and (ii) the contractual terms give rise to cash flows that are solely payments of principal and interest. The carrying value of trade and other receivables is reduced by appropriate allowances for estimated irrecoverable amounts. The estimated irrecoverable amounts and calculation of loss allowances are based on policies set out in Note F4. Interest income, foreign exchange gains or losses, impairment losses and gains or losses on derecognition relating to these receivables are recognised in profit or loss.

In the service concession arrangements, the Group recognises a financial asset arising from its construction services when it has an unconditional contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

		December 31, 2022			December 31, 2021		
(S$ million)	Note	Non-current	Current	Total	Non-current	Current	Total
Group							
Trade receivables		12	665	677	*	1,000	1,000
Service concession receivables	i	852	45	897	912	44	956
Amounts due from related parties	G4	4	86	90	1	44	45
Staff loans		–	*	*	–	*	*
Deposits	ii	28	85	113	6	106	112
Sundry receivables	iii	–	141	141	–	120	120
Unbilled receivables	iv	–	374	374	–	542	542
Recoverables		1	24	25	*	22	22
Interest receivables		–	6	6	–	3	3
Grant receivables		–	4	4	–	4	4
		897	1,430	2,327	919	1,885	2,804
Loss allowance	F4	(112)	(51)	(163)	(12)	(65)	(77)
Financial assets at amortised cost	F4, v	785	1,379	2,164	907	1,820	2,727
Prepayments	vi	47	47	94	38	52	90
Employee defined benefit asset		17	*	17	22	2	24
Advances to suppliers		–	134	134	–	104	104
Tax recoverable		6	4	10	15	4	19
Share application money paid	vii	–	–	–	–	4	4
		855	1,564	2,419	982	1,986	2,968

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E1. Trade and Other Receivables *(cont'd)*

i. The Group has service concession agreements with the local governments and governing agencies through its subsidiaries. The agreements in Singapore are for supply of treated water and agreements in Myanmar and Bangladesh are for supply of electricity.

The guaranteed sum receivables from the grantors for the construction of the underlying assets are discounted at interest rates ranging from 3.6% to 8.5% (2021: 3.6% to 8.5%).

ii. Deposits include cash collateral placed on deposits in margin accounts.

iii. Sundry receivables represent mainly GST receivables, loan receivables and miscellaneous receivables.

iv. Unbilled receivables represent revenue accrued for sale of utilities commodities and services.

v. Trade and other receivables of S$839 million (2021: S$1,325 million) have been pledged to secure loan facilities. Included in the pledged amount is S$372 million (2021: S$397 million) which relates to underlying assets of the service concession arrangements.

vi. Prepayments are charged to profit or loss on a straight-line basis over the service period. They relate primarily to:

- Connection fees prepaid under the Generation Connection and Use of System Agreement for the use of the transmission lines to a related corporation amounted to S$38 million (2021: S$20 million);
- Service fees prepaid under the Gasoil Supply and Storage Agreement for the usage of tank; and
- Capacity charges prepaid for the use of gas delivery pipelines, prepaid insurance premium, transport tariff recoverable and maintenance of plants.

vii. In 2021, the Group paid S$4 million towards share application money pending allotment to a joint venture.

		December 31, 2022			December 31, 2021		
(S$ million)	Note	Non-current	Current	Total	Non-current	Current	Total
Company							
Trade receivables		–	24	24	–	20	20
Amounts due from related parties	G4	–	40	40	–	35	35
Deposits		–	2	2	–	2	2
Unbilled receivables	i	–	46	46	–	49	49
Recoverable		–	1	1	–	–	–
Grant receivables		–	4	4	–	4	4
		–	117	117	–	110	110
Loss allowance	F4	–	(2)	(2)	–	(1)	(1)
Financial assets at amortised cost	F4	–	115	115	–	109	109
Prepayments	ii	1	4	5	3	5	8
Advance to suppliers		–	*	*	–	1	1
		1	119	120	3	115	118

i. Included in the Company's unbilled receivables are amounts of S$26 million (2021: S$25 million) due from related companies.

ii. Connection and capacity charges prepaid for the use of pipelines and pipe racks.

E2. Inventories

Accounting policies

a. Inventories

Finished goods, consumable materials and spares are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

b. Development Properties

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes land and construction costs, related expenditure and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Key estimates and judgements

The Group applies critical accounting judgements in classifying development properties. In assessing the classification of development properties, management considers its intention with regards to the use of the properties (i.e. held with the intention of development and sale in the ordinary course of business or for rental and capital appreciation). Where there is a change in intended use, a change in classification may be required.

	Group		Company	
(S$ million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Raw materials and consumables	135	221	5	2
Finished goods	25	27	7	7
	160	248	12	9
Allowance for inventory obsolescence	(26)	(27)	(3)	(2)
	134	221	9	7
Properties under development	3	1	–	–
	137	222	9	7

S$25 million (2021: S$127 million) of the Group's inventories were pledged to secure loan facilities.

Amounts recognised in profit or loss

	Group	
(S$ million)	2022	2021#
– Inventories recognised as an expense in cost of sales	102	68
– Inventories written down	*	2

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E3. Trade and Other Payables

Trade and other payables mainly consist of amounts the Group owes to its suppliers. They also include taxes and social security amounts payable relating to the Group's workforce.

Accounting policies

Trade and other payables (excluding advance payments from customers, deferred grants, deferred income and retirement benefit obligations) are classified as financial liabilities measured at amortised cost using the effective interest method. Trade payables are not interest-bearing and are stated at their nominal value.

		Group		Company	
(S$ million)	Note	December 31, 2022	December 31, 2021	December 31, 2022	December31, 2021
Current liabilities					
Trade payables		163	268	4	7
Advance payments from customers		33	23	*	*
Amounts due to related parties	G4	57	4	6	2
Accrued capital and operating expenditure	i	804	923	132	141
Deposits		43	33	*	*
Accrued interest payable		29	15	–	–
Other creditors	ii	360	441	2	5
Deferred grants		–	–	*	–
Deferred consideration	G5	75	1	–	–
Contingent consideration	G5	151	–	–	–
		1,715	1,708	144	155
Non-current liabilities					
Deferred grants	iii	3	3	–	*
Amounts due to related parties	G4	–	–	1,358	1,445
Other long-term payables	iv	43	51	19	20
Deferred income		38	42	2	–
Contingent consideration		3	–	–	–
Retirement benefit obligation		6	9	–	–
		93	105	1,379	1,465

i. Included in the Company's accrued operating expenses are amounts of S$36 million (2021: S$43 million) due to related companies.

ii. Included in the Group's other creditors is an amount owing in the margin account as a result of withdrawal against net unrealised gain, driven by the high oil commodity forward price.

iii. Non-current deferred grants related to government grants for capital assets.

iv. Other long-term payables included retention monies of subsidiaries, long-term employee benefits and accrued operating and maintenance services which will be billed only after the initial payment-free period, which is more than one year.

E4. Cash and Cash Equivalents

Accounting policies

Cash and cash equivalents which comprise cash balances and bank deposits are classified as financial assets measured at amortised cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand. Bank overdrafts are shown within interest-bearing borrowings in current liabilities on the balance sheet.

The majority of the Group's cash is held in bank deposits or money market funds which have a maturity of three months or less to enable short-term liquidity requirements to be met.

	Group		Company	
(S$ million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Fixed deposits with banks	398	549	–	–
Cash and bank balances	856	795	239	427
Cash and cash equivalents in the balance sheets	1,254	1,344	239	427
Restricted bank balances	(8)	(47)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	1,246	1,297	239	427
Cash and cash equivalents inclusive of placement with:				
– A subsidiary	–	–	237	426
– A related corporation	137	74	2	1

Fixed deposits with banks of the Group earn interest at rates ranging from 0.25% to 6.40% (2021: 0.12% to 8.00%) per annum.

Included in the Group's cash and cash equivalents is an amount of S$156 million (2021: S$259 million) over which banks have a first charge in the event that the respective subsidiaries do not meet the debt servicing requirements.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management

In undertaking the transformation from brown to green, the Group has carefully optimised its assets portfolio, monitored its risk exposures, and ensured that the Group is not over-leveraged.

F1. Market Risk

This note details the Group's exposure to treasury and financial risks including credit, liquidity, interest and foreign exchange risks, and the objectives and policies in place to monitor and manage these risks.

The Group has implemented the Integrated Assurance Framework (IAF) which is based on a multi-level line of defence (LOD) model. Through the IAF structure, the respective LODs work together to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. Under the IAF, a pragmatic and collaborative approach to risk and controls assessment has been established, with common and consistent criteria applied to assess the risks and adequacy and effectiveness of internal controls.

Under the IAF, the Group's key markets, being the first LOD, are required to work with the second LOD comprising business lines, subject matter experts and corporate functions, to perform a thorough review and assessment of their risks and internal controls.

Clear escalation procedures and key risk indicators have been established and aligned with the Group's risk appetite.

The proactive management of key risks and controls strengthens not only the Group's reporting and monitoring capabilities, but also cultivates a risk culture of accountability and ownership.

Key themes of the IAF include cyber security, plant availability and reliability, health and safety, regulatory and compliance, people and talent management, fraud risk management and governance.

Financial Risk Management Objectives and Policies

The Group's day-to-day operations, new investment opportunities and funding activities introduce financial risks, which are actively managed by management with Board oversight. These risks are grouped into the following categories:

- Market: The risk that fluctuations in commodity prices, foreign exchange and interest rates adversely impact the Group's results.
- Liquidity: The risk that the Group will not be able to meet the financial obligations as they fall due.
- Credit: The risk that a counterparty will not fulfil its financial obligations under a contract or other arrangement.

The Board has adopted the Group Treasury policies and financial authority limits to manage these risks. The Group Treasury policies set out the parameters for financing structure, liquidity, counterparty risk management, foreign exchange risk management and use of derivative transactions. Derivative transactions are permitted only if it involves underlying assets or liabilities.

a. Market Risk

Market risk is the possibility that changes in interest rates, foreign exchange rates, equity securities and commodities will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and reduce the above exposures within acceptable parameters.

i. Interest Rate Risk

The Group's interest rate exposure is primarily in relation to its fixed-rate borrowings (fair value risk), variable-rate borrowings and cash and cash equivalents (cash flow risk).

The Group's policy is to target at least 50% of its debt portfolio with fixed interest rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at variable rates while using interest rate swaps and cross currency swaps to hedge the variability in cash flows attributable to floating interest rates.

Based on the variable rate net debt position (both issued and hedged) at balance sheet date, assuming other factors (principally foreign exchange rates and commodity prices) remained constant and that no further interest rate management action was taken, an increase in interest rate of 1% would have decreased the Group's profit before tax (PBT) by S$18 million (2021: decreased by S$29 million) and increased equity by S$5 million (2021: increased by S$6 million). At Company level, PBT would have decreased by S$10 million (2021: decreased by S$9 million) without any impact to equity (2021: no impact). A 1% decrease in interest rates would have the opposite effect for both Group and Company.

ii. Foreign Currency Risk

The Group is exposed to currency risk on foreign currency denominated borrowings, investments and commercial transactions.

The Group limits its exposure to changes in foreign exchange rates through forward foreign exchange contracts and cross currency interest rate swaps. In certain circumstances, borrowings are left in a foreign currency, or swapped from one foreign currency to another, to hedge expected future business cash flows in that currency. Significant foreign currency denominated transactions undertaken in the normal course of operations are managed on a case-by-case basis.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

a. Market Risk *(cont'd)*

ii. Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk (excluding the Group's net investment hedges and loan receivables that form part of the net investment in its subsidiaries and associates in the UK and China) based on its risk management policy is summarised as follows:

	Group						
(S$ million)	SGD	USD	EURO	GBP	RMB	INR	Others
2022							
Financial assets							
Cash and cash equivalents	47	66	1	*	1	–	16
Trade and other receivables	16	470	1	1	23	–	37
Other financial assets	–	53	–	–	–	–	1
	63	589	2	1	24	–	54
Financial liabilities							
Trade and other payables	45	409	3	228	9	–	24
Interest-bearing borrowings	–	30	100	–	–	–	83
Lease liabilities	4	–	–	–	–	–	*
	49	439	103	228	9	–	107
Net financial assets / (liabilities)	14	150	(101)	(227)	15	–	(53)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(184)	(6)	–	(9)	–	–
Less: Cross currency swap / Foreign exchange forward contracts	49	273	106	220	9	–	83
Net currency exposure	63	239	(1)	(7)	15	–	30
2021							
Financial assets							
Cash and cash equivalents	27	224	3	*	*	–	17
Trade and other receivables	23	404	*	1	158	*	22
Other financial assets	–	53	–	–	–	–	–
	50	681	3	1	158	*	39
Financial liabilities							
Trade and other payables	41	299	3	130	29	*	11
Interest-bearing borrowings	–	964	–	–	–	–	95
Lease liabilities	4	–	–	–	–	–	*
	45	1,263	3	130	29	*	106
Net financial assets / (liabilities)	5	(582)	–	(129)	129	*	(67)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(159)	(4)	–	(76)	–	–
Less: Cross currency swap / Foreign exchange forward contracts	24	1,043	4	129	(35)	–	95
Net currency exposure	29	302	–	*	18	*	28

The Company's gross exposure to foreign currency is as follows:

(S$ million)	Company USD
2022	
Financial assets	
Cash and cash equivalents	11
Trade and other receivables	18
	29
Financial liabilities	
Trade and other payables	18
Net financial assets	11
Net currency exposure	11
2021	
Financial assets	
Cash and cash equivalents	3
Trade and other receivables	15
	18
Financial liabilities	
Trade and other payables	24
Net financial liabilities	(6)
Net currency exposure	(6)

Sensitivity Analysis

A 10% strengthening of the following currencies against the functional currencies of the Group and Company at balance sheet date would have increased / (decreased) equity and PBT by the amounts shown below. The analysis assumed that all other variables, in particular interest rates, remain constant, ignoring any impact of firm commitments in foreign currencies and with no further foreign exchange risk management action taken.

	Group				Company	
	Equity		Profit before tax		Profit before tax	
(S$ million)	2022	2021	2022	2021	2022	2021
SGD	4	2	1	*	–	–
USD	20	15	19	27	1	(1)
EURO	*	–	*	*	–	–
GBP	–	–	(1)	*	–	–
RMB	–	–	2	9	–	–
INR	–	–	–	*	–	–
Others	–	–	3	3	–	–

A 10% weakening of the above currencies against the functional currencies of the Group and Company at the balance sheet date would have had an equal but opposite effect to the amounts shown above.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

a. Market Risk *(cont'd)*

iii. Price Risk

Mutual Funds and Equity Securities Price Risk

The Group is exposed to price risk from mutual funds and equity securities designated as FVTPL or FVOCI respectively.

If prices for mutual funds and equity securities increased by 10% with all other variables held constant, equity and PBT would have increased by S$5 million and S$7 million, respectively (2021: increased by S$5 million and S$11 million, respectively). Conversely, if prices decreased by 10%, equity and PBT would have had an equal but opposite effect.

Commodity Risk

The Group hedges against fluctuations in commodity prices that affect revenue and cost. Exposures are managed via swaps and contracts for differences (CFDs).

CFDs are entered into with counterparties at a strike price, with or without fixing the quantity upfront, to hedge against adverse price movements from sale of electricity. Exposure to price fluctuations from purchases of fuel is managed via fuel oil swaps where fuel price is indexed to a benchmark index, for example Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent.

The Group designates fuel oil swaps and electricity futures in their entirety in cash flow hedges to hedge its commodity risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index of Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent, tenors, repricing dates and maturities. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item by looking at the critical terms.

The Group did not identify any significant sources of ineffectiveness in these hedges.

Sensitivity Analysis

If prices for commodities increased by 10% with all other variables held constant, the increase in equity as a result of fair value changes on cash flow hedges would be:

	Group	
(S$ million)	2022	2021
Equity	11	19

A 10% decrease in the prices for commodities would have had an equal but opposite effect to the equity. The analysis assumed that all other variables remain constant.

F2. Hedges

The Group uses derivative instruments (derivatives) (as disclosed in Note H1) to hedge financial risks as described above. Derivatives are contracts whose value is derived from an underlying price index (or other variable) that require little or no initial net investment and are settled at a future date.

The Group designates certain derivatives as either:

i. Hedges of fair value of recognised assets, liabilities or firm commitments (fair value hedge)

ii. Hedges of a particular cash flow risk associated with a recognised asset, liability or highly probable forecast transaction (cash flow hedge)

iii. Hedges of a net investment in a foreign operation (net investment hedge)

Accounting policies

Derivatives are carried on balance sheet at fair value. Movements in price of the underlying variables, which causes the value of contract to fluctuate, are reflected in the fair value of derivative. The method of recognising changes in fair value depends on whether the derivative is designated in an accounting hedge relationship. Derivatives not designated as accounting hedges are referred to as economic hedges subject to fair value through profit or loss.

Fair value gains and losses attributable to economic hedges are recognised in profit or loss while recognition of fair value gains and losses of those attributable to accounting hedges depends on the nature of item being hedged.

The effective portion of changes in fair value of derivatives designated as fair value hedge are recognised in profit or loss at the same time when all changes in fair value of the underlying item relating to the hedged risks are recognised in profit or loss. The effective portion of changes in fair value of derivatives designated as cash flow hedges are recognised in hedging reserve (in equity).

Certain determinants of fair value included in derivatives or mismatches between the timing of the instrument and the underlying item in any hedge relationship can cause hedge ineffectiveness. Any ineffectiveness is recognised immediately in profit or loss as change in fair value of derivatives.

When the underlying hedged item is sold or repaid, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge is recognised immediately in profit or loss.

When the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge is recognised in profit or loss when the hedged item is recognised in profit or loss, which may occur over time.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Key estimates and judgements

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities. The Group considers the critical terms in assessing if each designated derivative is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are due to:

- effects of the counterparties' and the Group's own credit risk on fair value of the swaps, which is not reflected in the change in fair value of the hedged cash flows attributable to change in interest rates; and
- changes in timing of hedged transactions.

The Group designates only the change in fair value of the spot element of forward exchange contract for funding purposes as the hedging instrument in a cash flow hedging relationship. The change in fair value of the forward element of the forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in hedging reserve within equity.

Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative nearly risk-free rates (Alternate Reference Rule).

The Audit Committee monitors the Group's transition to Alternate Reference Rule. The management evaluates and negotiates the transition into Alternate Reference Rule. The committee reports to the Board of Directors quarterly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from interest rate benchmark reform.

The Group has loans and derivatives (as hedges to the loans) as well as credit facilities in LIBOR and SOR which extend beyond the anticipated cessation date of the rates on June 30, 2023. The Group has completed transitioning the GBP loans and hedges from LIBOR to SONIA and is close to completing transitioning the loans and hedges from SOR to SORA. The Group has started to engage counterparties to transition USD LIBOR to SOFR to complete the whole IBOR transition exercise for the Group. As at December 31, 2022, the Group does not expect to be significantly impacted as a result of the transition to alternate reference rates. The Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedge relationships directly affected by interest rate transition.

The Group considers that a contract is not yet transitioned to an Alternative Reference Rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate transition, even if it includes a fallback clause that deals with cessation of the existing IBOR (referred to as an unreformed contract).

The following table shows the total amounts of unreformed contracts as at December 31, 2022 for the Group. There is no unreformed contract for the Company. The amounts of financial liabilities shown are at their carrying amounts and derivatives at their nominal amounts.

(S$ million)	Total amount of unreformed contracts USD LIBOR
Group	
December 31, 2022	
Financial liabilities	
Secured term loans	115
Unsecured term loans	198
Derivatives	
Interest rate swaps and cross currency swaps	282

The Group's exposure to the interest rate benchmark reform as at December 31, 2022 corresponds with the interest rate swaps and cross currency swaps used to hedge LIBOR (2021: SOR and LIBOR) cash flows on the Group's bank loans maturing from 2026 to 2036 (2021: 2023 to 2036). The Group's exposure to LIBOR (2021: SOR and LIBOR) designated in a hedging relationship that is directly affected by the interest rate benchmark reform approximates a nominal amount of S$282 million (2021: S$1,110 million) as at December 31, 2022.

Cash Flow Hedges

Key estimates and judgements

For cash flow hedge relationships directly impacted by interest rate benchmark reform (i.e. hedges of LIBOR and SOR), the Group assumes that the cash flows of hedged item and hedging instrument will not be altered.

LIBOR and SOR continue to be used as reference rates in financial markets and are used in valuation of instruments with maturities that exceed the expected end date for LIBOR and SOR. Therefore, the Group believes the current market structure supports continuation of hedge accounting.

The Group designates certain forward foreign exchange contracts, interest rate swaps, cross currency interest rate swaps and fuel oil swaps in various cash flow hedges.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

At December 31, 2022, the Group held the following instruments to hedge exposures to fluctuations in foreign currencies, interest rates and commodity prices:

(S$ million)	Rate ($)	Interest rate (%)	Maturity Within 1 year	Maturity Between 1 and 5 years	Maturity More than 5 years
2022					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– SGD / USD	0.70 – 0.75	–	49	–	–
– USD / SGD	1.33 – 1.42	–	258	56	–
– EUR / SGD	1.43	–	6	–	–
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	1.05 – 2.51	105	1,176	–
– Fixed-to-float	–	2.92	–	–	168
Foreign currency and interest rate risk					
Cross currency swaps					
– EUR / SGD	1.80	–	–	99	–
– Float-to-fixed (USD / VND)	23,085 – 23,185	9.08 – 10.24	4	13	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap ($ per MT)	253.00 – 641.00	–	265	29	–
– Fuel oil swap ($ per BBL)	51.28 – 93.92	–	88	–	–
– Fuel oil swap ($ per MMBTU)	9.30 – 67.50	–	209	–	–
Electricity futures market contracts	289.85 – 326.00	–	4	–	–

(S$ million)	Rate ($)	Interest rate (%)	Maturity Within 1 year	Between 1 and 5 years	More than 5 years
2021					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– SGD / USD	0.73–0.76	–	30	–	–
– USD / SGD	1.32–1.47	–	209	21	–
– EUR / SGD	1.59	–	3	–	–
– USD / INR	75.04–78.26	–	609	–	–
– CNH / SGD	0.21	–	2	–	–
Cash					
– USD / SGD	1.35–1.36	–	56	–	–
– CNH / SGD	0.21	–	29	–	–
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	0.87–2.51	117	899	–
– Fixed-to-float	–	2.92	–	–	177
Foreign currency and interest rate risk					
Cross currency swaps					
– USD / INR	66.75	–	249	–	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap ($ per MT)	205.00–475.75	–	613	41	–
– Fuel oil swap ($ per BBL)	33.03–83.13	–	183	2	–
– Fuel oil swap ($ per MMBTU)	4.90–9.55	–	102	22	–
Electricity futures market contracts	97.59–115.85	–	11	–	–

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The amounts at the balance sheet date relating to items designated as hedged items are as follows:

(S$ million)	Cash flow hedge reserve for continuing hedges 2022	2021
Foreign currency risk		
Highly probable purchases	(5)	3
Highly probable equity injection	(1)	1
Payments	1	1
Interest rate risk		
Variable rate borrowings	42	(28)
Other financial liabilities	16	(3)
Foreign currency and interest rate risk		
Fixed-rate borrowings	7	–
Variable rate borrowings	–	(2)
Commodity risk		
Highly probable purchases	(16)	51
Fuel oil price	24	84

The amounts related to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk		
	Forward foreign exchange contracts / Cash	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Electricity futures market contracts	Total
2022						
Nominal amount – S$ million	369	1,449	116	591	4	2,529
Quantity	–	–	–	486,404 MT, 739,123 BBL, and 4,830,000 MMBTU	–	486,404 MT, 739,123 BBL, and 4,830,000 MMBTU
Carrying amount – S$ million						
Other financial assets	1	73	4	24	1	103
Other financial liabilities	5	–	*	78	–	83
Fair value increase / (decrease) – S$ million						
Hedging instruments	(2)	106	2	201	11	318
Hedged items	2	(106)	(2)	(201)	(11)	(318)
Hedge ineffectiveness	*	–	–	–	–	*
Reconciliation of hedging reserve – S$ million						
Changes in fair value	(2)	106	2	201	11	318
Amounts reclassified to profit or loss:						
– Turnover	–	–	–	8	19	27
– Cost of goods sold	(3)	–	–	(251)	–	(254)
– Other operating income	–	–	–	(114)	–	(114)
Amount reclassified to cost of investment in a subsidiary	*	–	–	–	–	*
						(23)
Tax on above items						9
Change in hedging reserve						(14)
Share of other comprehensive income of associates and joint ventures						63
Movement during the year						**49**

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The amounts related to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk		
	Forward foreign exchange contracts / Cash	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Electricity futures market contracts	Total
2021						
Nominal amount – S$ million	959	1,193	249	963	11	3,375
Quantity	–	–	–	1,805,648 MT, 4,015,159 BBL and 19,260,000 MMBTU	–	1,805,648 MT, 4,015,159 BBL and 19,260,000 MMBTU
Carrying amount – S$ million						
Other financial assets	1	3	26	212	–	242
Other financial liabilities	2	36	–	50	29	117
Cash	85	–	–	–	–	85
Fair value increase / (decrease) – S$ million						
Hedging instruments	(84)	54	5	212	(52)	135
Hedged items	84	(54)	(5)	(215)	52	(138)
Hedge ineffectiveness	*	–	–	(3)	–	(3)
Reconciliation of hedging reserve – S$ million						
Changes in fair value	(84)	54	5	212	(52)	135
Amounts reclassified to profit or loss:						
– Cost of goods sold	48	–	–	(75)	25	(2)
– Finance cost	47	–	–	–	–	47
Amount reclassified to cost of investment in a subsidiary	(1)	–	–	–	–	(1)
						179
Tax on above items						(31)
Change in hedging reserve						148
Share of other comprehensive income of associates and joint ventures						35
Movement during the year						183

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Cash flow hedge reserve	
(S$ million)	2022	2021
Balance at January 1	48	(133)
Movement during the year		
Changes in fair value:		
– Foreign currency risk	(2)	(84)
– Interest rate risk	106	54
– Foreign currency and interest rate risk	2	5
– Commodity risk	212	160
Amount reclassified to profit or loss:		
– Foreign currency risk	(3)	95
– Commodity risk	(338)	(50)
Amount reclassified to cost of investment in a subsidiary	*	(1)
Tax on movements on reserves during the year	9	(31)
Share of other comprehensive income of associates and joint ventures	63	35
	49	183
Share of non-controlling interests	(4)	(2)
Balance at December 31	93	48

Net Investment Hedges

The Group's investments in its UK and China (2021: UK) subsidiaries are hedged by GBP / SGD and CNH / SGD (2021: GBP / SGD) forward foreign exchange contracts (hedging instrument) respectively, which mitigate the currency risks arising from the subsidiaries' net assets. The carrying amounts of the hedging instruments of S$23 million (2021: S$6 million) and S$12 million (2021: S$9 million) are included in other financial assets and other financial liabilities respectively.

The notional amount of the contracts is S$323 million (2021: S$166 million). During the financial year, net hedging loss of S$51 million (2021: hedging loss of S$1 million) was recognised in other comprehensive income. As at December 31, 2022, the balance of foreign currency translation reserve for continuing hedges is a loss of S$20 million (2021: gain of S$32 million).

F3. Liquidity Risk

The Group manages its liquidity risk with a view to maintaining a healthy level of cash and cash equivalents that corresponds with its operating environment and expected cash flows. Liquidity requirements are maintained within the credit facilities established and are adequate to meet the Group's obligations.

Maturity Profile of the Group's and Company's Financial Liabilities

The cash flows associated with the cash flow hedges of the Group are expected to occur within 1 year and between 1 and 5 years. Correspondingly, the cash flows related to the hedging instruments (foreign exchange contracts, fuel oil swaps, interest rate swaps, cross currency swaps and electricity futures) that are designated as cash flow hedges are expected to impact profit or loss within 1 year to 5 years and upon disposal, should it arise, of its investment in subsidiaries.

Approximately S$1,100 million (2021: S$750 million) of interest-bearing borrowings are due within 12 months. The Group has at least S$2,400 million (2021: S$1,900 million) in committed credit facilities with final maturity dates beyond 2022 that can be drawn down.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F3. Liquidity Risk *(cont'd)*

Maturity Profile of the Group's and Company's Financial Liabilities *(cont'd)*

The table below analyses the maturity profile of the Group's and the Company's financial assets and liabilities (including derivative financial assets and liabilities) based on contractual undiscounted cash inflows / (outflows), including estimated interest payments and excluding the impact of netting agreements:

			Cash flows		
(S$ million)	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	Over 5 years
Group					
2022					
Derivatives					
Derivative financial liabilities	122				
– inflow		555	426	129	–
– outflow		(683)	(528)	(155)	–
Derivative financial assets	(132)				
– inflow		293	132	161	–
– outflow		(169)	(58)	(111)	–
Non-derivative financial liabilities					
Trade and other payables[1]	1,671	(1,672)	(1,654)	(17)	(1)
Lease liabilities	287	(427)	(29)	(91)	(307)
Interest-bearing borrowings	7,070	(8,642)	(1,325)	(4,439)	(2,878)
	9,018	(10,745)	(3,036)	(4,523)	(3,186)
2021					
Derivatives					
Derivative financial liabilities	143				
– inflow		254	152	102	–
– outflow		(386)	(260)	(126)	–
Derivative financial assets	(291)				
– inflow		415	380	35	–
– outflow		(146)	(131)	(15)	–
Non-derivative financial liabilities					
Trade and other payables[1]	1,644	(1,645)	(1,624)	(16)	(5)
Lease liabilities	258	(386)	(26)	(78)	(282)
Interest-bearing borrowings	7,391	(9,244)	(1,009)	(5,099)	(3,136)
	9,145	(11,138)	(2,518)	(5,197)	(3,423)

[1] Excludes advance payments, deferred income, Goods and Services Tax and employee benefits

(S$ million)	Carrying amount	Contractual cash flow	Cash flows: Less than 1 year	Cash flows: Between 1 and 5 years	Cash flows: Over 5 years
Company					
2022					
Non-derivative financial liabilities					
Trade and other payables[1]	1,520	(1,599)	(210)	(1,389)	–
Lease liabilities	117	(179)	(14)	(32)	(133)
	1,637	(1,778)	(224)	(1,421)	(133)
2021					
Non-derivative financial liabilities					
Trade and other payables[1]	1,618	(1,673)	(177)	(1,496)	–
Lease liabilities	115	(182)	(9)	(33)	(140)
	1,733	(1,855)	(186)	(1,529)	(140)

[1] Excludes advance payments, deferred grants, Goods and Services Tax and employee benefits

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss and fair value of the related hedging instruments:

(S$ million)	Carrying amount	Contractual cash flow	Cash flows: Less than 1 year	Cash flows: Between 1 and 5 years	Cash flows: Over 5 years
Group					
2022					
Derivative financial liabilities	83				
– inflow		212	166	46	–
– outflow		(295)	(244)	(51)	–
Derivative financial assets	(103)				
– inflow		271	106	165	–
– outflow		(169)	(58)	(111)	–
	(20)	19	(30)	49	–
2021					
Derivative financial liabilities	117				
– inflow		136	130	6	–
– outflow		(253)	(236)	(17)	–
Derivative financial assets	(242)				
– inflow		329	294	35	–
– outflow		(87)	(72)	(15)	–
	(125)	125	116	9	–

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk

The Group only deals with pre-approved customers and financial institutions with good credit rating. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy institutions. Cash and fixed deposits are placed in banks and financial institutions with good credit rating. For some customers, the Group may also obtain security in the form of deposits, guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty defaults.

For the Company's amounts due from subsidiaries, the Company considers the financial assets to have a low credit risk by taking into consideration the Group's financial ability to settle the amounts, after estimating the risk of default.

Accounting policies

The Group applies the simplified approach to provide ECL on trade and unbilled receivables as well as contract assets without significant financing component. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. To measure expected lifetime ECLs, these balances have been grouped based on common credit risk characteristics and ageing profiles.

The loss allowance for service concession receivables is measured at 12-month ECL. When credit risk has increased significantly since initial recognition, loss allowance is measured at lifetime ECL.

A receivable balance is written off to the extent that there is no realistic prospect of recovery.

For customers with credit ratings (or equivalent), the ECL rate is calculated based on probabilities of default and loss given default obtained from Standards and Poor's and Moody's. The Group monitors changes in credit risk by tracking published external credit ratings.

Customers with no credit ratings (or equivalent) are grouped based on shared credit risk characteristics and days past due, with ECL rates calculated using historical loss rates for each category of customers, adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of customers to settle the receivables.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the customer and default or significant delay in payments.

When the Group determines whether the credit risk has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, taking into account forward-looking information. Customer collectability is assessed on an ongoing basis and any resulting impairment losses are recognised in profit or loss.

The maximum exposure to credit risk is the carrying amount of each financial asset (including derivatives) in the balance sheet, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets, except for balances with customers where guarantees or security deposits are obtained.

ECL assessment for customers with credit ratings (or equivalent)

The Group allocates exposure to credit risk by segmenting customers based on geographic region and industry classification.

(S$ million)	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2022					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BBB – B	No	582	(7)	575
– Government	AAA – BB	No	294	*	294
– Retail	A+ – B-	No	17	(2)	15
– Others	A+ – A-	No	5	*	5
Service concession receivables (Note ii)	CC	No	352	(110)	242
			1,250	(119)	1,131
Receivables measured at 12-month ECL					
Service concession receivables	AAA – BB-	No	545	(4)	541
Total			1,795	(123)	1,672
2021					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BBB+ – B-	No	610	(9)	601
– Government	AAA – BB	No	49	*	49
– Retail	B-	No	19	(2)	17
– Others	B+ – B-	No	2	*	2
			680	(11)	669
Receivables measured at 12-month ECL					
Service concession receivables	AAA – B	No	956	(11)	945
Total			1,636	(22)	1,614
Company					
2022					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BB+ – B-	No	45	(1)	44
– Government	AAA	No	4	–	4
Total			49	(1)	48
2021					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BB+ – B-	No	46	(1)	45
– Government	AAA	No	4	–	4
Total			50	(1)	49

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers with credit ratings (or equivalent) *(cont'd)*

i. As at December 31, 2022, 84% (2021: 84%) of service concession receivables relate to two major customers of the Group.

ii. The provision was made following management's regular assessment of credit risk under SFRS(I) 9. Although there is no default on payment, the Group has determined that the credit risk on the service concession receivables for Sembcorp Myingyan Power Company (SMPC) has increased significantly, taking into consideration forward-looking information on the risk of foreign currency shortages, a weakening economy and Myanmar being categorised as a high-risk jurisdiction by the Financial Action Task Force, with increased risk of economic and financial sanctions. Accordingly, lifetime ECL is applied on the service concession receivables of SMPC.

iii. Other than (ii) above, there were no trade and other receivables and contract assets with significant increase in credit risk since initial recognition. There were also no credit impaired receivables at balance sheet date.

ECL assessment for customers without credit ratings (or equivalent)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers with no credit rating or no representative credit rating or equivalent:

(S$ million)	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2022					
Not past due	No	2.3%	88	(2)	86
Past due 0 to 3 months	No	2.7%	37	(1)	36
Past due 3 to 6 months	No	3.3%	30	(1)	29
Past due 6 to 12 months	No	16.7%	6	(1)	5
More than 1 year	Yes	82.6%	23	(19)	4
Total			184	(24)	160
2021					
Not past due	No	0.6%	176	(1)	175
Past due 0 to 3 months	No	0.5%	210	(1)	209
Past due 3 to 6 months	No	0.7%	144	(1)	143
Past due 6 to 12 months	No	1.6%	183	(3)	180
More than 1 year	No	25.0%	132	(33)	99
Total			845	(39)	806

(S$ million)	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Company					
2022					
Not past due	No	2.2%	92	(2)	90
Past due 0 to 3 months	No	–	20	–	20
Past due 3 to 6 months	No	–	*	–	*
Past due 6 to 12 months	No	–	2	–	2
More than 1 year	No	–	3	–	3
Total			117	(2)	115
2021					
Not past due	No	1.2%	82	(1)	81
Past due 0 to 3 months	No	–	19	–	19
Past due 3 to 6 months	No	–	3	–	3
Past due 6 to 12 months	No	–	3	–	3
More than 1 year	No	–	3	–	3
Total			110	(1)	109

For the remaining financial assets at amortised cost amounting to S$377 million (2021: S$351 million) which include deposits in margin accounts, long-term fixed deposits with financial institutions, convertible loan, dividends receivables and GST receivables, the Group considered the risk that a credit loss may occur, and recognised a loss allowance of S$16 million (2021: S$16 million).

Movements in loss allowances

		2022			2021		
(S$ million)	Note	12-month ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Total
Group							
Balance at January 1		11	66	77	11	46	57
Currency translation difference		*	(7)	(7)	*	1	1
Impairment loss recognised		*	113	113	–	26	26
Allowance written back		–	(16)	(16)	*	(7)	(7)
Transfer to assets held for sale		–	(3)	(3)	–	–	–
Loss allowance utilised		–	(1)	(1)	–	–	–
Transfer to lifetime ECL		(7)	7	–	–	–	–
Balance at December 31	E1	4	159	163	11	66	77
Company							
Balance at January 1		–	1	1	–	*	*
Impairment loss recognised		–	1	1	–	1	1
Balance at December 31	E1	–	2	2	–	1	1

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments

Accounting policies

SFRS(I) 13 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by SFRS(I) 13 are as follows:

- Level 1 – Using quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Using inputs not based on observable market data (unobservable input).

Securities

The fair value of financial assets is based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

Derivatives

Derivatives are used by the Group for hedging. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures.

1. The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current forward market price.

2. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.

3. The fair value of fuel oil swaps and electricity futures is accounted for based on difference between the contractual strike price with the counterparty and the current forward market price.

4. CFDs are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The fair value of the CFDs would need to be adjusted to reflect the illiquidity. However, there have been minimal trades made in the electricity future market. There is also no fixed quantity stated in the agreement. As such, the fair value of the CFDs cannot be measured reliably. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

Non-derivative non-current financial assets and liabilities

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the balance sheet date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, which is the fair value of the consideration given or received. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For financial instruments not actively traded in the market, fair value is determined by an independent third party or by various valuation techniques, with assumptions based on existing market conditions at each balance sheet date.

a. **Fair Value Hierarchy**

Financial assets and financial liabilities carried at fair value

(S$ million)	Fair value measurement Level 1	Level 2	Level 3	Total
Group				
At December 31, 2022				
Financial assets at FVOCI	–	–	53	53
Financial assets at FVTPL	37	–	32	69
Derivative financial assets	–	132	–	132
	37	132	85	254
Financial liabilities at FVTPL	–	(3)	(151)	(154)
Derivative financial liabilities	–	(122)	–	(122)
	–	(125)	(151)	(276)
	37	7	(66)	(22)
At December 31, 2021				
Financial assets at FVOCI	–	–	53	53
Financial assets at FVTPL	85	–	28	113
Derivative financial assets	–	291	–	291
	85	291	81	457
Derivative financial liabilities	–	(143)	–	(143)
	85	148	81	314

There have been no transfers between the different levels of the fair value hierarchy at December 31, 2022 and December 31, 2021.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances of Level 3 financial instruments measured at FVOCI and FVTPL:

(S$ million)	Financial assets at FVOCI 2022	2021
Group		
Balance at January 1	53	71
Net change in fair value recognised in OCI	*	(18)
Balance at December 31	**53**	**53**

(S$ million)	Financial assets at FVTPL 2022	2021
Group		
Balance at January 1	28	26
Addition	10	5
Disposal[1]	(2)	(10)
Net change in fair value recognised in profit or loss	(4)	7
Balance at December 31	**32**	**28**

[1] FY2021 disposal included the Group's divestment of its interests in SJW

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy *(cont'd)*

Level 3 fair values (cont'd)

(S$ million)	Financial liabilities at FVTPL 2022	Financial liabilities at FVTPL 2021
Group		
Balance at January 1	–	–
Addition	(141)	–
Translation adjustment	9	–
Net change in fair value recognised in profit or loss	(19)	–
Balance at December 31	(151)	–

Level 3 financial asset at FVOCI includes unquoted equity shares. The fair value of the unquoted equity shares are determined by reference to the investment's adjusted net asset values as stated in the unaudited financial statements. The estimated fair value would increase / decrease if the net asset values for unquoted equity shares were higher / lower.

Financial liabilities at FVTPL in Level 3 relate to the contingent consideration on acquisition of HYNE (Note G5).

Assets and liabilities not carried at fair value

The following table shows assets and liabilities not carried at fair value but for which fair values are disclosed, except financial assets and financial liabilities measured at amortised cost since the carrying amounts approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(S$ million)	Fair value measurement Level 1	Level 2	Level 3	Total
Group				
At December 31, 2022				
Investment properties	–	–	187	187
Associate	88	–	–	88
Service concession receivables	–	1,644	–	1,644
Long-term interest-bearing borrowings	–	(5,776)	–	(5,776)
At December 31, 2021				
Investment properties	–	–	186	186
Associate	99	–	–	99
Service concession receivables	–	1,501	–	1,501
Long-term interest-bearing borrowings	–	(6,654)	–	(6,654)
Company				
At December 31, 2022				
Amounts due to related parties	–	(1,356)	–	(1,356)
At December 31, 2021				
Amounts due to related parties	–	(1,451)	–	(1,451)

b. Fair Value versus Carrying Amount

The fair value of financial assets and financial liabilities measured at amortised cost approximate their carrying amounts, except for the following:

(S$ million)	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Fair value
Group				
At December 31, 2022				
Service concession receivables	897	–	897	1,644
Interest-bearing borrowings:				
Non-current borrowings	–	(5,974)	(5,974)	(5,776)
At December 31, 2021				
Service concession receivables	956	–	956	1,501
Interest-bearing borrowings:				
Non-current borrowings	–	(6,637)	(6,637)	(6,654)
Company				
At December 31, 2022				
Amounts due to related parties	–	(1,358)	(1,358)	(1,356)
At December 31, 2021				
Amounts due to related parties	–	(1,445)	(1,445)	(1,451)

Notes to the Financial Statements

G. Our Group Structure

This section provides key information on the Group's interests in joint arrangements, controlled entities and transactions with non-controlling interests. It also provides information on business acquisitions and disposals made during the year as well as information relating to Group's related parties, including related party transactions.

During the year, the Group made three significant acquisitions, requiring the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed.

Judgement is required in determining the classification of the acquisitions as asset acquisitions or business combinations. There is judgement and inherent uncertainty involved in the valuation of the assets and liabilities as well as settlement of any existing litigations between the parties.

The Group has used provisional amounts of purchase price allocation for the accounting of these acquisitions and has a one-year measurement period from the acquisition date to complete the accounting for the acquisitions. Fair value adjustments may arise on the completion of respective final purchase price allocations due to the estimation uncertainty involved.

G1. Subsidiaries

Accounting policies

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Investment in Subsidiaries

	Company	
(S$ million)	December 31, 2022	December 31, 2021
At cost and carrying value:		
Unquoted equity shares	2,016	2,016
Preference shares	288	288
Share-based payments reserve	5	5
	2,309	2,309

Subsidiaries
Details of key subsidiaries of the Group are as follows:

Name of key subsidiary	Country of incorporation	Effective equity held by the Group 2022 %	2021 %
Sembcorp Utilities Pte Ltd (SCU)[1]	Singapore	100	100
Sembcorp Cogen Pte Ltd[1]	Singapore	100	100
Sembcorp Gas Pte Ltd[1]	Singapore	100	100
Sembcorp Environment Pte. Ltd.[1]	Singapore	100	100
SembWaste Pte Ltd[1]	Singapore	100	100
Sembcorp Development Ltd[1]	Singapore	100	100
Singapore Precision Industries Pte Ltd[1]	Singapore	100	100
Singapore Technologies Industrial Corp Ltd[1]	Singapore	100	100
Vietnam Singapore Industrial Park Pte Ltd[1]	Singapore	96.59	96.59
Sembcorp Utilities (UK) Limited[2]	United Kingdom	100	100
Sembcorp Energy UK Limited[2]	United Kingdom	100	100
Nanjing Riverside Quay Co., Ltd[2]	China	100	100
Sembcorp Myingyan Power Company Limited[2]	Myanmar	100	100
Sembcorp North-West Power Company Ltd.[2]	Bangladesh	71	71
Sembcorp Energy India Ltd (SEIL)[3,4]	India	100	100
Sembcorp Green Infra Limited (SGI)[3]	India	100	100
Sembcorp Huiyang New Energy (Shenzhen) Co., Ltd[2]	China	98	–

1 Audited by KPMG LLP, Singapore
2 Audited by member firms of KPMG International
3 Audited by PricewaterhouseCoopers, India
4 With the shareholders' approval of its divestment on November 8, 2022, SEIL has been classified as held for sale

G2. Non-controlling Interests
There are no subsidiaries with material NCI for the financial year ended December 31, 2022 and December 31, 2021.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G3. Associates and Joint Ventures

Accounting policies

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies of these entities.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has significant influence over another entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has joint control over the entity.

		Group	
(S$ million)	Note	December 31, 2022	December 31, 2021
Associates and joint ventures	i	2,526	1,846
Loan to associate	ii	58	70
		2,584	1,916
Less: Allowance for impairment		(297)	(316)
	a, b	2,287	1,600

i. During the year, the Group acquired two associates in the renewable power business, namely SDIC New Energy Investment Co. Ltd (SDIC) and Hunan Xingling New Energy Co., Ltd.

ii. The loan to an associate is unsecured, bears interest at 8.5% per annum and has no fixed terms of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the loan is recognised within investment in associate. Allowance for impairment on this loan is insignificant.

iii. In 2022, the Group received dividends of S$93 million (2021: S$77 million) from its investments in associates and joint ventures.

iv. The carrying value includes goodwill on acquisition as follows:

	Group	
(S$ million)	2022	2021
Balance at January 1	*	*
Addition	4	–
Impairment	(2)	–
Balance at December 31	2	*

a. Associates

Details of the Group's key associates are as follows:

Name of key associate	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group 2022 %	2021 %
Renewables				
SDIC New Energy Investment Co., Ltd[1]	Project investment; investment management; technology development, transfer, training and promotion; technical, economic and trade consultation and services; and renewable power generation	China	35.11	–
Hunan Xingling New Energy Co., Ltd.[2]	Renewable power generation, power transmission and distribution businesses	China	45.30	–
Integrated Urban Solutions				
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd[3]	First-grade land development including building infrastructure and public amenities	China	21.50	21.50
Conventional Energy				
Sembcorp Salalah Power and Water Company SAOG[4]	Generation of electric energy	Oman	40.00	40.00

[1] Audited by ShineWing Certified Public Accountants

[2] Audited by Baker Tilly Certified Public Accountants Co., Ltd, China

[3] Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China

[4] Audited by member firms of KPMG International

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G3. Associates and Joint Ventures *(cont'd)*

a. Associates *(cont'd)*

There is one (2021: nil) individual associate that is considered to be material to the Group as at December 31, 2022. Summarised financial information of the associates is presented as follows:

(S$ million)	SDIC New Energy Investment Co., Ltd 2022
Revenue	353
Profit for the year	123
Other comprehensive income	–
Total comprehensive income	**123**
Attributable to non-controlling interests	4
Attributable to investee's shareholders	119

(S$ million)	SDIC New Energy Investment Co., Ltd December 31, 2022
Non-current assets	1,971
Current assets	755
Non-current liabilities	(1,281)
Current liabilities	(504)
Net assets	**941**
Attributable to non-controlling interests	24
Attributable to investee's shareholders	917

(S$ million)	SDIC New Energy Investment Co., Ltd	Individually immaterial associates	Total
Group's interest in net assets of investees at January 1, 2022	–	516	516
Group's share of:			
Profit from continuing operations	38	39	77
Other comprehensive income	–	35	35
Total comprehensive income	38	74	112
Dividends received during the year	–	(11)	(11)
Translation during the year	(33)	(49)	(82)
Addition during the year, net of disposal	384	201	585
Carrying amount of interest in investees at December 31, 2022	**389**	**731**	**1,120**

The fair value of the equity interest of a listed associate amounted to S$88 million (2021: S$99 million) based on the last transacted market price on the last transaction day of the year.

On January 28, 2022, the Group acquired 35% interest in SDIC New Energy Investment Co., Ltd (SDIC) for total consideration of S$320 million. On June 17, 2022, the Group injected an additional S$64 million into SDIC.

On December 16, 2022, the Group acquired 45.3% interest in Hunan Xingling New Energy Co., Ltd for total consideration of S$205 million.

b. Joint Ventures

Details of the Group's key joint ventures are as follows:

Name of key joint venture	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group 2022 %	2021 %
Renewables				
Guohua AES (Huanghua) Wind Power Co., Ltd[1]	Development, construction and operation of wind farms as well as provision of wind power technical consultation and services, training and research, development and engineering support services	China	49.00	49.00
Integrated Urban Solutions				
Vietnam Singapore Industrial Park J.V. Co., Ltd.[2]	Development of industrial parks, residential areas and commercial areas for sale and lease	Vietnam	49.26	49.26
Conventional Energy				
Shanghai Cao Jing Co-generation Co. Ltd[3]	Production of electricity and steam, supply of steam to customers, supply of electricity to the power grid and production and sale of other relevant products	China	30.00	30.00
Emirates Sembcorp Water & Power Company P.J.S.C[4]	Development, possession, operation and maintenance of production, power generation and water desalination projects	United Arab Emirates	40.00	40.00

1 Audited by Baker Tilly Certified Public Accountants Co., Ltd, China

2 Audited by member firms of KPMG International

3 Audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company

4 Audited by Ernst & Young, Abu Dhabi

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G3. Associates and Joint Ventures *(cont'd)*

b. Joint Ventures *(cont'd)*

The Group has two (2021: two) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity accounted. Summarised financial information of the joint ventures is presented as follows:

	Vietnam Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
(S$ million)	2022	2021	2022	2021
Revenue	523	469	117	131
Profit for the year[1]	131	106	40	51
Other comprehensive income	(37)	26	–	–
Total comprehensive income	**94**	**132**	**40**	**51**
Attributable to non-controlling interests	10	14	–	–
Attributable to investee's shareholders	84	118	40	51

[1] Includes depreciation and amortisation of S$56 million (2021: S$51 million), finance income of S$15 million (2021: S$4 million), finance cost of S$25 million (2021: S$18 million) and income tax expense of S$42 million (2021: S$24 million).

	Vietnam Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
(S$ million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Non-current assets	239	231	587	690
Current assets[1]	1,184	1,055	241	250
Non-current liabilities[2]	(261)	(267)	(267)	(278)
Current liabilities[3]	(351)	(306)	(119)	(170)
Net assets	**811**	**713**	**442**	**492**
Attributable to non-controlling interests	117	102	–	–
Attributable to investee's shareholders	694	611	442	492

[1] Includes cash and cash equivalents of S$485 million (2021: S$314 million)

[2] Includes non-current financial liabilities (excluding trade and other payables and provisions) of S$440 million (2021: S$458 million)

[3] Includes current financial liabilities (excluding trade and other payables and provisions) of S$211 million (2021: S$242 million)

(S$ million)	Vietnam Singapore Industrial Park JV Co., Ltd.	Guohua AES (Huanghua) Wind Power Co., Ltd.	Individually immaterial joint ventures	Total
Group's interest in net assets of investees at January 1, 2022	311	237	536	1,084
Group's share of:				
Profit from continuing operations	62	20	89	171
Other comprehensive income	–	–	29	29
Total comprehensive income	62	20	118	200
Dividends received during the year	–	(22)	(60)	(82)
Translation during the year	(19)	(22)	(33)	(74)
Addition during the year, net of disposal and impairment	–	–	39	39
Carrying amount of interest in investees at December 31, 2022	**354**	**213**	**600**	**1,167**
Group's interest in net assets of investees at January 1, 2021	251	201	707	1,159
Group's share of:				
Profit from continuing operations	48	24	77	149
Other comprehensive income	–	–	14	14
Total comprehensive income	48	24	91	163
Dividends received during the year	–	–	(65)	(65)
Translation during the year	12	12	16	40
Impairment during the year	–	–	(212)	(212)
Addition during the year, net of disposal	–	–	*	*
Transfer to assets held for sale	–	–	(1)	(1)
Carrying amount of interest in investees at December 31, 2021	**311**	**237**	**536**	**1,084**

i. The Group's share of the capital commitments of the joint ventures at the balance sheet date amounted to S$83 million (2021: S$73 million).

ii. The Group's interest in joint ventures with a total carrying amount of S$124 million (2021: S$96 million) as at balance sheet date has been pledged to banks to secure credit facilities granted to the joint venture entities.

iii. The impairment in 2022 pertained to an investment in UK. The amount mainly related to project expenses incurred by the company.

In 2021, the Group fully impaired the carrying value of S$212 million interest in Chongqing Songzao Sembcorp Electric Power Co., Ltd (CSZ). The business was severely impacted by significantly higher coal costs, with the loss of its mine-mouth advantage and escalating market coal prices due to supply-demand imbalance consequent to a government directive for coal mines and the partner's decision to close all its Chongqing-based coal mines.

Post impairment, the Group no longer equity accounts the results of CSZ as the Group's cumulative share of losses exceeds its interests in CSZ. As at December 31, 2022, the Group's share of the unrecognised losses of CSZ was S$22 million (2021:S$25 million).

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Related Party Information

a. Amounts Due from Related Parties

		Associates		Joint ventures		Related companies		Total	
(S$ million)	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Group									
Trade		7	5	1	5	60	19	68	29
Non-trade		4	3	14	12	3	*	21	15
Loans		*	*	1	1	–	–	1	1
	E1	11	8	16	18	63	19	90	45
Loss allowance		(1)	(1)	(10)	(12)	(1)	–	(12)	(13)
		10	7	6	6	62	19	78	32
Amount due within 1 year		(10)	(7)	(3)	(6)	(62)	(19)	(75)	(32)
Amount due more than 1 year		–	–	3	*	–	–	3	*

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

In 2022 and 2021, loss allowance mainly pertained to a dividend receivable from a joint venture which was impaired (see G3(b)(iii)).

		Subsidiaries	
(S$ million)	Note	December 31, 2022	December 31, 2021
Company			
Current:			
– Trade		40	35
– Non-trade		–	*
	E1	40	35

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

b. Amounts Due to Related Parties

		Holding company		Associates		Joint ventures		Related companies		Total	
(S$ million)	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Group											
Current:											
– Trade		*	*	*	*	*	*	6	*	6	*
– Non-trade		–	–	*	*	45	*	6	4	51	4
	E3	*	*	*	*	45	*	12	4	57	4

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Related Party Information *(cont'd)*

b. Amounts Due to Related Parties *(cont'd)*

(S$ million)	Note	Subsidiaries December 31, 2022	Subsidiaries December 31, 2021
Company			
Current:			
– Trade		*	*
– Non-trade		6	2
	E3	6	2
Non-current:			
– Loans	E3	1,358	1,445
		1,364	1,447

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

The loans from a related party of S$1,358 million (2021: S$1,445 million) bear interest rates ranging from 1.36% to 5.81% (2021: 1.36% to 3.72%) per annum and are unsecured.

c. Related Party Transactions

In addition to the above, the Group had the following significant outstanding balances and transactions with related parties during the year:

(S$ million)	Outstanding balances December 31, 2022	Outstanding balances December 31, 2021	Transactions 2022	Transactions 2021
Related Corporations				
Sales	60	19	357	177
Purchases including rental	6	*	392	428
Finance income	3	–	5	1
Finance expense	6	4	20	8
Associates and Joint Ventures				
Sales	8	10	42	32
Finance income	1	–	5	–
Payment on behalf	–	–	4	4
Loans due from	1	1	–	–

d. Compensation of Key Management Personnel

The Group considers the Directors of the Company (including the Group President & CEO of the Company) and other personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group to be key management personnel in accordance with SFRS(I) 1-24 Related Party Disclosures.

As of December 31, 2022, the key management personnel are Wong Kim Yin, Eugene Cheng, Robert Chong, Koh Chiap Khiong, Vipul Tuli, Andrew Koss, Alex Tan and Kelvin Teo.

The compensation of the eight (2021: eight) key management personnel is included in the table below:

	Group	
(S$ million)	2022	2021
Directors		
Directors' fees paid / payable	2	2
Key Management Personnel		
Salary, bonus and other benefits	22	8
Share-based compensation expenses	23	4

The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added (EVA), as well as attainment of individual and Group performance goals for its key executives. "A bonus bank" is used to hold incentive compensation credited in any year. Typically, one-third of the available balance is paid out in cash each year, with the balance being carried forward to the following year. The balances of the bonus bank will increase or decrease by the yearly EVA performance achieved and the payouts made from the bonus bank.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G5. Acquisition of Subsidiaries

Acquisition of Significant Subsidiaries

On June 1, 2022, the Group acquired a 98% equity stake in Shenzhen Huiyang New Energy Group (HYNE), which consists of a portfolio of operational wind and solar photovoltaic assets. The acquisition will enable the Group to scale its renewables capacity towards meeting its targets by 2025, as part of the brown to green transformation.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(S$ million)	Note	2022
Purchase consideration		
Cash paid		445
Deferred consideration	i	78
Contingent consideration	ii	157
Consideration transferred for the business		680
Effect on cash flows of the Group		
Cash paid		445
Less: Cash and cash equivalents in subsidiaries acquired		(95)
Cash outflow on acquisition		350

		At fair value
Identifiable assets acquired and liabilities assumed[1]		
Property, plant and equipment	D1	918
Right-of-use Assets	D1	14
Intangible assets	D3	415
Deferred tax assets		*
Trade and other receivables	iv	434
Cash and cash equivalents		95
Total assets		1,876
Trade and other payables		168
Borrowings		881
Lease liabilities		11
Current tax payable		3
Deferred tax liabilities		104
Total liabilities		1,167
Total net identifiable assets		**709**
Less: Non-controlling interest measured on proportionate basis		(62)
Add: Goodwill acquired	D3	33
Consideration transferred for the businesses		680

[1] The above fair values of identifiable assets acquired, and liabilities assumed have been determined on provisional basis as of December 31, 2022.

i. The deferred consideration is payable at the earlier of obtaining the necessary subsidy financing for certain assets or two years from the acquisition date and was presented within trade and other payables in the balance sheet as at December 31, 2022.

ii. The contingent consideration arrangement was for payment of a defined quantum upon obtaining the necessary operating permits, securing subsidy financing and admission into the National Subsidy Catalog for certain projects within an agreed period.

In determining the fair value of the contingent consideration, the Group has applied judgement in evaluating the probability and timing of fulfilment, taking into consideration past experiences and changes to market, economic or legal environment in China.

The contingent consideration was presented within trade and other payables in the balance sheet as at December 31, 2022.

iii. Measurement of fair values
The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique	Key assumptions
Property, plant and equipment	Depreciated replacement cost method	Accounting useful life approximates the economic useful life of the property, plant and equipment
Intangible assets	Multi-period excess earnings method	Cash flows attributed to the power generation permits from June 1, 2022, to the end of the useful life of the respective generation plants of each project
		Remaining permits tenure of 23 to 25 years
		Discount rate of 8.2%

The assets acquired and liabilities assumed are determined on provisional basis, and are subject to the outcome of a nationwide audit on the subsidy mentioned in (iv).

iv. Included in trade and other receivables are receivables which pertained mainly to the renewable energy subsidy tariff due from the Chinese authorities.

v. The goodwill recognised is not expected to be deductible for tax purposes.

vi. Acquisition-related costs amounting to S$2 million have been excluded from the consideration transferred and have been recognised within general & administrative expenses in profit or loss.

vii. HYNE contributed turnover of S$86 million and profit of S$18 million to the Group's results for the period from June 1, 2022 to December 31, 2022.

If the acquisition had occurred on January 1, 2022, management estimated that the consolidated turnover and profit for the full year ended December 31, 2022, would have increased from S$7,825 million to S$7,904 million and from S$871 million to S$900 million, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition and related amortisation charges for the year would have been the same if the acquisition had occurred on January 1, 2022.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G6. Discontinued Operation and Disposal Group Held For Sale

Accounting policies

Assets or disposal groups are classified as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell if they are expected to be recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale.

Any impairment losses on initial classification and subsequent gains or losses on re-measurement are recognised in profit or loss. Subsequent increases in fair value less costs to sell are recognised in profit or loss (not exceeding the accumulated impairment loss that has been previously recognised).

On September 5, 2022, the Group publicly announced the decision of its Board of Directors to sell Sembcorp Energy India Limited (SEIL), a wholly-owned subsidiary. On November 8, 2022, the shareholders of the Company approved the sale. The sale of SEIL was completed on January 19, 2023. The final consideration is settled by way of a Deferred Payment Note (DPN) which bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield, less a greenhouse gas emissions intensity reduction incentive rate. The DPN will be classified as a financial asset and measured at fair value with changes in fair value recognised in profit or loss.

In determining the fair value of the DPN, it is assumed that the purchaser settles the DPN from agreed portions (as set out in the sales and purchase agreement) of distribution including dividends declared by SEIL. Management performed a forecast of distributable dividends available from discounted cash flows of SEIL, taking into consideration cash flows from various power purchase agreements secured with an average remaining duration of 15 years and cash flows from contract renewals and spot markets. A discount rate is applied to the DPN to reflect the cash flow risks associated with the forecasted distributed dividends from SEIL and credit default risk of the purchaser. The DPN will be re-measured at future reporting periods. Subsequent fair value changes, arising from change in the assumptions initially applied, will be taken to profit or loss.

As at December 31, 2022, SEIL was classified as a disposal group held for sale and as a discontinued operation.

i. Result of the discontinued operation

	Group	
(S$ million)	2022	2021
Turnover	1,570	1,387
EBITDA	379	403
Depreciation and amortisation	(89)	(133)
Other non-cash (expenses) / income	(1)	1
Finance income	17	5
Finance cost	(134)	(128)
Profit before tax	172	148
Tax (expense) / credit	(28)	1
Profit from discontinued operation, net of tax	**144**	**149**
Basic earnings per share – cents	8.08	8.35
Diluted earnings per share – cents[1]	7.91	8.25

[1] Earnings per share is computed using a weighted average number of shares and an adjusted weighted number of shares disclosed in Note B5(b).

ii. Cash flows of the discontinued operation

	Group	
(S$ million)	2022	2021
Net cash from operating activities	256	362
Net cash from investing activities	42	915
Net cash used in financing activities	(299)	(1,292)
Net decrease in cash and cash equivalents	(1)	(15)

iii. Assets and liabilities of disposal group classified as held for sales

The consideration, initially measured from the fair value of DPN, exceeds the carrying amount of the related net assets and accordingly no impairment loss has been recognised on classification of this disposal group as held for sale.

The assets and liabilities of the disposal group were classified as held for sale when the sale of SEIL was approved by the Company's shareholders on November 8, 2022. As at December 31, 2022, the assets and liabilities held for sale comprised the following major classes and were translated at year-end exchange rate. The difference in amount between these two periods included currency translation.

(S$ million)	Carrying amount at December 31, 2022
Assets held for sale	
Property, plant and equipment	2,406
Other financial assets	58
Trade and other receivables	719
Intangible assets	76
Inventories	137
Cash and cash equivalents	36
	3,432
Liabilities held for sale	
Trade and other payables	270
Lease liabilities	*
Provisions	2
Deferred tax liabilities	50
Borrowings[1]	1,172
	1,494
Excess of assets over liabilities held for sale	**1,938**

[1] The borrowings include secured loan of S$99 million. As at December 31, 2022, net assets and equity shares, property, plant and equipment, and other assets with aggregate book value of S$3,306 million collaterised to the previous secured lenders are in the process of being fully discharged.

As at December 31, 2022, the Group has given S$1,263 million of corporate guarantees for the total aggregate principal amount of SEIL's facilities. These corporate guarantees will continue to be in force post-completion of the disposal.

iv. Cumulative (loss) / gain of disposal group recognised in OCI

Cumulative (loss) / gain recognised in other comprehensive income relating to the disposal group classified as held for sale were as follows:

(S$ million)	2022
Foreign currency translation reserve	(418)
Capital reserve and other reserves	290
	(128)

Notes to the Financial Statements

H. Other Disclosures

H1. Other Financial Assets and Liabilities

Accounting policies

Classification and Measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies financial liabilities as measured at amortised cost or FVTPL.

Equity Investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The Group's equity investments are classified as FVOCI. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in the OCI and are never reclassified to profit or loss.

Financial assets and liabilities at FVTPL

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial liability is classified as FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial assets and financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Derecognition

The Group derecognises a financial asset when a) the contractual rights to the cash flows from the financial asset expire, or b) when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if the Group neither transfers nor retains substantially all of the risks and rewards of ownership, it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its balance sheet but retains either all or substantially all of its risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantively different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

		Assets		Liabilities	
(S$ million)	Note	Current	Non-current	Current	Non-current
2022					
At FVOCI:					
– Equity shares		–	53	–	–
At FVTPL:					
– Cross currency swaps		1	3	–	16
– Interest rate swaps		–	*	–	2
– Forward foreign exchange contracts		*	–	–	–
– Foreign exchange swap contracts		–	–	8	–
– Mutual funds	i	37	32	–	–
– Other derivatives		2	–	1	*
		40	35	9	18
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		23	–	11	1
Cash flow hedges:					
– Forward foreign exchange contracts		1	–	4	1
– Fuel oil swaps		24	*	75	3
– Interest rate swaps		–	73	–	–
– Cross currency swaps		–	4	–	*
– Electricity futures		1	–	–	–
		26	77	79	4
At amortised cost:					
– Long-term fixed deposits		–	17	–	–
– Equity shares		–	1	–	–
		–	18	–	–
Total		**89**	**183**	**99**	**23**

i. Included in mutual funds are amounts of S$35 million (2021: S$83 million) pledged to secure loan facilities.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H1. Other Financial Assets and Liabilities *(cont'd)*

(S$ million)	Note	Assets		Liabilities	
		Current	Non-current	Current	Non-current
2021					
At FVOCI:					
– Equity shares		–	53	–	–
At FVTPL:					
– Cross currency swaps		–	5	–	9
– Interest rate swaps		–	3	–	*
– Forward foreign exchange contracts		1	–	1	–
– Foreign exchange swap contracts		*	–	–	–
– Mutual funds	i	85	28	–	–
– Other derivatives		26	*	7	*
		112	36	8	9
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		1	5	–	9
Cash flow hedges:					
– Forward foreign exchange contracts		1	*	2	*
– Fuel oil swaps		204	8	48	2
– Interest rate swaps		–	3	–	36
– Cross currency swaps		26	–	–	–
– Electricity futures market contracts		–	–	29	–
		231	11	79	38
Fair value hedges:					
– Forward foreign exchange contracts		8	–	–	–
At amortised cost:					
– Long-term fixed deposits		–	114	–	–
Total		352	219	87	56

i. Included in mutual funds are amounts of S$35 million (2021: S$83 million) pledged to secure loan facilities.

H2. Provisions

Accounting policies

A provision is an amount set aside based on reliable estimate to settle a probable legal or constructive obligation from a past event.

Key estimates and judgements

Estimates of the Group's obligations arising from contracts or regulations that exist as at balance sheet date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on management's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Certain of the Group's subsidiaries are involved in claims, litigations, land disputes and other regulatory matters in certain countries at year-end. Due to the nature of these disputes and matters, and in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be reliably determined. Therefore, no provision has been recorded for these.

Provision for restoration cost

The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration provisions. Those estimates and assumptions deal with uncertainties such as: changes to the relevant legal and regulatory framework; the timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the balance sheet by adjusting both the asset and provision. Such changes give rise to a change in future depreciation and interest charges.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H2. Provisions *(cont'd)*

Movements in provisions are as follows:

(S$ million)	Note	Claims (i)	Restoration costs (ii)	Remediation of legacy sites (iii)	Others (iv)	Total
Group						
2022						
Balance at January 1		8	43	32	21	104
Translation adjustments		*	(1)	(3)	(1)	(5)
Provisions made during the year		*	34	3	4	41
Provisions reversed during the year		(5)	(6)	(6)	(4)	(21)
Provisions utilised during the year		(1)	(3)	(6)	(5)	(15)
Transferred to liabilities held for sale	G6	–	–	–	(2)	(2)
Unwind of accretion on restoration costs	C6	–	2	–	–	2
Balance at December 31		2	69	20	13	104
Provisions due:						
– within 1 year		2	23	13	4	42
– after 1 year but within 5 years		–	2	7	9	18
– after 5 years		–	44	–	–	44
		2	69	20	13	104
2021						
Balance at January 1		12	29	4	19	64
Translation adjustments		*	*	(1)	*	(1)
Provisions made during the year		*	16	30	9	55
Provisions reversed during the year		(3)	(2)	–	*	(5)
Provisions utilised during the year		(1)	(1)	(1)	(7)	(10)
Unwind of accretion on restoration costs	C6	–	1	–	–	1
Balance at December 31		8	43	32	21	104
Provisions due:						
– within 1 year		8	14	10	8	40
– after 1 year but within 5 years		–	–	22	13	35
– after 5 years		*	29	–	–	29
		8	43	32	21	104

(S$ million)	Claims (i)	Restoration costs (ii)	Others (iv)	Total
Company				
2022				
Balance at January 1	4	26	1	31
Provisions made during the year	–	22	–	22
Provisions reversed during the year	(4)	(6)	(1)	(11)
Provisions utilised during the year	–	(1)	–	(1)
Balance at December 31	*	41	–	41
Provisions due:				
– within 1 year	*	17	–	17
– after 5 years	–	24	–	24
	*	41	–	41
2021				
Balance at January 1	9	13	–	22
Provisions made during the year	*	15	1	16
Provisions reversed during the year	(3)	(2)	–	(5)
Provisions utilised during the year	(2)	*	–	(2)
Balance at December 31	4	26	1	31
Provisions due:				
– within 1 year	4	14	1	19
– after 5 years	–	12	–	12
	4	26	1	31

i. Provision for claims relates to the obligations arising from contractual and commercial arrangements in the Group's and the Company's operations, based on the best estimate of the possible outflow considering both contractual and commercial factors.

ii. Restoration costs relate to cost of dismantling and removing assets and restoring the premises to the original condition as stipulated in the agreements. The liability is expected to be incurred upon fulfilment of restoration obligation or termination of the lease.

iii. This relates to remediation obligations of certain legacy sites in UK, which are expected to be utilised within one to three years. This provision has been determined with reference to external quotes from suppliers as well as management's best estimate of the costs to complete the remediation works.

iv. Others for the Group include provision for maintenance obligation based on contractual obligations to maintain the infrastructure and equipment to specified levels of serviceability under the service concession agreements. These provisions are measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.

Others for the Company relates to incremental costs necessary to fulfil the obligation under the contract on early termination to cease the incineration plant business.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H3. Subsequent Events

On January 11, 2023, the Group announced the completion of an acquisition of a 100% interest in a subsidiary company, Vector Green Energy Private Limited. The equity consideration was INR27.6 billion (approximately S$449.9 million). The acquisition is expected to be earning accretive for the financial year ending December 31, 2023.

On January 19, 2023, the Group announced the completion of the sale of the entire shareholding in its subsidiary, Sembcorp Energy India Limited for INR125.5 billion (approximately S$2.0 billion). The gain before realisation of reserves is S$47 million. In addition, a currency translation loss recognised in the foreign currency translation reserve and a gain in the capital reserve will be taken to profit or loss in 2023. As at December 31, 2022, the accumulated currency translation loss was S$418 million and the capital reserve was S$290 million.

H4. New or Revised Accounting Standards and Interpretations Not Yet Effective

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after January 1, 2023:

Applicable to 2023 financial statements

Amendments to:

- *SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*
- *SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 (Disclosure of Accounting Policies)*
- *SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)*
- *SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *SFRS(I) 17 Insurance Contracts*

Mandatory effective date deferred

- *Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group does not expect significant impact on the financial statements upon the adoption of these new SFRS(I)s.

I. Supplementary Information

I1. Interested Person Transactions
(Under SGX-ST Listing Manual requirements)

For the purposes of Chapter 9 of the SGX-ST Listing Manual, shareholders' approval is required for any interested person transaction of a value equal to, or more than 5% of the Group's latest audited consolidated net tangible assets (NTA) or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than 5% of the Group's latest NTA. For FY2022, the 5% Group's consolidated NTA as at December 31, 2021 was S$168 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2022, the Company obtained approval for such shareholders' mandate.

Transactions under shareholders' mandate

(S$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) 2022
Sale of Goods and Services		
Mapletree Investments Pte Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	5.4
PSA International Pte Ltd and its Associates		459.3
Olam International Ltd and its Associates		41.6
SATS Ltd and its Associates		0.1
Sembcorp Marine Ltd and its Associates		45.0
CapitaLand Investment Limited and its Associates		4.7
Singapore Technologies Telemedia Pte Ltd and its Associates		368.5
Singapore Airlines Limited and its Associates		1.5
Singapore Power Limited and its Associates		2.3
Temasek Holdings (Private) Limited and its Associates		0.3
		928.7
Purchase of Goods and Services		
Mapletree Investments Pte Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	2.0
Singapore Power Limited and its Associates		6.6
Singapore Telecommunications Ltd and its Associates		0.3
Singapore Technologies Engineering Ltd and its Associates		3.8
Surbana-Jurong Private Limited and its Associates		3.8
Starhub Ltd and its Associates		0.2
Pavilion Energy Pte. Ltd. and its Associates		9.4
		26.1
		954.8

Notes to the Financial Statements

I. Supplementary Information *(cont'd)*

I2. List of Properties

Urban

Description	Type	Land tenure	Gross floor area (sq m)	Group's effective interest	Status
China					
Industrial & Business Properties					
1. International Water Hub, Nanjing	Office & exhibition centre	Leasehold 50 years from 2015	36,489[1]	100%	Completed development
2. Jiangdao Intelligent Cube, Nanjing	Office & business park	Leasehold 50 years from 2012	74,073	21.5%	Completed development
3. Jiangdao Technology Innovation Centre, Nanjing	Office & exhibition centre	Leasehold 50 years from 2012	49,340	21.5%	Completed development
4. Wuxi-Singapore Industrial Park	Ready-built factories	Leasehold 50 years from 1995	506,225	45.4%	Completed development
5. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 2011	118,202	45.4%	Completed development
6. Wuxi-Singapore Industrial Park	Dormitory	Leasehold 50 years from 1996	12,799	45.4%	Completed development
7. Wuxi-Singapore Industrial Park	Office & amenities	Leasehold 50 years from 1996	10,491	45.4%	Completed development
8. Wuxi-Singapore Industrial Park	Office	Leasehold 50 years from 1999	4,423	45.4%	Completed development
9. Wuxi-Life Science Park	Ready-built factories	Leasehold 50 years from 2022	78,000	45.4%	Under development
Commercial & Residential Properties					
1. Jiangdao Xin Tiandi, Nanjing	Retail	Leasehold 40 years from 2012	66,274	21.5%	Under development
2. Jiangdao Hua Ting, Nanjing	Residential	Leasehold 70 years from 2012	7,690	21.5%	Completed development
3. Modena by Fraser, Wuxi New District	Service apartment	Leasehold 40 years from 2008	11,056	45.4%	Completed development
4. Chengdu Innovation & Technology Centre	Office & retail	Leasehold 40 years from 2022	65,930	50.0%	Under development
Indonesia					
Industrial & Business Properties					
1. Kendal Industrial Park, Central Java	Ready-built factories	Leasehold 30 years from 2015	1,836	49.0%	Completed development
Vietnam					
Industrial & Business Properties					
1. Sembcorp Logistics Park Quang Ngai	Warehouses	Leasehold 60 years from 2022	36,762	52.5%	Under development
2. Sembcorp Logistics Park Nghe An	Warehouses	Leasehold 43 years from 2022	40,496	52.5%	Under development

[1] Gross floor area excludes carpark and basement area

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
Vietnam *(cont'd)*					
Industrial & Business Properties (cont'd)					
3. VSIP Binh Duong I	Ready-built factories	Leasehold 50 years from 1996	57,813	49.3%	Completed development
4. VSIP Binh Duong II	Ready-built factories	Leasehold 50 years from 2005	25,016	49.3%	Completed development
5. VSIP Binh Duong II-A	Ready-built factories	Leasehold 50 years from 2008	84,574	49.3%	Completed development
6. VSIP Nghe An	Ready-built factories	Leasehold 50 years from 2015	8,810	49.3%	Completed development
7. VSIP Hai Phong	Ready-built factories	Leasehold 50 years from 2008	30,051	46.5%	Completed development
8. VSIP Bac Ninh	Ready-built factories	Leasehold 50 years from 2007	37,826	46.5%	Completed development
9. VSIP Bac Ninh Flatted Factory	Flatted factory	Leasehold 50 years from 2007	16,136	46.5%	Completed development
10. Sembcorp Logistics Park Hai Phong Phase I	Warehouses	Leasehold 44 years from 2014	15,000	52.5%	Completed development
11. Sembcorp Logistics Park Hai Phong Phase II	Warehouses	Leasehold 43 years from 2016	14,279	52.5%	Completed development
12. Sembcorp Logistics Park Hai Phong Phase III	Warehouses	Leasehold 40 years from 2018	13,200	52.5%	Completed development
13. Sembcorp Logistics Park Hai Duong	Warehouses	Leasehold 38 years from 2020	13,176	52.5%	Completed development
Commercial & Residential Properties					
1. VSIP Binh Duong II-A	Retail	Leasehold 50 years from 2008	1,118	49.3%	Completed development
2. VSIP Plaza, Quang Ngai	Retail	Leasehold 50 years from 2012	3,062	49.3%	Completed development
3. VSIP Hai Phong	Retail	Leasehold 50 years from 2008	233	46.5%	Completed development
4. Hai Phong Gateway	Retail	Leasehold 50 years from 2008	598	46.5%	Completed development
5. VSIP Bac Ninh	Shophouses	Leasehold 50 years from 2007	680	46.5%	Completed development
6. Sun Casa, Binh Duong	Residential & shophouses	Leasehold 50 years from 2008	1,677	49.3%	Completed development
7. Sun Casa Central I, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	9,254	49.3%	Completed development
8. Sun Casa Central II, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	60,854	49.3%	Under development
9. The Habitat Binh Duong Phase II	Residential & retail	Leasehold 45 years from 2018	493	51.6%	Completed development
10. The Habitat Binh Duong Phase III	Residential & retail	Leasehold 44 years from 2019	60,583	51.6%	Under development

Corporate and Others

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest
Singapore				
30 Hill Street	Office	Freehold land and building	11,410	100%

SCHEDULE 2
AUDITED FINANCIAL STATEMENTS OF SEMBCORP INDUSTRIES LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The information contained in this Schedule has been extracted from the annual report of Sembcorp Industries Ltd for the financial year ended 31 December 2021 and has not been specifically prepared for inclusion in this Offering Circular. The financial statements of Sembcorp Industries Ltd for the financial year ended 31 December 2021 have been prepared in accordance with SFRS(I) and IFRS.

Independent Auditors' Report

Members of the Company
Sembcorp Industries Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sembcorp Industries Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at December 31, 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 51 to 112.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Group and the Company as at December 31, 2021 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

Impairment assessment of property, plant and equipment, long-term contracts, and interests in associates and joint ventures and goodwill (collectively, the Group's non-financial assets)

(Refer to Notes D1, D3 and G4 to the financial statements: property, plant and equipment of S$7,094,000,000, goodwill of S$159,000,000, long-term contracts of S$103,000,000 and associates and joint ventures of S$1,600,000,000).

Risk:

As at December 31, 2021, the Group's non-financial assets for the Conventional Energy segment amounted to S$5,022,000,000. The Group's key Conventional Energy segment assets are in China, India, Singapore and United Kingdom.

Management performs impairment assessment of these assets at least annually and as and when indicators of impairment occur. As a result of management's impairment review, the Group recognised impairment losses totalling S$212,000,000 as the recoverable amounts for certain CGUs did not support the assets' carrying amounts.

An impairment loss exists when the net carrying amount of the assets is in excess of the recoverable amount. The recoverable amount of a CGU is the higher of the CGU's fair value less costs of disposal and its value-in-use (VIU). As the fair values of these assets are not readily determinable, the Group measures the recoverable amount using the discounted cash flow technique to derive the assets' VIU.

The determination of the recoverable amounts of these CGUs involves a high degree of judgement and is subject to significant estimation uncertainties, principally, the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors take into account expected customer demand and forecasted tariff rates. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

Independent Auditors' Report

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

Impairment assessment of property, plant and equipment, long-term contracts, and interests in associates and joint ventures and goodwill (collectively, the Group's non-financial assets) *(cont'd)*

Our response:

We assessed the Group's process for identifying and reviewing the CGUs subject to impairment testing.

We, including our valuation specialists to the extent appropriate, reviewed the key assumptions supporting the value-in-use calculations to arrive at the recoverable amounts of these CGUs. We compared the plant load factors and gross margin forecasts to what has been achieved historically and taking into consideration prevailing industry trends. We compared the discount rates to available market observable data including market and country risk premiums and any asset-specific risk premium.

We performed sensitivity analysis of the key assumptions and the key drivers of the cash flow forecasts for the individual CGUs and considered the likelihood of such changes arising.

We assessed the related disclosures on key assumptions applied in determining the recoverable amounts of the CGUs.

Our findings:

The Group has a process for identifying and reviewing the CGUs for impairment testing. The impairment assessments incorporated the known relevant considerations as at the balance sheet date. The disclosures describing the inherent degree of estimation uncertainty and the sensitivity of the assumptions applied are appropriate.

Valuation of trade and service concession receivables

(Refer to Note E1 to the financial statements: Trade receivables of S$1,000,000,000 and service concession receivables of S$956,000,000)

Risk:

As at December 31, 2021, the Group's gross trade and service concession receivables totalled S$1,956,000,000 against which a loss allowance of S$46,000,000 was recorded.

Management estimates the loss allowance based on the ageing of overdue balances, repayment histories of individual debtors, existing customer-specific and market conditions and forward-looking information. Such assessment of expected credit losses is inherently subjective and requires the exercise of significant management judgement.

Our response:

We reviewed the Group's estimation process in determining the amount of loss allowance recognised on these receivables.

We reviewed significant inputs to the model which management uses to estimate the Group's expected credit loss and considered the reasonableness of these inputs.

We assessed the adequacy of disclosures in describing the areas of judgement and estimation uncertainties involving management's assessment on recoverability of these receivables.

Our findings:

The Group has processes to assess credit risk and determine the amount of loss allowance to be recognised on trade and service concession receivables.

Management's assessment of the recoverability of these receivables are supported by available evidence.

We found the disclosures in describing the areas of judgement and inherent degree of estimation uncertainties involved, to be appropriate.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the following items prior to the date of this auditors' report:

- Group FY2021 Highlights
- Chairman and CEO's Statement
- Group Financial Review
- Renewables Review
- Integrated Urban Solutions Review
- Conventional Energy Review
- Directors' Statement

The following items (the Reports) are expected to be made available to us after that date:

- Our Leadership
- Environmental, Social and Governance Review
- Corporate Information
- Supplementary Information
- Shareholding Statistics
- Additional Information on Directors Seeking Re-election

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 Auditors' Report

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 auditors' 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.

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 auditors' report is Koh Wei Peng.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
February 23, 2022

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Consolidated Financial Statements

Notes to the Financial Statements

Balance Sheets

As at December 31, 2021

(S$ million)	Note	Group 2021	Group 2020	Company 2021	Company 2020
Non-current assets					
Property, plant and equipment	D1	7,094	7,204	365	383
Investment properties	D2	138	135	–	–
Investments in subsidiaries	G1	–	–	2,309	2,308
Associates and joint ventures	G4	1,600	1,588	–	–
Other financial assets	H1	219	250	–	–
Trade and other receivables	E1	982	995	3	3
Contract costs	B2(c)	1	1	–	–
Intangible assets	D3	390	348	25	26
Deferred tax assets	B3(b)	38	37	–	–
		10,462	10,558	2,702	2,720
Current assets					
Inventories	E2	222	196	7	4
Trade and other receivables	E1	1,986	1,571	115	91
Contract assets	B2(c)	28	15	–	–
Contract costs	B2(c)	1	1	–	–
Assets held for sale	B7	–	30	–	–
Other financial assets	H1	352	159	–	–
Cash and cash equivalents	E4	1,344	1,032	427	358
		3,933	3,004	549	453
Total assets		14,395	13,562	3,251	3,173
Current liabilities					
Trade and other payables	E3	1,708	1,159	155	99
Lease liabilities	D1.1	14	11	5	4
Contract liabilities	B2(c)	121	141	2	3
Provisions	H2	40	26	19	11
Other financial liabilities	H1	87	40	–	–
Current tax payable		181	157	49	55
Interest-bearing borrowings	C5	754	593	–	–
		2,905	2,127	230	172
Net current assets		1,028	877	319	281

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

(S$ million)	Note	Group 2021	Group 2020	Company 2021	Company 2020
Non-current liabilities					
Deferred tax liabilities	B3(b)	392	294	25	28
Other long-term payables	E3	105	108	1,465	1,613
Lease liabilities	D1.1	244	215	110	112
Provisions	H2	64	38	12	11
Other financial liabilities	H1	56	98	–	–
Interest-bearing borrowings	C5	6,637	7,135	–	–
Contract liabilities	B2(c)	74	71	27	28
		7,572	7,959	1,639	1,792
Total liabilities		10,477	10,086	1,869	1,964
Net assets		3,918	3,476	1,382	1,209
Equity attributable to owners of the Company:					
Share capital	C2	566	566	566	566
Reserve for own shares	C3	(15)	(11)	(15)	(11)
Other reserves	C3	(133)	(369)	5	*
Revenue reserve		3,349	3,153	826	654
		3,767	3,339	1,382	1,209
Non-controlling interests	G2	151	137	–	–
Total equity		3,918	3,476	1,382	1,209

Consolidated Statement of Profit or Loss

Year ended December 31, 2021

		Group	
(S$ million)	Note	2021	2020
Continuing operations			
Turnover	B1, B2	7,795	5,447
Cost of sales		(6,693)	(4,660)
Gross profit		1,102	787
General and administrative expenses		(432)	(344)
Other operating income, net		140	126
Non-operating income		22	49
Non-operating expenses		(218)	(176)
Finance income	C6	26	35
Finance costs	C6	(423)	(499)
Share of results of associates and joint ventures, net of tax		206	233
Profit before tax		423	211
Tax expense	B3	(123)	(32)
Profit from continuing operations[1]	B4	300	179
Discontinued operation			
Loss from discontinued operation, net of tax[1]	G6	–	(330)
Loss on the Distribution[2]		–	(970)
Loss from discontinued operation		–	(1,300)
Profit / (Loss) for the year		300	(1,121)
Profit / (Loss) attributable to:			
Owners of the Company:			
Profit from continuing operations		279	157
Loss from discontinued operation		–	(1,154)
Profit / (Loss) attributable to owners of the Company		279	(997)
Non-controlling interests:			
Profit from continuing operations		21	22
Loss from discontinued operation		–	(146)
Profit / (Loss) attributable to non-controlling interests		21	(124)
Profit / (Loss) for the year		300	(1,121)
Earnings per share (cents):	B5		
Basic		15.63	(56.81)
Diluted[3]		15.44	(56.81)
Earnings per share (cents) – Continuing operations:	B5		
Basic		15.63	7.84
Diluted		15.44	7.78

1 After elimination of inter-segment finance income of S$nil (2020: S$38 million) with corresponding reduction of inter-segment finance expense in discontinued operation.

2 On September 11, 2020, the Company distributed its holdings of ordinary shares in the capital of a subsidiary, Sembcorp Marine Ltd (SCM) to its shareholders (the Distribution).

3 In computing the 2020 fully diluted earnings per ordinary shares, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares would be antidilutive.

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

Consolidated Statement of Comprehensive Income

Year ended December 31, 2021

(S$ million)	Note	Group 2021	Group 2020
Profit / (Loss) for the year		300	(1,121)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		84	(17)
Exchange differences on monetary items forming part of net investment in foreign operation		1	(2)
Net change in fair value of cash flow hedges		181	(143)
Net change in fair value of cash flow hedges reclassified to profit or loss		(2)	105
Cost of hedging reserve – changes in fair value		(46)	(43)
Cost of hedging reserve – reclassified to profit or loss		47	42
Realisation of reserves upon the Distribution		–	(125)
Realisation of reserves upon disposal / liquidation of subsidiaries and assets held for sale		*	36
Share of other comprehensive income of associates and joint ventures		35	(16)
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	F2	(1)	–
Income tax relating to these items	B3(c)	(31)	1
		268	(162)
Items that may not be reclassified subsequently to profit or loss:			
Defined benefit plan actuarial gains and losses		20	(11)
Change in fair value of financial assets at fair value through other comprehensive income		(20)	(14)
Income tax relating to these items	B3(c)	(6)	2
		(6)	(23)
Other comprehensive income / (loss) for the year, net of tax	B3(c)	262	(185)
Total comprehensive income / (loss) for the year		562	(1,306)
Total comprehensive income / (loss) attributable to:			
Owners of the Company		536	(1,180)
Non-controlling interests		26	(126)
Total comprehensive income / (loss) for the year		562	(1,306)
Total comprehensive income / (loss) attributable to owners of the Company:			
Continuing operations		536	(26)
Discontinued operation		–	(1,154)
		536	(1,180)

Consolidated Statement of Changes in Equity

Year ended December 31, 2021

	Attributable to owners of the Company														
(S$ million)	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Cost of hedging reserve	Revenue reserve	Total	Perpetual securities	Total	Non-controlling interests	Total equity
Group															
Balance at January 1, 2021	566	(11)	(475)	160	29	(10)	60	(132)	(1)	3,153	3,339	–	3,339	137	3,476
Total comprehensive income for the year															
Profit for the year	–	–	–	–	–	–	–	–	–	279	279	–	279	21	300
Other comprehensive income															
Foreign currency translation differences for foreign operations	–	–	81	–	–	–	–	–	–	–	81	–	81	3	84
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	–	1	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	136	–	–	136	–	136	2	138
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	10	–	–	10	–	10	–	10
Cost of hedging reserve – changes in fair value	–	–	–	–	–	–	–	–	(46)	–	(46)	–	(46)	–	(46)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	–	–	–	–	–	47	–	47	–	47	–	47
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(20)	–	–	–	(20)	–	(20)	–	(20)
Realisation of reserves upon disposal / liquidation of subsidiaries and asset held for sale	–	–	*	–	–	–	–	–	–	–	*	–	*	–	*
Transfer of reserves	–	–	(8)	(2)	–	*	*	–	–	10	–	–	–	–	–
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	–	–	–	–	–	–	–	(1)	–	–	(1)	–	(1)	–	(1)
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	–	14	14	–	14	*	14
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	–	–	35	–	*	35	–	35	–	35
Total other comprehensive income for the year	–	–	74	(2)	–	*	(20)	180	1	24	257	–	257	5	262
Total comprehensive income for the year	–	–	74	(2)	–	*	(20)	180	1	303	536	–	536	26	562
Transactions with owners of the Company, recognised directly in equity															
Share-based payments	–	–	–	–	–	14	–	–	–	–	14	–	14	–	14
Purchase of treasury shares	–	(13)	–	–	–	–	–	–	–	–	(13)	–	(13)	–	(13)
Treasury shares transferred to employees	–	9	–	–	–	(9)	–	–	–	–	–	–	–	–	–
Acquisition of non-controlling interests	–	–	–	(2)	–	–	–	–	–	–	(2)	–	(2)	2	–
Dividend paid to owners (Note C4)	–	–	–	–	–	–	–	–	–	(107)	(107)	–	(107)	–	(107)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	(14)	(14)
Total transactions with owners	–	(4)	–	(2)	–	5	–	–	–	(107)	(108)	–	(108)	(12)	(120)
At December 31, 2021	566	(15)	(401)	156	29	(5)	40	48	–	3,349	3,767	–	3,767	151	3,918

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

Consolidated Statement of Changes in Equity

Year ended December 31, 2021

	Attributable to owners of the Company														
(S$ million)	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Cost of hedging reserve	Revenue reserve	Total	Perpetual securities	Total	Non-controlling interests	Total equity
Group															
Balance at January 1, 2020	566	(4)	(482)	156	29	(9)	74	(87)	–	5,827	6,070	801	6,871	1,008	7,879
Total comprehensive income for the year															
Loss for the year	–	–	–	–	–	–	–	–	–	(997)	(997)	–	(997)	(124)	(1,121)
Other comprehensive income															
Foreign currency translation differences for foreign operations	–	–	(22)	–	–	–	–	–	–	–	(22)	–	(22)	5	(17)
Exchange differences on monetary items forming part of net investment in foreign operation	–	–	(2)	–	–	–	–	–	–	–	(2)	–	(2)	–	(2)
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	(115)	–	–	(115)	–	(115)	(13)	(128)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	86	–	–	86	–	86	5	91
Cost of hedging reserve – changes in fair value	–	–	–	–	–	–	–	–	(43)	–	(43)	–	(43)	–	(43)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	–	–	–	–	–	42	–	42	–	42	–	42
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(14)	–	–	–	(14)	–	(14)	–	(14)
Realisation of reserves upon the Distribution	–	–	–	(125)	–	–	–	–	–	–	(125)	–	(125)	–	(125)
Realisation of reserves upon disposal of subsidiaries / assets held for sale	–	–	31	4	–	*	–	–	–	–	35	–	35	1	36
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	–	(9)	(9)	–	(9)	*	(9)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	–	–	(16)	–	–	(16)	–	(16)	–	(16)
Total other comprehensive income for the year	–	–	7	(121)	–	*	(14)	(45)	(1)	(9)	(183)	–	(183)	(2)	(185)
Total comprehensive income for the year	–	–	7	(121)	–	*	(14)	(45)	(1)	(1,006)	(1,180)	–	(1,180)	(126)	(1,306)
Transactions with owners of the Company, recognised directly in equity															
Contribution by non-controlling interests	–	–	–	125	–	–	–	–	–	–	125	–	125	474	599
Capital reduction / distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	*	*
Share-based payments	–	–	–	–	–	8	–	–	–	–	8	–	8	*	8
Purchase of treasury shares	–	(16)	–	–	–	–	–	–	–	–	(16)	–	(16)	–	(16)
Treasury shares transferred to employees	–	9	–	–	–	(9)	–	–	–	–	–	–	–	–	–
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	*	–
Disposal of non-controlling interest in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,208)	(1,208)
Perpetual securities distribution paid	–	–	–	–	–	–	–	–	–	–	–	(818)	(818)	–	(818)
Accrued perpetual securities distribution (Note C4)	–	–	–	–	–	–	–	–	–	(17)	(17)	17	–	–	–
Transfer of reserve	–	–	–	*	–	–	–	–	–	*	–	–	–	–	–
Dividend paid to owners (Note C4)	–	–	–	–	–	–	–	–	–	(54)	(54)	–	(54)	–	(54)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	(11)	(11)
Dividend distribution in specie (Note G6)	–	–	–	–	–	–	–	–	–	(1,597)	(1,597)	–	(1,597)	–	(1,597)
Total transactions with owners	–	(7)	–	125	–	(1)	–	–	–	(1,668)	(1,551)	(801)	(2,352)	(745)	(3,097)
At December 31, 2020	566	(11)	(475)	160	29	(10)	60	(132)	(1)	3,153	3,339	–	3,339	137	3,476

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

Consolidated Statement of Cash Flows

Year ended December 31, 2021

		Group	
(S$ million)	Note	2021	2020
Cash flows from operating activities			
Profit for the year:			
Continuing operations		300	179
Discontinued operation		–	(1,300)
Adjustments for:			
Dividend		(2)	(2)
Finance income		(26)	(73)
Finance costs		423	569
Depreciation and amortisation		457	579
Amortisation of deferred income and capital grants		(4)	(4)
Share of results of associates and joint ventures, net of tax		(206)	(233)
Gain / (Loss) on disposal of:			
– property, plant and equipment, intangible assets and other financial assets		(21)	(9)
– assets held for sale		(3)	30
Loss / (Gain) on disposal and liquidation of subsidiaries		3	(20)
Changes in fair value of financial instruments		(29)	25
Loss on the Distribution		–	970
Equity settled share-based compensation expenses		14	8
Allowance for:			
– impairment of investment in an associate and a joint venture		212	113
– impairment loss in value of assets and assets written off, net		11	70
– impairment of goodwill		–	27
– expected credit loss		19	11
– intangible assets		*	6
– impairment on assets held for sale		1	4
Negative goodwill		–	(17)
Provision for remediation of legacy sites		30	4
Inventories written down and allowance for stock obsolescence (net)		2	134
Tax expense	B3(a)	123	(25)
Operating profit before working capital changes		1,304	1,046
Changes in:			
Inventories		(28)	(50)
Receivables	(i)	(489)	(51)
Payables		498	(301)
Contract costs		*	(5)
Contract assets		(13)	(163)
Contract liabilities		(17)	118
		1,255	594
Tax paid		(36)	(103)
Net cash from operating activities		1,219	491

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

(S$ million)	Note	Group 2021	Group 2020
Cash flows from investing activities			
Dividend received		95	198
Interest received		30	68
Proceeds from:			
– disposal of interests in subsidiaries, net of cash disposed		–	54
– divestment of asset held for sale		30	47
– sale of property, plant and equipment		17	14
– sale of intangible assets		*	*
– disposal of other financial assets and business		311	150
Loan repayment from related parties		–	1
Non-trade balances with related corporations, net of repayment		–	5
Acquisition of subsidiaries, net of cash acquired		–	(9)
Acquisition of additional investments in joint ventures and associates		*	(2)
Acquisition of other financial assets		(293)	(165)
Purchase of property, plant and equipment and investment properties		(282)	(318)
Purchase of intangible assets		(8)	(15)
Distribution in specie, net of cash in SCM		–	(1,309)
Net cash used in investing activities		(100)	(1,281)
Cash flows from financing activities			
Proceeds from share issued to non-controlling interests of subsidiaries		–	599
Proceeds from share options exercised with issue of treasury shares		–	(1)
Purchase of treasury shares		(13)	(15)
Repayment of lease liabilities		(15)	(28)
Proceeds from borrowings		3,403	5,241
Repayment of borrowings		(3,752)	(4,351)
Dividends paid to owners of the Company		(107)	(54)
Dividends paid to non-controlling interests of subsidiaries		(17)	(8)
Payment in restricted cash held as collateral		(24)	5
Perpetual securities distribution paid		–	(818)
Capital reduction paid to non-controlling interests		–	*
Interest paid		(330)	(515)
Net cash (used in) / from financing activities		(855)	55
Net increase / (decrease) in cash and cash equivalents		264	(735)
Cash and cash equivalents at beginning of the year		1,009	1,740
Effect of exchange rate changes on balances held in foreign currency		24	4
Cash and cash equivalents at end of the year	E4	1,297	1,009

i. In 2020, the Group has received strategic spares of S$16 million as settlement with a vendor recognised in 2019 under other receivables.

ii. In September 2020, the Company subscribed to SCM's S$1.5 billion equity rights issue through the conversion of a loan receivable from SCM. The Company subsequently distributed all its shares in SCM to its ordinary shareholders through a distribution in specie (Note C4).

Notes to the Financial Statements

A. About These Financial Statements

Sembcorp Industries Ltd (the Company) is a company incorporated in the Republic of Singapore and has its registered office at 30 Hill Street, #05-04, Singapore 179360.

The Company is 49.52% owned by Temasek Holdings (Private) Limited. Under SFRS(I) 10 Consolidated Financial Statements, the Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The financial statements comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

On May 27, 2021, the Group announced its strategic plan to transform its portfolio from brown to green, by focusing on growing its renewable energy and integrated urban solutions businesses, supporting sustainable development, in addition to the conventional energy business.

The financial statements were authorised for issue by the Board of Directors on February 23, 2022.

A1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies.

The preparation of the financial statements in conformity with SFRS(I) 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. The estimates and associated assumptions, which are based on historical experience and various other factors believed to be reasonable under the circumstances, form the basis of judgement about carrying value of the assets and liabilities that are not readily apparent from other sources. 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 about key management judgements and estimates that are considered material to the financial statements are incorporated in respective notes to the financial statements.

The financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million unless otherwise stated. '*' denotes financial value that is less than S$1 million.

Information is only being included in the financial report to the extent it is considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if:

- dollar amount is significant in value
- dollar amount is significant by nature
- financial results cannot be understood without specific disclosure
- critical to allow user to understand significant changes in group businesses

Impact of COVID-19

In 2021, border closures, production stoppages and workplace closures have resulted in slowdowns in the overall economies and activities, Integrated Urban Solutions' completion and handover of land and residential and commercial property sales and construction progress, to adhere to the respective governments' movement control measures. The COVID-19 related reliefs received from the Government in 2021 are disclosed in Note B4.

The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets. Uncertainties continue to persist with regard to the COVID-19 pandemic with the potential resurgence of infections globally, which could change these assumptions in the future.

A2. Summary of Significant Accounting Policies

The accounting policies have been applied consistently by Group entities to all periods presented in these financial statements. Besides the accounting polices described below, other accounting policies are included in the respective notes to the financial statements.

i. Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities using exchange rates at the dates of the transactions. At each balance sheet date, foreign currency monetary assets and liabilities are translated to the functional currency using foreign exchange rates at that date.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the date of the transaction while those measured at fair value are translated to the functional currency using exchange rates at the date the fair value was determined.

Foreign currency differences are recognised in profit or loss, except when arising from the translation of the following items, in which case the differences are recognised in other comprehensive income:

- Equity instruments designated as fair value through other comprehensive income (FVOCI). (However, upon impairment, the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of a net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Singapore dollar are expressed in Singapore dollar using exchange rates prevailing at the balance sheet date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

On disposal of a foreign entity, the cumulative amount previously recognised in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to the foreign currency translation reserve in the consolidated statement of comprehensive income and are released to the consolidated statement of profit or loss upon disposal of the investment as part of the gain or loss on disposal.

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A2. Summary of Significant Accounting Policies *(cont'd)*

ii. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group. All intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition includes fair values of any contingent or deferred consideration arrangement and any pre-existing equity interest in the subsidiary. From January 1, 2017, acquisition related costs are recognised in the profit or loss as incurred whereas prior to this date, acquisition related costs formed part of the cost of acquisition. The unwinding of any interest element of deferred consideration is recognised in profit or loss.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit or loss on the date of acquisition.

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Such combinations are accounted at historical costs in a manner similar to the pooling-of-interest method, in the preparation of the consolidated financial statements. Under this method of accounting, the difference between the value of the share capital issued and the value of shares received is taken to the merger reserve.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or financial assets at FVOCI depending on the level of influence retained.

From January 1, 2010, changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The difference between the change in the carrying amounts of the non-controlling interests (NCI) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Prior to January 1, 2010, any excess of the cost of acquisition of NCI over the carrying amount of the interest in the net assets acquired at the date of acquisition was recognised as goodwill.

On a transaction-by-transaction basis, the measurement of NCI is either at fair value or at the NCI's share of the fair value of the identifiable net assets of the acquiree.

Non-controlling interest

NCI comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statements of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the NCI based on their respective interest in a subsidiary, even if this results in the NCI having a deficit balance.

Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of net assets of the subsidiary.

Associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases and are recognised initially at cost. The cost of investments includes transaction costs. When the Group's share of losses exceeds its interest in the associate or joint venture, the carrying amount of the investment (including any other unsecured receivables, that in substance, form part of the Group's net investment) is reduced to zero, and the recognition of further losses is discontinued unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition. Where the audited financial statements are not yet available for the purpose of statutory filing, the share of results is arrived at from management financial statements.

Impairment for associates and joint ventures

An impairment loss in respect of an associate or joint venture shall be recognised if, and only if, the recoverable amount of the investment is less than the carrying amount. An impairment loss is recognised in the profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

iii. Adoption of new accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on January 1, 2021:

- *Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions*
- *Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 (IBOR Phase 2)*

In accordance with the transition provisions, the IBOR Phase 2 amendments are applied retrospectively to hedging relationships and financial instruments. The Group's comparative amounts have not been restated. Since the Group has no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at December 31, 2020, there is no impact on opening equity balances as a result of retrospective application.

The adoption of these amendments to standards and interpretations does not have a material effect on the financial statements.

Notes to the Financial Statements

B. Our Performance

B1. Segments Information

The principal activities of the Company are those of an investment holding company, corporate headquarter and the production and supply of utilities services, terminalling and storage of petroleum products and chemicals.

The Group is organised into business units based on nature of products and services and geographical location of the business or venture. In 2021, as part of the strategic plan to transform its portfolio from brown to green, the Group has re-organised its businesses into four (2020: three) reportable segments namely Renewables, Integrated Urban Solutions, Conventional Energy and Other businesses and Corporate. Consequently, prior year's reported segment information has been re-presented accordingly.

The operating segments outlined below have been identified based on reports reviewed by the Group's President & CEO that are used to make strategic decision, allocate resources, monitor, and assess performance. The performance of operating segments is evaluated based on net profit and is measured in accordance with the Group's accounting policies.

The principal activities of key subsidiaries are as follows:

i. **Renewables**
The Renewables segment's principal activities are the provision of electricity from solar and wind resources (both self-generated and imported), energy storage, trading of Energy Attribute Certificates as well as provision of system services that support integration of renewables into grid. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets;

ii. **Integrated Urban Solutions**
The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment's businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions. This segment also includes carbon capture, utilisation and storage (CCUS) projects;

iii. **Conventional Energy**
The Conventional Energy segment's principal activities include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas and coal). This segment also includes sale of water products from its integrated assets; and

iv. **Other Businesses and Corporate**
The Other Businesses and Corporate segment comprises businesses mainly relating to specialised construction, minting, the Group's captive insurance and financial services, as well as corporate costs.

a. Operating Segments

Information regarding the results of each reportable segment is included below.

(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
2021						
Turnover						
External sales	354	465	6,679	297	–	7,795
Inter-segment sales	*	8	33	10	(51)	–
Total	**354**	**473**	**6,712**	**307**	**(51)**	**7,795**
Results						
Earnings before interest, taxes, depreciation and amortisation[1] (EBITDA)	251	143	964	(70)	–	1,288
Share of results of associates and joint ventures, net of tax	27	97	81	1	–	206
Adjusted EBITDA	**278**	**240**	**1,045**	**(69)**	**–**	**1,494**
Depreciation and amortisation	(82)	(54)	(313)	(8)	–	(457)
Other non-cash (expenses) / income:						
– Impairment of investment in a joint venture	–	–	(212)	–	–	(212)
– Allowance for impairment in value of assets and assets written off	*	(4)	(6)	(1)	–	(11)
– Others	*	–	1	5	–	6
Finance income	5	15	30	104	(128)	26
Finance costs	(117)	(13)	(300)	(121)	128	(423)
Profit / (Loss) before tax	**84**	**184**	**245**	**(90)**	**–**	**423**
Tax expense	(25)	(17)	(59)	(22)	–	(123)
Non-controlling interests	(3)	(6)	(12)	–	–	(21)
Profit / (Loss) for the year	**56**	**161**	**174**	**(112)**	**–**	**279**
Assets						
Segment assets	2,778	1,432	8,774	1,498	(1,744)	12,738
Associates and joint ventures	265	877	458	–	–	1,600
Tax assets	7	20	13	17	–	57
Total assets	**3,050**	**2,329**	**9,245**	**1,515**	**(1,744)**	**14,395**
Liabilities						
Segment liabilities	1,747	586	5,217	4,098	(1,744)	9,904
Tax liabilities	98	52	310	113	–	573
Total liabilities	**1,845**	**638**	**5,527**	**4,211**	**(1,744)**	**10,477**
Capital expenditure[2]	**189**	**50**	**71**	**7**	**–**	**317**

[1] Indicates EDITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-off.

[2] Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments *(cont'd)*

(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
2020						
Turnover						
External sales	281	422	4,571	173	–	5,447
Inter-segment sales	*	7	23	10	(40)	–
Total	**281**	**429**	**4,594**	**183**	**(40)**	**5,447**
Results						
Earnings before interest, taxes, depreciation and amortisation[1] (EBITDA)	225	107	892	(40)	–	1,184
Share of results of associates and joint ventures, net of tax	27	103	102	1	–	233
Adjusted EBITDA	**252**	**210**	**994**	**(39)**	**–**	**1,417**
Depreciation and amortisation	(77)	(50)	(309)	(8)	–	(444)
Other non-cash income / (expenses):						
– Impairment of investment in an associate and a joint venture	–	–	(81)	(32)	–	(113)
– Allowance for impairment in value of assets and assets written off, net	(1)	(9)	(66)	*	–	(76)
– Write-off of inventory	–	–	(53)	–	–	(53)
– Write-down inventory to net realisable value	–	–	(45)	–	–	(45)
– Impairment of goodwill	–	–	(27)	–	–	(27)
– Negative goodwill	–	17	–	–	–	17
– Impairment of asset held for sale	–	(4)	–	–	–	(4)
– Others	*	–	1	2	–	3
Finance income	5	13	44	167	(194)	35
Finance costs	(127)	(16)	(344)	(168)	156	(499)
Profit before tax	**52**	**161**	**114**	**(78)**	**(38)**	**211**
Tax (expense) / credit	(7)	(16)	17	(26)	–	(32)
Non-controlling interests	1	(5)	(18)	–	–	(22)
Profit / (Loss) from continuing operations	**46**	**140**	**113**	**(104)**	**(38)**	**157**
Loss from discontinued operation, net of tax and NCI						(1,154)
Loss for the year						**(997)**
Assets						
Segment assets	2,731	1,442	8,076	2,340	(2,676)	11,913
Associates and joint ventures	227	743	618	–	–	1,588
Tax assets	7	20	15	19	–	61
Total assets	**2,965**	**2,205**	**8,709**	**2,359**	**(2,676)**	**13,562**
Liabilities						
Segment liabilities	1,665	703	5,912	4,031	(2,676)	9,635
Tax liabilities	71	50	226	104	–	451
Total liabilities	**1,736**	**753**	**6,138**	**4,135**	**(2,676)**	**10,086**
Capital expenditure[2]	**119**	**53**	**80**	**17**	**–**	**269**

[1] Indicates EDITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-off.

[2] Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

b. Geographical Segments

The Group's geographical segments are presented in six principal geographical areas: Singapore, India, UK, Rest of Asia, China and Middle East. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

	Turnover		Capital Expenditure	
(S$ million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Singapore	4,817	2,914	212	110
India	1,496	1,573	27	53
UK	859	460	58	30
Rest of Asia	379	211	7	38
China	210	191	13	33
Middle East	32	63	–	*
Other Countries	2	35	–	5
Total	7,795	5,447	317	269

	Non-current Assets		Total Assets	
(S$ million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
India	4,721	4,988	5,941	6,099
Singapore	1,967	1,878	3,464	2,740
China	1,436	1,577	1,948	2,069
Rest of Asia	1,303	1,236	1,586	1,519
UK	731	637	1,131	860
Middle East	290	234	311	264
Other Countries	14	8	14	11
Total	10,462	10,558	14,395	13,562

Majority of the Group's revenue is from Singapore and India which contributed to 62% (2020: 53%) and 19% (2020: 29%) respectively.

24% (2020: 20%) and 41% (2020: 45%) of the Group's total assets are located in Singapore and India respectively.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover

This note explains how our Group's revenue from contracts with customers are measured and recognised. Turnover of the discontinued operation is shown in Note G6.

Accounting policies

Revenue is measured based on consideration specified in a contract with customer. The Group recognises revenue when it transfers control over a good or service to a customer.

For all revenue contracts with customers, the Group accounts for modifications to the scope or price (or both) of a contract, as separate contracts, if the modifications add distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group applies a new transaction price, combining the remaining consideration with the consideration promised on the modification, to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises a cumulative adjustment to revenue at the date of the modification.

Revenue from Contracts with Customers

a. Sale of Electricity, Utilities and Gas and Related Services

The sale of electricity, utilities and gas and related services are determined to be a series of distinct goods satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group. Invoices are generated monthly based on the output delivered to the customers. No significant element of financing is deemed present as the sales are typically made with a credit term of 30 days, consistent with market practice.

Revenue from these sales is recognised based on price (including variable considerations) specified in the contracts. Variable considerations such as off specification delivery are reviewed and estimated monthly. A refund liability is recognised in provisions for off specification delivery and outage, if any.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds one year, the Group adjusts the consideration for time value of money and recognises a financing component.

b. Service Concession Revenue

The Group has entered into service concession contracts with local governments or governing agencies (the grantor) to design, build and operate (including the maintenance of) water treatment plants or power generation plants over an agreed period ranging from 22 to 30 years. At the end of the concession period, these assets are to be transferred to the grantor and any extension will be based on mutual agreements. These contractual arrangements fall within the scope of SFRS(I) INT 12.

The Group recognises and measures revenue for building (construction services) and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligations are satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the Group's accounting policy on recognising revenue on sale of electricity, utilities and gas and related services (see Note B2(a) above). When the Group provides more than one service in a service concession arrangement, the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

c. **Construction of Infrastructure and Related Engineering Services**
The Group builds specialised assets for customers for which the Group does not have an alternative use. Revenue is recognised when control over the specialised asset has been transferred to customers.

Contracts with Enforceable Right to Payment
For contracts where the Group has contractual enforceable rights to payment, revenue is recognised over time with reference to the Group's progress towards completing the construction of the specialised asset. The stage of completion is typically assessed either by surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method), depending on which method is commensurate with the pattern of transfer of control to customers. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The Group recognises a financing component using discount rates at contract inception if the delivery of goods and payment by customers exceed one year. If the period between the delivery and payment is one year or less, the Group applies the practical expedient not to adjust for significant financing component.

For contracts with standard warranty terms on the performance of the asset, a warranty provision is estimated based on historical data, from known and expected warranty work as well as contractual obligations to be performed after completion. The warranty expense incurred could be higher or lower than the provision made.

d. **Sales of Development Properties**
The Group develops and sells residential projects to customers through fixed price contracts. For such contracts, the Group does not have enforceable rights to payment in accordance with the contractual terms. Revenue is recognised at a point in time when the control over the residential project has been transferred to customers and customers' acceptance have been obtained, which is also when the rights to payment become enforceable.

e. **Sales of Other Goods**
Revenue is recognised at a point in time when the goods are transferred to customers and the criteria for acceptance have been satisfied.

Rental Income
Rental income receivable under operating lease is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

Contingent rentals are recognised as income in the accounting period in which they are earned.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Key estimates and judgements

The Group has applied judgement and estimates in its revenue recognition of long-term contracts. Any increases or decreases in estimated revenue or costs due to change in circumstances are reflected in the profit or loss in the period in which the changes become known to management. The key estimates and judgements applied are:

Performance Obligation

Significant judgement is required in determining whether the performance obligations are distinct. The Group's assessment includes considerations of whether customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and whether the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contracts. The Group has assessed that long-term contracts with customers have a single performance obligation in view that the services in the contracts are not distinct.

Variable Considerations

For contracts with variable considerations (i.e. liquidated damages, or where customers can contractually rescind the delivery of utilities and gas which do not meet the specifications), the Group has applied judgement in determining the transaction price, based on evaluation of any potential risks and factors which may affect the completion or delivery of the contracts, in accordance with the contractual obligations.

Percentage of Completion

For revenue recognised over time, the percentage of completion for certain contracts is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each contract. In making these estimates, the Group has relied on the expertise of surveying engineers and management's past experiences from completed projects. The estimated total costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Onerous Contracts

The Group conducts critical review of all its long-term construction contracts regularly. Allowance is made to account for onerous contracts. The Group monitors and reviews the progress of all long-term land development and construction contracts, taking into consideration inputs from internal project managers and external customers in estimating the total contract costs to complete as well as evaluating any potential risks and factors which may affect contract prices, costs and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

Cost Allocation Method on Long-term Land Development Contracts

Land development costs incurred are capitalised as work-in-progress and allocated to the respective parcels of land based on the relative sales method.

Fulfilment Costs

Significant judgement is required to determine if the contract costs recognised are expected to be recovered. Such judgement includes assessment of any potential risks and factors which may affect customers' ability to take delivery of the rig, ship and construction. The assessment also encompasses the analysis of the industry outlook and customers' financial health.

Information regarding the turnover is included below:

(S$ million)	Note	2021	2020
Revenue from contracts with customers	(a)	7,790	5,444
Rental income		5	3
		7,795	5,447

There was no revenue from performance obligations satisfied or partially satisfied in previous periods due to change in estimate of the transaction price in 2021 and 2020.

Revenue from Contracts with Customers

a. Disaggregation of Revenue from Contracts with Customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major product / service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments. Following the change in reportable segments in 2021 (see B1), certain product / service line items are re-presented.

	Reportable segments				
(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Total
2021					
Primary geographical markets					
Singapore	45	252	4,236	284	4,817
India	285	–	1,211	–	1,496
UK	20	–	838	1	859
Rest of Asia	4	3	362	10	379
China	*	205	*	*	205
Middle East	–	–	32	*	32
Other countries	–	–	–	2	2
Total	**354**	**460**	**6,679**	**297**	**7,790**
Major product / service lines					
Provision of energy products and related services (including electricity, gas and steam)	350	–	6,276	*	6,626
Provision of water products, reclamation of water and industrial wastewater treatment	–	187	126	–	313
Solid waste management	–	237	1	–	238
Service concession revenue	–	15	185	–	200
Construction and engineering related activities	–	–	–	271	271
Others	4	21	91	26	142
Total	**354**	**460**	**6,679**	**297**	**7,790**
Timing of revenue recognition					
Over time	319	446	6,677	271	7,713
At a point in time	35	14	2	26	77
Total	**354**	**460**	**6,679**	**297**	**7,790**

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

a. Disaggregation of Revenue from Contracts with Customers *(cont'd)*

	Reportable segments				
(S$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Total
2020					
Primary geographical markets					
Singapore	10	197	2,546	161	2,914
India	262	–	1,312	–	1,574
UK	9	–	451	*	460
Rest of Asia	–	3	198	10	211
China	–	186	1	*	187
Middle East	–	–	63	–	63
Other countries	–	33	–	2	35
Total	**281**	**419**	**4,571**	**173**	**5,444**
Major product / service lines					
Provision of energy products and related services (including electricity, gas and steam)	281	–	4,114	*	4,395
Provision of water products, reclamation of water and industrial wastewater treatment	–	177	127	–	304
Solid waste management	–	183	–	–	183
Service concession revenue	–	40	198	–	238
Construction and engineering related activities	–	–	–	151	151
Others	*	19	132	22	173
Total	**281**	**419**	**4,571**	**173**	**5,444**
Timing of revenue recognition					
Over time	271	407	4,570	149	5,397
At a point in time	10	12	1	24	47
Total	**281**	**419**	**4,571**	**173**	**5,444**

Service concession revenue included interest revenue of S$64 million (2020: S$68 million).

b. Transaction Price Allocated to Remaining Performance Obligations

Accounting policies

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at balance sheet date. This is estimated based on the expected progress of the projects or expected energy output. Estimated amounts of considerations which are variable in nature are not included in the table below.

(S$ million)	Note	Within the next 12 months	Between 1 to 5 years	More than 5 years	Total
2021					
Segment					
Renewables	(i)	–	–	–	–
Integrated Urban Solutions		88	206	218	512
Conventional Energy		1,346	1,252	436	3,034
Other Businesses and Corporate		336	654	–	990
Total		1,770	2,112	654	4,536
2020					
Segment					
Renewables	(i)	–	–	–	–
Integrated Urban Solutions		71	164	636	871
Conventional Energy		1,051	2,378	537	3,966
Other Businesses and Corporate		319	773	–	1,092
Total		1,441	3,315	1,173	5,929

i. The Group does not disclose information about its remaining performance obligations as the Renewables energy output is variable in nature and the Group has a right to invoice the customers amounts that corresponds directly with its actual energy output.

c. Assets and Liabilities Related to Contracts with Customers

Contract Assets and Contract Liabilities

The Group and the Company have recognised the following assets and liabilities related to contracts with customers:

(S$ million)	Group 2021	Group 2020	Company 2021	Company 2020
Contract assets	28	15	–	–
Contract liabilities				
Current	121	141	2	3
Non-current	74	71	27	28
Total	195	212	29	31

Contract assets

The contract assets primarily relate to the Group's conditional rights to consideration for work completed or utilities delivered but not yet billed at the balance sheet date. If the value of the goods transferred or services rendered for the contract exceeds payments received from customers, a contract asset is recognised. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

In 2021, these contracts relate to the right to consideration in respect of renewable obligation certificates and infrastructure construction. In 2020, these contracts relate to the Group's infrastructure construction. The contract assets are transferred to trade receivables when the rights become unconditional.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

c. Assets and Liabilities Related to Contracts with Customers *(cont'd)*

Contract Assets and Contract Liabilities *(cont'd)*

Significant changes in the contract assets balances during the period are as follows:

	Group		Company	
(S$ million)	2021	2020[1]	2021	2020
Transfer of contract assets recognised at the beginning of the year to trade receivables	(10)	(301)	–	–
Recognition of revenue, net of transfer to trade receivables during the year	25	461	–	–
Distribution of a subsidiary	–	(1,649)	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	*	(1)	–	–
– Contract modifications	(2)	3	–	–

[1] 2020 included amount from the discontinued operation prior to the Distribution.

Contract liabilities

Contract liabilities refer to payments received from customers that exceed the revenue recognised, which include advance received for connection and capacity charges used for delivery of utilities and revenue is recognised either over time or at a point in time. For revenue recognised over time, the balance at year end will be recognised over the remaining period stipulated in the contracts.

Significant changes in the contract liabilities balances during the year are as follows:

	Group		Company	
(S$ million)	2021	2020[1]	2021	2020
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(130)	(137)	(3)	(3)
Increases due to cash received, excluding amounts recognised as revenue during the year	115	257	–	–
Distribution of a subsidiary	–	(147)	–	–
Currency translation changes	3	2	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	(3)	2	–	–
– Contract modifications	(4)	(2)	–	–

[1] 2020 included amount from the discontinued operation prior to the Distribution.

Contract Costs

The Group capitalises costs incurred in fulfilling the contract as contract costs only if (a) these costs can be specifically identified as costs relating directly to a contract or an anticipated contract; (b) these costs generate or enhance resources that will be used in satisfying performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are expensed to profit or loss immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

	Group	
(S$ million)	December 31, 2021	December 31, 2020
Current assets		
Costs to secure contracts	1	1
Fulfilment cost	*	*
Total	1	1
Non-current assets		
Costs to secure contracts	1	1

Costs to secure contracts
Management expects the incremental costs of securing contracts to be recoverable. The Group has therefore capitalised them in the amount of less than S$1 million (2020: less than S$1 million) as at December 31, 2021.

Fulfilment cost
Costs incurred relating to construction that are to be sold upon completion are capitalised as fulfilment cost for future performance obligations. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised. In 2021, S$nil (2020: S$167 million mainly from the discontinued operation prior to the Distribution) was amortised to cost of sales and there was no impairment losses (2020: S$nil).

B3. Taxation

This note explains how our Group tax charge arises. The deferred tax section of the note also provides information on our expected future tax charges and sets out the tax assets held across the Group together with our view on whether we expect to be able to make use of these in future.

a. Tax Expenses

Accounting policies

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to business combinations, or to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or recoverable in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

a. Tax Expenses *(cont'd)*

Accounting policies *(cont'd)*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and for taxation purposes. Deferred tax is not recognised for the following temporary differences:

i. the initial recognition of goodwill;

ii. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

iii. differences relating to investments in subsidiaries, joint ventures and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Key estimates and judgements

The Group is subjected to taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for taxes. In determining the amount of current and deferred taxes, the Group takes into account current understanding and interpretations of existing tax laws and applies judgement as to whether the tax balances will be utilised and / or reversed in foreseeable future. The eventual taxes paid or received may vary, for which the differences will be charged to profit or loss in the period when determination is made.

		Group	
(S$ million)	Note	2021	2020
Current tax expense			
Current year		66	55
Over provided in prior years		(14)	(17)
Foreign withholding tax		9	18
		61	56
Deferred tax expense			
Movements in temporary differences		33	(29)
Under provided in prior years		15	4
Effect of changes in tax rates	(i)	15	*
		63	(25)
Land appreciation tax expense			
Current year		(1)	1
Tax expense on continuing operations		123	32

Reconciliation of effective tax rate

(S$ million)	Note	Group 2021	Group 2020
Profit for the year from continuing operations		300	179
Total tax expense		123	32
Share of results of associates and joint ventures, net of tax		(206)	(233)
Profit / (Loss) before share of results of associates and joint ventures, and tax expense from continuing operations		217	(22)
Tax using Singapore tax rate of 17%		37	(4)
Effect of changes in tax rates	(i)	15	*
Effect of different tax rates in foreign jurisdictions		14	22
Tax incentives and income not subject to tax		(46)	(22)
Expenses not deductible for tax purposes		92	42
Utilisation of deferred tax benefits not previously recognised		(12)	(27)
Under / (Over) provided in prior years		1	(13)
Deferred tax benefits not recognised		6	5
Foreign withholding tax		9	18
Deferred tax on unremitted dividend income		2	5
Land appreciation tax		(1)	1
Effect of tax reduction on land appreciation tax		–	*
Others		6	5
Tax expense on continuing operations		123	32

i. Related to the enactment of United Kingdom (UK) corporation tax rate from 19% to 25%, which will take effect from 2023.

b. Deferred Tax Assets and Liabilities

Accounting policies

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities and assets on a net basis.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Key estimates and judgements

Certain Group entities have tax benefits arising from unutilised tax losses, tax credits and deductible temporary differences, which are available for offset against future taxable profits. The utilisation of these tax benefits, for which deferred tax asset was recognised, is premised on these Group entities' ability to generate taxable profits in the foreseeable future.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

b. Deferred Tax Assets and Liabilities *(cont'd)*

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	Group				
(S$ million)	At January 1	Recognised in profit or loss continuing operations (Note (a))	Recognised in equity (Note (c))	Translation adjustments	At December 31
2021					
Deferred tax liabilities					
Property, plant and equipment	400	61	–	(5)	456
Other financial assets	24	*	19	*	43
Trade and other receivables	30	2	–	–	32
Intangible assets	30	(2)	–	*	28
Other items	5	7	5	*	17
Total	489	68	24	(5)	576
Deferred tax assets					
Property, plant and equipment	(86)	7	–	*	(79)
Inventories	(2)	*	–	–	(2)
Trade receivables	(3)	(1)	–	*	(4)
Trade and other payables	(12)	*	–	(1)	(13)
Tax losses	(45)	(26)	–	2	(69)
Provisions	(30)	2	–	*	(28)
Other financial liabilities	(26)	*	13	1	(12)
Retirement benefit obligations	6	*	–	*	6
Other items	(34)	13	–	*	(21)
Total	(232)	(5)	13	2	(222)

	Group								
(S$ million)	At January 1	Recognised in profit or loss continuing operations (Note (a))	Recognised in profit or loss discontinued operation	Recognised in equity (Note (c))	Acquisition of subsidiary	Disposal of subsidiary	Distribution of a subsidiary	Translation adjustments	At December 31
2020									
Deferred tax liabilities									
Property, plant and equipment	445	53	(5)	*	2	(1)	(85)	(9)	400
Other financial assets	28	*	–	(4)	–	–	–	*	24
Trade and other receivables	25	5	–	–	–	–	–	–	30
Intangible assets	62	(3)	(1)	–	2	–	(28)	(2)	30
Other items	5	3	*	(2)	–	*	(1)	*	5
Total	565	58	(6)	(6)	4	(1)	(114)	(11)	489
Deferred tax assets									
Property, plant and equipment	(160)	(7)	2	–	–	*	79	*	(86)
Inventories	(2)	*	*	–	–	–	*	–	(2)
Trade receivables	(3)	*	*	–	–	*	*	*	(3)
Trade and other payables	(28)	(1)	(4)	*	*	–	21	*	(12)
Tax losses	(6)	(52)	(57)	–	–	*	65	5	(45)
Provisions	(45)	*	*	–	–	–	15	*	(30)
Other financial liabilities	(29)	(1)	–	3	–	–	1	*	(26)
Retirement benefit obligations	6	*	*	–	–	–	*	*	6
Other items	(12)	(22)	–	–	–	*	*	*	(34)
Total	(279)	(83)	(59)	3	*	*	181	5	(232)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

b. Deferred Tax Assets and Liabilities *(cont'd)*

(S$ million)	Company				
	At January 1, 2020	Recognised in profit or loss	At December 31, 2020	Recognised in profit or loss	At December 31, 2021
Deferred tax liabilities					
Property, plant and equipment	36	(1)	35	(4)	31
Deferred tax assets					
Provisions	(7)	*	(7)	1	(6)

The deferred tax liabilities and assets amounts determined after appropriate offsetting included in the balance sheet are as follows:

(S$ million)	Group		Company	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax liabilities	392	294	25	28
Deferred tax assets	(38)	(37)	–	–
	354	257	25	28

As at December 31, 2021, a deferred tax liability of S$3 million (2020: S$2 million) for potential taxable temporary differences arising from undistributed retained earnings related to investment in subsidiaries and joint ventures was not recognised.

Deferred tax assets have not been recognised where:

i. they qualify for offset against the tax liabilities of member companies within the Group under the Loss Transfer System of Group Relief but the terms of the transfer have not been ascertained as at year end; or

ii. it is uncertain that future taxable profit will be available against which the Group entities can utilise the benefits.

The deferred tax assets that have not been recognised, which are available to be set off against future taxable income subject to the tax provisions and agreement by the relevant tax authorities of the various jurisdictions, are disclosed below:

(S$ million)	Group	
	December 31, 2021	December 31, 2020
Deductible temporary differences	49	44
Tax losses	95	146
Capital allowances	60	49
	204	239

Tax losses of the Group amounting to S$53 million (2020: S$44 million) will expire between 2022 and 2027 (2020: 2021 and 2026). The remaining tax losses, capital allowances and deductible temporary differences do not expire under current tax legislation.

The unrecognised tax losses are reported to the extent that the taxable temporary differences arising from deferred tax liabilities of S$1,041 million (2020: S$998 million) have been set off against the unused tax losses.

c. Other Comprehensive Income

There are no income tax relating to each component of other comprehensive income, except as tabled below:

	Group					
	2021			2020		
(S$ million)	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Cash flow hedges: net movement in hedging reserves	178	(31)	147	(38)	1	(37)
Defined benefit plan actuarial gains and losses	20	(6)	14	(11)	2	(9)
	198	(37)	161	(49)	3	(46)

B4. Profit for the Year

Accounting policies

Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Grant Income

Government grants relating to asset are credited to a deferred asset grant account at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached. These grants are then recognised in profit or loss as other operating income on a straight-line basis over the estimated useful lives of the relevant assets.

Non-monetary government grants and assets received are valued at fair value or nominal amounts.

Grants that compensate the Group for expenses already incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year *(cont'd)*

Detailed below are the key amounts recognised in arriving at our profit for the year:

		Group	
(S$ million)	Note	2021	2020
a. Expenses			
Materials		5,323	3,293
Staff costs:			
– salaries, bonuses and other personnel related costs		454	371
– contributions to defined contribution plan		36	27
– equity-settled share-based payments	B6	14	8
– cash-settled share-based payments	B6	*	*
– contributions to defined benefit plan		1	1
Depreciation:			
– property, plant and equipment	D1	432	413
– investment properties	D2	3	4
Sub-contract cost		282	184
Repair and maintenance		99	114
Provision for remediation of legacy sites	H2	30	4
Amortisation of intangible assets	D3	22	27
Allowance for / (write-back of) impairment losses (net):			
– receivables and contract assets	F4	19	11
– property, plant and equipment	D1, (i)	3	64
– intangible assets, excluding goodwill	D3, (i)	*	6
Property, plant and equipment written off		8	6
Inventories written off and written down	E2	2	98
Audit fees paid / payable to:			
– auditors of the Company		1	2
– other member firms of KPMG International		2	1
– other auditors		*	*
Non-audit fees paid / payable to:			
– auditors of the Company		*	1
– other member firms of KPMG International		*	*
– other auditors		*	*
Intangible assets written off	D3	*	*
Bad debts written off		*	*

(S$ million)	Note	Group 2021	Group 2020
b. Other operating income / (expenses)			
Net change in fair value of financial assets at FVTPL (mandatorily measured)		43	(27)
Grants received (income related)	(ii)	20	38
Gain on disposal of property, plant and equipment		13	5
Net exchange gain / (loss)		7	15
Gain from derecognition of financial assets		–	3
Net change in fair value of cash flow hedges		–	*
c. Non-operating income / (expenses)			
Gain / (Loss) on disposal / liquidation of:			
– other financial assets		8	3
– assets held for sale	B7	3	(30)
– subsidiaries		(3)	23
Net change in fair value of financial assets at FVTPL (designated on initial recognition)		7	2
Gross dividend income from financial assets at FVOCI		2	2
Allowance for impairment losses:			
– associate and joint venture		(212)	(113)
– assets held for sale	(iii)	(1)	(4)
– goodwill	(i)	–	(27)
Negative goodwill		–	17

i. In 2020, there were changes in market conditions from what was assumed at the time of purchase, the remaining goodwill ascribed for UKPR's acquisition of S$27 million was impaired based on the estimated value-in-use (VIU) from a revised strategy for the business to focus primarily in the grid services market. Together with the impairment losses on property, plant and equipment of S$34 million and long-term customer contracts of S$6 million, the total impairment charge recognised in 2020 amounted to S$67 million.

   The recoverable amounts of these assets were based on cash flow projection for the estimated remaining useful life of the plants ranging up to 2039. The cash flow took into consideration the increase in energy capacity and reduction on underlying demand due to energy efficiency and reduced industrial production. These factors negatively impacted the market supply and demand forecast on the estimated electricity and forecasted margins. Inflation rate of 2.5% has been used to project overheads and other general expenses.

ii. Grant income of S$20 million (2020: S$38 million) in 2021 included S$10 million (2020: S$34 million) COVID-19 related relief mainly in the form of Jobs Support Scheme (JSS) and Job Growth Incentive (JGI). The JSS and JGI are temporary schemes introduced in the Singapore Budget to help enterprises retain and expand the hiring of local employees.

iii. Assets held for sale were measured at fair value less cost to sell as at December 31 of preceding year. Impairment arose as a result of increased book value during the year up to the date of disposal.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B5. Earnings Per Share

(S$ million)	Group 2021	Group 2020
a. Profit / (Loss) attributable to owners of the Company:		
Continuing operations:		
Profit attributable to equity holders of the Company	279	157
Less: Profit attributable to perpetual security holders of the Company	–	(17)
	279	140
Discontinued operation:		
Loss from discontinued operation, net of tax attributable to owners of the Company	–	(1,154)
Profit / (Loss) for the year attributable to owners of the Company	**279**	**(1,014)**
b. Weighted average number of ordinary shares (in million)		
Issued ordinary shares at January 1	1,781	1,786
Effect of performance shares and restricted shares released	4	3
Effect of own shares held	(1)	(4)
Weighted average number of ordinary shares	1,784	1,785
Adjustment for dilutive potential ordinary shares		
– performance shares	15	8
– restricted shares	7	7
Weighted average number of ordinary shares adjusted for all dilutive potential shares	**1,806**	**1,800**
c. Earnings per ordinary share (cents)		
– basic[1]	15.63	(56.81)
– diluted[2, 3]	15.44	(56.81)
Earnings per ordinary share (cents) – Continuing operations		
– basic[1]	15.63	7.84
– diluted[2]	15.44	7.78

[1] Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (excluding perpetual security holders) by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

[2] Diluted earnings per ordinary share is calculated by dividing the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: performance shares and restricted shares.

[3] In computing the 2020 fully diluted earnings per ordinary shares, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares were antidilutive.

B6. Share-based Incentive Plans

This section sets out details of the Group's share-based remuneration arrangements, including details of the Company's PSP and RSP, collectively known as Share Plans. The Company's 2020 Share Plans was approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

To accelerate the Group's transformation from Brown to Green, the Board has approved a long term 5-year Transformation Incentive plan (PSP-TI). The PSP-TI's performance targets are aligned to the execution of the Environmental, Social, and Governance (ESG) transformation targets laid out in the 2025 Strategy Plan.

Accounting policies

Equity settled share-based incentive plan

The fair value of the compensation cost is charged to the profit or loss with a corresponding increase directly in equity. The fair value is measured at grant date and amortised over the service period to which the performance criteria relates and during which the employees become unconditionally entitled to the shares.

For awards granted with market-based performance conditions, market-based performance conditions are taken into account in estimating the fair value. For awards granted with non-market-based performance conditions, the compensation cost is estimated on a basis that the amount fairly reflects the manner in which the benefits will accrue to the employee over the service period to which the performance period relates.

At the balance sheet date, the Group revises its estimates of the number of performance-based shares that the employees are expected to receive based on the achievement of non-market performance conditions and the number of shares ultimately given. It recognises the impact of the revision of the original estimates in employee expense, with a corresponding adjustment to equity over the remaining vesting period.

The share-based payments reserve relating to the performance shares released is transferred to share capital when new shares are issued. When treasury shares are issued, the cost of treasury shares is transferred to share-based payments reserve.

In the Company's separate financial statements, the fair value of performance shares and restricted shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

Cash settled share-based incentive plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the share price of the Company. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay. The liability takes into account the performance achieved for the year and the probability of achieving the performance conditions in the future.

Until the liability is settled, the Group will re-measure the fair value of the liability at each balance sheet date and at the date of settlement with any changes in fair value recognised in profit or loss for the period.

Key estimates and judgements

The fair value of equity-related compensation is measured using the Monte Carlo simulation method as at the date of the grant. The method involves projecting future outcomes using statistical distributions of key random variables including the share prices and volatility of returns. This model takes into account the probability of achieving the performance conditions in the future.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

The table below shows share-based expense that was recognised during the year.

(S$ million)	Note	2021	2020
Equity-settled share-based	(a)	14	8
Cash-settled share-based	(b)	*	*

a. Equity-settled share-based incentive

Performance Share Plan (PSP)

One of the primary objectives of the SCI PSP 2020 is to further motivate key senior management, who has the responsibility and are able to drive the growth of the Company, to strive for superior performance and to deliver long-term shareholder value.

Awards granted under the SCI PSP 2020 are performance-based. Performance targets set under the SCI PSP 2020 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

The ERCC grants an initial number of shares (initial award) which are conditional on targets set for a performance period. A specified number of shares will only be released by the ERCC to the participants at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over the performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

For grants made in 2021, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

2- or 3-Year PSP Performance Conditions	Final Number of Shares to be Released
1. Absolute Total Shareholders' Return (ATSR)	0% to 200% of initial grant
2. Relative Total Shareholders' Return (RTSR)	
3. Gross Renewable Energy Capacity	

5-Year PSP-TI Performance Conditions	Final Number of Shares to be Released
1. Gross Installed Renewable Energy Capacity	0% to 140% of initial grant
2. Sustainable Solutions' Profit	
3. Sustainable Land Banking and Land Sales	
4. Greenhouse Gas Emission Intensity Reduction	

Restricted Share Plan (RSP)
The number of the restricted share awards granted was based on the achievement of stretched financial and non-financial targets for the preceding financial year, with emphasis on organisational transformation to meet future challenges and adherence to environment, health and safety standards.

For the grant awarded in 2021, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches.

To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the SCI RSP 2020. Non-executive directors were not awarded any shares except as part of their directors' fees (except for Wong Kim Yin, who is the Group President & CEO, and who does not receive any directors' fees). The awards granted comprised fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares (including shares obtained by other means) worth the value of their annual base retainer; any excess may be sold as desired, subject to SGX-ST listing rules. A non-executive director may only dispose of all of his shares one year after leaving the board.

The actual number of shares awarded to each non-executive director will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange (SGX) over the 14 trading days from (and including) the day on which the shares are first quoted ex-dividend after the Annual General Meeting (AGM) (or, if the resolution to approve the final dividend is not approved, over the 14 trading days immediately following the date of the AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive director who steps down before the payment of the share component will receive all of his director's fees for the year (calculated on a pro-rated basis, where applicable) in cash.

Movement in the number of shares under the Company's PSP and RSP are as follows:

	2021		2020	
	PSP	RSP	PSP	RSP
At January 1	7,682,784	10,512,748	5,319,353	4,010,900
Shares awarded	11,579,491	2,973,712	–	5,918,949
Shares released	–	(5,924,403)	–	(4,149,575)
Shares lapsed	(1,360,565)	(1,254,333)	(612,333)	(280,798)
Performance shares lapsed arising from targets not met	(3,604,282)	–	(849,553)	–
Conditional performance shares adjusted pursuant to the Distribution[1]	–	–	3,825,317	5,013,272
At December 31	14,297,428	6,307,724	7,682,784	10,512,748

[1] In 2020, as a result of the adjustments due to the Distribution, (a) an additional 3,825,317 SCI Shares are proposed to be released under the outstanding SCI Share Awards granted under the SCI PSP, assuming the full achievement of the requisite pre-determined performance conditions and targets over the performance period in respect of such outstanding SCI Share Awards; and (b) an additional 5,013,272 SCI Shares will be conditionally released under the outstanding SCI Share Awards granted under the SCI RSP over the requisite time period in respect of such outstanding SCI Share Awards.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive *(cont'd)*

SCI PSP

PSP awards granted have both market-based and non-market-based performance conditions. The Committee review achievement of the performance targets annually. For the period 2018 to 2020, as the result of not achieving the targets, no PSP shares granted were vested.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at December 31, 2021, was 14,297,428 (2020: 7,682,784). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 22,348,888 (2020: 11,524,176) performance shares.

SCI RSP

Of the restricted shares released, 420,456 (2020: 269,972) restricted shares were cash-settled. The remaining restricted shares were released via the issuance of treasury shares.

The total number of restricted shares outstanding, including award(s) achieved but not released, as at December 31, 2021, was 6,307,724 (2020: 10,512,748). The RSP balances represent 100% of targets achieved, but not released subject to individual performance and fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 6,307,724 (2020: 10,512,748) restricted shares.

Awards for the performance and corporate objectives achieved in 2021 will be granted in 2022 (2020: achieved in 2020 will be granted in 2021).

The fair values of the performance and restricted shares are estimated using a Monte Carlo simulation methodology at the grant dates.

	PSP Date of Grant			
	May 31, 2021	May 31, 2021	August 6, 2021	2020
Fair value at measurement date	S$2.84[1]	S$2.60[1]	S$1.67	NA
Assumptions under the Monte Carlo model				
Share price	S$2.23	S$2.23	S$2.00	NA
Expected volatility	36.5%	36.5%	NA	NA
Risk-free interest rate	0.4%	0.6%	0.4% – 1.3%	NA
Expected dividend	3.9%	4.2%	3.7%	NA

[1] Fair value computed based on different performance periods.

	RSP Date of Grant		
	March 30, 2021	May 31, 2021	February 27, 2020
Fair value at measurement date	S$1.78	S$2.15	S$1.81
Assumptions under the Monte Carlo model			
Share price	S$1.86	S$2.23	S$1.90
Expected volatility	35.5%	36.5%	23.4%
Risk-free interest rate	0.58%	0.47%	0.77% – 0.96%
Expected dividend	4.9%	4.2%	3.5%

b. Cash-settled share-based incentive

Based on achievement, the non-managerial participants of the Group will receive a cash-settled notional restricted shares award known as the Sembcorp Challenge Bonus.

There were no restricted shares awarded and paid under Sembcorp Challenge Bonus during the year. In 2020, with the ERCC's approval on the achievement factor for performance targets for the performance period 2019, a total of S$0.9 million, equivalent to 440,335 notional restricted shares, were awarded and paid.

B7. Assets Held for Sale

Accounting policies

Assets or disposal groups are classified as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell if they are expected to be recovered principally through a sale transaction rather than through continuing use.

Any impairment losses on initial classification and subsequent gains or losses on re-measurement are recognised in profit or loss. Subsequent increases in fair value less costs to sell are recognised in profit or loss (not exceeding the accumulated impairment loss that has been previously recognised).

a. As at December 31, 2020, the carrying value of CSE Holding Pte Ltd, a wholly owned subsidiary, of S$30 million was classified as asset held for sale as the conditions precedent in the conditional agreement to divest its entire 32% stake in joint venture company Shenzhen Chiwan Sembawang Engineering Co (CSE) to Chixiao Enterprise Co were substantially met. The total gross consideration was RMB150 million (approximately S$30 million). The Group's share of the cumulative translation gain of S$3 million has been realised in profit or loss upon the completion of the sale on February 5, 2021.

b. On February 6, 2020, the Group divested 100% of their interest in the water business in Chile, which was classified as asset held for sale as at December 31, 2019. Upon completion of sale, the Group realised its share of the cumulative translation loss of S$31 million in profit or loss.

Notes to the Financial Statements

C. Our Funding

In 2021, the Group has tapped into new sources of financing, repositioning to transform its portfolio from brown to green. The Group issued its inaugural Green Bonds and sustainability-linked notes during the year. Please refer to Note C5 for further details.

Equity value as at December 31, 2021 is enhanced by the profit for the year and the favourable fuel price for the fuel oil swaps as well as appreciation of RMB, USD and GBP against SGD.

C1. Capital Structure

Capital management

The Group maintains a disciplined approach to capital management. The Group seeks to optimise the overall portfolio, maintain investor, creditor and market confidence, fund future developments and growth, while at the same time maintain an appropriate dividend policy.

The Group's policy is to borrow centrally using a mixture of long-term and short-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain Group entities.

Capital is defined as equity attributable to the equity holders.

The Group's debt-to-capitalisation ratio as at the balance sheet date was as follows:

		Group	
(S$ million)	Note	2021	2020
Debt	C5	7,391	7,728
Total equity		3,918	3,476
Total debt and equity		11,309	11,204
Debt-to-capitalisation ratio		0.65	0.69

There were no changes in the Group's approach to capital management during the year except as disclosed above.

Some of the Group entities are required to maintain a certain ratio of net borrowings to net assets and level of leverage under their respective loan arrangements with banks. These externally imposed capital requirements have been complied with as at the respective balance sheet dates.

C2. Share Capital and Treasury Shares

Accounting policies

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects.

Repurchase, disposal and re-issue of share capital (treasury shares)

When the ordinary shares are reacquired by the Company, the consideration paid is recognised as deduction from equity, presented as reserve for own shares (Note C3). Reacquired shares are classified as treasury shares.

When the treasury shares are subsequently sold or re-issued, the cost of the treasury shares is reversed from reserve for own shares account and the realised gain or loss on the transaction is presented as a change in equity of the Company. No gain or loss is recognised in profit or loss.

	Number of shares	
	Issued Share Capital	Treasury Shares
At January 1, 2020	1,787,547,732	1,966,276
Treasury shares purchased	–	8,152,100
Treasury shares transferred pursuant to restricted share plan	–	(3,879,603)
At December 31, 2020	1,787,547,732	6,238,773
Treasury shares purchased	–	6,780,700
Treasury shares transferred pursuant to restricted share plan	–	(5,503,947)
At December 31, 2021	1,787,547,732	7,515,526

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

Issued and paid up capital
As at December 31, 2021, the Company's issued and paid up capital excluding treasury shares comprised 1,780,032,206 (2020: 1,781,308,959) ordinary shares.

Treasury shares
During the year, the Company acquired 6,780,700 (2020: 8,152,100) ordinary shares in the Company by way of on-market purchases. 5,503,947 (2020: 3,879,603) treasury shares were re-issued pursuant to the Restricted Share Plan (RSP).

As at December 31, 2021, the Company held 7,515,526 (2020: 6,238,773) of its own uncancelled shares as treasury shares that may be re-issued upon the vesting of performance shares and restricted shares under the Performance Share Plan (PSP) and RSP respectively.

C3. Other Reserves

		Group		Company	
(S$ million)	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Distributable					
Reserve for own shares		(15)	(11)	(15)	(11)
Non-distributable					
Foreign currency translation reserve	(a)	(401)	(475)	–	–
Capital reserve	(b)	156	160	–	–
Merger reserve	(c)	29	29	–	–
Share-based payments reserve	(d)	(5)	(10)	5	*
Fair value reserve	(e)	40	60	–	–
Hedging reserve	(f)	48	(132)	–	–
Cost of hedging reserve	(g)	–	(1)	–	–
		(148)	(380)	(10)	(11)

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C3. Other Reserves *(cont'd)*

Type of other reserve	Nature
a. Foreign currency translation reserve	Comprises: i. foreign exchange differences arising from translation of the financial statements of foreign entities, ii. effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign entities, and iii. translation of foreign currency loan used to hedge or form part of the Group's net investments in foreign entities.
b. Capital reserve	Comprises: i. acquisitions and disposals with non-controlling interests that do not result in a change of control, capitalisation of accumulated profits for the issue of bonus shares, capital reserve (net of goodwill) on consolidation and equity accounting, ii. asset revaluation reserve, capital redemption reserve, convertible loan stock reserve, iii. transfer from revenue reserve in accordance with the regulations of the foreign jurisdiction in which the Group's subsidiaries, associates and joint ventures operate, and treasury shares of a subsidiary, and iv. recognition of call options issued to non-controlling interests of subsidiaries.
c. Merger reserve	The difference between the values of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.
d. Share-based payments reserve	Represents the cumulative value of services received from employees recorded on grant of equity-settled share options, performance shares and performance-based restricted shares.
e. Fair value reserve	Includes the cumulative net change in the fair value of equity investments designated at FVOCI until the investments are derecognised. This does not include impairment losses recognised in profit or loss prior to January 1, 2018.
f. Hedging reserve	The effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.
g. Cost of hedging reserve	Represents the change in fair value of the forward element for the forward exchange contracts ('forward points') for funding purposes, which is accounted for in cost of hedging reserve.

C4. Dividends

Accounting policies

Dividends

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares and redeemable preference shares classified as equity are accounted for as movements in revenue reserve.

A liability to distribute non-cash assets as dividend to its owners is measured at the fair value of the assets to be distributed. The differences between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

Perpetual Securities

Perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution, subject to the terms and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issue and the perpetual securities are classified and presented as equity. Distributions are treated as dividends which are directly debited from equity. Incremental costs directly attributable to the issuance of perpetual securities are deducted against the proceeds from the issue.

Dividend Paid

(S$ million)	Group and Company 2021	2020
Interim one-tier tax-exempt dividend of 2 cents per share in respect of year 2021 (2020: nil per share in respect of year 2020)	36	–
Final one-tier tax-exempt dividend of 4 cents per share in respect of year 2020 (2020: 3 cents per share in respect of year 2019)	71	54
	107	54

Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a final ordinary one-tier tax exempt dividend of 3 cents per share (2020: one-tier tax exempt dividend of 4 cents per share). This amounts to an estimated net dividend of S$53 million (2020: S$71 million) in respect of the year ended December 31, 2021, based on the number of issued shares as at December 31, 2021.

The proposed dividend of 3 (2020: 4) cents per share has not been included as a liability in the financial statements.

Perpetual Securities Distribution
In 2020, the Company redeemed and cancelled all outstanding perpetual securities with value of S$818 million, including accrued distributions of S$17 million.

Special Distribution
On September 11, 2020, the Company demerged its Marine segment by effecting a distribution in specie of all the ordinary shares in the issued share capital of SCM (as disclosed in Note G6). The Group's carrying value and Company's cost of investment of these SCM shares at date of the Distribution, were S$2,561 million and S$2,248 million, respectively.

The Distribution was measured at fair value using the closing price of the SCM shares of S$0.182 prior to the Distribution, amounting to S$1,597 million, equivalent to approximately S$0.89 per SCI share, based on 1,786,431,697 SCI shares in issue (excluding 1,116,035 treasury shares) as at September 11, 2020.

Distribution at fair value less transaction costs of S$6 million resulted in loss on the Distribution of S$970 million recognised.

C5. Interest-bearing Borrowings

(S$ million)	Note	Group December 31, 2021	Group December 31, 2020
Current liabilities			
Non-convertible debentures		11	11
Secured term loans	(a)	601	477
Unsecured term loans	(b)	142	105
Total		754	593
Non-current liabilities			
Non-convertible debentures		154	167
Secured term loans	(a)	2,574	3,018
Unsecured term loans	(b)	3,909	3,950
Total		6,637	7,135
Total interest-bearing borrowings (measured at amortised cost)		7,391	7,728

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Interest-bearing Borrowings *(cont'd)*

Effective Interest Rates and Maturity of Liabilities

	Group Effective interest rate % 2021	2020
Floating rate loans	0.96 – 10.81	0.88 – 11.35
Fixed rate loans	0.77 – 11.48	0.77 – 11.48
Bonds and notes	2.45 – 4.25	2.94 – 4.25
Debentures	9.15 – 9.65	9.65

a. Secured Term Loans

The secured term loans are collaterised by the following assets:

(S$ million)	Note	Group Net Book Value December 31, 2021	December 31, 2020
Property, plant and equipment	D1(i)	4,487	4,724
Investment properties	D2	–	18
Mutual funds	H1	83	85
Trade and other receivables	E1	1,325	1,337
Intangible assets	D3	*	*
Inventories	E2	127	112
Cash and cash equivalents	E4	259	262
Equity shares of a subsidiary		241	244

b. Unsecured Term Loans

Included in the unsecured term loans of the Group are medium-term notes which the Company has jointly established with Sembcorp Financial Services Pte Ltd (SFS), a wholly owned subsidiary of the Company via the S$2.5 billion and S$3.0 billion Multicurrency Debt Issuance Programmes (the Programme). Under the Programme, the Company, together with SFS and certain other Group entities (the Issuing Subsidiaries), may from time-to-time issue Notes and Securities under the Programme subject to availability of funds from the market. The obligations of the Issuing Subsidiaries under the Programme are fully guaranteed by the Company.

As at December 31, 2021 and December 31, 2020, the Group has the following outstanding medium-term notes issued under the Programme:

(S$ million)	Nominal interest rate	Year of issue	Year of maturity	Principal amount December 31, 2021	December 31, 2020
S$ medium-term notes	4.25%	2010	2025	100	100
S$ medium-term notes	3.64%	2013	2024	200	200
S$ medium-term notes	2.94%	2014	2021	–	100
S$ medium-term notes	3.59%	2014	2026	150	150
S$ medium-term notes	2.45%	2021	2031	400	–
S$ medium-term notes	2.66%	2021	2032	675	–
				1,525	550

On June 9, 2021, and October 6, 2021, the Group issued S$400 million Green Bonds and S$675 million sustainability-linked notes, respectively, under the Programme. As at December 31, 2021, S$233 million Green Bonds and S$675 million sustainability-linked notes have been utilised.

As at December 31, 2021, an amount of S$419 million (2020: S$165 million) medium-term notes were held by a related corporation.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2021				2020			
(S$ million)	Accrued interest payable (Note E3)	Interest-bearing borrowings (Note C5)	Lease liabilities (Note D1.1)	Total	Accrued interest payable (Note E3)	Interest-bearing borrowings (Note C5)	Lease liabilities (Note D1.1)	Total
Balance at January 1	11	7,728	226	7,965	57	10,800	504	11,361
Cash flows								
Cash payments	–	(3,752)	(15)	(3,767)	–	(4,351)	(28)	(4,379)
Cash proceeds	–	3,403	–	3,403	–	5,241	–	5,241
Interest paid	(323)	–	(7)	(330)	(503)	–	(12)	(515)
Non-cash items								
Acquisition of subsidiary	–	–	–	–	–	–	6	6
Disposal of subsidiaries / disposal group held for sale	–	–	–	–	–	*	*	*
Distribution of a subsidiary	–	–	–	–	(14)	(3,794)	(297)	(4,105)
Interest expenses, including amortisation of capitalised transaction costs	327	18	9	354	471	11	21	503
New leases	–	–	43	43	–	–	41	41
Write-off of lease liabilities	–	–	*	*	–	–	(10)	(10)
Remeasurement of lease liabilities / Adjustment to upfront fees	–	–	2	2	–	(15)	1	(14)
Foreign exchange movement	*	(6)	*	(6)	*	(164)	*	(164)
	327	12	54	393	457	(3,962)	(238)	(3,743)
Balance at December 31	15	7,391	258	7,664	11	7,728	226	7,965

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C6. Net Interest Expense

Accounting policies

Finance income is recognised in profit or loss as it accrues, using the effective interest rate method. It includes interest income from non-current receivables.

Finance costs include interest expense on borrowings and lease liabilities, unwinding of discounts on provision, amortisation of capitalised transaction costs, transaction costs written off and termination of interest rate swaps. Finance costs are expensed in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the impaired financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

		Group	
(S$ million)	Note	2021	2020
Finance income			
Finance income from financial assets measured at amortised cost			
– associates and joint ventures		6	6
– bank and others		20	29
		26	35
Finance costs			
Interest paid and payable to, measured at amortised cost			
– banks and others		374	454
Amortisation of capitalised transaction costs		12	11
Unwind of discount on restoration costs	H2	1	1
Significant financing component from contracts with customers		4	3
Interest rate swaps:			
– changes in fair value through profit or loss		18	17
– ineffective portion of changes in fair value		5	4
Interest expense on amortisation of lease liability	D1.1	9	9
		423	499

C7. Contingent Liabilities

Key estimates and judgements

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, an obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Group

The Group has provided guarantees to banks to secure banking facilities provided to joint ventures and commodities traders. These financial guarantee contracts are accounted for as insurance contracts. The principal risk to which the Group and the Company is exposed is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate this risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and Company's future cash flows.

Estimates of the Group's and Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates. As of the balance sheet date, there is no provision made in respect of the obligations.

As at the balance sheet date, the Group had the following contingent liabilities:

	Group	
(S$ million)	December 31, 2021	December 31, 2020
Guarantees given to banks to secure banking facilities provided to:		
– Joint ventures	27	41
– Commodities traders	54	–
– Others	*	1
Performance guarantees to external parties	260	362

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C7. Contingent Liabilities *(cont'd)*

Group *(cont'd)*

The periods in which the financial guarantees expire are as follows:

(S$ million)	Group December 31, 2021	Group December 31, 2020
Less than 1 year	78	33
Between 1 to 5 years	3	9
More than 5 years	–	*
	81	42

The Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure has been estimated to be approximately S$39 million (2020: S$38 million). Due to the nature of these tax disputes, the potential outcome and obligation is uncertain. No provisions have been recorded in this regard.

Company

a. The Company has provided guarantees to banks to secure banking facilities provided to a wholly owned subsidiary, SFS. These financial guarantee contracts are accounted for as insurance contracts.

   The intra-group financial guarantees granted by the Company amounted to S$7,849 million (2020: S$7,950 million), with S$3,513 million (2020: S$3,525 million) drawn down as at the balance sheet date. The periods in which the financial guarantees expire are as follows:

(S$ million)	Company December 31, 2021	Company December 31, 2020
Less than 1 year	–	100
Between 1 to 5 years	1,847	3,175
More than 5 years	1,666	250
	3,513	3,525

b. The Company has provided corporate guarantees of S$110 million (2020: S$93 million) to a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for the following:

   i. Two long-term agreements entered in 2010 for the purchase of a total 42 BBtud (Billion British thermal units per day) of liquefied natural gas (LNG) from Shell Gas Marketing Pte Ltd (Shell) (formerly known as BG Singapore Gas Marketing Pte Ltd). With a start date on May 07, 2013 and September 01, 2015 respectively, the agreements have a term of 10 years and SembCogen has an option to extend the term by 2 successive periods of 5 years each subject to fulfilment of conditions set in the agreements. The obligations of SembCogen under the LNG purchase agreements are currently secured by corporate guarantees issued by the Company in favour of Shell.

C8. Commitments

A commitment is a contractual obligation to make a payment in the future, mainly in relation to leases and agreements to buy assets such as network infrastructure and IT systems. These amounts are not recorded in the consolidated balance sheet since the Group has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that the Group is committed to pay.

Commitments not provided for in the financial statements are as follows:

		Group	
(S$ million)	Note	2021	2020
– Commitments in respect of acquisition of investments	(a)	1,020	–
– Commitments in respect of contracts placed for property, plant and equipment		152	215
– Uncalled commitments to subscribe for additional shares in joint ventures and other investments		52	52
– Commitments in respect of a civil settlement in China	(b)	45	45
		1,269	312

a. Commitments in respect of acquisition of investments:

   i. In November 2021, the Group signed an agreement to acquire a 98% interest in a portfolio of operational wind and solar photovoltaic assets for RMB 3.3 billion (approximately S$700 million).

   ii. In December 2021, the Group signed an equity transfer agreement for a 35% interest in SDIC New Energy Investment Co., Ltd for an equity consideration of approximately RMB 1.5 billion (approximately S$320 million). The acquisition was completed on January 28, 2022.

b. As part of the settlement relating to the discharge of off-specification wastewater by its 98.42% (2020: 95%) owned joint venture wastewater treatment company, Sembcorp Nanjing Suiwu Company Limited, the Group is committed to investments of S$45 million over four years (by December 2023) to develop projects and initiatives to support environmental protection in China. As at December 31, 2021, the Group has commenced on these investments and completed certain projects including upgrading of wastewater treatment plants in China, where the actual investment spend of completed projects is subject to audit and confirmation by the Nanjing Procuratorate and court.

Notes to the Financial Statements

D. Our Assets

In 2021, in line with the Group's strategic plan on energy transition and sustainable development, the Group has continued to invest in renewable power equipment to enhance its energy sustainability portfolio.

D1. Property, Plant and Equipment

Accounting policies

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses. The cost initially recognised includes acquisition costs, costs directly attributable to bringing the assets to the location and working condition for their intended use and capitalised borrowing costs. Cost also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of PPE and estimated costs to be incurred for restoring the asset upon expiry of the lease agreement.

i. Subsequent Expenditure

Subsequent expenditure is recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of PPE are expensed to profit or loss when incurred. For items subject to regular overhauls, the overhaul costs incurred are capitalised and the carrying amounts of replaced components are written off to profit or loss.

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value (i.e. the estimated net amount to be obtained from disposal). Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of PPE as follows:

Leasehold land and wet berthage	Lease period of 3 to 60 years
Buildings	3 to 50 years
Improvements to premises	3 to 30 years
Quays and dry docks	6 to 60 years
Infrastructure	8 to 60 years
Plant and machinery	3 to 30 years
Marine vessels	7 to 31 years
Tools and workshop equipment	3 to 10 years
Furniture, fittings and office equipment	1 to 10 years
Motor vehicles	2 to 10 years

No depreciation is provided on freehold land and capital work-in-progress.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

iii. Impairment

At the end of each reporting period, assessment is performed to identify whether there is any indication that an asset may be impaired. Impairment occurs when the carrying value of assets or its smallest identifiable, independent asset group that generates cash flows (cash-generating unit (CGU)) is greater than their recoverable amount. The recoverable amount is the higher of the assets' fair value less cost to sell and their value-in-use (VIU) (i.e. present value of the net cash flows they are expected to generate). The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

iv. Reversals of impairment

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, and only if, there has been a change in the estimates used to determine the asset's 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. A reversal of impairment loss for an asset is recognised in profit or loss.

v. Disposals

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Key estimates and judgements

Judgments are used in estimating the recoverable amount of an asset, i.e. in determining an asset's fair value and in assessing its VIU (the future cash flows expected to be generated by the asset and the pre-tax discount rate in bringing them to present value). In making these estimates, the Group considers the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the PPE and changes to the expected usage of the asset.

The Group also applies judgement in determining an asset's depreciation methods, estimated useful lives and residual values. These are reviewed annually, taking into consideration factors such as changes in the expected level of usage and technological developments, and adjusted prospectively where appropriate.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Note	Leasehold and freehold land, wet berthage and buildings	Improvements to premises	Quays and dry docks	Infrastructure	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Group											
Cost / Valuation											
Balance at January 1, 2021		388	75	12	56	9,420	63	65	158	312	10,549
Translation adjustments		4	4	–	(1)	(26)	*	*	*	2	(17)
Additions		2	2	*	–	139	7	23	136	49	358
Reclassification		5	6	–	*	113	1	7	(132)	*	–
Acquisition of subsidiaries	(iii)	–	–	–	–	1	–	–	–	–	1
Transfer from investment properties	D2	4	–	–	–	–	*	–	–	–	4
Transfer to intangible assets		–	–	–	–	–	–	–	(1)	–	(1)
Transfer to other financial assets		–	–	–	–	–	*	–	–	–	*
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	–	–	3	3
Disposals / Write-offs		(2)	(2)	*	–	(63)	(1)	(7)	(2)	(7)	(84)
Balance at December 31, 2021		401	85	12	55	9,584	70	88	159	359	10,813
Accumulated Depreciation and Impairment Losses											
Balance at January 1, 2021		100	21	9	24	3,022	46	35	6	82	3,345
Translation adjustments		1	1	–	*	4	*	*	*	*	6
Depreciation for the year	B4(a)	9	3	*	4	381	6	10	–	19	432
Reclassification		(1)	*	–	–	1	*	–	–	–	–
Transfer from investment properties	D2	3	–	–	–	–	–	–	–	–	3
Disposals / Write-offs		(1)	(1)	*	–	(55)	(1)	(6)	–	(6)	(70)
Impairment losses	B4(a)	*	*	–	–	1	*	2	–	*	3
Balance at December 31, 2021		111	24	9	28	3,354	51	41	6	95	3,719
Carrying Amounts											
At January 1, 2021		288	54	3	32	6,398	17	30	152	230	7,204
At December 31, 2021		290	61	3	27	6,230	19	47	153	264	7,094

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Note	Leasehold and freehold land, wet berthage and buildings	Improvements to premises	Quays and dry docks	Infrastructure	Plant and machinery	Marine vessels	Tools and workshop equipment	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Group													
Cost / Valuation													
Balance at January 1, 2020		1,921	100	1,572	94	10,856	327	74	205	83	1,315	625	17,172
Translation adjustments		4	2	6	(6)	(280)	3	*	(1)	*	1	(1)	(272)
Additions		2	4	–	2	73	–	*	9	6	206	42	344
Reclassification		*	3	6	7	494	(21)	1	1	2	(505)	12	–
Acquisition of subsidiaries		1	*	–	–	2	–	–	*	4	4	15	26
Transfer to investment properties	D2	–	*	–	–	–	–	–	*	–	(1)	–	(1)
Transfer from other category of assets	(v)	–	–	–	–	16	–	–	–	*	*	–	16
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	–	–	–	–	1	1
Reversal of accrued capital expenditure	(vii)	–	–	–	–	–	–	–	–	–	(69)	–	(69)
Disposals / Write-offs		(1)	*	–	–	(23)	(1)	*	(2)	(2)	(7)	(30)	(66)
Disposal of subsidiaries		*	–	–	–	*	–	–	*	*	–	–	*
Distribution of a subsidiary		(1,539)	(34)	(1,572)	(41)	(1,718)	(308)	(75)	(149)	(28)	(786)	(352)	(6,602)
Balance at December 31, 2020		388	75	12	56	9,420	–	–	63	65	158	312	10,549
Accumulated Depreciation and Impairment Losses													
Balance at January 1, 2020		590	54	385	30	3,374	86	65	167	51	6	161	4,969
Translation adjustments		2	(1)	*	(1)	(38)	*	(2)	*	(1)	*	(1)	(42)
Depreciation for the year													
– Continuing operations	B4(a)	9	2	*	4	370	–	–	6	7	–	15	413
– Discontinued operation		23	*	19	3	39	7	3	6	1	–	15	116
Reclassification		–	–	–	–	*	*	–	–	–	–	–	–
Transfer to investment properties	D2	–	*	–	–	–	–	–	*	–	–	–	*
Disposals / Write-offs		*	*	–	–	(16)	(1)	*	(2)	(1)	*	(20)	(40)
Disposal of subsidiaries		*	–	–	–	*	–	–	*	*	–	–	*
Impairment losses	(vi), B4(a)	1	*	–	–	63	–	–	*	–	–	–	64
Distribution of a subsidiary		(525)	(34)	(395)	(12)	(770)	(92)	(66)	(131)	(22)	–	(88)	(2,135)
Balance at December 31, 2020		100	21	9	24	3,022	–	–	46	35	6	82	3,345
Carrying Amounts													
At January 1, 2020		1,331	46	1,187	64	7,482	241	9	38	32	1,309	464	12,203
At December 31, 2020		288	54	3	32	6,398	–	–	17	30	152	230	7,204

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

Group

i. Property, plant and equipment with the following net book values have been pledged to secure loan facilities granted to subsidiaries:

(S$ million)	Note	Group December 31, 2021	Group December 31, 2020
Freehold land and buildings		160	160
Leasehold land and buildings including right-of-use assets		44	43
Plant and machinery		4,241	4,465
Capital work-in-progress		8	19
Other assets		34	37
	C5(a)	4,487	4,724

ii. During the year, interest and direct staff costs amounting to S$2 million (2020: S$23 million) and S$2 million (2020: S$3 million), respectively were capitalised as capital work-in-progress. Included in these amounts are capitalised interest costs calculated using a capitalisation rate from 4.04% to 4.99% (2020: 4.28% to 6.50%).

iii. Property, plant and equipment arising from the acquisition of subsidiaries was at fair value at the acquisition date.

iv. In 2021, property, plant and equipment included additional provision for restoration costs amounting to S$16 million (2020: S$5 million) (Note H2).

v. In 2020, additions to plant and machinery include a S$16 million settlement with a vendor in the form of strategic spares.

vi. In 2020, following the decision of a major customer to exit its Singapore operations, an impairment of S$21 million was recognised to reduce the carrying value of a wastewater treatment plant and a woodchip boiler facility to its net realisable value. An impairment of S$8 million was also made to a wastewater treatment plant in China due to the contract termination with a customer who has stopped production. There were also impairment triggers for UK Power Reserve (UKPR) which resulted in S$34 million charged (Note B4(i)). These impairment charges were recognised in cost of sales.

vii. The amount represents a reduction in capital work-in-progress due to reversal of accrued expenditure on completion of projects.

viii. A subsidiary in India has entered into an agreement to convert an existing leasehold land upon which its property, plant and equipment reside, to freehold land. The subsidiary has fully paid for the conversion of the leasehold land based on the freehold rate. As at December 31, 2021, the land has not been transferred to the subsidiary. Pursuant to the current lease agreement, it is provided that in the event that the land is not transferred, the lessor is obliged to renew the lease for a further period on mutually agreed terms and conditions. No impairment or provision for restoration cost has been recorded as at December 31, 2021. As the alienation of this leasehold land is in progress and the subsidiary management has assessed that delay in the above transfer was of administrative in nature and the transfer will happen in due course of time. During 2021, this leasehold land is reported together with other rented land under right-of-use assets.

Change in estimates

In 2021, the Group revised its estimates for the useful lives of certain assets within plant and machinery from 25 to 30 years in line with the term of the Engineering, Procurement and Construction (EPC) contracts, taking into consideration that the assets have been operating within design limits and are in good condition due to regular maintenance, as observed by an external consultant during a technical study conducted. The effect of these changes on depreciation expense in current and future periods on assets currently held is as follows:

(S$ million)	2021	2022	2023	2024	2025	Later
Group						
(Decrease) / Increase in depreciation expense and increase / (decrease) in profit before tax	(6)	(25)	(25)	(25)	(25)	106

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

(S$ million)	Leasehold and freehold land, wet berthage and buildings	Improvements to premises	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Right-of-use assets (Note D1.1)	Total
Company									
Cost									
Balance at January 1, 2021	20	7	8	730	20	3	7	142	937
Additions	*	*	*	23	2	*	9	3	37
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	–	*	*
Reclassification	–	–	–	1	–	–	(1)	–	–
Disposals / Write-offs	*	*	*	(19)	*	*	–	*	(19)
Balance at December 31, 2021	20	7	8	735	22	3	15	145	955
Accumulated Depreciation and Impairment Losses									
Balance at January 1, 2021	13	7	4	466	17	1	–	46	554
Depreciation for the year	1	*	*	44	2	*	–	5	52
Disposals / Write-offs	*	*	*	(17)	*	*	–	*	(17)
Impairment losses	*	*	–	*	*	1	–	*	1
Balance at December 31, 2021	14	7	4	493	19	2	–	51	590
Carrying Amounts									
At January 1, 2021	7	–	4	264	3	2	7	96	383
At December 31, 2021	6	–	4	242	3	1	15	94	365
Company									
Cost									
Balance at January 1, 2020	20	7	8	723	19	3	1	144	925
Additions	*	*	–	10	1	*	6	*	17
Reclassification	–	–	–	*	–	–	*	–	–
Transfer from / (to) other category of assets	–	–	–	–	–	–	*	–	*
Disposals / Write-offs	–	*	–	(3)	*	–	–	(2)	(5)
Balance at December 31, 2020	20	7	8	730	20	3	7	142	937
Accumulated Depreciation and Impairment Losses									
Balance at January 1, 2020	12	7	4	432	16	1	–	44	516
Depreciation for the year	1	*	*	32	1	*	–	4	38
Disposals / Write-offs	–	*	–	(3)	*	–	–	(2)	(5)
Impairment losses	–	–	–	5	–	–	–	–	5
Balance at December 31, 2020	13	7	4	466	17	1	–	46	554
Carrying Amounts									
At January 1, 2020	8	–	4	291	3	2	1	100	409
At December 31, 2020	7	–	4	264	3	2	7	96	383

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1.1 Right-of-use Assets and Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, please refer to Note D2 Investment Properties and Note B2 under Rental Income.

Accounting policies

The Group determines whether an arrangement is or contains a lease at inception. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially used at the commencement date
- the extension option if the Group is reasonably certain to exercise that option
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- amounts expected to be payable by the Group under residual value guarantees, and
- payments of penalties for terminating the lease, if the leases term reflects the Group exercising that option

These lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. The resulting finance cost is charged to profit or loss over the lease period.

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, with a corresponding adjustment to the right-of-use asset or in profit or loss if the carrying amount of the asset has been reduced to zero.

Payment associated with short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Adoption of the amendment to SFRS(I) 16 COVID-19-related rent concession:
Rent concessions linked to COVID-19 pandemic are not assessed and accounted for as lease modifications but are taken to profit or loss.

Key estimates and judgements

The Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. If the Group should exercise the extension option, the potential future lease payments would result in an increase in lease liability.

a. **Amounts recognised in the balance sheets**

(S$ million)	Group December 31, 2021	Group December 31, 2020
Right-of-use assets		
Leasehold land and buildings	247	226
Plant and machinery	6	*
Motor vehicles	11	3
Furniture, fittings and office equipment	*	1
Total	264	230
Lease liabilities		
Current	14	11
Non-current	244	215
Total	258	226
Maturity analysis		
Within 1 year	14	11
After 1 year but within 5 years	56	36
After 5 years	188	179
Total	258	226

In 2021, cost of S$nil (2020: S$15 million) was transferred from property, plant and equipment and remaining additions to the right-of-use assets were S$49 million (2020: S$42 million).

(S$ million)	Company December 31, 2021	Company December 31, 2020
Right-of-use assets		
Leasehold land and buildings	67	66
Plant and machinery	27	30
Total	94	96
Lease liabilities		
Current	5	4
Non-current	110	112
Total	115	116
Maturity analysis		
Within 1 year	5	4
After 1 year but within 5 years	18	17
After 5 years	92	95
Total	115	116

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1.1 Right-of-use Assets and Leases *(cont'd)*

b. Amounts recognised in profit or loss

(S$ million)	Group 2021	Group 2020
Depreciation charge of right-of-use assets:		
– Leasehold land and buildings	16	12
– Plant and machinery	1	1
– Motor vehicles	2	1
– Furniture, fittings and office equipment	*	1
Total	19	15
Interest expense on lease liabilities (included in finance cost)	9	9
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	*	3
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)	6	4
Expense relating to variable lease payments not included in lease liabilities (included in cost of goods sold and administrative expenses)	*	*

The total cash outflow for leases in 2021 of S$22 million (2020: S$40 million) has been reduced by less than S$1 million (2020: S$1 million) of rent concessions linked to COVID-19 received from lessors and taken to profit or loss.

D2. Investment Properties

The Group holds certain properties for rental yields and for capital appreciation.

Accounting policies

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives ranging from 20 to 60 years or the lease period of 15 to 16 years. The assets' depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. No depreciation is provided on freehold land.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions when it increases the future economic benefits, embodied in the specific asset to which it relates, and its costs can be measured reliably. The carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised as an expense when incurred.

The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

(S$ million)	Note	Group Investment properties	Investment properties work-in-progress	Total
Cost				
Balance at January 1, 2021		158	3	161
Translation adjustments		6	*	6
Additions		*	2	2
Reclassification		*	*	–
Transfer to property, plant and equipment	D1	(4)	–	(4)
Transfer to inventories		(1)	–	(1)
Disposals / Write-offs		*	–	*
Balance at December 31, 2021		159	5	164
Accumulated Depreciation				
Balance at January 1, 2021		26	–	26
Translation adjustments		*	–	*
Depreciation for the year	B4(a)	3	–	3
Transfer to property, plant and equipment	D1	(3)	–	(3)
Disposals / Write-offs		*	–	*
Balance at December 31, 2021		26	–	26
Carrying Amounts				
At January 1, 2021		132	3	135
At December 31, 2021		133	5	138

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D2. Investment Properties *(cont'd)*

(S$ million)	Note	Group Investment properties	 Investment properties work-in-progress	 Total
Cost				
Balance at January 1, 2020		146	3	149
Translation adjustments		4	*	4
Additions		1	6	7
Reclassification		6	(6)	–
Transfer from property, plant and equipment	D1	1	–	1
Transfer to inventories		*	–	*
Disposals / Write-offs		*	–	*
Balance at December 31, 2020		158	3	161
Accumulated Depreciation				
Balance at January 1, 2020		21	–	21
Translation adjustments		1	–	1
Depreciation for the year	B4(a)	4	–	4
Transfer from property, plant and equipment	D1	*	–	*
Disposals / Write-offs		*	–	*
Balance at December 31, 2020		26	–	26
Carrying Amounts				
At January 1, 2020		125	3	128
At December 31, 2020		132	3	135

Amounts recognised in profit or loss for investment properties

(S$ million)	Group 2021	 2020
Rental income	10	7
Operating expenses arising from rental of investment properties	7	5

The fair value of the investment properties as at the balance sheet date is S$186 million (2020: S$191 million). The fair values are mostly determined by independent professional valuers using a combination of investment income method and direct or market comparison techniques, including adjustments to reflect the specific use of the investment properties. Such valuation is derived from observable market data from an active and transparent market. In the absence of current prices in an active market, the fair values are determined by considering the aggregate of the estimated cash flow expected to be received from renting out the properties or Directors' valuation. A yield that reflects the specific risks inherent in the cash flows is then applied to the net annual cash flows to obtain the fair values.

Investment properties of S$nil (2020: S$18 million) have been pledged to secure loan facilities.

The Group leases out its investment properties. The lease agreement provides for additional lease payments annually based on changes to a price index. Non-cancellable operating lease rentals receivable are as follows:

	Group	
(S$ million)	2021	2020
Lease receivable:		
Within 1 year	10	6
1 to 2 years	9	6
2 to 3 years	6	5
3 to 4 years	3	5
4 to 5 years	2	3
More than 5 years	7	14
	37	39

D3. Intangible Assets

The balance sheet contains significant intangible assets, mainly in relation to goodwill, intellectual property rights and long-term contracts.

Accounting policies

a. Goodwill

Goodwill is measured at cost less accumulated impairment losses. The goodwill cost represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount recognised (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a negative goodwill is recognised immediately in profit or loss.

Goodwill is not amortised but is tested for impairment on an annual basis. An impairment loss on goodwill is recognised as an expense in profit or loss and is not reversed in a subsequent period.

Goodwill that has previously been taken to reserves is not taken to profit or loss when (i) the business is disposed of or discontinued or (ii) the goodwill is impaired. Similarly, negative goodwill that has previously been taken to reserves is not taken to profit or loss when the business is disposed of or discontinued.

b. Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. This intangible asset is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 25 to 30 years.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

Accounting policies *(cont'd)*

c. Long-term Contracts

Long-term revenue and supplier contracts are fair valued using cash flow projections over the contractual period of 1 to 30 years. Amortisation is recognised in profit or loss on a straight-line basis over the contractual period.

d. Other Intangible Assets

Included in other intangible assets are water rights which are perpetual in nature. Water rights are measured at cost less accumulated impairment.

Other intangible assets with a finite life are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense as incurred. Other intangible assets are amortised on a straight-line basis from the date the asset is available for use and over its estimated useful lives ranging from 3 to 30 years.

Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its costs can be measured reliably. All other expenditures are expensed as incurred.

Impairment (except for Goodwill, separately disclosed in (a))

Intangible assets that have indefinite useful lives or that are not yet available for use are tested for impairment annually. For intangible assets with finite useful lives, the policy on impairment is consistent with property, plant and equipment as disclosed in Note D1.

Reversal of Impairment (except for Goodwill, separately disclosed in (a))

The policy on reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Key estimates and judgements

The determination of the recoverable amounts of goodwill and other intangible assets involves a high degree of judgement and is subject to significant estimation uncertainties, principally, the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors take into account expected customer demand and forecasted tariff rates. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

(S$ million)	Note	Group: Goodwill	Service concession arrangements	Long-term contracts	Others	Total
Cost						
Balance at January 1, 2021		277	54	236	74	641
Translation adjustments		1	4	*	*	5
Additions	(i)	–	1	–	84	85
Acquisition of subsidiary		*	–	–	–	*
Disposal	(i)	–	*	–	(22)	(22)
Transfer from other category of asset		–	–	–	1	1
Write-off	B4(a)	–	(1)	(1)	–	(2)
Balance at December 31, 2021		**278**	**58**	**235**	**137**	**708**
Accumulated Amortisation and Impairment Losses						
Balance at January 1, 2021		118	21	122	32	293
Translation adjustments		1	4	*	*	5
Amortisation charge for the year	B4(a)	–	3	11	8	22
Disposal		–	*	–	–	*
Impairment losses	B4(a), B4(c), (ii)	–	–	–	*	*
Write-off	B4(a)	–	*	(1)	(1)	(2)
Balance at December 31, 2021		**119**	**28**	**132**	**39**	**318**
Carrying Amounts						
At January 1, 2021		**159**	**33**	**114**	**42**	**348**
At December 31, 2021		**159**	**30**	**103**	**98**	**390**

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

(S$ million)	Note	Group Goodwill	Service concession arrangements	Long-term contracts	Intellectual property rights	Design under development	Others	Total
Cost								
Balance at January 1, 2020		299	63	232	299	50	42	985
Translation adjustments		(4)	3	(6)	–	–	*	(7)
Additions		–	1	–	–	–	58	59
Acquisition of subsidiaries		–	–	10	–	–	*	10
Disposal of subsidiary		–	(12)	–	–	–	–	(12)
Disposal		–	*	–	–	–	(23)	(23)
Transfer from other category of asset		–	*	–	–	–	*	*
Write-off	B4(a)	–	(1)	–	–	–	*	(1)
Distribution of a subsidiary		(18)	–	–	(299)	(50)	(3)	(370)
Balance at December 31, 2020		**277**	**54**	**236**	**–**	**–**	**74**	**641**
Accumulated Amortisation and Impairment Losses								
Balance at January 1, 2020		90	23	100	114	–	28	355
Translation adjustments		1	1	(1)	*	–	*	1
Amortisation charge for the year								
– Continuing operations	B4(a)	–	4	17	–	–	6	27
– Discontinued operation		–	–	–	19	–	–	19
Disposal of subsidiary		–	(6)	–	–	–	–	(6)
Disposal		–	*	–	–	–	–	*
Impairment losses	B4(a), B4(c), (ii)	27	–	6	–	–	–	33
Distribution of a subsidiary		–	–	–	(133)	–	(2)	(135)
Write-off	B4(a)	–	(1)	–	–	–	*	(1)
Balance at December 31, 2020		**118**	**21**	**122**	**–**	**–**	**32**	**293**
Carrying Amounts								
At January 1, 2020		**209**	**40**	**132**	**185**	**50**	**14**	**630**
At December 31, 2020		**159**	**33**	**114**	**–**	**–**	**42**	**348**

i. The additions during the year mainly related to the increase in carbon allowances and the disposal was for the settling of the Group's carbon obligation.

ii. In 2021, the Group recognised impairment loss on goodwill of S$nil (2020: S$27 million) in non-operating expenses and long-term contracts of S$nil (2020: S$6 million) in cost of sales.

iii. Intangible assets of less than S$1 million (2020: less than S$1 million) have been pledged to secure loan facilities.

iv. The amortisation of intangible assets is analysed as follows:

	Group	
(S$ million)	2021	2020
Cost of sales	15	21
Administrative expenses	7	6
Total	22	27

a. Goodwill

Impairment Testing

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
(S$ million)	December 31, 2021	December 31, 2020
Cash-generating Unit (CGU)		
SUT Division	19	19
Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd[1]	43	42
SEIL (Project I) (formerly known as Sembcorp Energy India Ltd)	23	23
SEIL (Project II) (formerly known as Sembcorp Gayatri Power Limited)	38	39
Sembcorp Green Infra Limited and its subsidiaries	36	36
Multiple units with insignificant goodwill	*	*
	159	159

[1] As Sembcorp Gas Pte Ltd became wholly owned in November 2019, there is a change in CGU for Sembcorp Gas Pte Ltd to include Sembcorp Fuels (Singapore) Pte Ltd, whose principal activity is also arranging for purchase and sale of natural gas. These two entities are considered a single CGU as both have same customer bases for natural gas, pricing is set by the same management team and cash inflows are not generated largely independently.

The recoverable amounts for SUT Division, Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd, SEIL (Project I), SEIL (Project II), Sembcorp Green Infra Limited and its subsidiaries and UKPR were determined using value-in-use calculations. Cash flow projections used in the value-in-use calculations were prepared based on management's past experience in operating the business and forward market outlook over the long-term nature of the utilities and power business. Pre-tax discount rates between 3.9% and 10.4% (2020: 4.5% and 10.3%) had been used.

At the balance sheet date, based on the key assumptions below, the recoverable amounts of the respective CGUs exceeded their carrying amounts.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

a. Goodwill *(cont'd)*

Impairment Testing *(cont'd)*

Key assumptions on recoverable amounts of respective CGUs

	SUT Division	Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	SEIL (Project I)	SEIL (Project II)	Sembcorp Green Infra Limited and its subsidiaries
Cash flow projections period	Remaining useful life of plants assumed 19 years (2020: 20 years)	Remaining contractual period of existing contracts	Remaining useful life of plants assumed 24 years (2020: 20 years)	Remaining useful life of plants assumed 25 years (2020: 21 years)	Remaining useful life of plants assumed 29 years (2020: 30 years)
Revenue and margins	Based on contracts secured along with likely renewals and forecasted demand for industrial utilities and services; as well as forecasted margins	Based on estimated sales and purchases of gas quantities derived from the contractual period of existing contracts	Based on combination of long-term and short-term contracts secured at contracted tariffs as well as electricity spot prices. Contract renewals are assumed based on estimated demand and supply as well as margin	Primarily based on the forecasted combination of long-term and short-term contracts and electricity spot prices with reference to estimated demand and supply of electricity as well as margin Probabilities of securing the contracts based on the latest estimates have been assigned to each contract and using these probabilities to discount the corresponding cash flow projections from the contracts	Based on long-term contracts secured at contracted tariffs. New contracts and contract renewals are assumed based on estimated demand and supply as well as margin
Expected capital expenditure	In accordance with plant maintenance programme	In accordance with plant maintenance programme and pipeline servicing	In accordance with plant maintenance programme	In accordance with plant maintenance programme	In accordance with plant maintenance programme
Terminal value	Nil (2020: Nil)	Nil (2020: Nil)	5% of cost (2020: Nil)	5% of cost (2020: Nil)	Nil (2020: Nil)
Inflation rate assumptions used to project overheads and other general expenses	0.9% – 1.5% (2020: 0.9%)	0.9% – 1.5% (2020: 0.9%)	3% (2020: 3.5%)	3% (2020: 3.5%)	3.5% (2020: 3.5%)
Others	NA	Forward USD / SGD exchange rate and High Sulphur Fuel Oil (HSFO) prices with reference to forward quotes were assumed in the forecast performance	Cash flows are estimated based on the premise that the conversion of the leasehold land, which the subsidiary has already paid in full, will be converted to freehold (Note D1(viii)).	NA	NA

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts to exceed the recoverable amounts.

b. Service Concession Arrangements

In 2021, the subsidiaries in Fuzhou and Yanjiao in China have service concession agreements with the local municipalities to supply drinking water to the local communities. In 2020, the subsidiaries in Chile and Panama, which have service concession agreements have been divested.

Under these arrangements, the charges for use of these assets are adjusted regularly in accordance to the agreed cost reference and escalation formula in the concession agreement and approved by the respective local authorities.

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D3. Intangible Assets *(cont'd)*

c. Long-term Contracts

India

The subsidiaries in India have long-term power purchase agreements (PPAs) with the local Electricity Board and commercial customers.

The significant terms of the above PPAs are as follows:

- A subsidiary in India has a long-term contract to provide 500 megawatts of power to the Andhra Pradesh Power distribution companies for a period of 25 years.
- The subsidiaries in the renewables sector in India have long-term contracts with India's State Electricity Boards in Gujarat, Karnataka, Maharashtra, Rajasthan and Tamil Nadu, with tenures ranging from 10 to 30 years. These subsidiaries also sell electricity to commercial customers with tenures ranging from 10 to 25 years.

United Kingdom (UK)

The subsidiaries in the UK have contracted with the National Grid of the UK to generate electricity through a portfolio of diesel and gas generators in multiple sites across the UK and supplier contracts with tenures ranging from 1 to 15 years. The majority of these contracts provide fixed rate cash flows relating to plant availability (Capacity Market contracts).

In 2020, the Group has recognised an impairment of S$6 million. See Note B4(i) for key assumptions used.

d. Other Intangible Assets

Other intangible assets comprise water rights, carbon allowances, software, development rights and golf club membership.

	Company		
(S$ million)	Goodwill	Others	Total
Cost			
Balance at January 1, 2021	19	26	45
Additions	–	2	2
Disposals / Write-offs	–	(1)	(1)
Balance at December 31, 2021	19	27	46
Accumulated Amortisation			
Balance at January 1, 2021	–	19	19
Amortisation charge for the year	–	2	2
Disposals / Write-offs	–	*	*
Balance at December 31, 2021	–	21	21
Carrying Amounts			
At January 1, 2021	19	7	26
At December 31, 2021	19	6	25

(S$ million)	Company Goodwill	Others	Total
Cost			
Balance at January 1, 2020	19	23	42
Additions	–	3	3
Disposals	–	*	*
Transfer from / (to) other category of assets	–	*	*
Balance at December 31, 2020	19	26	45
Accumulated Amortisation			
Balance at January 1, 2020	–	16	16
Amortisation charge for the year	–	3	3
Disposals	–	*	*
Balance at December 31, 2020	–	19	19
Carrying Amounts			
At January 1, 2020	19	7	26
At December 31, 2020	19	7	26

The Company's goodwill relates to goodwill of SUT on the acquisition of the SUT Division in 2008.

Notes to the Financial Statements

E. Our Working Capital

E1. Trade and Other Receivables

Trade and other receivables mainly consist of amounts owed to the Group by customers and amounts paid to the Group's suppliers in advance.

Accounting policies

Trade and other receivables are initially recognised at the amount of consideration receivable that is unconditional, unless they contain significant financing components, whereby they will be recognised at fair value.

Subsequently, trade and other receivables are measured at amortised cost only if (i) the asset is held within a business model whose objective is to collect the contractual cash flows and (ii) the contractual term give rise to cash flows that are solely payments of principal and interest. The carrying value of trade and other receivables is reduced by appropriate allowances for estimated irrecoverable amounts. The estimated irrecoverable amounts and calculation of loss allowances are based on the policies set out in Note F4. Interest income, foreign exchange gains or losses, impairment losses and gains or losses on derecognition relating to these receivables are recognised in profit or loss.

In the service concession arrangements, the Group recognises a financial asset arising from its construction services when it has an unconditional contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

		December 31, 2021			December 31, 2020		
(S$ million)	Note	Non-current	Current	Total	Non-current	Current	Total
Group							
Trade receivables		*	1,000	1,000	*	871	871
Service concession receivables	(i)	912	44	956	934	40	974
Amounts due from related parties	G5	1	44	45	1	59	60
Staff loans		–	*	*	–	*	*
Deposits	(ii)	6	106	112	5	28	33
Sundry receivables	(iii)	–	108	108	–	81	81
Unbilled receivables	(iv)	–	542	542	–	395	395
Loan receivables		–	12	12	–	9	9
Recoverables		*	22	22	*	8	8
Interest receivables		–	3	3	–	6	6
Grant receivables		–	4	4	–	8	8
		919	1,885	2,804	940	1,505	2,445
Loss allowance	F4	(12)	(65)	(77)	(12)	(45)	(57)
Financial assets at amortised cost	F4, (v)	907	1,820	2,727	928	1,460	2,388
Prepayments	(vi)	38	52	90	46	45	91
Employee defined benefit asset		22	2	24	*	2	2
Advances to suppliers		–	104	104	–	61	61
Tax recoverable		15	4	19	21	3	24
Share application money paid	(vii)	–	4	4	–	–	–
		982	1,986	2,968	995	1,571	2,566

i. Through its subsidiaries, the Group has service concession agreements with the local governments and governing agencies. The agreements in Singapore are for supply of treated water while the agreements in Myanmar and Bangladesh are for supply of electricity. The power plants in Myanmar and Bangladesh have commenced commercial operations in phases from October 2018 and in 2019.

   The guaranteed sum receivables from the grantors for the construction of the underlying assets are discounted at interest rates ranging from 3.6% to 8.5% (2020: 3.6% to 8.5%).

ii. Deposits include cash collateral placed on deposits in margin accounts.

iii. Sundry receivables represent mainly GST receivables and miscellaneous receivables.

iv. Unbilled receivables represent revenue accrued for sale of utilities commodities and services.

v. Trade and other receivables of S$1,325 million (2020: S$1,337 million) have been pledged to secure loan facilities. Included in the pledged amount is S$397 million (2020: S$404 million) that relates to the underlying assets of the service concession arrangements.

vi. Prepayments are charged to profit or loss on a straight-line basis over the prepaid period. They relate primarily to:

- Connection fees prepaid under the Generation Connection and Use of System Agreement for the use of the transmission lines to a related corporation amounted to S$20 million (2020: S$22 million);
- Service fees prepaid under the Gasoil Supply and Storage Agreement for the usage of the tank; and
- Capacity charges prepaid for the use of gas delivery pipelines, prepaid insurance premium, transport tariff recoverable and maintenance of plant.

vii. The Group has paid S$4 million towards share application money pending allotment to a joint venture.

		December 31, 2021			December 31, 2020		
(S$ million)	Note	Non-current	Current	Total	Non-current	Current	Total
Company							
Trade receivables		–	20	20	–	15	15
Amounts due from related parties	G5	–	35	35	–	15	15
Deposits		–	2	2	–	2	2
Unbilled receivables	(i)	–	49	49	–	48	48
Grant Receivables		–	4	4	–	4	4
		–	110	110	–	84	84
Loss allowance	F4	–	(1)	(1)	–	*	*
Financial assets at amortised cost	F4	–	109	109	–	84	84
Prepayments	(ii)	3	5	8	3	6	9
Advance to suppliers		–	1	1	–	1	1
		3	115	118	3	91	94

i. Included in the Company's unbilled receivables are amounts of S$25 million (2020: S$28 million) due from related companies.

ii. Connection and capacity charges prepaid for the use of pipelines and pipe racks.

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E2. Inventories

Accounting policies

a. Inventories

Finished goods, consumable materials and spares are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

b. Development Properties

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related expenditure and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Key estimates and judgements

The Group applies critical accounting judgements in classifying development properties. In assessing the classification of development properties, management considers its intention with regards to the use of the properties (i.e. held with the intention of development and sale in the ordinary course of business or for rental and capital appreciation). Where there is a change in intended use, a change in classification may be required.

	Group		Company	
(S$ million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Raw materials and consumables	221	192	2	*
Finished goods	27	29	7	7
	248	221	9	7
Allowance for inventory obsolescence	(27)	(25)	(2)	(3)
	221	196	7	4
Properties under development	1	*	–	–
	222	196	7	4

S$127 million (2020: S$112 million) of the Group's inventories have been pledged to secure loan facilities.

Amounts recognised in profit or loss

		Group	
(S$ million)	Note	2021	2020
– Inventories recognised as an expense in cost of sales		931	826
– Inventories written down and allowance for stock obsolescence	(i)	2	45
– Inventories written off	(ii)	–	53

i. In 2020, due to the significant decline in fuel prices, the value of Sembcorp's inventory of gasoil for fulfilling certain regulatory, was written down by S$45 million to its net realisation value.

ii. In 2020, a subsidiary in Singapore has commenced legal proceedings to assert its ownership of the gasoil stored and managed by third party, the net carrying value of S$53 million was fully written-off after taking into account the financial positions of the third party reported by the interim judicial manager.

E3. Trade and Other Payables

Trade and other payables mainly consist of amounts the Group owes to its suppliers that have been invoiced or are accrued. They also include taxes and social security amounts due in relation to the Group's role as an employer.

Accounting policies

Trade and other payables (excluding advance payments from customers, deferred grants, deferred income and retirement benefit obligations) are classified as financial liabilities measured at amortised cost using the effective interest method. Trade payables are not interest-bearing and are stated at their nominal value.

		Group		Company	
(S$ million)	Note	December 31, 2021	December 31, 2020	December 31, 2021	December31, 2020
Current liabilities					
Trade payables		268	325	7	4
Advance payments from customers		23	31	*	*
Amounts due to related parties	G5	4	10	2	4
Accrued capital and operating expenditure	(i)	924	583	141	84
Deposits		33	35	*	*
Accrued interest payable		15	11	–	–
Other creditors	(ii)	441	160	5	5
Deferred grants	(iii)	–	4	–	2
		1,708	1,159	155	99
Non-current liabilities					
Deferred grants	(iii)	3	4	*	*
Amounts due to related parties	G5	–	–	1,445	1,595
Other long-term payables	(iv)	51	52	20	18
Deferred income		42	46	–	–
Retirement benefit obligation		9	6	–	–
		105	108	1,465	1,613

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E3. Trade and Other Payables *(cont'd)*

i. Included in the Company's accrued operating expenses are amounts of S$43 million (2020: S$37 million) due to related companies.

ii. Included in the Group's other creditors is an amount owing in the margin account as a result of withdrawal against net unrealised gain, driven by the high oil commodity forward price.

iii. Current deferred grant related to JSS government grant and non-current deferred grants related to government grants for capital assets.

iv. Other long-term payables included retention monies of subsidiaries, long-term employee benefits and accrued operating and maintenance services which will be billed only after the initial payment-free period, which is more than one year.

E4. Cash and Cash Equivalents

Accounting policies

Cash and cash equivalents which comprise cash balances and bank deposits are classified as financial assets measured at amortised cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand. Bank overdrafts are shown within interest-bearing borrowings in current liabilities on the balance sheet.

The majority of the Group's cash is held in bank deposits or money market funds which have a maturity of three months or less to enable short-term liquidity requirements to be met.

	Group		Company	
(S$ million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Fixed deposits with banks	549	301	–	–
Cash and bank balances	795	731	427	358
Cash and cash equivalents in the balance sheets	1,344	1,032	427	358
Restricted bank balances	(47)	(23)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	1,297	1,009	427	358
Cash and cash equivalents inclusive of placement with:				
– A subsidiary	4	–	426	357
– A related corporation	74	117	1	1

Fixed deposits with banks of the Group earn interest at rates ranging from 0.12% to 8.00% (2020: 0.03% to 9.00%) per annum.

Included in the Group's cash and cash equivalents is an amount of S$259 million (2020: S$262 million) over which banks have a first charge in the event that the respective subsidiaries do not meet the debt servicing requirements.

F. Our Financial Instruments and Risks Management

In undertaking the transformation from brown to green, the Group has carefully assessed its risk exposures, including ensuring that the Group is not over leveraged while optimising its portfolio.

F1. Market Risk

This note details the Group's exposure to treasury and financial risks including credit, liquidity, interest and foreign exchange risk, and the objectives and policies in place to monitor and manage these risks.

In the last couple of years, the Group has embarked on transitioning its Governance Assurance Framework (GAF) to Integrated Assurance Framework (IAF) to place greater emphasis on a multi-level line of defense (LOD) model. Through the IAF structure, the respective LODs work together to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. Under the IAF, a pragmatic and collaborative approach to risk and controls assessment has been established, with common and consistent criteria to assess the risks and the adequacy and effectiveness of the internal controls.

Under the IAF, the Group's key markets, being the first LOD, are required to work with the second LOD comprising business lines, subject matter experts and corporate functions, to perform a thorough review and assessment of their risks and internal controls.

Clear escalation procedures and key risk indicators have been established and aligned with the Group's risk appetite.

The proactive management of key risks and controls strengthens not only the Group's reporting and monitoring capabilities, but also cultivates a risk culture of accountability and ownership.

Key themes of the IAF include cyber security, plant availability and reliability, health and safety, regulatory and compliance, people and talent management, fraud and governance.

Financial Risk Management Objectives and Policies

The Group's day-to-day operations, new investment opportunities and funding activities introduce financial risks, which are actively managed by management with Board oversight. These risks are grouped into the following categories:

- Market: The risk that fluctuations in commodity prices, foreign exchange and interest rates adversely impact the Group's results.
- Liquidity: The risk that the Group will not be able to meet the financial obligations as they fall due.
- Credit: The risk that a counterparty will not fulfil its financial obligations under a contract or other arrangement.

The Board has adopted the Group Treasury Policies and financial authority limits to manage these risks. The Group Treasury Policies set out the parameters for financing structure, liquidity, counterparty risk management, foreign exchange risk management and use of derivative transactions. Derivative transactions are permitted only if it involves underlying assets or liabilities.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

a. Market Risk

Market risk is the possibility that changes in interest rates, foreign exchange rates, equity securities and commodities will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and reduce the above exposures within acceptable parameters.

i. Interest Rate Risk

The Group's interest rate exposure is primarily in relation to its fixed rate borrowings (fair value risk), variable-rate borrowings and cash and cash equivalents (cash flow risk).

The Group's policy is to target at least 50% of its debt portfolio with fixed interest rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at variable rates while using interest rate swaps and cross currency swaps to hedge the variability in cash flows attributable to the floating interest rates.

Based on the variable rate net debt position (both issued and hedged) at the balance sheet date, assuming other factors (principally foreign exchange rates and commodity prices) remained constant and that no further interest rate management action was taken, an increase in interest rates of 1% would have decreased the Group's profit before tax (PBT) by S$29 million (2020: decreased by S$44 million) and increased equity by S$6 million (2020: increased by S$8 million). At Company level, PBT would have decreased by S$9 million (2020: decreased by S$11 million) and no impact to equity (2020: no impact). A 1% decrease in interest rates would have the opposite effect for both Group and Company.

ii. Foreign Currency Risk

The Group is exposed to currency risk on foreign currency denominated borrowings, investments and commercial transactions.

The Group limits its exposure to changes in foreign exchange rates through forward foreign exchange contracts and cross currency interest rate swaps. In certain circumstances, borrowings are left in a foreign currency, or swapped from one foreign currency to another, to hedge expected future business cash flows in that currency. Significant foreign currency denominated transactions undertaken in the normal course of operations are managed on a case-by-case basis.

The Group's exposure to foreign currency risk (excluding the Group's net investments hedge in its subsidiaries in the UK) based on its risk management policy is summarised as follows:

	Group						
(S$ million)	SGD	USD	EURO	GBP	RMB	INR	Others
2021							
Financial assets							
Cash and cash equivalents	27	224	3	*	*	–	17
Loan to an associate	–	–	–	70	–	–	–
Trade and other receivables	23	404	*	1	158	*	22
Other financial assets	–	53	–	–	–	–	–
	50	681	3	71	158	*	39
Financial liabilities							
Trade and other payables	41	299	3	130	29	*	11
Interest-bearing borrowings	–	964	–	–	–	–	95
Lease liabilities	4	–	–	–	–	–	*
	45	1,263	3	130	29	*	106
Net financial assets / (liabilities)	5	(582)	–	(59)	129	*	(67)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(159)	(4)	–	(76)	–	–
Less: Cross currency swap / Foreign exchange forward contracts	24	1,043	4	129	(35)	–	95
Net currency exposure	29	302	–	70	18	*	28
2020							
Financial assets							
Cash and cash equivalents	24	184	9	11	1	–	13
Loan to an associate	–	–	–	71	–	–	–
Trade and other receivables	15	382	*	146	118	856	17
Other financial assets	–	71	–	–	–	–	–
	39	637	9	228	119	856	30
Financial liabilities							
Trade and other payables	28	320	8	226	–	–	24
Interest-bearing borrowings	–	359	–	–	–	–	105
Lease liabilities	4	–	–	–	–	–	*
	32	679	8	226	–	–	129
Net financial assets / (liabilities)	7	(42)	1	2	119	856	(99)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(195)	(4)	–	–	–	–
Less: Cross currency swap / Foreign exchange forward contracts	17	501	4	–	(63)	(869)	105
Net currency exposure	24	264	1	2	56	(13)	6

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

a. Market Risk *(cont'd)*

ii. Foreign Currency Risk (cont'd)

The Company's gross exposure to foreign currencies is as follows:

(S$ million)	Company USD
2021	
Financial assets	
Cash and cash equivalents	3
Trade and other receivables	15
	18
Financial liabilities	
Trade and other payables	24
Net financial liabilities	(6)
Net currency exposure	(6)
2020	
Financial assets	
Cash and cash equivalents	21
Trade and other receivables	13
	34
Financial liabilities	
Trade and other payables	17
Net financial assets	17
Net currency exposure	17

Sensitivity Analysis

A 10% strengthening of the following currencies against the functional currencies of the Group and Company at the balance sheet date would have increased / (decreased) equity and PBT by the amounts shown below. The analysis assumed that all other variables, in particular interest rates, remain constant, ignored any impact of firm commitments in foreign currencies and with no further foreign exchange risk management action taken.

	Group				Company	
	Equity		Profit before tax		Profit before tax	
(S$ million)	2021	2020	2021	2020	2021	2020
SGD	2	1	*	1	–	–
USD	15	20	27	22	(1)	2
EURO	–	*	*	*	–	–
GBP	6	6	7	(4)	–	–
RMB	–	–	9	6	–	–
INR	–	–	*	(1)	–	–
Others	–	–	3	6	–	–

A 10% weakening of the above currencies against the functional currencies of the Group and Company at the balance sheet date would have had an equal but opposite effect to the amounts shown above.

iii. *Price Risk*

Mutual Funds and Equity Securities Price Risk

The Group is exposed to mutual funds and equity securities price risk because of the investments held by the Group which are classified on the consolidated balance sheet either as FVTPL or FVOCI, respectively.

If prices for mutual funds and equity securities increased by 10% with all other variables held constant, equity and PBT would have increased by S$5 million and S$11 million, respectively (2020: increased by S$7 million and S$12 million, respectively). Conversely, if prices decreased by 10%, equity and PBT would have had an equal but opposite effect.

Commodity Risk

The Group hedges against fluctuations in commodity prices that affect revenue and cost. Exposures are managed via swaps and contracts for differences.

Contracts for differences are entered into with counterparties at a strike price, with or without fixing the quantity upfront, to hedge against adverse price movements on the sale of electricity. Exposure to price fluctuations arising on the purchase of fuel is managed via fuel oil swaps where the price of fuel is indexed to a benchmark fuel price index, for example Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent.

The Group designates the fuel oil swaps and electricity futures in their entirety in cash flow hedges to hedge its commodity risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index of Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item by looking at the critical terms.

The Group did not identify any significant sources of ineffectiveness in these hedge relationships.

Sensitivity Analysis

If prices for commodities increased by 10% with all other variables held constant, the increase in equity as a result of fair value changes on cash flow hedges would be:

	Group	
(S$ million)	2021	2020
Equity	19	15

A 10% decrease in the prices for commodities would have had an equal but opposite effect to the equity. The analysis assumed that all other variables remain constant.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges

The Group uses derivative instruments (derivatives) (as disclosed in Note H1) for managing its risks as described above. Derivatives are contracts whose value is derived from an underlying price index (or other variable) that require little or no initial net investment and are settled at a future date.

The Group designates certain derivatives as either:

i. Hedges of fair value of recognised assets, liabilities or firm commitments (fair value hedge)

ii. Hedges of a particular cash flow risk associated with a recognised asset, liability or highly probable forecast transaction (cash flow hedge)

iii. Hedges of a net investment in a foreign operation (net investment hedge)

Accounting policies

Derivatives are carried on the balance sheet at fair value. Movements in the price of the underlying variables, which cause the value of the contract to fluctuate, are reflected in the fair value of the derivative. The method of recognising changes in fair value depends on whether the derivative is designated in an accounting hedge relationship. Derivatives not designated as accounting hedges are referred to as economic hedges.

Fair value gains and losses attributable to economic hedges are recognised in the statement of profit or loss while recognition of fair value gains and losses of those attributable to accounting hedges depends on the nature of the item being hedged.

The effective portion of changes in fair value of derivatives designated as fair value hedge are recognised in profit or loss at the same time when all changes in the fair value of the underlying item relating to the hedged risks are recognised in profit or loss. The effective portion of changes in the fair value of derivatives designated as cash flow hedges are recognised in the hedging reserve (in equity).

Certain determinants of fair value included in derivatives or mismatches between the timing of the instrument and the underlying item in the hedge relationship, can cause hedge ineffectiveness. Any ineffectiveness is recognised immediately in profit or loss as change in fair value of derivatives.

When the underlying hedged item is sold or repaid, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in the hedging reserve for a cash flow hedge, is recognised immediately in profit or loss.

When the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in the hedging reserve for a cash flow hedge, is recognised in profit or loss when the hedged item is recognised in profit or loss, which may occur over time.

Key estimates and judgements

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group considers the critical terms in assessing if each designated derivative is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are due to:

- the effect of the counterparties' and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the timing of hedged transactions.

The Group designates only the change in fair value of the spot element of forward exchange contracts for funding purposes as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element for the forward exchange contracts ("forward points") is separately accounted for as a cost of hedging and recognised in hedging reserve within equity.

Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative nearly risk-free rates (interest rate benchmark reform).

The Audit Committee monitors and manages the Group's transition to alternative rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties. The committee reports to the Company's Board of Directors quarterly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from interest rate benchmark reform.

The Group has loans and derivatives (as hedges to the loans) in SOR and LIBOR which extend beyond the anticipated cessation date of the rates on June 30, 2023. The Group has started to engage some of the counterparties to start transitioning its loans and hedges. It has completed transitioning its GBP loan and hedges from LIBOR to SONIA by end of December 31, 2021. The Group will transition its USD and SGD loans and hedges in 2022 and 2023. As at December 31, 2021, the Group does not expect to be significantly impacted as a result of the transition to alternate reference rates. The Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an "unreformed contract").

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Interest Rate Benchmark Reform *(cont'd)*

The following table shows the total amounts of unreformed contacts as at December 31, 2021 for the Group. There is no unreformed contract for the Company. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

(S$ million)	Total amount of unreformed contracts SOR	USD LIBOR	GBP LIBOR
Group			
December 31, 2021			
Financial liabilities			
Secured term loans	–	130	–
Unsecured term loans	2,390	210	544
Derivatives			
Interest rate swaps	260	306	544

The Group's exposure to the interest rate benchmark reform as at December 31, 2021 is attributable to the interest rate swaps and cross currency swaps to hedge SOR and LIBOR (2020: SOR and LIBOR) cash flows on the Group's bank loans maturing from 2023 to 2036 (2020: 2021 to 2036). The Group's exposure to SOR and USD LIBOR (2020: SOR and LIBOR) designated in a hedging relationship that is directly affected by the interest rate benchmark reform approximates nominal amount of S$1,109 million (2020: S$1,377 million) at December 31, 2021. Out of the S$3,274 million of unreformed contracts, the Group has completed the transition agreement of S$644 million of the bank loans, and the alternate reference rates will be effective after December 31, 2021.

Cash Flow Hedges

Key estimates and judgements

For cash flow hedging relationships directly impacted by interest rate benchmark reform (i.e. hedges of LIBOR and SOR), the Group assumes that the cash flows of the hedged item and hedging instrument will not be altered. As of December 31, 2021, the Group has transitioned a GBP LIBOR hedged loan and a SOR hedged loan with the hedged rate effectively unaltered.

LIBOR and SOR continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for LIBOR and SOR. Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at December 31, 2021.

The Group designates certain forward foreign exchange contracts, interest rate swaps, cross currency interest rate swaps and fuel oil swaps in cash flow hedge relationships.

At December 31, 2021, the Group held the following instruments to hedge exposures to changes in foreign currency, interest rates and commodity prices:

(S$ million)	Rate ($)	Interest rate (%)	Maturity Within 1 year	Maturity Between 1 and 5 years	Maturity More than 5 years
2021					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– SGD / USD	0.73 – 0.76	–	30	–	–
– USD / SGD	1.32 – 1.47	–	209	21	–
– EUR / SGD	1.59	–	3	–	–
– USD / INR	75.04 – 78.26	–	609	–	–
– CNH / SGD	0.21	–	2	–	–
Cash					
– USD / SGD	1.35 – 1.36	–	56	–	–
– CNH / SGD	0.21	–	29	–	–
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	0.87 – 2.51	117	899	–
– Fixed-to-float	–	2.92	177	–	–
Foreign currency and interest rate risk					
Cross currency swaps					
– USD / INR	66.75	–	249	–	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap ($ per MT)	205.00 – 475.75	–	613	41	–
– Fuel oil swap ($ per BBL)	33.03 – 83.13	–	183	2	–
– Fuel oil swap ($ per MMBTU)	4.90 – 9.55	–	102	22	–
Electricity futures market contracts	97.59 – 115.85	–	11	–	–

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

(S$ million)	Rate ($)	Interest rate (%)	Maturity: Within 1 year	Maturity: Between 1 and 5 years	Maturity: More than 5 years
2020					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– SGD / USD	0.70 – 0.75	–	21	–	–
– USD / SGD	1.29 – 1.47	–	204	44	–
– SGD / INR	54.98 – 56.76	–	963	–	–
– EUR / SGD	1.63	–	4	–	–
– INR / USD	73.97 – 77.40	–	68	–	–
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	1.05 – 2.51	122	597	100
– Fixed-to-float	–	2.92	181	–	–
Foreign currency and interest rate risk					
Cross currency swaps					
– USD / INR	66.75	–	12	244	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap ($ per MT)	186.00 – 421.00	–	290	54	–
– Fuel oil swap ($ per BBL)	33.03 – 67.65	–	82	7	–
– Fuel oil swap ($ per MMBTU)	4.90 – 5.59	–	7	9	–
Electricity futures market contracts	66.35 – 107.16	–	12	–	–
Coal commodity contracts	67.50 – 69.00	–	20	–	–

The amounts at the balance sheet date relating to items designated as hedged items are as follows:

(S$ million)	Cash flow hedge reserve for continuing hedges 2021	2020
Foreign currency risk		
Highly probable purchases	3	8
Highly probable equity injection	1	–
Interest rate risk		
Variable rate borrowings	(28)	(68)
Other financial liabilities	(3)	(9)
Foreign currency and interest rate risk		
Receivables	–	(1)
Variable rate borrowings	(2)	(3)
Commodity risk		
Highly probable purchases	51	21
Fuel oil price	84	1

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The amounts related to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk			
	Forward foreign exchange contracts / Cash	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Electricity futures market contracts	Coal commodity contracts	Total
2021							
Nominal amount – S$ million	959	1,193	249	963	11	–	3,375
Quantity	–	–	–	1,805,648 MT, 4,015,159 BBL and 19,260,000 MMBTU	–	–	1,805,648 MT, 4,015,159 BBL and 19,260,000 MMBTU
Carrying amount – S$ million							
Other financial assets	1	3	26	212	–	–	242
Other financial liabilities	2	36	–	50	29	–	117
Cash	85	–	–	–	–	–	85
Fair value increase / (decrease) – S$ million							
Hedging instruments	(84)	54	5	212	(52)	–	135
Hedged items	84	(54)	(5)	(215)	52	–	(138)
Hedge ineffectiveness	*	–	–	(3)	–	–	(3)
Reconciliation of hedging reserve – S$ million							
Changes in fair value	(84)	54	5	212	(52)	–	135
Amounts reclassified to profit or loss:							
– Cost of goods sold	48	–	–	(75)	25	–	(2)
– Finance cost	47	–	–	–	–	–	47
Amount reclassified to cost of investment in a subsidiary	(1)	–	–	–	–	–	(1)
							179
Tax on above items							(31)
Change in hedging reserve							148
Share of other comprehensive income of associates and joint ventures							35
Movement during the year							183

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk			
	Forward foreign exchange contracts	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Electricity futures market contracts	Coal commodity contracts	Total
2020							
Nominal amount – S$ million	1,304	1,195	256	450	12	20	3,237
Quantity	–	–	–	533,953 MT, 1,034,975 BBL and 2,352,000 MMBTU	–	–	533,953 MT, 1,034,975 BBL and 2,352,000 MMBTU
Carrying amount – S$ million							
Other financial assets	3	–	17	47	*	4	71
Other financial liabilities	13	86	–	25	2	–	126
Fair value increase / (decrease) – S$ million							
Hedging instruments	(40)	(45)	(88)	(24)	6	5	(186)
Hedged items	51	45	88	26	(6)	(5)	199
Hedge ineffectiveness	11	–	–	2	–	–	13
Reconciliation of hedging reserve – S$ million							
Changes in fair value	(40)	(45)	(88)	(24)	6	5	(186)
Amounts reclassified to profit or loss:							
– Cost of goods sold	(80)	–	–	68	(5)	–	(17)
– Finance cost	–	2	162	–	–	–	164
							(39)
Tax on above items							1
Change in hedging reserve							(38)
Share of other comprehensive income of associates and joint ventures							(16)
Movement during the year							**(54)**

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

(S$ million)	Cash flow hedge reserve 2021	Cash flow hedge reserve 2020
Balance at January 1	(133)	(87)
Movement during the year		
Changes in fair value:		
– Foreign currency risk	(84)	(40)
– Interest rate risk	54	(45)
– Foreign currency and interest rate risk	5	(88)
– Commodity risk	160	(13)
Amount reclassified to profit or loss:		
– Foreign currency risk	95	(80)
– Interest rate risk	–	2
– Foreign currency and interest rate risk	–	162
– Commodity risk	(50)	63
Amount reclassified to cost of investment in a subsidiary	(1)	–
Tax on movements on reserves during the year	(31)	1
Share of other comprehensive income of associates and joint ventures	35	(16)
	183	(54)
Share of non-controlling interests	(2)	8
Balance at December 31	48	(133)

Net Investment Hedges

The Group's investments in its UK subsidiaries are hedged by GBP / SGD forward foreign exchange contracts (hedging instrument), which mitigates the currency risks arising from the subsidiaries' net assets. The carrying amount of the hedging instrument of S$6 million (2020: S$4 million) and S$9 million (2020: S$8 million) is included in other financial assets and other financial liabilities respectively.

The notional amount of the contracts is S$166 million (2020: S$127 million). During the financial year, hedging loss of S$1 million (2020: S$2 million) was recognised in other comprehensive income. As at December 31, 2021, the balance of foreign currency translation reserve for continuing hedges is S$32 million (2020: S$33 million).

F3. Liquidity Risk

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to its operating environment and expected cash flows. Liquidity requirements are maintained within the credit facilities established and are adequate and available for the Group to meet its obligations.

Maturity Profile of the Group's and the Company's Financial Liabilities

The cash flows associated with the cash flow hedges of the Group are expected to occur within 1 year and between 1 and 5 years. Correspondingly, the cash flows related to the hedging instruments (foreign exchange contracts, fuel oil swaps, interest rate swaps, cross currency swaps and electricity futures market contracts) that are designated as cash flows hedges are expected to impact profit or loss within 1 year, between 1 and 5 years and upon disposal of its investment in subsidiaries.

Approximately S$750 million (2020: S$600 million) of interest-bearing borrowings are due within 12 months. The Group has at least S$1,900 million (2020: S$800 million) in committed credit facilities with final maturity dates beyond 2022 that can be drawn down.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash inflows / (outflows), including estimated interest payments and excluding the impact of netting agreements:

			Cash flows		
(S$ million)	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	Over 5 years
Group					
2021					
Derivatives					
Derivative financial liabilities	143				
– inflow		254	152	102	–
– outflow		(386)	(260)	(126)	–
Derivative financial assets	(291)				
– inflow		415	380	35	–
– outflow		(146)	(131)	(15)	–
Non-derivative financial liabilities					
Trade and other payables[1]	1,644	(1,645)	(1,624)	(16)	(5)
Lease liabilities	258	(386)	(26)	(78)	(282)
Interest-bearing borrowings	7,391	(9,244)	(1,009)	(5,099)	(3,136)
	9,145	(11,138)	(2,518)	(5,197)	(3,423)
2020					
Derivatives					
Derivative financial liabilities	138				
– inflow		232	190	42	–
– outflow		(370)	(278)	(82)	(10)
Derivative financial assets	(98)				
– inflow		224	102	115	7
– outflow		(138)	(34)	(104)	–
Non-derivative financial liabilities					
Trade and other payables[1]	1,125	(1,128)	(1,108)	(13)	(7)
Lease liabilities	226	(353)	(20)	(65)	(268)
Interest-bearing borrowings	7,728	(9,790)	(925)	(5,974)	(2,891)
	9,119	(11,323)	(2,073)	(6,081)	(3,169)

[1] Excludes advance payments, deferred grants, rental payables, Goods and Services Tax and employee benefits

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F3. Liquidity Risk *(cont'd)*

Maturity Profile of the Group's and the Company's Financial Liabilities *(cont'd)*

(S$ million)	Carrying amount	Contractual cash flow	Cash flows: Less than 1 year	Cash flows: Between 1 and 5 years	Cash flows: Over 5 years
Company					
2021					
Non-derivative financial liabilities					
Trade and other payables[1]	1,618	(1,673)	(177)	(1,496)	–
Lease liabilities	115	(182)	(9)	(33)	(140)
	1,733	(1,855)	(186)	(1,529)	(140)
2020					
Non-derivative financial liabilities					
Trade and other payables[1]	1,708	(1,750)	(120)	(1,630)	–
Lease liabilities	116	(187)	(8)	(32)	(147)
	1,824	(1,937)	(128)	(1,662)	(147)

[1] Excludes advance payments, deferred grants, rental payables, Goods and Services Tax and employee benefits

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact the profit or loss and the fair value of the related hedging instruments:

(S$ million)	Carrying amount	Contractual cash flow	Cash flows: Less than 1 year	Cash flows: Between 1 and 5 years	Cash flows: Over 5 years
Group					
2021					
Derivative financial liabilities	117				
– inflow		136	130	6	–
– outflow		(253)	(236)	(17)	–
Derivative financial assets	(242)				
– inflow		329	294	35	–
– outflow		(87)	(72)	(15)	–
	(125)	125	116	9	–
2020					
Derivative financial liabilities	126				
– inflow		232	190	42	–
– outflow		(358)	(275)	(74)	(9)
Derivative financial assets	(71)				
– inflow		102	97	5	–
– outflow		(32)	(32)	–	–
	55	(56)	(20)	(27)	(9)

F4. Credit Risk

The Group only deals with pre-approved customers and financial institutions with good credit rating. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy institutions. Cash and fixed deposits are placed in banks and financial institutions with good credit rating. For some customers, the Group may also obtain security in the form of deposits, guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty defaults.

For the Company's amounts due from subsidiaries, the Company considers the financial assets to have a low credit risk by taking into consideration the Group's financial ability to settle the amounts, in estimating the risk of default used in measuring expected credit loss (ECL).

Accounting policies

The Group applies the simplified approach to provide ECL on trade and unbilled receivables, and contract assets without significant financing component. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. To measure expected lifetime ECLs, these balances have been grouped based on common credit risk characteristics and ageing profiles. The loss allowance for service concession receivables is measured at 12-month ECL. A receivable balance is written-off to the extent that there is no realistic prospect of recovery.

For customers with credit ratings (or equivalent), the ECL rate is calculated based on probabilities of default and loss given default obtained from Standards and Poor's and Moody's. The Group monitors changes in credit risk by tracking published external credit ratings.

Customers with no credit ratings (or equivalent) are group based on shared credit risk characteristics and days past due, with ECL rates calculated using historical loss rates for each category of customers, adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the customer and default or significant delay in payments.

When the Group determines whether the credit risk has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, taking into account forward-looking information. Customer collectability is assessed on an ongoing basis and any resulting impairment losses are recognised in the profit or loss.

The maximum exposure to credit risk is the carrying amount of each financial asset (including derivatives) in the balance sheet, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets, except for balances with customers where guarantees or security deposits are obtained.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers with credit ratings (or equivalent)

The Group allocates exposure to credit risk by segmenting the customers based on the geographic region and industry classification.

(S$ million)	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2021					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BBB+ – B-	No	610	(9)	601
– Government	AAA – BB	No	49	*	49
– Retail	B-	No	19	(2)	17
– Others	B+ – B-	No	2	*	2
			680	(11)	669
Receivables measured at 12-month ECL					
Service concession receivables	AAA – B	No	956	(11)	945
Total			1,636	(22)	1,614
2020					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	AAA – CCC	No	339	(5)	334
– Government	AAA	No	21	–	21
– Retail	B+ – B-	No	17	(2)	15
– Others	B+ – B-	No	1	*	1
			378	(7)	371
Receivables measured at 12-month ECL					
Service concession receivables	AAA – B	No	974	(11)	963
Total			1,352	(18)	1,334
Company					
2021					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BB+ – B-	No	46	(1)	45
– Government	AAA	No	4	–	4
			50	(1)	49
2020					
Receivables measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	BBB – CCC	No	35	*	35
– Government	AAA	No	4	–	4
			39	*	39

i. As at December 31, 2021, 84% (2020: 84%) of service concession receivables relate to two major customers of the Group.

ii. The carrying amount of receivable from the Group's most significant customer is S$423 million (2020: S$458 million) as at December 31, 2021. This receivable relates mainly to the sale of power in India and the customer is sovereign backed. Based on assessment performed in accordance with the Group's policy, the ECL allowance recognised as at December 31, 2021 is S$11 million (2020: S$9 million).

iii. There were no trade and other receivables and contract assets for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets.

ECL assessment for customers without credit ratings (or equivalent)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers with no credit rating or no representative credit rating or equivalent:

(S$ million)	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2021					
Not past due	No	0.6%	176	(1)	175
Past due 0 to 3 months	No	0.5%	210	(1)	209
Past due 3 to 6 months	No	0.7%	144	(1)	143
Past due 6 to 12 months	No	1.6%	183	(3)	180
More than 1 year	No	25.0%	132	(33)	99
Total			845	(39)	806
Company					
2021					
Not past due	No	1.2%	82	(1)	81
Past due 0 to 3 months	No	–	19	–	19
Past due 3 to 6 months	No	–	3	–	3
Past due 6 to 12 months	No	–	3	–	3
More than 1 year	No	–	3	–	3
Total			110	(1)	109

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers without credit ratings (or equivalent) *(cont'd)*

(S$ million)	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2020					
Not past due	No	0.4%	241	(1)	240
Past due 0 to 3 months	No	0.2%	200	*	200
Past due 3 to 6 months	No	0.8%	234	(2)	232
Past due 6 to 12 months	No	2.0%	153	(3)	150
More than 1 year	No	56.3%	48	(27)	21
Total			876	(33)	843
Company					
2020					
Not past due	No	–	72	–	72
Past due 0 to 3 months	No	–	10	–	10
Past due 3 to 6 months	No	–	1	–	1
Past due 6 to 12 months	No	–	1	–	1
Total			84	–	84

For the remaining financial assets at amortised cost amounting to S$351 million (2020: S$232 million) which pertain mainly to long-term fixed deposits with financial institutions, dividend receivables from joint ventures and GST receivables, the Group considered the risk that a credit loss may occur, and recognised a loss allowance of S$16 million (2020: S$6 million).

Movements in loss allowances

		Group			Company		
(S$ million)	Note	12-month ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Total
Balance at January 1, 2021		11	46	57	–	*	*
Currency translation difference		*	1	1	–	–	–
Impairment loss recognised		–	26	26	–	1	1
Loss allowance written back		*	(7)	(7)	–	–	–
Balance at December 31, 2021	E1	11	66	77	–	1	1
Balance at January 1, 2020		8	193	201	–	*	*
Currency translation difference		1	(8)	(7)	–	–	–
Impairment loss recognised		2	14	16	–	*	*
Loss allowance utilised		–	(3)	(3)	–	–	–
Loss allowance written back		–	(5)	(5)	–	–	–
Distribution of a subsidiary		–	(145)	(145)	–	–	–
Balance at December 31, 2020	E1	11	46	57	–	*	*

F5. Financial Instruments

Accounting policies

SFRS(I) 13 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by SFRS(I) 13 are as follows:

- Level 1 – Using quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Using inputs not based on observable market data (unobservable input).

Securities

The fair value of financial assets is based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

Derivatives

Derivatives are used by the Group for hedging and enhancement of performance purposes. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures market contracts.

1. The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current forward market price.
2. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.
3. The fair value of fuel oil swaps contracts is accounted for based on the difference between the contractual strike price with the counterparty and the current forward market price.
4. Contracts for differences (CFDs) are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The CFDs are measured at cost since the fair value cannot be measured reliably as there have been minimal trades made in the electricity future market. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

Non-derivative non-current financial assets and liabilities

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the balance sheet date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For financial instruments not actively traded in the market, fair value is determined by independent third party or by various valuation techniques, with assumptions based on existing market conditions at each balance sheet date.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy

Financial assets and financial liabilities carried at fair value

(S$ million)	Fair value measurement Level 1	Level 2	Level 3	Total
Group				
At December 31, 2021				
Financial assets at FVOCI	–	–	53	53
Financial assets at FVTPL	85	–	28	113
Derivative financial assets	–	291	–	291
	85	291	81	457
Derivative financial liabilities	–	(143)	–	(143)
	85	148	81	314
At December 31, 2020				
Financial assets at FVOCI	–	–	71	71
Financial assets at FVTPL	90	–	26	116
Derivative financial assets	–	98	–	98
	90	98	97	285
Derivative financial liabilities	–	(138)	–	(138)
	90	(40)	97	147

There have been no transfers between the different levels of the fair value hierarchy at December 31, 2021 and December 31, 2020.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances of Level 3 financial assets measured at FVOCI and FVTPL:

(S$ million)	Financial assets at FVOCI 2021	2020
Group		
Balance at January 1	71	87
Translation adjustments	–	1
Net change in fair value recognised in OCI	(18)	(14)
Distribution of a subsidiary	–	(3)
Balance at December 31	53	71

(S$ million)	Financial assets at FVTPL 2021	2020
Group		
Balance at January 1	26	25
Addition	5	4
Repayment of shareholder's loan[1]	–	(5)
Disposal[2]	(10)	–
Net change in fair value recognised in profit or loss	7	2
Balance at December 31	28	26

[1] Related to repayment of shareholder's loan by Sembcorp Jingmen Water Co. Ltd (SJW)

[2] Included the Group's divestment of its interests in SJW in May 2021

Level 3 financial asset at FVOCI include unquoted equity shares. The fair value of the unquoted equity shares are determined by reference to the investment's net asset values as stated in the unaudited financial statements. The estimated fair value would increase / decrease if the net asset values for unquoted equity shares were higher / lower.

Assets and liabilities not carried at fair value

The following table shows assets and liabilities not carried at fair value but for which fair values are disclosed, except financial assets and financial liabilities measured at amortised cost for which the carrying amounts approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

	Fair value measurement			
(S$ million)	Level 1	Level 2	Level 3	Total
Group				
At December 31, 2021				
Investment properties	–	–	186	186
Associate	99	–	–	99
Service concession receivables	–	1,501	–	1,501
Long-term interest-bearing borrowings	–	(6,654)	–	(6,654)
At December 31, 2020				
Investment properties	–	–	191	191
Associate	131	–	–	131
Service concession receivables	–	1,334	–	1,334
Long-term interest-bearing borrowings	–	(7,175)	–	(7,175)
Company				
At December 31, 2021				
Amounts due to related parties	–	(1,451)	–	(1,451)
At December 31, 2020				
Amounts due to related parties	–	(1,603)	–	(1,603)

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

b. Fair Value Versus Carrying Amount

The fair value of financial assets and financial liabilities measured at amortised cost approximate their carrying amounts, except for service concession receivables and non-current borrowings.

(S$ million)	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Fair value
Group				
At December 31, 2021				
Service concession receivables	956	–	956	1,501
Interest-bearing borrowings:				
Non-current borrowings	–	(6,637)	(6,637)	(6,654)
At December 31, 2020				
Service concession receivables	974	–	974	1,334
Interest-bearing borrowings:				
Non-current borrowings	–	(7,135)	(7,135)	(7,175)
Company				
At December 31, 2021				
Amounts due to related parties	–	(1,445)	(1,445)	(1,451)
At December 31, 2020				
Amounts due to related parties	–	(1,595)	(1,595)	(1,603)

G. Our Group Structure

This section provides key information on the Group's interests in joint arrangements, controlled entities and transactions with non-controlling interests. It also provides information on business acquisitions and disposals made during the year as well as information relating to Group's related parties, including related party transactions.

G1. Subsidiaries

Accounting policies

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Investment in Subsidiaries

	Company	
(S$ million)	December 31, 2021	December 31, 2020
At cost and carrying value:		
Unquoted equity shares	2,016	2,016
Preference shares	288	288
Share-based payments reserve	5	4
	2,309	2,308

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G1. Subsidiaries *(cont'd)*

Details of key subsidiaries of the Group are as follows:

Name of key subsidiary	Country of incorporation	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
Sembcorp Utilities Pte Ltd (SCU)[1]	Singapore	100	100
Sembcorp Cogen Pte Ltd[1]	Singapore	100	100
Sembcorp Gas Pte Ltd[1]	Singapore	100	100
Sembcorp Environment Pte. Ltd.[1]	Singapore	100	100
SembWaste Pte Ltd[1]	Singapore	100	100
Sembcorp Development Ltd[1]	Singapore	100	100
Singapore Precision Industries Pte Ltd[1]	Singapore	100	100
Singapore Technologies Industrial Corp Ltd[1]	Singapore	100	100
Vietnam Singapore Industrial Park Pte Ltd[1]	Singapore	96.59	96.59
Sembcorp Utilities (UK) Limited[2]	United Kingdom	100	100
Sembcorp Energy UK Limited[2]	United Kingdom	100	100
Nanjing Riverside Quay Co., Ltd[2]	China	100	100
Sembcorp Myingyan Power Company Limited[2]	Myanmar	100	100
Sembcorp North-West Power Company Ltd.[2]	Bangladesh	71	71
Sembcorp Energy India Ltd, SEIL[3]	India	100	100
Sembcorp Green Infra Limited (SGI)[3,4]	India	100	100

[1] Audited by KPMG LLP, Singapore
[2] Audited by member firms of KPMG International
[3] Audited by PricewaterhouseCoopers, India
[4] In December 2021, the Group has reorganised its investments in India and SGI became a wholly owned subsidiary of SCU (previously held by SEIL)

G2. Non-controlling Interests

There are no subsidiaries with material NCI for financial year ended December 31, 2021 and December 31, 2020.

There are also no significant acquisitions of additional interest in subsidiaries during the year.

G3. Acquisition and Disposal of Subsidiaries

Acquisition of Significant Subsidiaries

On June 30, 2020, the Group acquired 100% equity stake in Sembcorp Enviro Services Pte. Ltd. (formerly known as Veolia ES Singapore Pte. Ltd.) and the public cleaning business of Veolia ES Singapore Industrial (VESSI). The acquisition is in line with the Group's strategy of deepening its presence as an integrated energy and urban solutions player providing green and more efficient solutions to enable sustainable developments in its key markets.

Revenue and Profit Contribution

The acquired businesses contributed revenue of S$44 million and loss of S$1.4 million to the Group's result for the period from July 1, 2020 to December 31, 2020.

Had the acquired businesses been consolidated from January 1, 2020, the contribution to the Group's consolidated revenue and consolidated profit for the year ended December 31, 2020, would have been S$89 million and S$7 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition and related amortisation charges for the year would have been the same if the acquisition had occurred on January 1, 2020.

Consideration Transferred

(S$ million)	Note	2020
a. *Effect on cash flows of the Group*		
Cash paid		18
Less: Cash and cash equivalents in subsidiaries acquired		(9)
Cash outflow on acquisition		9
b. *Identifiable assets acquired and liabilities assumed*		
Total net identifiable assets		35
Less: Negative goodwill	B4(c)	(17)
Consideration transferred for the businesses		18

Negative Goodwill
The negative goodwill of S$17 million recognised on acquisition is primarily attributable to Veolia Singapore wanting to exit the public cleaning and waste management business in Singapore to focus on its core operations.

Acquisition-related Costs
The Group incurred acquisition related cost of S$2 million. These costs have been charged to profit or loss.

Disposal of Significant Subsidiaries
For the year 2020, the Group divested 100% of its interests in the water business in Panama.

The financial effects arising from the deconsolidation and disposal of subsidiaries are as follows:

(S$ million)	2020
Net assets derecognised	37
Realisation of currency translation and other reserves	1
	38
Gain on disposal	20
Consideration (net of withholding tax) received	58
Less: Cash and cash equivalents disposed of	(4)
Net cash inflow	54

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Associates and Joint Ventures

Accounting policies

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies of these entities.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has significant influence over another entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has joint control over the entity.

Key estimates and judgements

The recoverable amount of the interest in an associate was estimated based on its value-in-use. In estimating the recoverable amount, the Group applied the relief from royalty method to value the existing intellectual properties owned by the associate. As the associate is a new start-up with various intellectual properties at different stages of their business life cycles, the discount rates applied by the Group range from 20% to 22%, to reflect the higher risks inherent in the forecasted cash flows. Any significant changes to these forecasted cash flows, caused by changes in the risk of returns of the various intellectual properties may result in material adjustments on the associate's recoverable amounts in future periods.

		Group	
(S$ million)	Note	December 31, 2021	December 31, 2020
Associates and joint ventures		1,846	1,614
Less: Allowance for impairment		(316)	(97)
	(a), (b)	1,530	1,517
Loan to an associate	(i)	70	71
		1,600	1,588

i. The loan is unsecured, bears interest at 8.5% per annum and has no fixed terms of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the loan is recognised within investment in associate. Allowance for impairment on this loan is insignificant.

ii. In 2021, the Group received dividends of S$77 million (2020: S$213 million) from its investments in associates and joint ventures.

iii. The carrying value includes goodwill on acquisition as follows:

	Group	
(S$ million)	2021	2020
Balance at January 1	*	3
Distribution of a subsidiary	–	(3)
Balance at December 31	*	*

a. Associates

Details of the Group's key associates are as follows:

Name of key associate	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group 2021 %	2020 %
Integrated Urban Solutions				
Wuxi-Singapore Industrial Park Development Co., Ltd[1]	Development, management and operation of Wuxi-Singapore Industrial Park	China	45.36	45.36
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd[2]	First-grade land development including building infrastructure and public amenities	China	21.50	21.50
Conventional Energy				
Sembcorp Salalah Power and Water Company SAOG[1]	Generation of electric energy	Oman	40.00	40.00

[1] Audited by member firms of KPMG International

[2] Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China

There are no individual associates that are considered to be material to the Group as at December 31, 2021 and December 31, 2020. Summarised financial information of the associates presented in aggregate, representing the Group's share, is as follows:

(S$ million)	Group December 31, 2021	Group December 31, 2020
Carrying amount	446	358
Profit for the year	57	48
Other comprehensive income	43	(2)
Total comprehensive income	100	46

The fair value of the equity interest of a listed associate amounted to S$99 million (2020: S$131 million) based on the last transacted market price on the last transaction day of the year.

In 2020, the Group recognised an impairment loss of S$81 million on the carrying amount of one of the Group's associates, Sembcorp Salalah Power and Water Company SAOG as the fair value of the equity interest had fallen below its carrying amount for a prolonged period. The impairment losses on associates were recorded in non-operating expenses. The Group used 26 years cash flow projections, representing the remaining contracted Power and Water Purchase Agreement terms and assuming a potential extension thereafter, with no terminal value considered and pre-tax discount rates ranging from 7.4% to 10% to determine the recoverable amount of the plants. Inflation rate of 3% has been used to project overheads and other general expenses. Expected capital expenditure for replenishment of parts and scheduled maintenance costs have been included in the projections with plant maintenance program.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Associates and Joint Ventures *(cont'd)*

b. Joint Ventures

Details of the Group's key joint ventures are as follows:

Name of key joint venture	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
Renewables				
Guohua AES (Huanghua) Wind Power Co., Ltd[1]	Development, construction and operation of wind farms as well as provision of wind power technical consultation and services, training and research, development and engineering support services	China	49.00	49.00
Integrated Urban Solutions				
Vietnam Singapore Industrial Park J.V. Co., Ltd.[2]	Development of industrial parks, residential areas and commercial areas for sale and lease	Vietnam	49.26	49.26
PT Kawansan Industri Kendal[3]	Development of an industrial, commercial and residential township	Indonesia	49.00	49.00
Conventional Energy				
Phu My 3 BOT Power Company Ltd.[4]	Building, owning, operation and maintenance of Power Plant Facility	Vietnam	66.67	66.67
Shanghai Cao Jing Co-generation Co. Ltd[5]	Production of electricity and steam, supply of steam to customers, supply of electricity to the power grid and production and sale of other relevant products	China	30.00	30.00
Emirates Sembcorp Water & Power Company P.J.S.C[6]	Development, possession, operation and maintenance of production, power generation and water desalination projects	United Arab Emirates	40.00	40.00

1 Audited by Baker Tilly Certified Public Accountants Co., Ltd, China
2 Audited by member firms of KPMG International
3 Audited by BDO Indonesia
4 Audited by Ernst & Young Vietnam Limited
5 Audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company
6 Audited by Ernst & Young, Abu Dhabi

The Group has two (2020: two) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity accounted. Summarised financial information of the material joint ventures is presented as follows:

	Guohua AES (Huanghua) Wind Power Co., Ltd.		Vietnam Singapore Industrial Park J.V. Co., Ltd.	
(S$ million)	2021	2020	2021	2020
Revenue	131	120	469	391
Profit for the year[1]	51	48	106	81
Other comprehensive income	–	–	26	3
Total comprehensive income	51	48	132	84
Attributable to non-controlling interests	–	–	14	13
Attributable to investee's shareholders	51	48	118	71

[1] Includes depreciation and amortisation of S$51 million (2020: S$53 million), finance income of S$4 million (2020: S$4 million), finance cost of S$18 million (2020: S$22 million) and income tax expense of S$24 million (2020: S$20 million).

	Guohua AES (Huanghua) Wind Power Co., Ltd.		Vietnam Singapore Industrial Park J.V. Co., Ltd.	
(S$ million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Non-current assets	690	694	231	173
Current assets[1]	250	216	1,055	880
Non-current liabilities[2]	(278)	(335)	(267)	(161)
Current liabilities[3]	(170)	(158)	(306)	(309)
Non-controlling interests	–	–	(102)	(90)
Net assets	492	417	611	493

[1] Includes cash and cash equivalents of S$314 million (2020: S$161 million)

[2] Includes non-current financial liabilities (excluding trade and other payables and provisions) of S$458 million (2020: S$419 million)

[3] Includes current financial liabilities (excluding trade and other payables and provisions) of S$242 million (2020: S$133 million)

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Associates and Joint Ventures *(cont'd)*

b. Joint Ventures *(cont'd)*

(S$ million)	Guohua AES (Huanghua) Wind Power Co., Ltd.	Vietnam Singapore Industrial Park J.V. Co., Ltd.	Individually immaterial joint ventures	Total
December 31, 2021				
Group's interest in net assets of investees at beginning of the year	201	251	707	1,159
Group's share of:				
– Profit from continuing operations	24	48	77	149
– Other comprehensive income	–	–	14	14
Total comprehensive income	24	48	91	163
– Dividends received during the year	–	–	(65)	(65)
– Translation during the year	12	12	16	40
– Impairment during the year	–	–	(212)	(212)
– Addition during the year, net of disposal	–	–	*	*
– Transfer to assets held for sale	–	–	(1)	(1)
Carrying amount of interest in investees at end of the year	237	311	536	1,084
December 31, 2020				
Group's interest in net assets of investees at beginning of the year	196	221	800	1,217
Group's share of:				
Profit from continuing operations	24	35	126	185
Other comprehensive income	–	1	(9)	(8)
Total comprehensive income	24	36	117	177
Dividends received during the year	(29)	–	(162)	(191)
Translation during the year	10	(6)	27	31
Impairment during the year	–	–	(32)	(32)
Addition during the year, net of disposal	–	–	2	2
Transfer to assets held for sale	–	–	(30)	(30)
Distribution of a subsidiary	–	–	(15)	(15)
Carrying amount of interest in investees at end of the year	201	251	707	1,159

i. The Group's share of the capital commitments of the joint ventures at the balance sheet date amounted to S$73 million (2020: S$118 million).

ii. The Group's interest in joint ventures with total carrying amount of S$96 million (2020: S$73 million) as at balance sheet date has been pledged to banks to secure credit facilities granted to the joint venture entities.

iii. In 2021, the Group has fully impaired the carrying value of S$212 million interest in Chongqing Songzao Sembcorp Electric Power Co., Ltd (CSZ). The business was severely impacted by significantly higher coal costs, with the loss of its mine-mouth advantage and escalating market coal prices due to supply-demand imbalance consequent to a government directive for coal mines and the partner's decision to close all its Chongqing-based coal mines.

The recoverable amount was assessed using a 19-year cash flow projection based on its best estimate of the asset's total service hours and a company specific risk adjusted pre-tax discount rate of 8.3%. The projection takes into consideration the recent 10-year market coal price forecast data, the uncertainty of government support and competitive pressure from low carbon power sources in the longer term. The impairment loss was recorded in non-operating expenses.

Post the impairment, the Group no longer equity accounts the results of CSZ as the Group's cumulative share of losses would exceed its interests in CSZ. As at December 31, 2021, the Group's share of the unrecognised losses of CSZ was S$25 million.

iv. In 2020, the Group recognised an impairment loss of S$32 million on the carrying amount of one of the Group's joint venture, Shenzhen Chiwan Engineering Co. Ltd, as the fair value less cost to sell based on the negotiation with the buyer was much lower than its carrying amount. The impairment losses on the joint venture were recorded in non-operating expenses. On September 1, 2020, the Group announced that it has signed a conditional agreement to divest this investment and as at December 31, 2020, the carrying value net of allowance for impairment was transferred to assets held for sale.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G5. Related Party Information

a. Amounts Due from Related Parties

(S$ million)	Note	Associates December 31, 2021	Associates December 31, 2020	Joint ventures December 31, 2021	Joint ventures December 31, 2020	Related companies December 31, 2021	Related companies December 31, 2020	Total December 31, 2021	Total December 31, 2020
Group									
Trade		5	9	5	5	19	12	29	26
Non-trade		3	1	12	31	*	1	15	33
Loans		*	*	1	1	–	–	1	1
	E1	8	10	18	37	19	13	45	60
Loss allowance		(1)	(1)	(12)	(2)	–	*	(13)	(3)
		7	9	6	35	19	13	32	57
Amount due within 1 year		(7)	(9)	(6)	(35)	(19)	(13)	(32)	(57)
Amount due more than 1 year		–	–	*	*	–	–	*	*

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

Loss allowance of S$10 million was made on a dividend receivable from a joint venture which was impaired (see G4(b)(iii)).

In 2020, the loan from a joint venture is repayable in the next 12 months.

(S$ million)	Note	Subsidiaries December 31, 2021	Subsidiaries December 31, 2020
Company			
Current:			
– Trade		35	15
– Non-trade		*	*
	E1	35	15

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

b. Amounts Due to Related Parties

(S$ million)	Note	Holding company December 31, 2021	Holding company December 31, 2020	Associates December 31, 2021	Associates December 31, 2020	Joint ventures December 31, 2021	Joint ventures December 31, 2020	Related companies December 31, 2021	Related companies December 31, 2020	Total December 31, 2021	Total December 31, 2020
Group											
Current:											
– Trade		*	–	*	*	*	1	*	2	*	3
– Non-trade		–	–	*	1	*	*	4	4	4	5
Advance payment – trade		–	–	–	–	–	2	–	–	–	2
	E3	*	–	*	1	*	3	4	6	4	10

The non-trade amounts due to related parties are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G5. Related Party Information *(cont'd)*

b. Amounts Due to Related Parties *(cont'd)*

(S$ million)	Note	Subsidiaries December 31, 2021	Subsidiaries December 31, 2020
Company			
Current:			
– Trade		*	2
– Non-trade		2	2
	E3	2	4
Non-current:			
– Loans	E3	1,445	1,595
		1,447	1,599

The non-trade amounts due to related parties are unsecured, interest-free and repayable on demand.

The loans from a related party of S$1,445 million (2020: S$1,595 million) bear interest rates ranging from 1.36% to 3.72% (2020: 1.37% to 3.72%) per annum and are unsecured.

c. Related Party Transactions

In addition to the above, the Group had the following significant outstanding balances and transactions with related parties during the year:

(S$ million)	Outstanding balances 2021	Outstanding balances 2020	Transactions 2021	Transactions 2020
Related Corporations				
Sales	19	14	177	119
Purchases including rental	*	2	428	316
Finance income	–	–	1	3
Finance expense	4	4	8	16
Associates and Joint Ventures				
Sales	10	14	32	67
Purchases including rental	*	4	–	1
Payment on behalf	–	–	4	1
Loans due from	1	1	–	–

There were no fees paid to related parties in 2021. In 2020, S$6.5 million break funding cost for early redemption of bonds was paid to bond investors who are also related parties, and S$6.9 million management and agent fees for the rights issue and the Distribution was paid to a related corporation.

d. Compensation of Key Management Personnel

The Group considers the Directors of the Company (including the Group President & CEO of the Company) and other personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group to be key management personnel in accordance with SFRS(I) 1-24 Related Party Disclosures.

During the year, in line with setting the transformation target and plan, the Group has redefined the key management personnel. As of December 31, 2021, the key management personnel are Wong Kim Yin, Eugene Cheng, Robert Chong, Koh Chiap Khiong, Vipul Tuli, Andrew Koss, Alex Tan and Kelvin Teo.

The compensation of the eight (2020: six) key management personnel is included in the table below:

	Group	
(S$ million)	2021	2020
Directors		
Directors' fees paid / payable	2	3
Key Management Personnel		
Salary, bonus and other benefits	8	7
Share-based compensation expenses	4	2

The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added (EVA), as well as attainment of individual and Group performance goals for its key executives. "A bonus bank" is used to hold incentive compensation credited in any year. Typically, one-third of the available balance is paid out in cash each year, with the balance being carried forward to the following year. The balances of the bonus bank will increase or decrease by the yearly EVA performance achieved and the pay-outs made from the bonus bank.

G6. Discontinued Operation

Accounting policies

A discontinued operation is a component of the Group's business that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations.

Details of SCM's key accounting policies are disclosed in SCM's publicly available financial statements.

In September 2020, SCM issued a 5-for-1 Rights Issue at a Rights Issue Price of S$0.20 per share. The Company subscribed S$1.5 billion of the Rights Shares by setting off the S$1.5 billion outstanding under its Subordinated Loan extended to SCM.

On September 11, 2020, the Company demerged SCM via a distribution in specie of the Company's shares in SCM to its ordinary shareholders as dividend (the Distribution) and SCM ceased to be a subsidiary. Subsequently, the secured bonds were fully redeemed by the Company in November 2020 and an amount of S$6.5 million was paid to a related corporation for the early redemption (Note G5).

The results of SCM were reported in 2020 as a discontinued operation. SCM was previously reported under the Marine segment which focused principally on providing integrated solutions for the offshore and marine industry with key capabilities in rigs and floaters, repairs and upgrades, offshore platforms and specialised shipbuilding.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G6. Discontinued Operation *(cont'd)*

Financial performance

The loss from discontinued operation, net of tax of S$1,300 million included SCM's net loss of S$330 million (of which the Group's share was S$184 million) as well as loss on distribution of S$970 million.

In 2020, the basic and diluted[1] loss per share from discontinued operations were 64.65 cents per share. Earnings (loss) per share is computed using a weighted average number of shares and an adjusted weighted number of shares in Note B5(b).

[1] In computing the fully diluted earnings per ordinary shares, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares were antidilutive.

Carry value of the distribution in specie

The financial effects arising from the distribution in specie of discontinued operation are as follows:

(S$ million)	2020
Net assets distributed	3,894
Less: Non-controlling interest	(1,208)
Realisation of capital reserves upon distribution	(125)
	2,561
Distribution in specie (less transaction costs of S$6 million)	(1,591)
Loss on the Distribution	(970)
Consideration received	–
Less: Cash of subsidiary companies distributed	(1,309)
Net cash outflow on distribution in specie	(1,309)

Cash flow information

The cash flows attributable to the discontinued operation for the year ended December 31, 2020 are as follows:

(S$ million)	Group 2020
Operating cash flow	(357)
Investing cash flow	(63)
Financing cash flow	1,341
Net cash inflows	921

Share-based Incentive Plans

Details of SCM's share plans is disclosed in the SCM's publicly available financial statements.

H. Other Disclosures

H1. Other Financial Assets and Liabilities

Accounting policies

Classification and Measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies financial liabilities as measured at amortised cost or FVTPL.

Equity Investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The Group's equity investments are classified as FVOCI. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets and liabilities at FVTPL

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial liability is classified as FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial assets and financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Derecognition

The Group derecognises a financial asset when a) the contractual rights to the cash flows from the financial asset expire, or b) when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if the Group neither transfers nor retains substantially all of the risks and rewards of ownership, it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its balance sheet but retains either all or substantially all of its risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantively different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H1. Other Financial Assets and Liabilities *(cont'd)*

		Assets		Liabilities	
(S$ million)	Note	Current	Non-current	Current	Non-current
2021					
At FVOCI:					
– Equity shares		–	53	–	–
At FVTPL:					
– Cross currency swaps		–	5	–	9
– Interest rate swaps		–	3	–	*
– Forward foreign exchange contracts		1	–	1	–
– Foreign exchange swap contracts		*	–	–	–
– Mutual funds	(i)	85	28	–	–
– Other derivatives		26	*	7	*
		112	36	8	9
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		1	5	–	9
Cash flow hedges:					
– Forward foreign exchange contracts		1	*	2	*
– Fuel oil swaps		204	8	48	2
– Interest rate swaps		–	3	–	36
– Cross currency swaps		26	–	–	–
– Electricity futures market contracts		–	–	29	–
		231	11	79	38
Fair value hedges:					
– Forward foreign exchange contracts		8	–	–	–
At amortised cost:					
– Long-term fixed deposits		–	114	–	–
Total		352	219	87	56

(S$ million)	Note	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current
2020					
At FVOCI:					
– Equity shares		–	71	–	–
At FVTPL:					
– Cross currency swaps		–	10	–	–
– Interest rate swaps		–	–	*	*
– Foreign exchange option contracts		*	–	–	–
– Forward foreign exchange contracts		–	–	1	–
– Foreign exchange swap contracts		1	–	–	–
– Fuel oil swaps		–	–	*	*
– Equity shares	(ii)	8	–	–	–
– Mutual funds	(i)	90	18	–	–
– Other derivatives		3	2	2	1
		102	30	3	1
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		*	4	–	8
Cash flow hedges:					
– Forward foreign exchange contracts		3	–	11	2
– Fuel oil swaps		42	5	24	1
– Interest rate swaps		–	–	–	86
– Cross currency swaps		1	16	–	–
– Commodity contracts		4	–	–	–
– Electricity futures market contracts		*	–	2	–
		50	21	37	89
Fair value hedges:					
– Forward foreign exchange contracts		7	–	*	–
At amortised cost:					
– Long-term fixed deposits		–	124	–	–
Total		159	250	40	98

i. Included in mutual funds are amounts of S$83 million (2020: S$85 million) pledged to secure loan facilities.

ii. The Group was deemed to have lost control of SJW, and SJW's net assets were deconsolidated and recognised as other financial assets since 2019. In May 2021, the Group divested its interests in SJW.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H2. Provisions

Accounting policies

A provision is an amount set aside based on reliable estimate to settle a probable legal or constructive obligation from a past event.

Key estimates and judgements

Estimates of the Group's obligations arising from contracts or regulations that exist as at balance sheet date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the management's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Certain of the Group's subsidiaries are involved in claims, litigations, land disputes and other regulatory matters in certain countries at year end. Due to the nature of these disputes and matters, and in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be reliably determined. Therefore, no provision has been recorded for these.

Provision for restoration cost

The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration provisions. Those estimates and assumptions deal with uncertainties such as changes to the relevant legal and regulatory framework, the timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the balance sheet by adjusting both the asset and provision. Such changes give rise to a change in future depreciation and interest charges.

Movements in provisions are as follows:

(S$ million)	Note	Claims (i)	Restoration costs (ii)	Remediation of legacy sites (iii)	Warranty	Others (iv)	Total
Group							
2021							
Balance at January 1		12	29	4	–	19	64
Translation adjustments		*	*	(1)	–	*	(1)
Provisions made during the year		*	16	30	–	9	55
Provisions reversed during the year		(3)	(2)	–	–	*	(5)
Provisions utilised during the year		(1)	(1)	(1)	–	(7)	(10)
Unwind of accretion on restoration costs	C6	–	1	–	–	–	1
Balance at December 31		8	43	32	–	21	104
Provisions due:							
– within 1 year		8	14	10	–	8	40
– after 1 year but within 5 years		–	–	22	–	13	35
– after 5 years		*	29	–	–	–	29
		8	43	32	–	21	104
2020							
Balance at January 1		12	105	–	42	17	176
Translation adjustments		*	(1)	*	*	*	(1)
Provisions made during the year		4	5	4	1	5	19
Provisions reversed during the year		(3)	*	–	(4)	–	(7)
Provisions utilised during the year		(1)	(2)	–	*	(1)	(4)
Disposal of subsidiaries		–	–	–	–	(2)	(2)
Distribution of a subsidiary		–	(79)	–	(39)	–	(118)
Unwind of accretion on restoration costs		–	1	–	–	–	1
Balance at December 31		12	29	4	–	19	64
Provisions due:							
– within 1 year		12	4	4	–	6	26
– after 1 year but within 5 years		–	–	–	–	13	13
– after 5 years		–	25	–	–	–	25
		12	29	4	–	19	64

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H2. Provisions *(cont'd)*

(S$ million)	Claims (i)	Restoration costs (ii)	Others (iv)	Total
Company				
2021				
Balance at January 1	9	13	–	22
Provisions made during the year	*	15	1	16
Provisions reversed during the year	(3)	(2)	–	(5)
Provisions utilised during the year	(2)	*	–	(2)
Balance at December 31	4	26	1	31
Provisions due:				
– within 1 year	4	14	1	19
– after 5 years	–	12	–	12
	4	26	1	31
2020				
Balance at January 1	11	10	–	21
Provisions made during the year	1	3	–	4
Provisions reversed during the year	(2)	–	–	(2)
Provisions utilised during the year	(1)	–	–	(1)
Balance at December 31	9	13	–	22
Provisions due:				
– within 1 year	9	2	–	11
– after 5 years	–	11	–	11
	9	13	–	22

i. Provision for claims relates to the obligations arising from contractual and commercial arrangements in the Group's and the Company's operations, based on the best estimate of the possible outflow considering both contractual and commercial factors.

ii. Restoration costs relate to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the agreements. The liability is expected to be incurred upon fulfilment of restoration obligation or termination of the lease.

iii. This relates to remediation obligations of certain legacy sites in UK, which are expected to be utilised within one to three years. This provision has been determined with reference to external quotes from suppliers as well as management's best estimate of the costs to complete the remediation works.

iv. Others for the Group include provision for maintenance obligation based on contractual obligations to maintain the infrastructure and equipment to specified levels of serviceability under the service concession agreements. These provisions are measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.

Others for Company relates to incremental costs necessary to fulfil the obligation under the contract on early termination to cease the incineration plant business.

H3. Subsequent Events

On January 28, 2022, the Group announced the completion of the acquisition of a 35% interest in an associated company, SDIC New Energy Investment Co., Ltd. The equity consideration was RMB1.5 billion (approximately S$320 million). The acquisition is expected to be earnings accretive commencing from financial year ending December 31, 2022.

On February 21, 2022, the Group entered into a conditional sale and purchase agreement to divest its entire 30% interest in an associated company, Subic Water and Sewage Co, Inc for USD9.7 million (approximately S$13 million).

H4. New or Revised Accounting Standards and Interpretations Not Yet Effective

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after January 1, 2021:

Applicable to 2022 financial statements

- *Amendments to SFRS(I) 3 Reference to the Conceptual Framework*
- *Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use*
- *Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendments to SFRS(I) Annual Improvements to SFRS(I)s 2018 – 2022*

Applicable to 2023 financial statements

- *SFRS(I) 17 Insurance Contracts*
- *Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current*
- *Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies*
- *Amendments to SFRS(I) 1-8 Definition of Accounting Estimates*
- *Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Mandatory effective date deferred

- *Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group does not expect significant impact on the financial statements upon the adoption of these new SFRS(I)s.

Notes to the Financial Statements

I. Supplementary Information

I1. Interested Person Transactions

(Under SGX-ST Listing Manual requirements)

For the purposes of Chapter 9 of the SGX-ST Listing Manual, shareholders' approval is required for any interested person transaction of a value equal to, or more than 5% of the Group's latest audited consolidated net tangible assets (NTA) or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than 5% of the Group's latest NTA. For 2021, the 5% Group's consolidated NTA as at December 31, 2020 was S$149 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2021, the Company obtained approval for such shareholders' mandate.

Transactions under shareholders' mandate

(S$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) 2021
Sale of Goods and Services		
Mapletree Investments Pte Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	3.2
PSA International Pte Ltd and its Associates		5.1
Singapore Power Limited and its Associates		2.4
Singapore Telecommunications Ltd and its Associates		173.9
CapitaLand Ltd and its Associates		2.9
Olam International Ltd and its Associates		2.5
SATS Ltd and its Associates		0.2
SMRT Corporation and its Associates		3.6
Singapore Technologies Telemedia Pte Ltd and its Associates		0.2
Singapore Technologies Engineering Ltd and its Associates		1.0
Sembcorp Marine Ltd and its Associates		29.2
		224.2
Purchase of Goods and Services		
Singapore Power Limited and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	8.3
Surbana-Jurong Private Limited and its Associates		3.1
Singapore Telecommunications Ltd and its Associates		2.1
Starhub Ltd and its Associates		1.5
Temus Pte Ltd and its Associates		0.4
		15.4
Obtaining Support Services		
Temasek International Pte Ltd	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	0.7
		240.3

Transactions not under shareholders' mandate

(S$ million)	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2021
Receipt of Grant for Feasibility Study		
Temasek Capital Management Pte Ltd	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	1.0
Joint Development Agreement		
Singapore Technologies Telemedia Pte Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	0.6
		1.6

I2. List of Properties

Corporate and Others

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest
Singapore				
30 Hill Street	Office	Freehold land and building	11,410	100%

Urban

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
China					
Industrial & Business Properties					
1. International Water Hub, Nanjing	Office & exhibition centre	Leasehold 50 years from 2015	36,489[1]	100%	Completed development
2. Jiangdao Intelligent Cube, Nanjing	Incubator	Leasehold 50 years from 2012	78,972	21.5%	Completed development
3. Jiangdao Technology Innovation Centre, Nanjing	Office & exhibition centre	Leasehold 50 years from 2012	49,340	21.5%	Completed development
4. Wuxi-Singapore Industrial Park	Ready-built factories	Leasehold 50 years from 1995	456,821	45.4%	Completed development
5. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 2006	152,952	45.4%	Completed development

[1] Gross floor area excludes carpark and basement area

Notes to the Financial Statements

I. Supplementary Information *(cont'd)*

I2. List of Properties *(cont'd)*

Urban *(cont'd)*

Description		Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
China						
Commercial & Residential Properties						
1.	Jiangdao Xin Tiandi, Nanjing	Retail	Leasehold 40 years from 2012	66,274	21.5%	Under development
2.	Jiangdao Hua Ting, Nanjing	Residential	Leasehold 70 years from 2012	7,718	21.5%	Completed development
3.	Modena by Fraser, Wuxi New District	Service apartment	Leasehold 40 years from 2008	11,056	45.4%	Completed development
Indonesia						
Industrial & Business Properties						
1.	Kendal Industrial Park, Central Java	Ready-built factories	Leasehold 30 years from 2015	1,836	49.0%	Completed development
Vietnam						
Industrial & Business Properties						
1.	VSIP Binh Duong I	Ready-built factories	Leasehold 50 years from 1996	57,813	49.3%	Completed development
2.	VSIP Binh Duong II	Ready-built factories	Leasehold 50 years from 2005	25,016	49.3%	Completed development
3.	VSIP Binh Duong II-A	Ready-built factories	Leasehold 50 years from 2008	78,961	49.3%	Completed development
4.	VSIP Nghe An	Ready-built factories	Leasehold 50 years from 2015	8,810	49.3%	Completed development
5.	VSIP Hai Phong	Ready-built factories	Leasehold 50 years from 2008	30,051	49.3%	Completed development
6.	VSIP Bac Ninh	Ready-built factories	Leasehold 50 years from 2007	37,035	46.5%	Completed development
7.	VSIP Bac Ninh Flatted Factory	Flatted factory	Leasehold 50 years from 2007	16,136	46.5%	Completed development
8.	SIS Hai Phong Phase I	Warehouses	Leasehold 44 years from 2014	15,000	52.5%	Completed development
9.	SIS Hai Phong Phase II	Warehouses	Leasehold 43 years from 2016	14,279	52.5%	Completed development
10.	SIS Hai Phong Phase III	Warehouses	Leasehold 40 years from 2018	13,200	52.5%	Completed development
11.	SIS Hai Duong	Warehouses	Leasehold 38 years from 2020	15,490	52.5%	Under development

Description		Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
Vietnam *(cont'd)*						
Commercial & Residential Properties						
1.	VSIP Binh Duong II-A	Retail	Leasehold 50 years from 2008	1,118	49.3%	Completed development
2.	VSIP Plaza, Quang Ngai	Retail	Leasehold 50 years from 2012	3,062	49.3%	Completed development
3.	VSIP Hai Phong	Retail	Leasehold 50 years from 2008	421	46.5%	Completed development
4.	Hai Phong Gateway	Retail	Leasehold 50 years from 2008	342	46.5%	Completed development
5.	VSIP Bac Ninh	Shophouses	Leasehold 50 years from 2007	680	46.5%	Completed development
6.	Sun Casa, Binh Duong	Residential & shophouses	Leasehold 50 years from 2008	3,506	49.3%	Completed development
7.	Sun Casa Central I, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	38,114	49.3%	Completed development
8.	Bel Homes, Hai Phong	Residential & shophouses	Leasehold 50 years from 2008	5,797	46.5%	Completed development
9.	Sun Casa Central II, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	76,128	49.3%	Under development
10.	The Habitat Binh Duong II	Residential & retail	Leasehold 45 years from 2018	815	51.6%	Completed development

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