

# TEMASEK

## Temasek Financial (I) Limited

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

**US\$10,000,000,000**

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

## Temasek Holdings (Private) Limited

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

*On September 14, 2005, Temasek Financial (I) Limited (the "Issuer") and Temasek Holdings (Private) Limited (the "Guarantor") established a Guaranteed Global Medium Term Note Program (as amended and supplemented from time to time, the "Program") and issued an offering circular describing the Program. The maximum aggregate principal amount of Notes (as defined below) outstanding from time to time under the Program (the "Program Limit") was initially set at US\$5,000,000,000. On February 3, 2010, the Issuer and the Guarantor increased the Program Limit to US\$10,000,000,000. This Offering Circular supersedes all previous offering circulars and any supplements thereto. Any Notes issued under the Program on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already issued.*

Under this Program, the Issuer may from time to time issue notes (the "Notes") unconditionally and irrevocably guaranteed (the "Guarantee") by the Guarantor. The aggregate principal amount of Notes outstanding will not at any time exceed US\$10,000,000,000 (or the equivalent in other currencies), unless such amount is otherwise increased pursuant to the terms of the Program.

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

Unlisted series of Notes may also be issued pursuant to the Program. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiary companies (if any), their respective associated companies (if any), the Program or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular.

**See "Investment considerations" beginning on page 16 for a discussion of certain considerations in connection with an investment in the Notes.**

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

The Guarantor has been assigned an overall corporate credit rating of "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"). Each series of Notes issued under the Program may be rated or unrated. Where a series of Notes is rated, such rating will not necessarily be the same as ratings assigned to the Guarantor. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

### Arrangers

**Deutsche Bank**

**Goldman Sachs (Singapore) Pte.**

**Morgan Stanley**

### Dealers

**Barclays**

**BNP PARIBAS**

**BofA Merrill Lynch**

**Citigroup**

**Crédit Agricole CIB**

**Credit Suisse**

**DBS Bank Ltd.**

**Deutsche Bank**

**Goldman Sachs (Singapore) Pte.**

**HSBC**

**J.P. Morgan**

**Morgan Stanley**

**Nomura**

**Société Générale Corporate & Investment Banking**

**Standard Chartered Bank**

**The Royal Bank of Scotland**

**UBS**

July 9, 2012



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

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

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

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

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

contained in this Offering Circular, and its purchase of Notes should be based upon such investigation as it deems necessary.

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

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

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

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

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

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

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

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

Notes of each series (as described in "Summary — Summary of the Program") to be issued as a Bearer Series will initially be represented by interests in a temporary global note or a permanent global note, in either case in bearer form (each a "Temporary Global Note" and a "Permanent Global Note", respectively), without interest coupons, which may be deposited on or about the Issue Date with The Central Depository (Pte) Limited ("CDP"), subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear"), and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream"), or with any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note (each a "Global Note") from 40 days after the later of the Issue Date and the completion of the distribution of the Notes (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note may be exchanged for individual definitive Bearer Notes ("Definitive Bearer Notes") only in the limited circumstances as described therein.

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

### **Documents incorporated by reference**

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, which shall be deemed to be incorporated in, and to form part of, this Offering Circular



and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“CHAPTER 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## **Available information**

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

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

Temasek is an exempt private company under the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”) and therefore it is not required to file its financial statements with the relevant public registry in Singapore. The consolidated financial statements included in this Offering Circular from pages FS1 to FS127 are included only for the purpose of the offering of the Notes under the Program.

## **Enforcement of civil liabilities**

Each of the Issuer and Temasek is a company incorporated in Singapore and all or a significant portion of their assets are located in Singapore and certain other jurisdictions outside the United States and England and Wales. In addition, a majority of the Issuer’s and Temasek’s directors (“Directors”) and executive officers, and certain of the parties named in this Offering Circular reside in Singapore, and all or a significant portion of the assets of such persons may be located in Singapore and certain other jurisdictions outside the United States and England and Wales. As a result, it may not be possible for investors to effect service of process upon the Issuer or Temasek or such persons outside Singapore and outside such other jurisdictions or to enforce against the Issuer or Temasek or such persons outside Singapore and outside such other jurisdictions the federal securities laws of the United States or the securities laws of England and Wales, or to enforce judgments obtained in courts outside

Singapore and outside such other jurisdictions, including U.S. courts and English courts, predicated upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales. Each of the Issuer and Temasek has, however, appointed CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011, as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the Indenture (as defined herein) or Notes governed by the laws of the State of New York issued thereunder brought in any federal or state court in The City of New York in the Borough of Manhattan or brought under federal or state securities laws or brought by the New York Trustee (as defined herein) (whether in its individual capacity or in its capacity as the New York Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of such courts in any suit or proceeding. Furthermore, a judgment for money in any action based on such Notes in a federal or state court in the United States ordinarily would be enforced in the United States only in U.S. dollars. The date used by such a court to determine the rate of conversion of the relevant currency into U.S. dollars will depend on various factors, including which court renders the judgment. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on non-U.S. dollar-denominated Notes would be required to render such judgment in the relevant currency, and such judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Further, each of the Issuer and Temasek has appointed Hackwood Secretaries Limited, located at One Silk Street, London EC2Y 8HQ, as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the English Law Trust Deed (as defined herein) or Notes governed by the laws of England issued thereunder brought in the courts of England or brought by the English Trustee (as defined herein) (whether in its individual capacity or in its capacity as the English Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of such courts in any suit or proceeding. Judgments of U.S. courts or English courts based upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales.

### **Forward-looking statements**

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

### **Presentation of financial and other information**

The financial statements included in this Offering Circular are presented on a consolidated basis for the Temasek Group comprising the financial statements of Temasek and its subsidiary companies and their interests in associated companies and joint ventures. Financial statements for Temasek on a non-consolidated basis are not presented in this Offering Circular and are not publicly available.



Temasek's consolidated financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"), which differ in certain respects from International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States ("U.S. GAAP"). As a result, Temasek's consolidated financial statements and reported earnings could be different from those which would be reported under IFRS or U.S. GAAP. Such differences may be material. This Offering Circular does not contain a reconciliation of Temasek's consolidated financial statements to IFRS or U.S. GAAP nor does it include any information in relation to the differences between FRS and IFRS or U.S. GAAP. Had the financial statements and other financial information been prepared in accordance with IFRS or U.S. GAAP, the results of operations and financial position may have been materially different. See "Investment considerations — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries". In making an investment decision, investors must rely upon their own examination of the Issuer, Temasek and the Temasek Group, the terms of the particular series of Notes and the financial information relating to the Temasek Group. Potential investors should consult their own professional advisors for an understanding of these differences between FRS and IFRS or U.S. GAAP, and how such differences might affect the financial information contained herein.

Unless otherwise specified or the context otherwise requires, in this Offering Circular: references to "US\$" or "U.S. dollars" are to the lawful currency of the United States of America; references to "S\$" or "Singapore dollars" are to the lawful currency of the Republic of Singapore; references to "HK\$" or "Hong Kong dollars" are to the lawful currency of Hong Kong; references to "Indonesian rupiah" are to the lawful currency of Indonesia; references to "€" are to "Euros", the lawful currency of certain nations within the European Union; references to "Sterling" or "£" are to the lawful currency of the United Kingdom; and references to "Renminbi", "RMB" or "CNY" are to the lawful currency of the People's Republic of China ("PRC"). For the convenience of the reader, unless otherwise specified or the context otherwise requires, this Offering Circular contains translations of some Singapore dollar amounts into U.S. dollars based on the exchange rate of S\$1.26 per US\$1.00, which was the noon buying rate in The City of New York as certified for customs purposes by the Federal Reserve Bank of New York for cable transfers (the "Noon Buying Rate") for Singapore dollars on March 30, 2012. However, such translations should not be construed as representations that Singapore dollar amounts have been, could have been or could be converted into U.S. dollars at that or any other rate. The Noon Buying Rate for Singapore dollars on June 29, 2012 was S\$1.27 per US\$1.00. See "Exchange rates".

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

In this Offering Circular, references to "Temasek" mean, as the context requires, Temasek Holdings (Private) Limited individually or Temasek Holdings (Private) Limited and its Investment Holding Companies (as defined below) collectively. References in this Offering Circular to "portfolio companies" are to companies in which Temasek holds an equity interest, directly and/or indirectly, through one or more Investment Holding Companies and references to an entity's "Group", such as "Temasek Group", are to that entity together with its subsidiary companies, taken as a whole.

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

"Net Portfolio Value" as of a specified date:

- (a) refers to the sum of (i) the market value of investments in publicly-listed securities as of such specified date and (ii) the fair value of investments in unlisted securities, in each case held directly by Temasek or indirectly through an Investment Holding Company, whether such holding is for the short term or the long term; and
- (b) takes into account the net amount of other assets and liabilities of Temasek and its direct and indirect wholly-owned subsidiary companies whose principal activities are that of investment holding or financing, or the provision of investment advisory and consultancy services or management services to Temasek and the aforementioned subsidiary companies (together, the "Investment Holding Companies").

In respect of (a)(ii), the fair value of unlisted available-for-sale investments is based on valuation methods in accordance with FRS, and the fair value of investments in unlisted subsidiary and associated companies is based on the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial

statements, except in the case of unlisted subsidiary and associated companies that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiary and associated companies will take into account the market value of the underlying publicly-listed securities which they hold.

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

For purposes of determining the composition of Temasek's portfolio by currencies, the currency in which an investment is denominated is determined, (i) in the case of a listed security, by the currency in which the listed security is traded, (ii) in the case of an unlisted security, by the functional currency of the unlisted portfolio company, (iii) in the case of a fund investment, by the currency in which the fund is denominated, and (iv) in the case of participatory notes ("P-Notes"), by the currency of the P-Notes' underlying listed securities.

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

## Summary

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

### Temasek

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by Standard & Poor’s.

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

The Temasek Group had total assets of S\$302.6 billion (US\$240.2 billion) as at March 31, 2012. The Temasek Group generated revenue of S\$83.5 billion (US\$66.3 billion) and profit attributable to equity holder of Temasek of S\$10.7 billion (US\$8.5 billion) for the year ended March 31, 2012.

Temasek’s Net Portfolio Value amounted to S\$198 billion (US\$157 billion) as at March 31, 2012, compared to S\$193 billion as at March 31, 2011. As at March 31, 2012, approximately 30% of Temasek’s Net Portfolio Value was in Singapore, 42% in Asia (excluding Singapore), 14% in Australia & New Zealand, 11% in North America & Europe, 2% in Africa, Central Asia & the Middle East, and 1% in Latin America.

As at March 31, 2012, the top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media and technology, and transportation and industrials which comprised 31%, 24% and 21%, respectively.

Temasek has delivered a total shareholder return of 17% to Temasek’s shareholder by market value compounded annually since its inception to March 31, 2012. See “Business of Temasek — Total shareholder return” for details on the manner of computation of total shareholder return.

See “Business of Temasek — Major investments” for a description of the major companies in Temasek’s portfolio. All references to distribution of Temasek’s Net Portfolio Value by sector and geography in this Offering Circular refer to the distribution by the underlying assets as described under “Presentation of financial and other information” above.

### Strategy

Temasek is an investment company that owns and manages its assets based on commercial principles. Temasek is an active investor and shareholder that aims to deliver sustainable value over the long term. Temasek is a forward looking institution that acts with integrity and is committed to the pursuit of excellence. Temasek is also a trusted steward that strives for the advancement of its communities across generations.

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings. These actions are driven by a set of commercial principles to create and maximize risk-adjusted returns over the long term.

As an engaged shareholder, Temasek promotes sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards. Companies in

its portfolio are guided and managed by their respective boards and management; Temasek does not direct their business decisions or operations.

Similarly, Temasek's investment, divestment and other business decisions are directed by its Board and management. Neither the President of Singapore nor Temasek's shareholder, the Singapore Government, is involved in Temasek's business decisions.

Temasek's decisions as a professionally managed investment house are guided by business tenets and commercial discipline. As the owner of its portfolio, Temasek has flexible investment horizons and the option of taking concentrated positions or remaining in cash.

Temasek continues to center its investment strategies on these four investment themes:

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

Temasek continues to be guided by a directional portfolio mix of 40:30:20:10. This means about 40% exposure to Asia (excluding Singapore), 30% exposure to Singapore, 20% exposure to Australia & New Zealand together with North America & Europe and 10% exposure to Latin America and other growth regions. Temasek believes this portfolio mix provides a balanced exposure between mature economies and growth regions. Temasek maintains full flexibility to shift the weight of its portfolio in response to the major trends and market opportunities.

See "Business of Temasek — Strategy".

## **The Issuer**

The Issuer, a financing company, is a wholly-owned subsidiary of Temasek, and was incorporated under the Singapore Companies Act on July 12, 2004.

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

## Summary of the Program

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

<b>Issuer</b> .....	Temasek Financial (I) Limited
<b>Guarantor</b> .....	Temasek Holdings (Private) Limited
<b>Description</b> .....	Guaranteed Global Medium Term Note Program (the "Program")
<b>Arrangers</b> .....	Deutsche Bank AG, Singapore Branch, Goldman Sachs (Singapore) Pte. and Morgan Stanley Asia (Singapore) Pte.
<b>Dealers</b> .....	Deutsche Bank AG, Singapore Branch, Goldman Sachs (Singapore) Pte., Morgan Stanley Asia (Singapore) Pte., Barclays Bank PLC, Singapore Branch, BNP Paribas, Singapore Branch, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited, Merrill Lynch International, Nomura International plc, The Royal Bank of Scotland plc, Société Générale, Standard Chartered Bank and UBS AG, Singapore Branch
<b>Trustee under the Indenture</b> .....	Deutsche Bank Trust Company Americas (the "New York Trustee")
<b>Paying Agent and Transfer Agent in New York and London under the Indenture</b> .....	Deutsche Bank Trust Company Americas
<b>Paying Agent in Singapore under the Indenture</b> .....	Deutsche Bank Trust Company Americas
<b>Registrar under the Indenture</b> .....	Deutsche Bank Trust Company Americas (the "New York Registrar")
<b>Trustee under the Singapore Law Trust Deed</b> .....	DBS Trustee Limited (the "Singapore Trustee")
<b>Issuing and Paying Agent, Paying Agent, Calculation Agent and Transfer Agent in relation to Notes governed by Singapore law</b> .....	DBS Bank Ltd.
<b>Paying Agent in Singapore in relation to Notes governed by Singapore law</b> .....	DBS Bank Ltd.
<b>Registrar in relation to Notes governed by Singapore law</b> .....	DBS Bank Ltd. (the "Singapore Registrar")
<b>Trustee under the English Law Trust Deed</b> .....	DB Trustees (Hong Kong) Limited (the "English Trustee")



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

Deutsche Bank AG, Hong Kong Branch

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

Deutsche Bank AG, Singapore Branch

**Registrar in relation to Notes governed by English law . . . . .**

Deutsche Bank Luxembourg S.A. (the “English Registrar”)

**Size . . . . .**

The aggregate principal amount (which in the case of Notes issued at a premium, shall be the aggregate initial offering price, in the case of Notes issued at a discount from their principal amount, shall be their principal amount, the case of partly paid Notes, shall be the amount of subscription monies paid up at such time, and the case of Notes denominated in a currency other than U.S. dollars, the equivalent amount in another currency determined in accordance with the Program Agreement) of Notes outstanding at any time shall not exceed US\$10,000,000,000 which amount may be increased pursuant to the Program Agreement.

As of the date of this Offering Circular, US\$1,750,000,000 aggregate principal amount of 4.5% Guaranteed Notes due 2015, US\$1,500,000,000 aggregate principal amount of 4.3% Guaranteed Notes due 2019, US\$500,000,000 aggregate principal amount of 5.375% Guaranteed Debentures due 2039, S\$300,000,000 aggregate principal amount of 4.0% Guaranteed Notes due 2029, S\$300,000,000 aggregate principal amount of 4.2% Guaranteed Notes due 2039, S\$1,000,000,000 aggregate principal amount of 3.265% Guaranteed Notes due 2020, S\$500,000,000 aggregate principal amount of 3.785% Guaranteed Notes due 2025, S\$500,000,000 aggregate principal amount of 4.0475% Guaranteed Notes due 2035, £200,000,000 aggregate principal amount of 4.625% Guaranteed Notes due 2022, £500,000,000 aggregate principal amount of 5.125% Guaranteed Notes due 2040 and S\$1,000,000,000 aggregate principal amount of 4.2% Guaranteed Notes due 2050 have been issued under the Program and remain outstanding.

**Distributions . . . . .**

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

**Currencies . . . . .**

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

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

<b>Series</b> .....	Notes will be issued in series, with all Notes in a series having the same maturity date and terms otherwise identical (except in relation to issue dates, interest paid or payable on or prior to the first interest payment date after issuance thereof, issue prices and related matters). The Notes of each series will be interchangeable with all other Notes of that series.
<b>Maturities</b> .....	The Notes will mature on a date specified in the relevant Pricing Supplement, as selected by the relevant Dealer and agreed to by the Issuer and subject to such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the Guarantor or the relevant Specified Currency.
<b>Issue Price</b> .....	Notes may be issued at an issue price which is at par or at a discount to, or at a premium over, par, and on a fully-paid or partly-paid basis.
<b>Forms of the Notes</b> .....	<p>Notes may be issued in bearer or in registered form, as specified in the relevant Pricing Supplement. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes.</p> <p>Each series of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, may be deposited on the Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for Euroclear, Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, as described therein, for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for Definitive Bearer Notes only in the limited circumstances described therein. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of CDP, Euroclear, Clearstream and/or any other agreed clearance system, as appropriate. Each series of Bearer Notes shall comply with United States Treasury Regulations §1.163-5(c)(2)(i)(D) (the “D Rules”) unless otherwise stated in the relevant Pricing Supplement.</p> <p>Each series of Registered Notes, which are sold outside the United States in reliance on Regulation S, will, unless otherwise specified in the relevant Pricing Supplement, be represented by a Regulation S Global Note, which will be deposited on or about its Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, or with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the Distribution Compliance Period (as defined in “Form of Notes”), beneficial interests in a Regulation S Global Note of such series may be held only through CDP, Euroclear, Clearstream or DTC for the accounts of Euroclear and Clearstream. Regulation S Global Notes will be exchangeable</p>

for Definitive Registered Notes only in the limited circumstances more fully described in “Annex A — Global clearance and settlement”.

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

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

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

**Interest Rates .....**

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

**Withholding Tax .....**

All payments in respect of Notes and payments under the Guarantee will be payable by the Issuer and the Guarantor without withholding or deductions for, or on account of, taxes, levies, imposts or other governmental charges (“Taxes”) imposed by or for the account of Singapore and, where applicable, certain other jurisdictions (as described in “Description of the Notes governed by New York law — Payments of Additional Amounts”, “Terms and conditions of the Notes governed by Singapore law — Taxation” and “Terms and conditions of the Notes governed by English law — Taxation”), except as otherwise required by law. If the Issuer or the

Guarantor is required by law to deduct or withhold any such Taxes, the Issuer or the Guarantor will, subject to certain exceptions as described in “Description of the Notes governed by New York law — Payments of Additional Amounts”, “Terms and conditions of the Notes governed by Singapore law — Taxation” and “Terms and conditions of the Notes governed by English law — Taxation”, be required to pay such additional amounts as are necessary to enable holders of Notes (“Noteholders”) not denominated in Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. No such additional amount shall be payable in relation to Notes denominated in Singapore dollars. See “Description of the Notes governed by New York law — Payments of Additional Amounts”, “Terms and conditions of the Notes governed by Singapore law — Taxation” and “Terms and conditions of the Notes governed by English law — Taxation”.

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

**Denominations** .....

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

Notes in registered form shall be issued in minimum denominations of (i) US\$200,000 (or its equivalent in any other currency) for Notes issued pursuant to Rule 144A or Regulation S and higher integral multiples of US\$1,000 (or its equivalent as aforesaid) or (ii) US\$250,000 (or its equivalent in any other currency) for Notes issued to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from under the Securities Act and higher integral multiples of US\$1,000 (or its equivalent as aforesaid). Notes in registered form which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

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

securities they may purchase and hold, if any, and legal or other obligations applicable to them.

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

**Negative Pledge** . . . . . None.

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

**Redemption** . . . . . Unless previously redeemed or purchased and cancelled or unless such Note is stated in the relevant Pricing Supplement as having no fixed maturity date, the Notes will be redeemed on their maturity date at the redemption amount specified in the relevant Pricing Supplement (the “Redemption Amount”). The Notes may also be redeemed at the option of the Issuer for certain taxation reasons set forth in “Description of the Notes governed by New York law — Optional tax redemption”, “Terms and conditions of the Notes governed by Singapore law — Redemption, Purchase and Options — Redemption for Taxation Reasons” and “Terms and conditions of the Notes governed by English law — Redemption, Purchase and Options — Redemption for Taxation Reasons”, as the case may be. The Notes governed by New York law may, unless otherwise specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer in whole or in part at an amount equal to the greater of (i) their Redemption Amount and (ii) the Make Whole Amount (which is an amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a rate equal to (a) the yield of Treasury Notes (as defined in “Description of the Notes governed by New York law — Interest and Interest Rates — CMT Rate Notes”) of the same maturity plus (b) a spread specified in the relevant Pricing Supplement) in each case, together with accrued but unpaid interest to (but excluding) the date of redemption. The Notes governed by Singapore law and the Notes governed by English law may, unless otherwise specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer in whole or in part at the Optional Redemption Amount, together with interest accrued to the date fixed for redemption.

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

**Redemption by Installments** . . . . . The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more installments will set



out the dates on which, and the amounts in which, such Notes may be redeemed.

**In the case of Notes denominated  
in Renminbi — Payment of U.S.  
Dollar Equivalent .....**

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

**Ratings .....**

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

**Status of the Notes .....**

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

**Guarantee .....**

The Guarantor will fully, unconditionally and irrevocably guarantee to each Noteholder the due payment of all amounts owing from time to time under the Notes. Unless otherwise stated in the relevant Pricing Supplement, the Guarantee of the Notes will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.

**Listing of the Notes .....**

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies). Unlisted series of Notes may also be issued pursuant to the Program. The Notes may also be listed on such

other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each series of Notes will state whether or not the Notes of such series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.

**Governing Law** ..... Notes denominated in Renminbi will be governed by, and construed in accordance with, the laws of England. Notes denominated in Singapore dollars will be governed by, and construed in accordance with, the laws of Singapore. All other Notes will be governed by, and construed in accordance with, the laws of England, the laws of the State of New York, the laws of Singapore or such other law as specified in the relevant Pricing Supplement and in such Notes. Bearer Notes will be governed by laws other than those of the State of New York. Notes governed by the laws of the State of New York shall be issued under an indenture dated as of September 16, 2005, as amended and supplemented by the first supplemental indenture dated as of April 10, 2007, the eighth supplemental indenture dated as of July 15, 2011 and the ninth supplemental indenture dated as of the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “Indenture”), in each case among the Issuer, the Guarantor and the New York Trustee. Notes governed by the laws of Singapore shall be issued under a trust deed governed under Singapore law dated November 24, 2009, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “Singapore Law Trust Deed”), in each case among the Issuer, the Guarantor and the Singapore Trustee. Notes governed by the laws of England shall be issued under a trust deed governed under English law dated February 3, 2010, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the “English Law Trust Deed”), in each case among the Issuer, the Guarantor and the English Trustee. Notes issued under other laws shall be issued under such instrument(s) as may be appropriate as set out in the relevant Pricing Supplement and in such Notes.

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

**Security Codes** ..... The Common Code and the ISIN number for each Bearer Series of Notes, and the Common Code, ISIN number and the CUSIP numbers for each Registered Series, will be contained

in the Pricing Supplement relating thereto. In addition, the Issuer will make an application with respect to any Registered Global Notes to be accepted for deposit by DTC, Euroclear, Clearstream or CDP, as the case may be.

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

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

## Summary financial and other information

The following tables set forth summary financial information for the Temasek Group as at and for the years ended March 31, 2010, 2011 and 2012. The summary financial information as at and for the years ended March 31, 2010, 2011 and 2012 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto which are included elsewhere in this Offering Circular.

The consolidated financial statements of Temasek have been prepared in accordance with FRS. Had the financial statements and other financial information been prepared in accordance with IFRS or U.S. GAAP, the results of operations and financial position may have been materially different. See "Investment considerations — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries".

Solely for the convenience of the reader, the Singapore dollar amounts as at and for the year ended March 31, 2012 have been translated to U.S. dollars using the Noon Buying Rate of S\$1.26 per US\$1.00 on March 30, 2012, giving effect to rounding where applicable. For additional information regarding convenience translations in this Offering Circular, see "Presentation of financial and other information" on page vi.

### Summary income statement information

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Revenue .....	76,658.0	83,519.0	83,548.0	66,307.9
Net operating expenses <sup>(1)</sup> .....	(72,570.1)	(70,074.8)	(73,374.1)	(58,233.3)
Share of profit of associated companies and joint ventures, net of tax .....	4,386.6	4,331.1	4,588.6	3,641.7
Profit before income tax .....	8,474.5	17,775.3	14,762.5	11,716.3
Income tax expense .....	(1,682.1)	(1,953.3)	(1,395.0)	(1,107.2)
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>	<u>10,609.1</u>
<b>Attributable to:</b>				
Equity holder of Temasek .....	4,593.2	12,667.5	10,729.9	8,515.8
Non-controlling interests .....	<u>2,199.2</u>	<u>3,154.5</u>	<u>2,637.6</u>	<u>2,093.3</u>
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>	<u>10,609.1</u>

Note:

(1) Comprises cost of sales, selling and distribution expenses, administrative expenses, other operating expenses and finance expenses, net of other income of Temasek and its subsidiary companies.

## Summary statement of comprehensive income information

	Year ended March 31,			
	2010	2011 (S\$ million)	2012	2012 (US\$ million)
Profit for the year	6,792.4	15,822.0	13,367.5	10,609.1
<b>Other comprehensive income</b>				
Change in fair value of available-for-sale financial assets, net of tax	22,778.2	945.6	(7,751.5)	(6,152.0)
Others, net <sup>(1)</sup>	6,250.1	(4,232.6)	(2,337.3)	(1,855.0)
Total comprehensive income for the year	<u>35,820.7</u>	<u>12,535.0</u>	<u>3,278.7</u>	<u>2,602.1</u>
<b>Attributable to:</b>				
Equity holder of Temasek	31,373.2	10,023.0	1,032.8	819.7
Non-controlling interests	4,447.5	2,512.0	2,245.9	1,782.4
Total comprehensive income for the year	<u>35,820.7</u>	<u>12,535.0</u>	<u>3,278.7</u>	<u>2,602.1</u>

Note:

- (1) Comprises translation differences; share of associated companies' and joint ventures' reserves; cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax; cash flow hedges, net of tax; partial disposal or dilution of investments in subsidiary companies, without loss of control; disposal of investments in subsidiary companies, with loss of control; disposal or dilution of investments in associated companies and joint ventures; and others, net.

## Summary balance sheet information

	As at March 31,			
	2010	2011 (S\$ million)	2012	2012 (US\$ million)
<b>Assets</b>				
Property, plant and equipment	67,974.3	66,777.8	67,791.0	53,802.4
Investments in associated companies and joint ventures	44,610.3	42,053.7	49,474.2	39,265.2
Non-current financial assets and derivative financial instruments	64,180.8	65,295.8	60,703.9	48,177.7
Other assets <sup>(1)</sup>	37,918.4	39,224.6	38,356.2	30,441.4
Current assets	70,109.0	84,559.2	86,310.7	68,500.6
Total assets	<u>284,792.8</u>	<u>297,911.1</u>	<u>302,636.0</u>	<u>240,187.3</u>
<b>Equity and Liabilities</b>				
Equity attributable to equity holder of Temasek	149,743.1	155,480.4	158,166.3	125,528.8
Non-controlling interests	23,408.6	24,062.1	23,494.7	18,646.6
Non-current liabilities	63,436.4	61,457.7	67,480.3	53,555.8
Current liabilities	48,204.7	56,910.9	53,494.7	42,456.1
Total equity and liabilities	<u>284,792.8</u>	<u>297,911.1</u>	<u>302,636.0</u>	<u>240,187.3</u>

Note:

- (1) Comprises intangible assets, investment properties, properties under development, other non-current assets and deferred tax assets.



## Summary cash flow statement information

	2010	Year ended March 31,		
		2011	2012	2012
		(S\$ million)		(US\$ million)
Profit before income tax . . . . .	8,474.5	17,775.3	14,762.5	11,716.3
Operating cash flow before changes in working capital . . . . .	16,428.4	20,176.6	16,834.7	13,360.9
Cash flows from operating activities . . . . .	11,012.6	16,025.2	13,158.4	10,443.2
Cash flows used in investing activities . . . . .	(5,284.7)	(4,888.2)	(14,761.5)	(11,715.5)
Cash flows used in financing activities . . . . .	(195.7)	(1,697.5)	(1,415.5)	(1,123.4)
Net increase/(decrease) in cash and cash equivalents . . . . .	5,532.2	9,439.5	(3,018.6)	(2,395.7)
Cash and cash equivalents at the beginning of the year . . . . .	33,972.0	39,504.2	48,943.7	38,844.2
Cash and cash equivalents at the end of the year . . . . .	39,504.2	48,943.7	45,925.1	36,448.5

## Other financial information

	As at and for the year ended March 31,			
	2010	2011	2012	2012
EBITDA <sup>(1)</sup> (million) .....	S\$20,198.9	S\$27,784.9	S\$24,998.0	US\$19,839.7
EBITDA interest coverage <sup>(2)</sup> .....	8.3	10.7	9.7	9.7
Net debt <sup>(3)</sup> (million) .....	S\$17,776.8	S\$9,477.2	S\$16,064.2	US\$12,749.4
Net debt/EBITDA <sup>(4)</sup> .....	0.9	0.3	0.6	0.6
Net debt/capital <sup>(5)</sup> (%) .....	9.3	5.0	8.1	8.1

### Notes:

- (1) EBITDA of the Temasek Group is defined as profit before income tax, finance expenses, depreciation, amortization and impairment loss on property, plant and equipment and intangible assets. EBITDA of the Temasek Group is presented because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. EBITDA of the Temasek Group is not determined in accordance with FRS and should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. EBITDA of the Temasek Group is not comparable to that of other companies that may determine EBITDA differently.

### Reconciliation of profit before income tax to EBITDA:

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Profit before income tax .....	8,474.5	17,775.3	14,762.5	11,716.3
Add: Depreciation/impairment loss on property, plant and equipment .....	7,672.5	6,765.7	6,700.0	5,317.5
Add: Amortization/impairment loss on intangible assets ....	1,619.9	645.6	949.7	753.7
Add: Finance expenses .....	2,432.0	2,598.3	2,585.8	2,052.2
EBITDA .....	<u>20,198.9</u>	<u>27,784.9</u>	<u>24,998.0</u>	<u>19,839.7</u>

- (2) EBITDA interest coverage is calculated by dividing EBITDA by finance expenses.
- (3) Net debt is computed by subtracting cash and cash equivalents (excluding bank overdrafts) from total debt as follows:

	As at March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Total debt* .....	57,326.6	58,486.0	62,026.0	49,227.0
Less: Cash and cash equivalents (excluding bank overdrafts) .....	<u>(39,549.8)</u>	<u>(49,008.8)</u>	<u>(45,961.8)</u>	<u>(36,477.6)</u>
Net debt .....	<u>17,776.8</u>	<u>9,477.2</u>	<u>16,064.2</u>	<u>12,749.4</u>

\* See Note 27 of Temasek's consolidated financial statements which are included elsewhere in this Offering Circular. This figure includes bank overdrafts.

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

## Investment considerations

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

### Considerations related to the Issuer and Temasek

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

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

As at March 31, 2012, Temasek’s top three sectors (based on contribution to Temasek’s Net Portfolio Value) were financial services, telecommunications, media and technology, and transportation and industrials, representing 31%, 24% and 21%, respectively. In terms of geographic exposure, as at March 31, 2012, approximately 30% of Temasek’s Net Portfolio Value was in Singapore, 42% in Asia (excluding Singapore), 14% in Australia & New Zealand, 11% in North America & Europe, 2% in Africa, Central Asia & the Middle East, and 1% in Latin America.

As described in “Management’s discussion and analysis of financial condition and results of operations — Global market and economic conditions”, the macroeconomic environment in 2012 remains challenging. The Temasek Group’s results of operations are materially affected by conditions in the global capital markets and the economy generally, including in the U.S. and Europe despite Temasek’s portfolio’s limited direct exposure to these regions. Many key indicators of sustainable economic growth remain under pressure. Ongoing concerns including the pace of the recovery in the U.S. and its substantial debt burden, the risk of global contagion from the growing European sovereign debt crisis and its impact on the European banking system and single currency union as well as concerns of slower economic growth in China and India have led to an increase in global market volatility. Further, there continue to be immediate concerns over energy costs, geopolitical issues, the availability and cost of credit, volatility in debt and equity prices, declining business and consumer confidence, and unemployment levels, as well as medium to long term concerns over inflation levels. The adverse global economic conditions and capital markets volatility have had, and may continue to have, an adverse impact on the value of Temasek’s portfolio, the value and profitability of Temasek’s portfolio companies’ businesses and, in turn, the Temasek Group’s revenue and profitability. In addition, these conditions have had, and may continue to have, an adverse impact on the ability of Temasek’s portfolio companies to pay dividends or make other distributions or payments to Temasek, or may result in its investment selections not generating the expected returns.

Temasek’s Net Portfolio Value increased 3% from S\$193 billion as at March 31, 2011 to S\$198 billion as at March 31, 2012. As at March 31, 2012, Temasek’s Value-at-Risk (“VaR”), based on a statistical model which Temasek uses to estimate its market risk, was about S\$24 billion. This implies a 16% probability of incurring marked-to-market losses in excess of S\$24 billion, on a Net Portfolio Value of S\$198 billion, for a 12-month holding period following that date, as compared to a VaR of about S\$22 billion and S\$25 billion, on a portfolio of S\$193 billion and S\$186 billion, respectively, as at March 31, 2011 and March 31, 2010. Even though VaR as a proportion of Net Portfolio Value at March 31, 2012 compared to that of March 31, 2011 remained at 12%, indicative of a decline in volatility in capital markets, significant uncertainty remains. See “Business of Temasek — Risk Management — Strategic and Financial Risk Management”. Given the ongoing weakness in the global economy and uncertainties in the macroeconomic environment, there is continuing risk that declines in Temasek’s Net Portfolio Value may occur.

If Temasek determines that the value of its investment securities is impaired, Temasek would record an impairment loss in its consolidated income statement, which could materially adversely impact Temasek’s consolidated results of operations. Temasek’s consolidated shareholder’s equity would also

be adversely impacted due to the decline in the value of its investment securities. Furthermore, because Temasek has investments in different geographic regions that are denominated in different foreign currencies, Temasek's returns on these investments, including any dividends received from these investments, are subject to foreign exchange rate risks. Fluctuations between these currencies and the Singapore dollar, Temasek's reporting currency, also expose Temasek to translation risk when accounting for these investments in its financial statements. While Temasek adopts a portfolio risk management approach and regularly monitors its portfolio in respect of such risks, these risks are inherent in Temasek's business and cannot be entirely eliminated. Any such risks, if they materialize, may adversely affect the Temasek Group's financial condition and results of operations. Furthermore, any political instability, terrorism or military conflict in countries in the regions in which Temasek invests or globally could materially and adversely affect the Temasek Group's results of operations, financial position and cash flows.

### ***Credit ratings assigned to Temasek***

Temasek has been assigned an overall corporate credit rating of "Aaa" by Moody's and "AAA" by Standard & Poor's. A credit rating is not a recommendation to buy, sell or hold the Notes. Each series of Notes issued under the Program may be rated or unrated. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Temasek has any obligation to inform Noteholders of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the credit rating assigned to Temasek, the Program or the Notes may adversely affect the market price of the Notes. Moreover, Temasek's credit ratings do not reflect the potential impact related to market or other considerations discussed above relating to the Notes.

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

Temasek and its Investment Holding Companies hold investments in many countries. This means Temasek and such entities from time to time are confronted with complex legal and regulatory requirements and judiciary systems in many jurisdictions. Regulatory matters or litigation actions involving Temasek or its Investment Holding Companies or restrictions on Temasek or such entities in any jurisdiction may have a material adverse effect on the Temasek Group's financial condition and results of operations. For example, there is an investigation by the Thai authority against one of Temasek's co-investors in Shin Corporation Public Company Limited ("Shin Corporation") and Temasek is unable to determine the potential impact of this investigation on its investment in Shin Corporation.

Temasek and its portfolio companies operate around the world and provide worldwide services with facilities in many countries. This means Temasek and such entities from time to time are confronted with complex legal and regulatory requirements and judiciary systems in many jurisdictions. These include tariffs, trade barriers and requirements relating to withholding taxes on remittances and other payments, as well as the risk of regulatory or litigation action by regulators or private parties. Any such regulatory or litigation actions against Temasek or its portfolio companies or restrictions on Temasek or such entities in any jurisdiction may have a material adverse effect on the Temasek Group's financial condition and results of operations.

### ***Company structure of the Issuer and Temasek***

The Issuer, a financing company, is a wholly-owned subsidiary of Temasek. The Issuer will provide the proceeds from any issuance of Notes under the Program to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement.

As Temasek is an investment company incorporated for the purpose of holding and managing its investments both in Singapore and other countries, its operating cash flow and its ability to meet its obligations, including under the Guarantee and funding the Issuer's payments on the Notes, are substantially dependent upon the payment of funds by its portfolio companies to it in the form of dividends, distributions or otherwise, cash receipts from disposals or divestitures of its investments and its ability to borrow. Temasek's portfolio companies are legally distinct from Temasek and have no obligation to pay any amounts due with respect to Temasek's obligations or to make funds available for such payments. The ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek is subject to, among others, availability of profits or funds, restrictions on the payment of dividends contained in each portfolio company's indebtedness, and applicable laws and regulations. The Notes contain no covenants that prevent Temasek's portfolio companies from entering into agreements which may restrict their ability to pay dividends or make distributions to Temasek.

### ***Liabilities relating to investments and divestments***

In connection with an investment in, or divestment of, an interest in a company, Temasek may be exposed to certain claims or liabilities relating to the subject company (or its ownership interest therein), including without limitation tax or environmental claims or liabilities. There can be no assurance that any such claim or liability would not have a material adverse effect on Temasek's financial condition and results of operations.

### ***Government ownership of Temasek***

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

As with any 100% shareholder of a Singapore incorporated company, the Government, as a 100% shareholder of Temasek, through MOF, can exercise control over Temasek's corporate objectives, strategies and actions, subject to safeguards under the Fifth Schedule to the Constitution. See "Annex D — Constitutional safeguards". While the Government has not taken any actions in the past to influence the corporate objectives, strategies or actions of Temasek, there can be no assurance that the Government will not, subject to applicable laws, take any actions in the future to influence the corporate objectives, strategies and actions of Temasek in a way that is inconsistent with the interests of Noteholders.

### ***Dependence on the Singapore economy***

As at March 31, 2012, approximately 30% of Temasek's Net Portfolio Value was in Singapore. Any economic recession or other deterioration in Singapore's economy, changes in taxation or any decline in business, industrial, manufacturing or financial activity in Singapore could materially and adversely affect the Temasek Group's results of operations, financial position and cash flows. See "Management's discussion and analysis of financial condition and results of operations — Significant factors affecting the Temasek Group's financial condition and results of operations — The Singapore economy". For general information relating to Singapore, see "Annex C — Republic of Singapore".

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

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



investors should be aware that judgments of U.S. courts or English courts based upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of (i) the federal securities laws of the United States or (ii) the securities laws of England and Wales.

***The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries***

Temasek's consolidated financial statements are prepared in accordance with FRS, which differ in certain respects from IFRS and U.S. GAAP. As a result, Temasek's consolidated financial statements and reported earnings could be different from those which would be reported under IFRS or U.S. GAAP. Such differences may be material. This Offering Circular does not contain a reconciliation of Temasek's consolidated financial statements to IFRS or U.S. GAAP, nor does it include any information in relation to the differences between FRS and IFRS or U.S. GAAP. Had the financial statements and other financial information been prepared in accordance with IFRS or U.S. GAAP, the results of operations and financial position may have been materially different. Because differences exist between FRS and IFRS or U.S. GAAP, the financial information in respect of the Temasek Group contained in this Offering Circular may not be an effective means to compare Temasek with other companies that prepare their financial information in accordance with IFRS or U.S. GAAP.

In making an investment decision, investors must rely upon their own examination of the Issuer, Temasek and the Temasek Group, the terms of the offering and the financial information relating to the Temasek Group. Potential investors should consult their own professional advisors for an understanding of these differences between FRS and IFRS or U.S. GAAP, and how such differences might affect the financial information contained herein.

Temasek is an exempt private company under the Singapore Companies Act, and therefore it is not required to file its financial statements with the relevant public registry in Singapore. The financial statements included in this Offering Circular are presented on a consolidated basis for the Temasek Group comprising the financial statements of Temasek and its subsidiary companies and their interests in associated companies and joint ventures, and are included only for the purpose of the offering of the Notes under the Program. Financial statements for Temasek on a non-consolidated basis are not presented in this Offering Circular and are not publicly available.

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

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

**Considerations related to the Notes**

***Effects of redemption***

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

***Transfer restrictions relating to the Notes***

The Notes have not been and will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. Noteholders may not offer the Notes in the United States or to U.S. persons except as permitted by the terms of the Notes and pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. In addition, the Notes have not been

registered under the securities laws of any other country. It is the Noteholder's obligation to ensure that its offers and sales of the Notes in the United States and other countries comply with applicable securities laws and the terms of the Notes. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and any additional transfer restrictions set out in the relevant Pricing Supplement.

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

### ***No existing trading market for the Notes***

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

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

### ***Structural subordination of the Notes***

The Notes and the Guarantee are structurally subordinated to all and any existing and future liabilities and obligations of each of Temasek's Investment Holding Companies and portfolio companies (other than the Issuer). Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of Temasek and its creditors, including Noteholders seeking to enforce the Guarantee. None of the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed, as the case may be, pursuant to which the Notes will be issued contains any restrictions on the ability of Temasek or its Investment Holding Companies and portfolio companies to incur indebtedness.

### ***Risks relating to Singapore taxation***

The Notes to be issued from time to time under the Program during the period from the date of this Offering Circular to December 31, 2013 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("ITA"), subject to the fulfillment of certain conditions more particularly described in the section "Certain tax considerations — Singapore taxation". However, there can be no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time.

### ***Payments on the Notes to certain non-U.S. entities that fail to meet specified requirements may be subject to withholding tax under FATCA***

The Issuer, and other non-U.S. financial institutions through which payments on the Notes are made, may be required to withhold U.S. tax on all, or a portion of, payments made after December 31, 2016 on any Notes issued or materially modified on or after January 1, 2013 pursuant to the U.S. Foreign Account Tax Compliance Act ("FATCA"). The rules governing FATCA have not yet been fully developed in this regard, and the future application of FATCA to the Issuer and the Notes is uncertain. However, such withholding by the Issuer and other non-U.S. financial institutions through which payments on the Notes are made, may be required, among others, where (i) the Issuer or such other non-U.S. financial institution is a foreign financial institution (an "FFI") (as defined in FATCA) that agrees to provide certain information on its account holders to the United States Internal Revenue Service (the "IRS") (making the Issuer or such other non-U.S. financial institution a "participating FFI") and (ii)(a) the payee itself is an FFI but is not a participating FFI or does not provide information sufficient for the relevant participating FFI to determine whether the payee is subject to withholding

under FATCA or (b) the payee is not a participating FFI and is not otherwise exempt from FATCA withholding. Notwithstanding anything herein to the contrary, if an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer nor Temasek nor any other person would, pursuant to terms of the Notes, be required to pay any additional amounts as a result of the deduction or withholding of such tax. Investors should consult their tax advisors to determine whether these rules may apply to payments they will receive under the Notes.

## **Considerations related to Notes denominated in Renminbi**

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

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

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide. It was further extended in August 2011 to cover all provinces and cities in the PRC. PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually. Generally, remittance of Renminbi by foreign investors into the PRC for capital account purposes such as shareholders' loan or capital contribution is still subject to specific approvals from the relevant authorities on a case-by-case basis or a strict account monitoring system.

In April 2011, the State Administration of Foreign Exchange ("SAFE") promulgated the *Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi* (the "SAFE Circular"), which became effective on May 1, 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and Renminbi held in onshore Renminbi bank accounts of non-PRC residents) to make capital contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior approval of the Ministry of Commerce ("MOFCOM") or its local counterpart (depending on the size and relevant industry of the investment) to the relevant local branch of SAFE so as to complete the onshore enterprise's registration or change of registration as a foreign invested enterprise. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity (including a financial institution) in RMB shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

In October 2011, MOFCOM promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the "MOFCOM RMB FDI Circular"). Pursuant to the MOFCOM RMB FDI Circular, the prior approval of MOFCOM or its local counterpart (depending on the size and the relevant industry of the investment) is required for the use by a foreign investor of Renminbi legally obtained by it offshore to make direct investments in China ("RMB FDI"). The MOFCOM RMB FDI Circular also prohibits the proceeds of RMB FDI from being used, directly or indirectly, for investment in securities, financial derivatives or entrustment loans in the PRC, except that a foreign investor may, with the prior approval of MOFCOM, use Renminbi legally obtained offshore to make investments in PRC domestic listed companies through private placements or share transfers by agreement.

In October 2011, Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (the "PBOC RMB FDI Measures") issued by the People's Bank of China set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the People's Bank of China on a case-by-case basis. The new rules replace the People's Bank of China approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested

enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information with a local branch of the People's Bank of China after the completion of a RMB FDI transaction, and (ii) make post-event filing with a local branch of the People's Bank of China of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

As the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that the PRC government will continue to gradually liberalize the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or prohibiting the remittance of Renminbi into or outside the PRC. Temasek needs to source Renminbi offshore to finance Temasek's obligations under Notes denominated in Renminbi, and Temasek's ability to do so will be subject to the overall availability of Renminbi outside the PRC.

### ***Limited availability of Renminbi outside the PRC***

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

Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licenced banks in Hong Kong may offer limited Renminbi denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On July 19, 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "Settlement Agreement") between the People's Bank of China and Bank of China (Hong Kong) Limited (the "CNY Clearing Bank") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong, there is no longer any limit on the ability of corporations to convert Renminbi, and there is no longer any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of April 30, 2012, the total amount of Renminbi deposits held by institutions authorized to engage in Renminbi banking business in Hong Kong amounted to approximately RMB552.4 billion according to data published by the Hong Kong Monetary Authority. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of (i) RMB cash, (ii) its settlement account balance with the CNY Clearing Bank, (iii) balance maintained in its fiduciary account (through the CNY Clearing Bank with the People's Bank of China), (iv) holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance, and (v) holding of RMB bond investment through the PRC interbank bond market under arrangement as approved by the People's Bank of China) of not less than 25% of their Renminbi customer deposits, which further limits the availability of Renminbi that participating banks can utilize for conversion services for their customers. While participating banks may request to the Hong Kong Monetary Authority for RMB liquidity facility to manage their short-term liquidity needs, such facility should not be regarded as a steady source of funding for their business. Renminbi business participating banks do not have direct Renminbi liquidity support from the People's Bank of China. Participating banks are only allowed to square their open positions with the CNY Clearing Bank in the Shanghai foreign exchange market for RMB conversions conducted with customers for certain eligible trade transactions and subject to requirements set by the PRC authorities.

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

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

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

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

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

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

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

## Exchange rates

The Singapore dollar is Temasek's functional currency. The following table sets forth, for the periods indicated, certain information with respect to the average, high, low and period end Noon Buying Rate for Singapore dollars (expressed in Singapore dollars per U.S. dollar). The Noon Buying Rate as at June 29, 2012 was S\$1.27 per US\$1.00. No representation is made that the Singapore dollar amounts actually represent such U.S. dollar amounts or could have been or could be converted into U.S. dollars at the rate indicated, at any particular rate or at all.

<b>Year Ended March 31,</b>	<b>Singapore Dollar/U.S. Dollar Noon Buying Rates</b>			
	<b>Average<sup>(1)</sup></b>	<b>Period End</b>	<b>High</b>	<b>Low</b>
2008 .....	1.47	1.38	1.54	1.38
2009 .....	1.44	1.52	1.56	1.35
2010 .....	1.42	1.40	1.52	1.38
2011 .....	1.33	1.26	1.42	1.26
2012 .....	1.25	1.26	1.31	1.20
2013 (through June 29, 2012) <sup>(2)</sup> .....	1.26	1.27	1.29	1.24

<b>Month:</b>	<b>High</b>	<b>Low</b>
January 2012 .....	1.30	1.25
February 2012 .....	1.26	1.24
March 2012 .....	1.27	1.25
April 2012 .....	1.26	1.24
May 2012 .....	1.29	1.24
June 2012 .....	1.29	1.27

**Notes:**

- (1) The average rate is the average of the daily Noon Buying Rates on the last business day of each month during the applicable period.
- (2) The average rate for the year ended March 31, 2013 (through June 29, 2012) was based on the average of the daily Noon Buying Rates during the period from April 1, 2012 to June 29, 2012.

Fluctuations in the exchange rate between the Singapore dollar and the U.S. dollar will affect the price of Singapore dollar denominated Notes on the SGX-ST.

There are currently no exchange control restrictions in Singapore.



## **Use of proceeds**

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

## Capitalization

The following table sets forth the Temasek Group's capitalization as at March 31, 2012. The information presented in Singapore dollars has been extracted from the consolidated financial statements of Temasek as at March 31, 2012.

	<b>As at March 31, 2012</b>	
	<b>(S\$ million)</b>	<b>(US\$ million)<sup>(1)</sup></b>
<b>Long-term debt</b>		
Total long-term debt .....	<u>53,851.1</u>	<u>42,739.0</u>
<b>Total equity</b>		
Equity attributable to equity holder of Temasek .....	158,166.3	125,528.8
Non-controlling interests .....	<u>23,494.7</u>	<u>18,646.6</u>
Total equity .....	<u>181,661.0</u>	<u>144,175.4</u>
<b>Capitalization</b> .....	<u>235,512.1</u>	<u>186,914.4</u>

Note:

(1) Translated using the Noon Buying Rate of S\$1.26 per US\$1.00 on March 30, 2012, giving effect to rounding where applicable.

## Selected financial and other data

The following tables set forth selected financial data for the Temasek Group as at and for the years ended March 31, 2010, 2011 and 2012. The selected financial data as at and for the years ended March 31, 2010, 2011 and 2012 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto, which are included elsewhere in this Offering Circular.

The consolidated financial statements of Temasek have been prepared in accordance with FRS. Had the financial statements and other financial information been prepared in accordance with IFRS or U.S. GAAP, the results of operations and financial position may have been materially different. See “Investment considerations — Considerations related to the Issuer and Temasek — The Temasek Group’s accounting and corporate disclosure standards may differ from those in other countries”.

Solely for the convenience of the reader, the Singapore dollar amounts as at and for the year ended March 31, 2012 have been translated to U.S. dollars using the Noon Buying Rate of S\$1.26 per US\$1.00 on March 30, 2012, giving effect to rounding where applicable. For additional information regarding convenience translations in this Offering Circular, see “Presentation of financial and other information”.

### Selected income statement data

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Revenue .....	76,658.0	83,519.0	83,548.0	66,307.9
Cost of sales .....	(50,679.4)	(52,991.6)	(56,306.3)	(44,687.5)
Gross profit .....	25,978.6	30,527.4	27,241.7	21,620.4
Other income .....	4,518.0	4,855.4	6,285.6	4,988.6
Selling and distribution expenses .....	(5,317.6)	(5,758.7)	(5,669.0)	(4,499.2)
Administrative expenses .....	(8,722.5)	(7,321.9)	(7,960.3)	(6,317.7)
Other operating expenses .....	(9,936.6)	(6,259.7)	(7,138.3)	(5,665.3)
Finance expenses .....	(2,432.0)	(2,598.3)	(2,585.8)	(2,052.2)
Share of profit of associated companies, net of tax .....	2,373.6	2,603.7	3,008.5	2,387.7
Share of profit of joint ventures, net of tax .....	2,013.0	1,727.4	1,580.1	1,254.0
Profit before income tax .....	8,474.5	17,775.3	14,762.5	11,716.3
Income tax expense .....	(1,682.1)	(1,953.3)	(1,395.0)	(1,107.2)
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>	<u>10,609.1</u>
<b>Attributable to:</b>				
Equity holder of Temasek .....	4,593.2	12,667.5	10,729.9	8,515.8
Non-controlling interests .....	<u>2,199.2</u>	<u>3,154.5</u>	<u>2,637.6</u>	<u>2,093.3</u>
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>	<u>10,609.1</u>

## Selected statement of comprehensive income data

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Profit for the year	6,792.4	15,822.0	13,367.5	10,609.1
<b>Other comprehensive income</b>				
Change in fair value of available-for-sale financial assets, net of tax	22,778.2	945.6	(7,751.5)	(6,152.0)
Others, net <sup>(1)</sup>	6,250.1	(4,232.6)	(2,337.3)	(1,855.0)
Total comprehensive income for the year	<u>35,820.7</u>	<u>12,535.0</u>	<u>3,278.7</u>	<u>2,602.1</u>
<b>Attributable to:</b>				
Equity holder of Temasek	31,373.2	10,023.0	1,032.8	819.7
Non-controlling interests	4,447.5	2,512.0	2,245.9	1,782.4
Total comprehensive income for the year	<u>35,820.7</u>	<u>12,535.0</u>	<u>3,278.7</u>	<u>2,602.1</u>

Note:

- (1) Comprises translation differences; share of associated companies' and joint ventures' reserves; cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax; cash flow hedges, net of tax; partial disposal or dilution of investments in subsidiary companies, without loss of control; disposal of investments in subsidiary companies, with loss of control; disposal or dilution of investments in associated companies and joint ventures; and others, net.

## Selected balance sheet data

	As at March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
<b>Non-current assets</b>				
Property, plant and equipment	67,974.3	66,777.8	67,791.0	53,802.4
Intangible assets	19,146.9	18,856.9	17,923.0	14,224.6
Associated companies	33,379.4	30,862.0	37,063.3	29,415.3
Joint ventures	11,230.9	11,191.7	12,410.9	9,849.9
Financial assets	63,781.6	65,043.4	59,983.0	47,605.6
Derivative financial instruments	399.2	252.4	720.9	572.1
Investment properties	6,534.8	7,144.6	7,853.6	6,233.0
Properties under development	186.8	175.7	433.3	343.9
Other non-current assets	10,241.2	11,302.3	10,650.2	8,452.5
Deferred tax assets	1,808.7	1,745.1	1,496.1	1,187.4
	214,683.8	213,351.9	216,325.3	171,686.7
Current assets	70,109.0	84,559.2	86,310.7	68,500.6
<b>Total assets</b>	<u>284,792.8</u>	<u>297,911.1</u>	<u>302,636.0</u>	<u>240,187.3</u>
<b>Equity attributable to equity holder of Temasek</b>				
Share capital	34,568.5	34,568.5	39,306.4	31,195.6
Other reserves	13,822.5	13,680.8	13,698.5	10,871.8
Share option reserve	630.4	687.1	—	—
Fair value reserve	21,971.4	20,900.3	11,765.1	9,337.4
Hedging reserve	(275.4)	(484.0)	(641.9)	(509.5)
Currency translation reserve	(2,630.5)	(3,993.7)	(4,316.5)	(3,425.8)
Accumulated profits	81,656.2	90,121.4	98,354.7	78,059.3
	149,743.1	155,480.4	158,166.3	125,528.8
Non-controlling interests	23,408.6	24,062.1	23,494.7	18,646.6
<b>Total equity</b>	<u>173,151.7</u>	<u>179,542.5</u>	<u>181,661.0</u>	<u>144,175.4</u>
<b>Non-current liabilities</b>				
Borrowings	48,436.9	48,139.4	53,851.1	42,739.0
Derivative financial instruments	2,384.2	2,085.1	2,508.9	1,991.2
Provisions	462.0	478.7	596.3	473.3
Deferred income and liabilities	2,950.1	2,552.8	3,066.2	2,433.5
Deferred tax liabilities	6,108.3	5,279.1	4,650.6	3,690.9
Other non-current liabilities	3,094.9	2,922.6	2,807.2	2,227.9
	63,436.4	61,457.7	67,480.3	53,555.8
Current liabilities	48,204.7	56,910.9	53,494.7	42,456.1
<b>Total liabilities</b>	<u>111,641.1</u>	<u>118,368.6</u>	<u>120,975.0</u>	<u>96,011.9</u>
<b>Total equity and liabilities</b>	<u>284,792.8</u>	<u>297,911.1</u>	<u>302,636.0</u>	<u>240,187.3</u>

## Selected cash flow statement data

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Profit before income tax	8,474.5	17,775.3	14,762.5	11,716.3
Operating cash flow before changes in working capital	16,428.4	20,176.6	16,834.7	13,360.9
Cash flows from operating activities	11,012.6	16,025.2	13,158.4	10,443.2
Cash flows used in investing activities	(5,284.7)	(4,888.2)	(14,761.5)	(11,715.5)
Cash flows used in financing activities	(195.7)	(1,697.5)	(1,415.5)	(1,123.4)
Net increase/(decrease) in cash and cash equivalents	5,532.2	9,439.5	(3,018.6)	(2,395.7)
Cash and cash equivalents at the beginning of the year	33,972.0	39,504.2	48,943.7	38,844.2
Cash and cash equivalents at the end of the year	<u>39,504.2</u>	<u>48,943.7</u>	<u>45,925.1</u>	<u>36,448.5</u>

## Other financial data

	As at and for the year ended March 31,			
	2010	2011	2012	2012
EBITDA <sup>(1)</sup> (million) .....	S\$20,198.9	S\$27,784.9	S\$24,998.0	US\$19,839.7
EBITDA interest coverage <sup>(2)</sup> .....	8.3	10.7	9.7	9.7
Net debt <sup>(3)</sup> (million) .....	S\$17,776.8	S\$9,477.2	S\$16,064.2	US\$12,749.4
Net debt/EBITDA <sup>(4)</sup> .....	0.9	0.3	0.6	0.6
Net debt/capital <sup>(5)</sup> (%) .....	9.3	5.0	8.1	8.1

### Notes:

- (1) EBITDA of the Temasek Group is defined as profit before income tax, finance expenses, depreciation, amortization and impairment loss on property, plant and equipment and intangible assets. EBITDA of the Temasek Group is presented because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. EBITDA of the Temasek Group is not determined in accordance with FRS and should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. EBITDA of the Temasek Group is not comparable to that of other companies that may determine EBITDA differently.

### Reconciliation of profit before income tax to EBITDA:

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Profit before income tax .....	8,474.5	17,775.3	14,762.5	11,716.3
Add: Depreciation/impairment loss on property, plant and equipment .....	7,672.5	6,765.7	6,700.0	5,317.5
Add: Amortization/impairment loss on intangible assets .....	1,619.9	645.6	949.7	753.7
Add: Finance expenses .....	2,432.0	2,598.3	2,585.8	2,052.2
EBITDA .....	<u>20,198.9</u>	<u>27,784.9</u>	<u>24,998.0</u>	<u>19,839.7</u>

- (2) EBITDA interest coverage is calculated by dividing EBITDA by finance expenses.
- (3) Net debt is computed by subtracting cash and cash equivalents (excluding bank overdrafts) from total debt as follows:

	As at March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million)
Total debt* .....	57,326.6	58,486.0	62,026.0	49,227.0
Less: Cash and cash equivalents (excluding bank overdrafts) .....	<u>(39,549.8)</u>	<u>(49,008.8)</u>	<u>(45,961.8)</u>	<u>(36,477.6)</u>
Net debt .....	<u>17,776.8</u>	<u>9,477.2</u>	<u>16,064.2</u>	<u>12,749.4</u>

\* See Note 27 of Temasek's consolidated financial statements which are included elsewhere in this Offering Circular. This figure includes bank overdrafts.

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



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

*The following discussion and analysis should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto for the years ended March 31, 2010, 2011 and 2012 which are included elsewhere in this Offering Circular.*

*The consolidated financial statements of Temasek have been prepared in accordance with FRS, which differ in certain respects from IFRS and U.S. GAAP. Such differences may be material. See "Investment considerations—Considerations related to the Issuer and Temasek—The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries". Temasek is an exempt private company under the Singapore Companies Act and therefore it is not required to file its financial statements with the relevant public registry in Singapore. Temasek's consolidated financial statements are presented only for the purpose of the issue of the Notes.*

## Overview

The Temasek Group had total assets of S\$302.6 billion (US\$240.2 billion) as at March 31, 2012. The Temasek Group generated revenue of S\$83.5 billion (US\$66.3 billion) and profit attributable to equity holder of Temasek of S\$10.7 billion (US\$8.5 billion) for the year ended March 31, 2012.

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

### **Global Market and Economic Conditions**

The Temasek Group's results of operations are materially affected by conditions in the global capital markets and the economy generally, including in the U.S. and Europe despite Temasek's portfolio's limited direct exposure to these regions. Many key indicators of sustainable economic growth remain under pressure. Ongoing concerns including the pace of the recovery in the U.S. and its substantial debt burden, the risk of global contagion from the growing European sovereign debt crisis and its impact on the European banking system and single currency union as well as concerns of slower economic growth in China and India have led to an increase in global market volatility. Further, there continue to be immediate concerns over energy costs, geopolitical issues, the availability and cost of credit, volatility in debt and equity prices, declining business and consumer confidence, and unemployment levels, as well as medium to long term concerns over inflation levels. The adverse global economic conditions and capital markets volatility could have an adverse effect on the Temasek Group in many ways.

It is difficult to predict how long the current economic conditions will continue, whether they will deteriorate and which of Temasek's portfolio companies' businesses may be adversely affected. Temasek's investment portfolio has some concentrated exposure to a few industry sectors and geographic regions.

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

Temasek annually reviews its investment portfolio to determine if any impairments in the value of its investment securities is required. If Temasek determines that the value of the investment securities is impaired, Temasek would record an impairment loss in its consolidated income statement, which could materially adversely impact Temasek's consolidated results of operations. Temasek's consolidated shareholder's equity would also be adversely impacted due to the decline in the value of its investment securities.

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

## ***The Singapore economy***

As at March 31, 2012, approximately 30% of Temasek's Net Portfolio Value was in Singapore. Singapore has an export-oriented economy and is a regional business and financial center with gross domestic product ("GDP") of S\$326.8 billion at current market prices for the 12 months ended December 31, 2011, which is equivalent to GDP per capita of S\$63,050 at current market prices. The following table shows the annual rates of growth in Singapore's GDP from 2001 to 2011 based on 2005 market prices.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Singapore GDP growth . . . . .	(1.2)%	4.2%	4.6%	9.2%	7.4%	8.7%	8.8%	1.5%	(0.8)%	14.5%	4.9%

Source: Singapore Department of Statistics

The Singapore economy weakened over the course of 2008 and 2009, alongside an escalation in the turmoil in the global financial markets and a more severe deceleration in global economic activity, both of which showed signs of improvement in 2010. The recovery in the Singapore economy slowed in 2011 against the backdrop of increased uncertainty in financial markets and weakness in the European Union economy due to the ongoing sovereign debt crisis.

According to a June 2012 announcement of the MAS, renewed uncertainty stemming from the Eurozone debt crisis, a flagging recovery in the U.S., and deepening slowdowns in China and India pose significant challenges to near-term global economic growth. The trade-oriented Asian economies are likely to see activity moderating for the rest of the year, although domestic demand is expected to provide some support. Against the subdued global backdrop, economic activity in Singapore is likely to remain restrained in 2012. Further, inflation is expected to remain elevated and volatile. The Trade and Industry Ministry of Singapore has estimated that GDP will grow by approximately 1.0% to 3.0% in 2012 compared to growth of 4.9% in 2011.

## ***Investments and divestments by Temasek***

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

## **Basis of preparation of Temasek's consolidated financial statements**

### ***Basis of preparation***

Temasek's consolidated financial statements for the years ended March 31, 2010, 2011 and 2012 have been prepared in accordance with FRS.

Temasek's consolidated financial statements include the financial data of Temasek and its subsidiary companies as at and for the years ended March 31, 2010, 2011 and 2012, except for the companies set forth in Note 2.4 of the consolidated financial statements, which for the years ended March 31, 2010, 2011 and 2012 have been consolidated on the basis of their audited financial statements for the years ended December 31, 2009, 2010 and 2011, respectively (and in the case of Neptune Orient Lines Limited ("NOL") and STATS ChipPAC Ltd. ("STATS"), which have adopted the last Friday and last Sunday, respectively, of every calendar year to be their financial year end). The approximate effect of consolidating such companies set forth in Note 2.4 of the consolidated financial statements on the basis of their unaudited financial statements as at and for the financial years ended March 31 in each of 2010, 2011 and 2012 has been included in Note 2.4 of the consolidated financial statements.

For a further discussion of the individual accounting policies of Temasek and its subsidiary companies, see Note 3 "Significant accounting policies" of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

In the consolidated financial statements of Temasek for years ended March 31, 2010, 2011 and 2012, Temasek Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are

mandatory for application by the Temasek Group from that date. Consequently, the consolidated financial statements for the years ended March 31, 2010, 2011 and 2012 have been prepared in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

For a more detailed description of the effects of adoption of the new or amended FRS and INT FRS that are mandatory for application by the Temasek Group, see Note 2.6 of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

### **Critical estimates and judgements**

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

### **Overview of results of operations**

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

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

	Year ended March 31,		
	2010	2011	2012
	(S\$ million)		
Revenue .....	76,658.0	83,519.0	83,548.0
Net operating expenses .....	(72,570.1)	(70,074.8)	(73,374.1)
Share of profit of associated companies and joint ventures, net of tax .....	4,386.6	4,331.1	4,588.6
Profit before income tax .....	8,474.5	17,775.3	14,762.5
Income tax expense .....	(1,682.1)	(1,953.3)	(1,395.0)
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>
<b>Attributable to:</b>			
Equity holder of Temasek .....	4,593.2	12,667.5	10,729.9
Non-controlling interests .....	<u>2,199.2</u>	<u>3,154.5</u>	<u>2,637.6</u>
Profit for the year .....	<u>6,792.4</u>	<u>15,822.0</u>	<u>13,367.5</u>

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

## Revenue

Revenue consists of revenue of Temasek and its subsidiary companies. The following table sets forth the key subsidiary contributors to the Temasek Group's revenue as set forth in their respective financial statements for one or more of the years indicated:

	Year ended March 31,		
	2010	2011	2012
	(S\$ million)		
Singapore Telecommunications Limited	16,870.9	18,070.6	18,825.3
Singapore Airlines Limited	12,707.3	14,524.8	14,857.8
Neptune Orient Lines Limited <sup>(1)</sup>	9,473.7	12,823.5	11,550.2
Singapore Power Limited	6,625.8	7,804.5	8,662.3
Singapore Technologies Engineering Ltd	5,547.8	5,984.5	5,990.9
Singapore Technologies Telemedia Pte Ltd	5,977.0	6,008.0	5,159.0 <sup>(2)</sup>
PSA International Pte Ltd	3,835.4	4,076.5	4,313.5
Fullerton Financial Holdings Pte. Ltd. <sup>(3)</sup>	3,024.1	3,166.1	3,497.9

### Notes:

- (1) The amounts presented for the years ended March 31, 2010, 2011 and 2012 have been converted into Singapore dollars using average rates of S\$1.454, S\$1.361 and S\$1.254 per US\$1.00, respectively.
- (2) In accordance with the requirements of FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*, Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") presented the results of Global Crossing Limited (now known as Level 3 GC Limited following its acquisition by Level 3 Communications, Inc.) ("Global Crossing") as discontinued operations in a single amount under "Profit from discontinued operations, net of tax" in its financial statements, as the disposal of its interest in Global Crossing represented a disposal of a major line of business. Revenue for the year ended March 31, 2011 has also been re-presented as if Global Crossing has been discontinued from the start of the comparative period. As the disposal of Global Crossing is not considered to be a discontinued operation of the Temasek Group, the results of Global Crossing have been classified accordingly in the respective line items in Temasek's consolidated financial statements. On the same basis, Temasek has not reflected the re-presented amount for the year ended March 31, 2011 in its consolidated financial statements.
- (3) Revenue comprises gross interest income and net fee and commission income.

## Net operating expenses

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

## Profit before income tax

Profit before income tax is derived primarily from gains and losses from divestments, and contributions from subsidiary and associated companies and joint ventures.

The following table sets forth the key subsidiary contributors to the Temasek Group's profit before income tax as set forth in their respective financial statements for one or more of the years indicated. In cases where classification of expenses differs from the Temasek Group, adjustments have been made to conform to the Temasek Group's classification.

	Year ended March 31,		
	2010	2011	2012
	(S\$ million)		
Singapore Telecommunications Limited	4,501.1	4,446.4	4,314.4
Fullerton Financial Holdings Pte. Ltd.	786.0	1,186.4	3,523.0
Singapore Technologies Telemedia Pte Ltd	87.0	(159.0)	2,322.0 <sup>(1)</sup>
PSA International Pte Ltd	1,108.6	1,389.2	1,443.6
Singapore Power Limited	39.6	1,290.1	1,362.5
Mapletree Investments Pte Ltd.	449.2	891.9	696.2
Singapore Technologies Engineering Ltd.	546.6	627.5	655.2
Singapore Airlines Limited	285.5	1,419.0	448.2
Neptune Orient Lines Limited <sup>(2)</sup>	(1,018.0)	721.1	(537.9)

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Notes:

- (1) In accordance with the requirements of FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*, ST Telemedia presented the results of Global Crossing as discontinued operations in a single amount under "Profit from discontinued operations, net of tax" in its financial statements, as the disposal of its interest in Global Crossing represented a disposal of a major line of business. Profit before income tax for the year ended March 31, 2011 has also been re-presented as if Global Crossing has been discontinued from the start of the comparative period. As the disposal of Global Crossing is not considered to be a discontinued operation of the Temasek Group, the results of Global Crossing have been classified accordingly in the respective line items in Temasek's consolidated financial statements. On the same basis, Temasek has not reflected the re-presented amount for the year ended March 31, 2011 in its consolidated financial statements.
- (2) The amounts presented for the years ended March 31, 2010, 2011 and 2012 have been converted into Singapore dollars using average rates of S\$1.454, S\$1.361 and S\$1.254 per US\$1.00, respectively.

Profit before income tax includes Temasek's and its subsidiary companies' share of profit of associated companies and joint ventures, net of tax, including CapitaLand Limited ("CapitaLand"), DBS Group Holdings Ltd ("DBS Group"), Keppel Corporation Limited ("Keppel Corp") and Sembcorp Industries Ltd ("Sembcorp Industries").

***Income tax expense***

Income tax expense comprises current taxation, deferred taxation and adjustments for prior periods. The Singapore corporate tax rate was 17% for each of the years ended March 31, 2010, 2011 and 2012.

***Profit attributable to non-controlling interests***

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

**Comparison of results of operations for the year ended March 31, 2012 with the year ended March 31, 2011**

***Revenue***

Revenue increased marginally by S\$29.0 million from S\$83,519.0 million for the year ended March 31, 2011 to S\$83,548.0 million for the year ended March 31, 2012. The increase in revenue was principally due to:

- an increase in revenue from Singapore Power Limited ("Singapore Power") arising from higher sales prices as a result of higher cost of electricity purchased by its retail business, higher volume of electricity and gas transported by its transmission and distribution businesses and a strengthening of the Australian dollar over the prior year;
- an increase in revenue from Singapore Telecommunications Limited ("SingTel") due to an increase in revenue from its mobile business in Singapore and a strengthening of the Australian dollar over the prior year;
- an increase in revenue from Gas Supply Pte Ltd due to higher sales prices of natural gas; and
- an increase in revenue from Singapore Airlines Limited ("SIA") primarily due to a 3.6% increase in volume for its passenger business, partially offset by weaker passenger yields.

The increase in revenue was partially offset by:

- a decrease in revenue from NOL due to lower freight rates in its container shipping business unit and a weakening of the United States dollar over the prior year; and
- a decrease in revenue from ST Telemedia as ST Telemedia ceased to consolidate the results of Global Crossing as a subsidiary company following its divestment in October 2011.

### ***Profit before income tax***

Profit before income tax decreased by S\$3,012.8 million, or 16.9%, from S\$17,775.3 million for the year ended March 31, 2011 to S\$14,762.5 million for the year ended March 31, 2012. The decrease in profit before income tax was principally due to:

- a decrease in profit from Temasek mainly due to losses from short term investments and higher impairment provision on investments, partially offset by divestment gains from long term investments;
- losses from NOL mainly due to lower freight rates in its container shipping business unit and higher fuel costs; and
- a decrease in profit from SIA mainly due to high fuel prices and weaker passenger yields, partially offset by an increase in volume for its passenger business.

The decrease in profit before tax was partially offset by:

- profits from ST Telemedia mainly due to the gain on divestment of shares in Global Crossing in return for shares in Level 3 Communications, Inc. in October 2011; and
- an increase in profit from DBS Group due to higher net interest income driven by higher loan volumes and the impairment of goodwill in the year ended March 31, 2011 and no such impairment occurring in the year ended March 31, 2012.

### ***Income tax expense***

Income tax expense decreased by S\$558.3 million, or 28.6%, from S\$1,953.3 million for the year ended March 31, 2011 to S\$1,395.0 million for the year ended March 31, 2012, primarily reflecting the decrease in profit before tax for the year ended March 31, 2012.

### ***Profit attributable to non-controlling interests***

Profit attributable to non-controlling interests decreased by S\$516.9 million, or 16.4%, from S\$3,154.5 million for the year ended March 31, 2011 to S\$2,637.6 million for the year ended March 31, 2012, consistent with decreased profits of Temasek's subsidiary companies that are not wholly-owned.

### ***Profit attributable to the equity holder of Temasek***

As a result of the foregoing factors, profit attributable to equity holder of Temasek decreased by S\$1,937.6 million, or 15.3%, from S\$12,667.5 million for the year ended March 31, 2011 to S\$10,729.9 million for the year ended March 31, 2012.

## **Comparison of results of operations for the year ended March 31, 2011 with the year ended March 31, 2010**

### ***Revenue***

Revenue increased by S\$6,861.0 million, or 9.0%, from S\$76,658.0 million for the year ended March 31, 2010 to S\$83,519.0 million for the year ended March 31, 2011. The increase in revenue was principally due to:

- an increase in revenue from NOL due to an increase in the revenue of its container shipping business unit from higher volumes and an increase in freight rates from the prior year;
- an increase in revenue from SIA as volume and rates for both its passenger and cargo businesses improved following a recovery in demand for passenger travel and cargo transportation from depressed levels in the prior year;
- an increase in revenue from SingTel due to an increase in revenue from its mobile businesses in Singapore and Australia and a strengthening of the Australian dollar over the prior year; and
- an increase in revenue from Singapore Power arising from higher sales prices as a result of higher cost of electricity purchased by its retail business and higher volume of electricity and gas transported by its transmission and distribution businesses.



The increase in revenue was partially offset by a reduction in revenue as Temasek ceased to consolidate the results of Chartered Semiconductor Manufacturing Ltd. ("Chartered") as a subsidiary company from January 2010 following its divestment in December 2009.

### ***Profit before income tax***

Profit before income tax increased by S\$9,300.8 million, or 109.8%, from S\$8,474.5 million for the year ended March 31, 2010 to S\$17,775.3 million for the year ended March 31, 2011. This increase principally reflected:

- an increase in profit from Temasek mainly due to net realized gains on disposal from its portfolio investments;
- profits from NOL, mainly due to higher volumes and increased freight rates in its container shipping business unit;
- an increase in profit from Singapore Power, primarily due to an increase in revenue and the impairment of goodwill of certain assets held by its subsidiary, SPI (Australia) Assets Pty Ltd, in the year ended March 31, 2010 and no such impairment occurring in the year ended March 31, 2011;
- an increase in profit from SIA, primarily from an increase in revenue and lower fuel hedging losses, partially offset by higher fuel costs;
- an increase in profit from Fullerton Financial Holdings Pte. Ltd. ("FFH"), largely due to an increase in the net fee and commission income and higher net interest income of its banking subsidiary companies and higher dividend income, partially offset by higher operating expenses; and
- an increase in profit from Mapletree Investments Pte Ltd ("Mapletree") due to improved capital management and a strong performance by its real estate businesses, including a revaluation gain in the value of its investment properties and realized gains from the listing of its associated company, the Mapletree Industrial Trust.

### ***Income tax expense***

Income tax expense increased by S\$271.2 million, or 16.1%, from S\$1,682.1 million for the year ended March 31, 2010 to S\$1,953.3 million for the year ended March 31, 2011, primarily reflecting the increase in profit before tax for the year ended March 31, 2011.

### ***Profit attributable to non-controlling interests***

Profit attributable to non-controlling interests increased by S\$955.3 million, or 43.4%, from S\$2,199.2 million for the year ended March 31, 2010 to S\$3,154.5 million for the year ended March 31, 2011, consistent with increased profits of Temasek's subsidiary companies that are not wholly-owned.

### ***Profit attributable to the equity holder of Temasek***

As a result of the foregoing factors, profit attributable to equity holder of Temasek increased by S\$8,074.3 million from S\$4,593.2 million for the year ended March 31, 2010 to S\$12,667.5 million for the year ended March 31, 2011.

## **Liquidity and capital resources**

### ***Overview***

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

strategic, financial, operational and political risks". Temasek has declared dividends annually to its shareholder for each of its financial years ended March 31, 2010, 2011 and 2012.

Temasek believes that it currently maintains sufficient liquidity to meet its existing requirements.

### **Liquidity**

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

#### *Consolidated cash flow statement data*

	Year ended March 31,			
	2010	2011	2012	2012
		(S\$ million)		(US\$ million) <sup>(1)</sup>
Profit before income tax .....	8,474.5	17,775.3	14,762.5	11,716.3
Cash flows from operating activities .....	11,012.6	16,025.2	13,158.4	10,443.2
Cash flows used in investing activities .....	(5,284.7)	(4,888.2)	(14,761.5)	(11,715.5)
Cash flows used in financing activities .....	(195.7)	(1,697.5)	(1,415.5)	(1,123.4)
Net increase/(decrease) in cash and cash equivalents .....	5,532.2	9,439.5	(3,018.6)	(2,395.7)
Cash and cash equivalents at the beginning of the year .....	33,972.0	39,504.2	48,943.7	38,844.2
Cash and cash equivalents at the end of the year .....	39,504.2	48,943.7	45,925.1	36,448.5

Note:

(1) Translated using the Noon Buying Rate of S\$1.26 per US\$1.00 on March 30, 2012, giving effect to rounding where applicable.

#### *Year ended March 31, 2012*

Cash flows from operating activities for the year ended March 31, 2012 totaled S\$13,158.4 million, a decrease of S\$2,866.8 million compared to the year ended March 31, 2011, mainly due to lower profits. Income tax paid for the year ended March 31, 2012 reduced cash flows generated from operations by S\$2,021.7 million.

Cash flows used in investing activities for the year ended March 31, 2012 totaled S\$14,761.5 million, of which the principal outflow was payments for property, plant and equipment of S\$9,568.2 million, primarily by SingTel, Singapore Power, SIA and NOL, payments for purchases of interests in associated companies and joint ventures of S\$4,770.7 million and payments for purchases, net of proceeds from disposal of financial assets and derivative financial instruments, of S\$3,001.0 million. These cash outflows were partially offset by dividends received from associated companies and joint ventures of S\$2,500.7 million.

Cash flows used in financing activities for the year ended March 31, 2012 totaled S\$1,415.5 million, of which the principal outflows resulted from interest payments totaling S\$2,857.1 million and payment of dividends totaling S\$6,984.7 million. These cash outflows were partially offset by net proceeds from borrowings of S\$4,614.6 million and proceeds from the issuance of new shares of S\$4,020.3 million.

Cash and cash equivalents decreased by S\$3,018.6 million from S\$48,943.7 million as at March 31, 2011 to S\$45,925.1 million as at March 31, 2012.

#### *Year ended March 31, 2011*

Cash flows from operating activities for the year ended March 31, 2011 totaled S\$16,025.2 million, an increase of S\$5,012.6 million compared to the year ended March 31, 2010. Income tax paid for the year ended March 31, 2011 reduced cash flows generated from operations by S\$1,249.6 million.

Cash flows used in investing activities for the year ended March 31, 2011 totaled S\$4,888.2 million, of which the principal outflow was payments for property, plant and equipment of S\$7,457.8 million, primarily by SingTel, Singapore Power, SIA, NOL and PSA International Pte Ltd ("PSA"). These cash outflows were partially offset by dividends received from associated companies and joint ventures of S\$3,056.0 million.

Cash flows used in financing activities for the year ended March 31, 2011 totaled S\$1,697.5 million, of which the principal outflows resulted from interest payments totaling S\$2,777.3 million and payment of

dividends totaling S\$1,931.4 million. These cash outflows were partially offset by net proceeds from borrowings of S\$3,414.3 million.

Cash and cash equivalents increased by S\$9,439.5 million from S\$39,504.2 million as at March 31, 2010 to S\$48,943.7 million as at March 31, 2011.

#### *Year ended March 31, 2010*

Cash flows from operating activities for the year ended March 31, 2010 totaled S\$11,012.6 million, a decrease of S\$2,717.5 million compared to the year ended March 31, 2009. Income tax paid for the year ended March 31, 2010 reduced cash flows generated from operations by S\$1,260.3 million.

Cash flows used in investing activities for the year ended March 31, 2010 totaled S\$5,284.7 million, of which the principal outflow was payments for property, plant and equipment of S\$8,065.6 million, primarily by SingTel, Singapore Power, SIA, PSA and STATS. These cash outflows were partially offset by dividends received from associated companies and joint ventures of S\$2,171.1 million and dividends received from financial assets of S\$1,164.6 million.

Cash flows used in financing activities for the year ended March 31, 2010 totaled S\$195.7 million, of which the principal outflows resulted from interest payments totaling S\$2,775.1 million and payment of dividends totaling S\$2,699.8 million. These cash outflows were partially offset by net proceeds from borrowings of S\$4,171.9 million and capital contributions from non-controlling interests of Temasek's subsidiary companies of S\$1,177.7 million.

Cash and cash equivalents increased by S\$5,532.2 million from S\$33,972.0 million as at March 31, 2009 to S\$39,504.2 million as at March 31, 2010.

#### **Group indebtedness**

The following table sets forth the Temasek Group's indebtedness by category and maturity profile as at March 31, 2012:

	Total	Payment due by period <sup>(1)</sup>		
		Less than 1 year	1-5 years	More than 5 years
		(S\$ million)		
Bank loans and bank overdrafts .....	21,163.7	5,651.4	13,275.0	2,237.3
Fixed rate notes .....	35,798.7	499.8	13,704.4	21,594.5
Floating rate notes .....	632.7	—	—	632.7
Guaranteed exchangeable bonds/notes .....	1,219.5	—	1,219.5	—
Finance lease and hire purchase obligations .....	1,072.7	110.6	290.7	671.4
Others <sup>(2)</sup> .....	2,138.7	1,913.1	187.1	38.5
Total debt .....	<u>62,026.0</u>	<u>8,174.9</u>	<u>28,676.7</u>	<u>25,174.4</u>

#### Notes:

- (1) Amounts shown in this table are the amortized cost of the Temasek Group's indebtedness. For a more detailed description of Temasek's accounting policy on borrowings, see Note 3.7(f) of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.
- (2) Others include convertible redeemable preference shares, commercial bills, including commercial paper issued under the Temasek ECP Program (as defined below), and other loans.

On February 16, 2011, Temasek Financial (II) Private Limited established a US\$5 billion Euro-commercial Paper Program ("Temasek ECP Program"), fully and unconditionally guaranteed by the Guarantor.

As at March 31, 2012, the Temasek Group's indebtedness includes Notes issued under the Program by the Issuer and fully and unconditionally guaranteed by the Guarantor in the aggregate amount of S\$9.68 billion (US\$7.68 billion) (based on the amortized cost of the Notes recorded in Temasek's consolidated financial statements).

In the year ended March 31, 2012, Temasek, through its wholly-owned subsidiary, Temasek Financial (III) Private Limited ("TF(III)"), issued two Zero Coupon Guaranteed Exchangeable Bonds, fully and unconditionally guaranteed by the Guarantor: one is S\$790 million principal amount of Zero Coupon Guaranteed Exchangeable Bonds due 2014, exchangeable for ordinary shares of Standard

Chartered PLC, and the other is S\$500 million principal amount of Zero Coupon Guaranteed Exchangeable Bonds due 2013, exchangeable for ordinary shares of Li & Fung Limited.

***Group capital and other commitments and contingent liabilities***

The Temasek Group has certain capital and other commitments and contingent liabilities as described in Note 36 and 37 of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

# Business of Temasek

## Overview

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by Standard & Poor’s.

Temasek was incorporated in 1974 under the Singapore Companies Act and is wholly-owned by the Government through MOF. The Constitution sets out a framework relating to the safeguarding of reserves of Temasek. See “Annex D — Constitutional safeguards”.

## History

Temasek was established to create and maximize long-term shareholder value as an active investor and shareholder of successful enterprises. Based in Singapore, Temasek was formed by the Government in 1974 to separately hold and manage its investments in companies and joint ventures. This enabled the Government to focus on its core role of policymaking and regulations and provided an opportunity for a commercially disciplined and independent company to achieve sustainable long-term returns. In addition to managing its initial portfolio, Temasek also actively invested in other local companies in Singapore for growth and diversification. As Singapore’s economy evolved and became increasingly globalized, Temasek began to invest actively outside of Singapore. Temasek today has a portfolio of companies covering the following major sectors: financial services; telecommunications, media and technology; transportation and industrials; consumer and real estate; energy and resources; and life sciences. These investments span across countries and regions, including Singapore, Asia, Australia & New Zealand, North America & Europe, Africa, Central Asia & the Middle East and Latin America.

## Strategy

Temasek is an investment company that owns and manages its assets based on commercial principles. Temasek is an active investor and shareholder that aims to deliver sustainable value over the long term. Temasek is a forward looking institution that acts with integrity and is committed to the pursuit of excellence. Temasek is also a trusted steward that strives for the advancement of its communities across generations.

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings. These actions are driven by a set of commercial principles to create and maximize risk-adjusted returns over the long term.

As an engaged shareholder, Temasek promotes sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards. Companies in its portfolio are guided and managed by their respective boards and management; Temasek does not direct their business decisions or operations.

Similarly, Temasek’s investment, divestment and other business decisions are directed by its Board and management. Neither the President of Singapore nor Temasek’s shareholder, the Singapore Government, is involved in Temasek’s business decisions.

Temasek’s decisions as a professionally managed investment house are guided by business tenets and commercial discipline. As the owner of its portfolio, Temasek has flexible investment horizons and the option of taking concentrated positions or remaining in cash.

Temasek continues to center its investment strategies on these four investment themes:

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

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

Temasek continues to be guided by a directional portfolio mix of 40:30:20:10. This means about 40% exposure to Asia (excluding Singapore), 30% exposure to Singapore, 20% exposure to Australia & New Zealand together with North America & Europe and 10% exposure to Latin America and other growth regions. Temasek believes this portfolio mix provides a balanced exposure between mature economies and growth regions. Temasek maintains full flexibility to shift the weight of its portfolio in response to the major trends and market opportunities.

## **Investment portfolio by sectors**

Temasek invests across sectors including financial services; telecommunications, media and technology; transportation and industrials; consumer and real estate; energy and resources; and life sciences. The discussion below sets forth Temasek's key investments in terms of market value (in the case of listed securities) or book value (in the case of unlisted securities) in these sectors, as well as their contribution to Temasek's Net Portfolio Value, in each case as at March 31, 2012 (unless otherwise indicated).

### ***Financial services***

Temasek's key investments in the financial services sector were its minority interest in each of China Construction Bank Corporation ("CCB"), Standard Chartered PLC ("Standard Chartered") and DBS Group. Temasek's investments in the financial services sector comprised 31% of Temasek's Net Portfolio Value.

### ***Telecommunications, media and technology***

Temasek's key investments in the telecommunications, media and technology sector were its majority interest in each of SingTel and ST Telemedia and its minority interest in Bharti Telecom Limited. Temasek's investments in the telecommunications, media and technology sector comprised 24% of Temasek's Net Portfolio Value.

### ***Transportation and industrials***

Temasek's key investments in the transportation and industrials sector were its majority interest in each of SIA, PSA and Singapore Power. Temasek's investments in the transportation and industrials sector comprised 21% of Temasek's Net Portfolio Value.

### ***Consumer and real estate***

Temasek's key investments in the consumer and real estate sector were its majority interest in Mapletree and its minority interest in each of CapitaLand and SATS Ltd. Temasek's investments in the consumer and real estate sector comprised 11% of Temasek's Net Portfolio Value.

### ***Energy and resources***

Temasek's key investments in the energy and resources sector were its minority interest in FTS International, Inc. (formerly known as Frac Tech International, LLC), The Mosaic Company and Inmet Mining Corporation. Temasek's investments in the energy and resources sector comprised 6% of Temasek's Net Portfolio Value.

### ***Life sciences***

Temasek's key investments in the life sciences sector were its minority interests in each of Celltrion Inc., Shanghai Pharmaceutical Holdings Co. and Cargill Tropical Palm Holdings Pte Ltd. Temasek's investments in the life sciences sector comprised less than 1% of Temasek's Net Portfolio Value.



## Major investments

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

The following table sets forth the total market value (in the case of listed securities) or total book value (in the case of unlisted securities) of Temasek's major portfolio companies, as well as Temasek Group's effective interest in those portfolio companies, as of March 31, 2012. These companies accounted for approximately 71% of Temasek's Net Portfolio Value as at March 31, 2012<sup>(1)</sup>.

	As at March 31, 2012		Effective Interest of the Temasek Group <sup>(3)</sup>
	Major Portfolio Companies Total Market or Book Value <sup>(2)</sup>		
	(S\$ million)	(US\$ million)	
<b>Listed subsidiary companies</b>			
Singapore Telecommunications Limited .....	50,218	39,856	54
Singapore Airlines Limited .....	12,674	10,059	56
Singapore Technologies Engineering Ltd .....	9,968	7,911	51
Neptune Orient Lines Limited .....	3,658	2,903	66
<b>Unlisted subsidiary companies</b>			
Fullerton Financial Holdings Pte. Ltd. <sup>(4)</sup>			100
– China Construction Bank Corporation .....	243,190	193,008 <sup>(5)</sup>	8
– Bank of China Limited .....	159,022	126,208 <sup>(5)</sup>	2
– PT Bank Danamon Indonesia Tbk .....	6,052	4,803 <sup>(6)</sup>	74
PSA International Pte Ltd .....	8,553 <sup>(7)</sup>	6,788 <sup>(7)</sup>	100
Singapore Power Limited .....	8,336	6,616	100
Mapletree Investments Pte Ltd .....	6,525	5,179	100
Singapore Technologies Telemedia Pte Ltd .....	3,548 <sup>(7)</sup>	2,816 <sup>(7)</sup>	100
<b>Listed associated companies</b>			
DBS Group Holdings Ltd .....	34,228	27,165	30
CapitaLand Limited .....	13,260	10,524	40
Keppel Corporation Limited .....	19,698	15,633	21
Sembcorp Industries Ltd .....	9,436	7,489	49
Shin Corporation Public Company Limited .....	7,734	6,138 <sup>(8)</sup>	42
<b>Listed other investments</b>			
Standard Chartered PLC .....	74,975	59,504 <sup>(9)</sup>	18

Notes:

- (1) "Net Portfolio Value" as of a specified date: (a) refers to the sum of (i) the market value of investments in publicly-listed securities as of such specified date and (ii) the fair value of investments in unlisted securities, in each case held directly by Temasek or indirectly through an Investment Holding Company, whether such holding is for the short term or the long term; and (b) takes into account the net amount of other assets and liabilities of Temasek and its Investment Holding Companies (which, as defined above, refer to Temasek's direct and indirect wholly-owned subsidiary companies whose principal activities are that of investment holding or financing, or the provision of investment advisory and consultancy services or management services to Temasek and the aforementioned subsidiary companies). In respect of (a)(ii), fair value of unlisted available-for-sale investments is based on valuation methods in accordance with FRS, and fair value of investments in unlisted subsidiary and associated companies is based on the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements, except in the case of unlisted subsidiary and associated companies that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiary and associated companies will take into account the market value of the underlying publicly-listed securities which they hold.

- (2) Total market value is presented in the case of publicly-listed companies and total book value is presented in the case of private companies. For the publicly-listed companies, other than CCB and Bank of China Limited which are listed on both the Shanghai Stock Exchange and the Stock Exchange of Hong Kong, Shin Corporation which is listed on the Stock Exchange of Thailand, Standard Chartered which is listed on the London Stock Exchange, the Stock Exchange of Hong Kong, the National Stock Exchange of India and the Bombay Stock Exchange, SingTel which is listed on both the SGX-ST and the Australian Securities Exchange and PT Bank Danamon Indonesia Tbk ("Danamon") which is listed on the Indonesia Stock Exchange, the rest of the companies are listed on the SGX-ST. For private companies, total book value represents the shareholders' equity as set out in the financial statements of the relevant companies.
- (3) "Effective interest", when used with respect to a portfolio company, refers to the aggregate of (i) the percentage interest in a portfolio company held directly by Temasek, if any, and (ii) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its subsidiary companies computed based on Temasek's percentage interest in any such subsidiary company multiplied by such subsidiary company's percentage interest in such portfolio company. It does not include (a) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its associated companies or joint ventures, and (b) the trading portfolios of Temasek and/or its subsidiary companies. The effective interest of the Temasek Group presented in the table above is consistent with the effective interest presented in Notes 40 and 41 of Temasek's consolidated financial statements, where applicable, and for FFH, CCB, Bank of China Limited, Danamon, Mapletree, Shin Corporation and Standard Chartered, is consistent with the method of computation of effective interest adopted in Temasek's consolidated financial statements. Temasek and its Investment Holding Companies' interest in its portfolio companies used for the purposes of computing Temasek's Net Portfolio Value as described in note (1) above, are derived on a different basis from the Temasek Group's effective interest in its portfolio companies.
- (4) FFH's major investments are CCB, Bank of China Limited and Danamon. See "—FFH" in this section for a description of these major investments. The Temasek Group's effective interest in CCB and Danamon are mainly attributable to FFH's interest, with certain other Temasek Group entities holding the remainder of the Temasek Group's effective interest in such entities. The market or book value of all of FFH's investments were used for the purpose of calculating Temasek's Net Portfolio Value.
- (5) The amounts presented have been converted from Hong Kong dollars ("HKD") to U.S. dollars using HKD7.77 per US\$1.00, which was the Noon Buying Rate for Hong Kong dollars on March 30, 2012.
- (6) The amounts presented have been converted from Indonesian rupiah ("Rp.") to U.S. dollars using Rp. 9,180 per US\$1.00 which was the middle exchange rate quoted by Bank Indonesia on March 30, 2012.
- (7) Total book value presented as at December 31, 2011.
- (8) The amounts presented have been converted from Thai Baht ("THB") to U.S. dollars using THB 30.82 per US\$1.00, which was the Noon Buying Rate for Thai Baht on March 30, 2012.
- (9) The amounts presented have been converted from Sterling to U.S. dollars using £1.00 per US\$1.60, which was the Noon Buying Rate for Sterling on March 30, 2012.

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

### **SingTel**

SingTel is Asia's leading communications group. With significant operations in Singapore and Australia (through wholly-owned subsidiary SingTel Optus), the SingTel group provides a portfolio of services that includes voice and data services over fixed, wireless and Internet platforms, as well as pay TV services.

The SingTel group has major investments in six leading mobile operators in the region and is the second largest satellite operator in the Asia Pacific. Together with Optus and the regional mobile associates, SingTel is Asia's largest multi-market mobile operator, serving more than 445 million customers across Asia, Australia and Africa.

### **SIA**

When SIA was formed in 1972, it operated a modest fleet of 10 aircraft to just 22 cities in 18 countries. With a commitment to fleet modernization, product and service innovation and market leadership, the Airline quickly distinguished itself as a world-class carrier.

Today, SIA operates a modern passenger fleet of more than 100 aircraft and its network, including Singapore Airlines Cargo and SilkAir destinations, currently covers a total of 106 destinations in 40 countries. SIA also provides engineering services to more than 85 international air carriers through its subsidiary, SIA Engineering Company. In October 2007, SIA made aviation history again as the first to fly the world's largest passenger aircraft, the Airbus A380.

### ***Singapore Technologies Engineering Ltd***

Singapore Technologies Engineering Ltd ("ST Engineering") is an integrated engineering group specializing in innovative solutions and services in the aerospace, electronics, land systems and marine sectors.

It leverages its multi-sector capabilities to develop advanced solutions for customers across industries. ST Engineering serves both commercial and defence customers in over 100 countries, through a global network of over 100 subsidiaries and associated companies in 23 countries and 41 cities spanning the US, Europe, Asia and Australasia.

### ***NOL***

NOL is a global container shipping, logistics and terminals company. Its container shipping arm, APL Limited ("APL"), provides container shipping services, intermodal operations and terminal handling services. In 2011, APL carried 5.96 million twenty-foot equivalent units ("TEUs") globally. APL's shipping network spans 115 countries and operates port facilities in Asia, Europe and North America.

Its supply chain services arm, APL Logistics Ltd, provides international logistics services and solutions.

### ***FFH***

FFH, a wholly-owned subsidiary of Temasek, invests in financial institutions in emerging markets, bringing an operational perspective to its investment decisions.

Its major investments include:

- CCB is a leading commercial bank in China, providing a comprehensive range of commercial banking products and services.

Its business consists of three principal business segments: corporate banking, personal banking, and treasury operations. CCB is among the market leaders in China in a number of products and services including infrastructure loans, residential mortgage, and bank cards. CCB maintains overseas branches in Hong Kong, Singapore, Frankfurt, Johannesburg, Tokyo, Seoul, New York, Ho Chi Minh City and Sydney, and representative offices in Taipei and Moscow, as well as a subsidiary bank in London. It was listed on the Main Board of the Stock Exchange of Hong Kong and the Shanghai Stock Exchange in 2005 and 2007, respectively.

- Bank of China Limited is among China's top four commercial banks, providing a comprehensive range of high-quality financial services to individual and corporate customers as well as financial institutions worldwide.

Its businesses cover commercial banking, investment banking and insurance. Members of the Bank of China Limited group include BOC Hong Kong, BOC International and BOCG Insurance. The bank had more than 10,000 domestic and overseas branches, subsidiaries and outlets as at the end of 2011. Bank of China Limited is listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

- Danamon is ranked as the sixth largest bank in Indonesia in terms of total assets with the second largest branch network consisting of over 2,900 branches and points of sale. Danamon has developed broadly diverse businesses, ranging from micro banking through Danamon Simpan Pinjam, retail banking and small medium enterprises ("SME") & commercial banking to corporate banking, as well as consumer automotive financing, general insurance and consumer goods financing through Adira Finance, Adira Insurance and Adira Kredit, respectively.

### ***PSA***

PSA is one of the leading global port groups. PSA's principal business is the provision of integrated container terminal services. PSA also provides pilotage and towage services through its wholly-owned subsidiary PSA Marine (Pte) Ltd. With its flagship operations in PSA Singapore Terminals and PSA Antwerp in Belgium, PSA participates in 29 port projects in 17 countries across Asia, Europe and the Americas. In 2011, PSA handled 57.1 million TEUs worldwide. PSA Singapore Terminals operates one of the world's busiest transshipment hubs, handling about one-seventh of the world's total container transshipment throughput, and 5% of global container throughput.

### ***Singapore Power***

Singapore Power Group is a leading energy utility company in Asia Pacific.

With assets of S\$32.4 billion at the end of March 2012, it is one of the largest corporations in Singapore. Singapore Power owns and operates electricity and gas transmission and distribution businesses and provides energy market support services in Singapore and Australia.

### ***Mapletree***

Mapletree is a leading real estate and capital management company headquartered in Singapore. Its core businesses are in real estate and capital management, with a strategic focus on markets and real estate sectors with growth potential in Asia. Mapletree's pan-Asia portfolio includes residential, office, retail, lifestyle, logistics, industrial and business park properties. Mapletree's business network spans across eight countries, including Singapore, China and India. They currently manage or co-manage three listed real estate investment trusts ("REITs") and three private equity real estate funds.

### ***ST Telemedia***

ST Telemedia is a major player in the global telecommunications and information services industry. ST Telemedia invests in and manages companies with a primary focus on fixed and mobile communication services and global Internet Protocol services.

ST Telemedia has major investments in StarHub Ltd., the second largest integrated telecommunications service provider in Singapore; Level 3 Communications, Inc., a U.S.-based company providing global integrated communications services; and U Mobile Sdn Bhd, a 3G cellular operator in Malaysia.

### ***DBS Group***

DBS Group is one of the largest financial services groups in Asia, with operations in 15 markets. Headquartered in Singapore, DBS Group is a well-capitalized bank with "AA-" and "Aa1" credit ratings that are among the highest in the Asia-Pacific region.

As a bank that specializes in Asia, DBS Group leverages its deep understanding of the region, local culture and insights to serve and build lasting relationships with its clients. DBS Group provides the full range of services in corporate, SME, consumer and wholesale banking activities across Asia and the Middle East. The bank is committed to expanding its pan-Asia franchise by leveraging its growing presence in mainland China, Hong Kong and Taiwan to intermediate the increasing trade and investment flows between these markets. Likewise, DBS Group is focused on extending its end-to-end services to facilitate capital flows within fast-growing countries in Indonesia and India.

### ***CapitaLand***

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, CapitaLand's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in the Asia Pacific region and Europe.

CapitaLand's real estate and hospitality portfolio spans more than 110 cities in over 20 countries. CapitaLand also leverages on its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and REITs of CapitaLand include Australand, CapitaMalls Asia, CapitaMall Trust, CapitaRetail China Trust, CapitaMalls Malaysia Trust, CapitaCommercial Trust, Quill Capita Trust and Ascott Residence Trust.

### ***Keppel Corp***

Keppel Corp is a Singapore-based multinational company with a global footprint in over 30 countries with businesses in offshore rigs and marine vessels, property and infrastructure. Keppel Corp's offshore and marine division is a leading player in the industry with a global network of 20 yards and expertise in the design, construction and repair of offshore rigs and the conversion of specialized vessels. In property, the company is a prime developer of office spaces in Singapore and has

expanded its property business into other parts of Asia. Keppel Corp's infrastructure division has operations in environmental engineering, power and gas, logistics and data networks.

### ***Sembcorp Industries***

Sembcorp Industries is a leading energy, water and marine group. With facilities with over 5,600 megawatts of gross power capacity and over 7 million cubic metres of water per day in operation and under development, Sembcorp Industries is a provider of essential energy and water solutions to customers in Singapore, Vietnam, China, India, Oman, the United Arab Emirates, the United Kingdom and the Americas. In addition, it is a world leader in marine and offshore engineering, as well as an established provider of environmental services and developer of integrated townships and industrial parks in the Asia Pacific region.

### ***Shin Corporation***

Shin Corporation is a Thailand-incorporated holding company in the telecommunications and media businesses.

Its main business segments are local wireless telecommunications, managed through Advanced Info Service PLC; and the satellite and international businesses, managed through Thaicom Public Company Limited.

### ***Standard Chartered***

Standard Chartered, listed on London, Hong Kong and Mumbai stock exchanges, ranks among the top 20 companies in the FTSE-100 by market capitalization. The London-headquartered Standard Chartered group has operated for over 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa and the Middle East. Its income and profits have grown substantially and consistently over the last few years primarily as a result of organic growth, supplemented by acquisitions.

As at December 31, 2011, the Standard Chartered group operated more than 1,500 branches and outlets in 71 countries, making it one of the world's most international banks.

## **Portfolio performance**

Temasek's Net Portfolio Value amounted to S\$198 billion (US\$157 billion) as at March 31, 2012, compared to S\$193 billion as at March 31, 2011.

As at March 31, 2012, approximately 30% of Temasek's Net Portfolio Value was in Singapore, 42% in Asia (excluding Singapore), 14% in Australia & New Zealand, 11% in North America & Europe, 2% in Africa, Central Asia & the Middle East, and 1% in Latin America.

As at March 31, 2012, the top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media and technology, and transportation and industrials, which comprised 31%, 24% and 21%, respectively.

As at March 31, 2012, approximately 65% of Temasek's Net Portfolio Value was denominated in Singapore dollars, 12% in Hong Kong dollars, 7% in U.S. dollars, 6% in Sterling, and 10% in other currencies.

As at March 31, 2012, about 73% of Temasek's Net Portfolio Value comprised listed and liquid assets.

All references to distribution of Temasek's Net Portfolio Value by sector and geography in this Offering Circular refer to the distribution by the underlying assets as described under "Presentation of financial and other information" above.

## **Total shareholder return**

Temasek currently measures its portfolio performance by total shareholder return by market value.

Total shareholder return by market value is the compounded annual return to Temasek's shareholder over a specified period, taking into account changes in the market value of its investment portfolio, plus dividends to its shareholder, and net of any new capital received from its shareholder. For unlisted investments in its portfolio, Temasek measures the change in shareholder funds.



One-year total shareholder return for the year ended March 31, 2012 was 1.50%.

Over the long term, 10-year total shareholder return for the year ended March 31, 2012 was 10%. Since inception, 38-year total shareholder return for the year ended March 31, 2012 was 17%.

## **Investments and divestments by Temasek**

In the year ended March 31, 2012, Temasek made approximately S\$22 billion (US\$17 billion) of investments and S\$15 billion (US\$12 billion) of divestments. Of the S\$7 billion of net investments, Temasek made net investments of S\$4 billion in the energy and resources sector, contributing to an increase in Temasek's exposure to North America from 5% as at March 31, 2011 to 7% as at March 31, 2012. Net investments refer to investments less divestments.

In the year ended March 31, 2012, Temasek, through its wholly-owned subsidiary, TF(III), issued two Zero Coupon Guaranteed Exchangeable Bonds, fully and unconditionally guaranteed by the Guarantor: one is S\$790 million principal amount of Zero Coupon Guaranteed Exchangeable Bonds due 2014, exchangeable for ordinary shares of Standard Chartered PLC, and the other is S\$500 million principal amount of Zero Coupon Guaranteed Exchangeable Bonds due 2013, exchangeable for ordinary shares of Li & Fung Limited.

Subsequent to March 31, 2012:

- In April 2012, FFH, a wholly-owned subsidiary of Temasek, entered into a conditional share purchase agreement with DBS Group, pursuant to which FFH has agreed to sell to DBS Group all of its shares in Asia Financial (Indonesia) Pte. Ltd. ("AFI"), which holds approximately 67.37% of the total issued shares of Danamon, for a total consideration of Rp. 45.2 trillion (approximately US\$4.9 billion based on the exchange rates on April 2, 2012) based on an agreed price of Rp. 7,000 per share of Danamon held by AFI. The total consideration will be satisfied by the issuance of 439 million new ordinary shares of DBS Group to FFH (or Temasek or its wholly-owned subsidiaries or their respective nominees holding on their behalf as FFH may direct) at an issue price of S\$14.07 per new ordinary share of DBS Group. Completion of the sale is subject to, among others, regulatory approvals being obtained.
- In April 2012, Temasek through its wholly-owned subsidiaries purchased 3.55 billion H-shares of Industrial and Commercial Bank of China ("ICBC") from The Goldman Sachs Group, Inc. for a total consideration of HK\$17.9 billion (approximately US\$2.3 billion based on the exchange rate on April 16, 2012). ICBC is the largest commercial bank in China by total assets and the largest listed bank globally in terms of market capitalization as of December 31, 2011. It is listed on the Main Board of the Stock Exchange of Hong Kong and the Shanghai Stock Exchange.

## **Risk management**

The Board of Directors determines the objectives and overall direction of Temasek's risk management framework and functions.

Temasek's culture of balanced risk-taking is reinforced through a risk-sharing compensation philosophy which puts the institution above the individual, emphasizes long term over short term, and fosters the spirit of co-ownership by aligning employee and shareholder interests.

Risks are factored into day to day decision making under the supervision of Temasek's senior management team.

The risk policies established serve to identify approval authorities, reporting requirements and procedures for referring risk-related issues to its Board, Board committees and senior management.

Temasek monitors its enterprise risk on a regular basis, utilizing resources from different departments across the company.

### ***Strategic and Financial Risk Management***

Temasek's portfolio is exposed to asset allocation and concentration risks. As at March 31, 2012, Temasek's Net Portfolio Value comprised a 58% exposure to the mature economies of Singapore, Japan & Korea, Australia & New Zealand, and North America & Europe, and a 42% exposure to growth regions. Temasek's exposure to growth regions as at March 31, 2012 comprised Asia (excluding Singapore and Japan & Korea), which constituted 39% of Temasek's Net Portfolio Value



and Latin America, Africa, Central Asia & the Middle East, which constituted 3% of Temasek's Net Portfolio Value.

As at March 31, 2012, approximately 65% of Temasek's Net Portfolio Value was denominated in Singapore dollars, 12% in Hong Kong dollars, 7% in U.S. dollars, 6% in Sterling, and 10% in other currencies.

Liquid and listed assets comprised about 73% of Temasek's Net Portfolio Value as at March 31, 2012.

Around 55% of the Net Portfolio Value is in the financial services, and telecommunications, media and technology sectors. The top 10 companies accounted for about 57% of Temasek's Net Portfolio Value as at March 31, 2012 while the single largest investment, SingTel, accounted for about 14% of Temasek's Net Portfolio Value as at March 31, 2012.

Temasek seeks to maintain a liquid portfolio spread across multiple geographies and sectors that can perform well under different stages of economic cycles.

Financial risks include market risk due to changes in equity prices, foreign exchange rates and interest rates. To assess its market risk, Temasek uses a VaR statistical model that estimates the potential loss on a portfolio at a given confidence level. Temasek uses an 84% confidence interval, and Monte Carlo simulation based on three years of price data to compute its VaR for a 12-month holding period.

As at March 31, 2012, Temasek's VaR was about S\$24 billion. This implies a 16% probability of incurring marked-to-market losses in excess of S\$24 billion on a Net Portfolio Value of S\$198 billion for a 12-month holding period following that date. As at March 31, 2011, Temasek's VaR was about S\$22 billion on a portfolio of S\$193 billion. Accordingly, VaR as a proportion of Net Portfolio Value remained at about 12% as at March 31, 2012, similar to a year ago.

As at March 31, 2012, the financial services, telecommunication, media and technology, and transportation and industrials sectors contributed to approximately 77% of the total diversified VaR. Overall, the diversified VaR of the top 10 companies (by market value) and the VaR of the single largest investment, Singtel, contributed over 60% and 17%, respectively, of the total diversified VaR. The diversified VaR is the total VaR computed for a portfolio taking into account the correlation/diversification effect among the component investments. These include SingTel, CCB, Standard Chartered, DBS Group and SIA.

Apart from tracking VaR, Temasek also conducts monthly stress tests and scenario analyses to gauge monthly the effect of low probability but high impact events. In addition, Temasek reviews its overall risk position on a monthly basis and provides additional analyses of specific event, industry or country risks.

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

### ***Investment risk management***

Temasek has continued to strengthen its processes on due diligence, investments and divestments with respect to managing its investment risks. Internal training programs are conducted to inculcate a proactive approach and owner-mentality to risk management. This is to meet the needs of a growing team and expanding geographical footprints.

### ***Operational risks management***

Operational risks include risks relating to people, processes, systems, legal and regulatory compliance, reputation and business disruption.

Temasek periodically upgrades its workflows and processes to maintain their effectiveness, such as controls over derivative trades. The company has also sharpened the execution of investments and divestments, and strengthened its business continuity plan.

Alongside Temasek's increased direct investment in regional and global markets, the company has expanded the scope of its processes for legal and regulatory compliance in Singapore and other jurisdictions where Temasek holds investments.

## Board and management

### Board of Directors of Temasek

The following table sets forth the name, age (as of July 6, 2012) and position of each member of the Board of Directors of Temasek:

Name	Age	Position
Suppiah Dhanabalan .....	74	Chairman
Kua Hong Pak .....	68	Director
Goh Yew Lin .....	52	Director
Teo Ming Kian .....	60	Director
Marcus Wallenberg .....	55	Director
Lien Jown Leam Michael .....	48	Director
Cheng Wai Keung .....	61	Director
Lim Boon Heng .....	64	Director
Ho Ching .....	59	Executive Director and Chief Executive Officer

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

**Mr. Suppiah Dhanabalan** has been the Chairman of Temasek since September 1996, and was the Chairman of DBS Group from 1999 to 2005. Mr. Dhanabalan began his career in the Singapore Civil Service in 1960. He was at the Singapore Economic Development Board from 1961 to 1968, during which he helped establish DBS Group, where he served from 1968 to 1978. He entered politics in 1976 and, while a Member of Parliament, held a number of cabinet positions from 1978 to 1994: Senior Minister of State in Ministry of National Development (1978 to 1979) and Ministry of Foreign Affairs (1979 to 1980), Minister for Foreign Affairs (1980 to 1988), Minister for Culture (1981 to 1984), Minister for Community Development (1985 to 1986), Minister for National Development (1987 to 1992) and Minister for Trade and Industry (1992 to 1994). From 1996 to 1998, Mr. Dhanabalan was the Chairman of SIA. Mr. Dhanabalan holds a Bachelor of Arts (Honours) degree in Economics from the former University of Malaya, Singapore.

**Mr. Kua Hong Pak** has been a Director of Temasek since November 1996. He is the Managing Director and Group Chief Executive Officer of ComfortDelGro Corporation Ltd and the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. He also sits on the boards of PSA, PSA Corporation Ltd. and StarHub Ltd. He was previously the President and Chief Executive Officer of Times Publishing Limited. Mr. Kua was conferred the Public Service Star in 1996 and re-appointed a Justice of the Peace by the President of Singapore in 2010. He was also conferred Honorary Citizenship by the Shenyang City People's Government in 1997. He holds a Bachelor of Accountancy from the then University of Singapore and participated in the Advanced Management Program of the Harvard Business School.

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

**Mr. Teo Ming Kian** joined Temasek as a Director on October 1, 2006. Mr. Teo is the Chairman of MediaCorp Pte Ltd and Vertex Venture Holdings Ltd, and a Director of the Lee Kuan Yew Exchange Fellowship. He was previously Permanent Secretary and Executive Chairman in various government ministries and key agencies. Mr. Teo was conferred the Public Administration Medal (Gold) in 1993, the Commander First Class — Royal Order of the Polar Star (Sweden) in 1994 and The Meritorious Service Medal in 2008. He holds a Bachelor of Engineering. (First Class Honours) degree in

Mechanical Engineering from Monash University in Australia, and Master of Science degree in Management Studies from the Massachusetts Institute of Technology.

**Mr. Marcus Wallenberg** joined Temasek as a Director on July 8, 2008. Mr. Wallenberg is the Chairman of several major companies in Sweden, such as Skandinaviska Enskilda Banken, Saab AB, AB Electrolux and LKAB. In addition, Mr Wallenberg served as Chairman of the International Chamber of Commerce, a world business organization with representation from global businesses, aimed at promoting cross border trade and investments. Mr. Wallenberg is also a Board member of AstraZeneca Plc, Stora Enso, Investor AB and the Knut and Alice Wallenberg Foundation. He holds a Bachelor of Science degree in Foreign Service from Georgetown University, Washington D.C.

**Mr. Lien Jown Leam Michael** joined Temasek as a Director on January 2, 2010. Mr. Lien is the Executive Chairman of Wah Hin & Co (Pte) Ltd, and Managing Director of Fundamental Capital Advisors. He is a member of National University of Singapore's Board of Trustees and its Investment Committee. Mr. Lien was a UOB Bank Board Director from 2005 to 2009. He was a Managing Director of Morgan Stanley and headed its Singapore corporate finance business up to 2002. He previously served at Standard Chartered Merchant Bank Asia, and Singapore's Ministry of Trade and Industry. Mr. Lien is also the founder of Asia Refugee Projects. Mr. Lien was a Colombo Plan Scholar and holds a Bachelor of Economics (First Class Honours) degree, with majors in Finance and Econometrics from Monash University, Australia.

**Mr. Cheng Wai Keung** joined Temasek as a Director on September 15, 2011. Mr. Cheng is Chairman and Managing Director of Wing Tai Holdings Limited, which holds interests in the property, hospitality and retail sectors in the region. He is also a Director of several companies, such as Singapore-Suzhou Township Development Pte Ltd, China-Singapore Suzhou Industrial Park Development Co Ltd, Singbridge Holdings Pte Ltd and Singbridge International Singapore Pte Ltd. He was previously Chairman of NOL. Mr. Cheng was awarded the Distinguished Service Order by the Singapore Government in August 2007, and received the Public Service Star (Bar) in 1997 and the Public Service Star in 1987. He was appointed Justice of The Peace by the President of the Republic of Singapore in 2000. He graduated with a Master of Business Administration degree from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University.

**Mr. Lim Boon Heng** joined Temasek as a Director on June 1, 2012. Mr. Lim is the Deputy Chairman of the Singapore Labour Foundation. He was previously a Cabinet Minister within the Prime Minister's Office. Mr. Lim's career spans the private and public sectors, having led Singapore's National Trade Union Congress, and having served as a Member of Parliament and Cabinet Minister for Trade and Industry. Before entering the public sector, Mr. Lim spent close to a decade at NOL. He holds a Bachelor of Science (Honours) degree in Naval Architecture from the University of Newcastle-upon-Tyne, UK.

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

## **Committees of the Board of Directors of Temasek**

### ***Executive Committee***

The members of the Executive Committee are Mr. Suppiah Dhanabalan (Committee Chairman), Mr. Teo Ming Kian, Mr. Lim Boon Heng and Ms. Ho Ching. The Executive Committee reviews, considers and approves matters relating to:

- supervision and control;
- financing and funding proposals;
- mergers and acquisitions;

- changes in shareholding structure;
- dividend policy; and
- any other major operating decisions as may be delegated by the Board of Directors from time to time.

### ***Audit Committee***

The members of the Audit Committee are Mr. Kua Hong Pak (Committee Chairman), Mr. Goh Yew Lin, Mr. Lien Jown Leam Michael and Mr. Cheng Wai Keung. The Audit Committee is responsible for reviewing Temasek's:

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

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

### ***Leadership Development and Compensation Committee***

The members of the Leadership Development and Compensation Committee are Mr. Suppiah Dhanabalan (Committee Chairman), Mr. Goh Yew Lin, Mr. Lien Jown Leam Michael, Mr. Lim Boon Heng and Ms. Ho Ching. The Leadership Development and Compensation Committee's objective is to establish policies on the following:

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

## **Senior management of Temasek**

The following table sets forth the name, age (as of July 6, 2012) and position of each member of senior management of Temasek:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Ho Ching . . . . .	59	Executive Director and Chief Executive Officer
Leong Wai Leng . . . . .	56	Chief Financial Officer

**Ms. Ho Ching.** See "— Board of Directors of Temasek".

**Ms. Leong Wai Leng** joined Temasek in March 2006 and is currently the Chief Financial Officer. Prior to joining Temasek, she was the Deputy Chief Executive Officer of Raffles Holdings Ltd and concurrently, the Chief Executive Officer of Raffles International Ltd., its hotel operating and management subsidiary. Prior to joining Raffles, Ms. Leong had 23 years of experience holding senior management positions in two publicly-listed companies and the public sector. Ms. Leong holds a Bachelor of Arts (Honours) degree in Engineering Tripos and a Master of Arts degree from Cambridge University, United Kingdom. She also holds a Master of Applied Finance degree from Macquarie University, Australia.

## Senior management of Temasek International Pte. Ltd.

The following senior management members are employed by Temasek International Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings (Private) Limited, and provide services to Temasek Holdings (Private) Limited. The following table sets forth the name, age (as of July 6, 2012) and position of each member:

Name	Age	Position
Chan Wai Ching .....	49	Senior Managing Director, Leadership Development & Compensation
Cheo Hock Kuan .....	57	Head, Organisation & Leadership and Co-Head, China
Chia Song Hwee .....	49	Head, Strategy; Head, Credit Portfolio; Co-Head, Portfolio Management; Co-Head, China and Co-Head, Singapore
David Heng .....	45	Senior Managing Director, Investment and Co-Head, South East Asia
Dilhan Pillay Sandrasegara ....	49	Head, Portfolio Management; Head, Singapore; Head, Private Equity Funds Investment and Co-Head, Europe
Ding Wei .....	52	Head, China
Goh Yong Siang .....	60	Head, Strategic Relations; Head, Australia and New Zealand; Co-Head, South East Asia and Co-Head, Organisation & Leadership
Gregory Lynn Curl .....	63	President and Head, Americas
John Michael Cryan .....	51	President, Europe; Head, Africa and Head, Portfolio Strategy
Lee Theng Kiat .....	59	President & General Counsel; Head, South East Asia and Co-Head, India
Nagi Adel Hamiyeh .....	43	Senior Managing Director, Investment; Head, Middle East and Co-Head, Africa
Rohit Sipahimalani .....	45	Co-Chief Investment Officer; Head, India and Co-Head, Middle East
Sim Hong Boon .....	49	President, North America; Co-Head, Americas; Co-Head, Europe and Co-Head, Credit Portfolio
Tan Chong Lee .....	50	Chief Investment Officer and Co-Head, Americas

**Ms. Chan Wai Ching** joined Temasek in June 2006 and is currently Senior Managing Director of the Leadership Development & Compensation department. She oversees the human resources function for the senior management team in the firm. She also supports the Remuneration and Nominating Committees of Temasek's respective portfolio companies with regard to management incentive plans design, non-executive director and executive compensation, as well as board appointments. Ms. Chan's career in human resources spans 27 years and includes appointments at FFH, Citibank N.A., Singapore Technologies Pte Ltd, United Overseas Bank and Overseas Union Bank. Ms. Chan holds a Bachelor of Business Administration degree from the National University of Singapore.

**Ms. Cheo Hock Kuan** joined Temasek in August 2002 and is currently Head, Organisation & Leadership and Co-Head, China. Her focus areas include corporate governance, leadership dynamics and partnership, organization development and relationship building. Ms. Cheo was with Singapore Technologies Pte Ltd., where she was responsible for the executive resource management of the Singapore Technologies group of companies. Ms. Cheo holds a Bachelor of Business Administration degree from the National University of Singapore.

**Mr. Chia Song Hwee** joined Temasek in October 2011 and is currently Head, Strategy; Head, Credit Portfolio; Co-Head, Portfolio Management, Co-Head, China and Co-Head, Singapore. Mr. Chia was most recently the Chief Operating Officer at GLOBALFOUNDRIES. Prior to the integration of GLOBALFOUNDRIES and Chartered, Mr. Chia served as a Director and President and Chief Executive Officer of Chartered from June 2002 to December 2009. Mr. Chia joined Chartered in 1996, where he held a number of management positions, including Senior Vice President, Chief Financial Officer and Chief Administrative Officer. Prior to joining Chartered, Mr. Chia was with the Schlumberger group, a global oilfield services group, where the last position he held was regional controller of the drilling group for Asia, Australia and the Middle East. Mr. Chia received his Bachelor of Business (Accountancy) degree, with distinction, from Edith Cowan University, Australia and is a member of



CPA Australia. Mr. Chia was honored with the EE Times Annual Creativity in Electronics (ACE) Award for Executive of the Year in 2007.

**Mr. David Heng** joined Temasek in November 2003 and is currently Senior Managing Director, Investment and Co-Head, South East Asia. Before joining Temasek, Mr. Heng was Vice President of Deutsche Bank Hong Kong. In his 6 years with Deutsche Bank Hong Kong, Mr. Heng managed investment M&A (mergers and acquisitions) in the TMT (technology, media and telecommunications) and FIG (financial institutions group) sectors. He was an M&A, corporate finance and IPO (initial public offering) specialist with Standard Chartered Merchant Bank from 1993 to 1996. He left Standard Chartered Merchant Bank and joined the Hong Leong Group in 1996. Mr. Heng holds a Bachelor of Engineering (Honours) degree from the University of Canterbury and a Master of Business Administration degree from the University of Hull.

**Mr. Dilhan Pillay Sandrasegara** joined Temasek in September 2010 and is currently Head, Portfolio Management; Head, Singapore; Head, Private Equity Funds Investment and Co-Head, Europe. Mr. Sandrasegara was the Managing Partner of WongPartnership LLP and has over 20 years of experience in the legal services sector, especially in the areas of mergers and acquisitions, corporate governance and general corporate law. Mr. Sandrasegara graduated from the National University of Singapore with a Bachelor of Laws and obtained a Master of Law from the University of Cambridge.

**Mr. Ding Wei** joined Temasek in February 2011 and is currently Head, China. Prior to joining Temasek, Mr. Ding was with China International Capital Corporation (“CICC”) where he was Executive Chairman of CICC’s Investment Banking Business Committee and Head of Investment Banking Division, and was a Managing Director of CICC. Earlier, from 1999 to 2002, Mr. Ding was Deutsche Bank’s Chief Country Officer for China. From 1987 to 1999, he was with the World Bank for 12 years during which he assumed various roles as economist, project manager, and divisional manager in the Bank’s European and Asia regions. From 1992 to 1993, he was seconded from the World Bank to the International Monetary Fund as the Fund’s senior economist and chief representative to Albania. Mr. Ding graduated from Renmin University of China, Beijing, with a Bachelor of Economics degree. He was on the PhD Economics Program with a Fulbright Scholarship at the University of Texas in Austin. In 1998, Mr. Ding received his executive management training at Harvard University.

**Mr. Goh Yong Siang** joined Temasek in August 2006 and is currently Head, Strategic Relations; Head, Australia and New Zealand; Co-Head, South East Asia and Co-Head, Organisation & Leadership. Prior to joining Temasek, Mr. Goh spent 7 years in the United States, initially as President, ST Engineering (USA) and concurrently Chairman, Dalfort and Mobile Aerospace between 1999 and 2000, and subsequently for the next 5 years, in private equity with Texas-based companies. Mr. Goh is a fighter pilot by training and served in the Singapore Armed Forces, retiring as Chief of Air Force in 1998. He holds a Bachelor of Arts degree from the National University of Singapore and attended the Advanced Management Program at Harvard Business School.

**Mr. Gregory Lynn Curl** joined Temasek in September 2010 and is currently President and Head, Americas. Mr. Curl retired from Bank of America (“BoA”) in March 2010 after a banking career of over 35 years. During his tenure in BoA, Mr. Curl held several senior executive positions, including Chief Risk Officer, Vice Chairman of Corporate Development and Global Corporate Strategic Development & Planning executive. Apart from his career in banking, Mr. Curl has also served as a special assistant from 1976 to 1978 to US Senator John Danforth. Mr. Curl received a bachelor’s degree in political science from Southwest Missouri State University and a Master of Arts in Government degree from the University of Virginia.

**Mr. John Michael Cryan** joined Temasek in January 2012 as President, Europe; Head, Africa and Head, Portfolio Strategy. Prior to joining Temasek, Mr. Cryan was the Group Chief Financial Officer of UBS AG. Before his appointment as Group Chief Financial Officer, Mr. Cryan was the global head of the financial institutions group. Mr. Cryan joined S.G. Warburg in London in 1987, which is now known as UBS AG. He has two decades of experience in providing strategic and financial advice to a wide range of companies in the financial services sector globally. From 2010 to 2011, Mr. Cryan also held the role of Chief Executive Officer of UBS Limited, UBS AG’s principal operating entity in the European Union. During the same period, he was appointed Chairman and Chief Executive Officer of UBS AG, EMEA (Europe, Middle East & Africa) where he was responsible for overall coordination of client coverage in the region. In addition, Mr. Cryan assumed the role of “CF3” under the UK Financial Services Authority (“FSA”) requirement, taking on responsibility for the entire global operations of UBS AG in respect of its relationship with the UK FSA. Mr. Cryan began his career with Arthur Andersen &



Co. in London in 1982 as a chartered accountant. He received his Bachelor and Master of Arts (Honours) degrees from the University of Cambridge, United Kingdom.

**Mr. Lee Theng Kiat** joined Temasek in April 2012 as President and General Counsel; Head, South East Asia and Co-Head India. Prior to joining Temasek, Mr. Lee was the President and Chief Executive Officer of ST Telemedia, a post he had held since its formation. Mr. Lee successfully led ST Telemedia as a significant mobile communications and global intellectual property/data services group. Under his leadership, ST Telemedia expanded its global footprint in the Asia-Pacific region, the Americas and Europe. Today, portfolio companies in the group include Asia Mobile Holdings Pte Ltd, which holds interests in StarHub Ltd, Mfone Co., Ltd, Lao Telecommunications Company Limited, Level 3 Communications, Inc., ST Teleport Pte Ltd, TeleChoice International Ltd, U Mobile Sdn Bhd and VNPT Global. Prior to joining ST Telemedia, Mr. Lee held various senior level positions in the Singapore Technologies group, overseeing its legal and strategic business development functions. Mr. Lee served in the Singapore Legal Service for over eight years before joining the Singapore Technologies group. Mr. Lee holds a Bachelor of Laws (Honours) degree from the University of Singapore.

**Mr. Nagi Adel Hamiyeh** joined Temasek in September 2005. He is currently Senior Managing Director, Investment; Head, Middle East and Co-Head, Africa. Prior to joining Temasek, Mr. Hamiyeh held senior management positions in various companies including Credit Suisse and Bain & Company. Mr. Hamiyeh holds a Bachelor of Science degree in Civil Engineering from the University of Texas and Master of Science degrees in Civil Engineering and Environmental Engineering from the Massachusetts Institute of Technology.

**Mr. Rohit Sipahimalani** joined Temasek in November 2008 and is currently Co-Chief Investment Officer; Head, India and Co-Head, Middle East. Prior to joining Temasek, Mr. Sipahimalani spent 11 years with Morgan Stanley where he most recently served as Managing Director & Head of South East Asia Investment Banking in Singapore since 2007. During his time at Morgan Stanley, he has also held the positions of Managing Director & Co-Head of Asia Pacific Merger & Acquisition in Hong Kong and Vice President in Mumbai, where he started with Morgan Stanley in 1997. Mr. Sipahimalani began his career with Citibank, Mumbai and also spent a portion of his career with McKinsey & Co. Mr. Sipahimalani graduated from St. Stephens College, Delhi University with a Bachelor of Arts (Economics) degree and holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad.

**Mr. Boon Sim** joined Temasek in June 2012 as President, North America. He also serves as Co-Head, Americas, Co-Head, Europe and Co-Head, Credit Portfolio. Mr. Sim was most recently the Global Head of Mergers & Acquisitions at Credit Suisse based in New York, an appointment he held since December 2009, and a member of Credit Suisse's Investment Banking Management Committee and Investment Banking Advisory Committee, which oversees the rendering of M&A opinions and formal advice. Prior to his appointment as Global Head of M&A, he was Head of Americas, Mergers & Acquisitions and previously co-headed the Bank's Technology Group based in New York. Prior to joining The First Boston Corporation, a predecessor company of Credit Suisse, Mr. Sim was a Design Engineer at Texas Instruments, focusing on semiconductor design. Mr. Sim holds a Master's degree in Private & Public Management from Yale University and a Master of Science degree from Massachusetts Institute of Technology. He graduated from the National University of Singapore with a Bachelor of Engineering (First Class Honours) degree.

**Mr. Tan Chong Lee** joined Temasek in October 2011 and is currently Chief Investment Officer and Co-Head, Americas. Mr. Tan was most recently the Country Executive of South East Asia and Head of Corporate & Investment Banking, South East Asia at Bank of America Merrill Lynch. He was also a member of Bank of America Merrill Lynch's Asia Pacific Executive Committee. Prior to joining Bank of America Merrill Lynch, Mr. Tan was the Co-Head of Investment Banking, South East Asia with Goldman Sachs from November 2008 to January 2010. Before moving to Goldman Sachs, Mr. Tan was with BNP Paribas as its Head of Investment Banking, South East Asia and a Senior Banker from September 2004 to November 2008. He has also previously worked with Barings Brothers & Co, Standard Chartered Merchant Bank Asia Limited, DBS Bank and the Reserve Bank of New Zealand. Mr. Tan received his Bachelor of Commerce and Administration (Accounting) degree and Bachelor of Arts (Economics) degree from the Victoria University of Wellington, New Zealand and is a provisional member of the New Zealand Institute of Chartered Accountants.

### ***Management Committees of Temasek***

Temasek's CEO is assisted in Temasek's day to day policy implementation and operational decisions by the following management committees:

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

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

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

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

## The Issuer

The Issuer, a financing company, is a wholly-owned subsidiary of Temasek, and was incorporated under the laws of Singapore on July 12, 2004. The Issuer intends to provide the net proceeds to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement. The Issuer's principal executive office is located at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891. The issued share capital of the Issuer is S\$2.00 comprising two ordinary shares issued and held by Temasek. As at the date of this Offering Circular, the Issuer has outstanding debt consisting of US\$1.75 billion 4.5% Guaranteed Notes due 2015, US\$1.5 billion 4.3% Guaranteed Notes due 2019, US\$500 million 5.375% Guaranteed Debentures due 2039, S\$300 million 4.0% Guaranteed Notes due 2029, S\$300 million 4.2% Guaranteed Notes due 2039, S\$1.0 billion 3.265% Guaranteed Notes due 2020, S\$500 million 3.785% Guaranteed Notes due 2025, S\$500 million 4.0475% Guaranteed Notes due 2035, £200 million 4.625% Guaranteed Notes due 2022, £500 million 5.125% Guaranteed Notes due 2040 and S\$1.0 billion 4.2% Guaranteed Notes due 2050, all of which were issued as part of the Program. These Notes are guaranteed by Temasek.

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

The following table sets forth the name, age (as of July 6, 2012) and position of each member of the Board of Directors of the Issuer:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Chia Yue Joo .....	48	Director
Goh Bee Kheng .....	45	Director
Leong Wai Leng .....	56	Director
Rohit Sipahimalani .....	45	Director
Tan Chong Lee .....	50	Director

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

## Description of the Notes governed by New York law

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

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

Notes governed by the laws of the State of New York shall be issued under an indenture dated as of September 16, 2005, as amended and supplemented by the first supplemental indenture dated as of April 10, 2007, the eighth supplemental indenture dated as of July 15, 2011 and the ninth supplemental indenture dated as of the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "Indenture"), in each case among the Issuer, the Guarantor and Deutsche Bank Trust Company Americas as New York Trustee. Notes governed by the laws of Singapore shall be issued under a trust deed governed under Singapore law dated November 24, 2009, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "Singapore Law Trust Deed"), in each case among the Issuer, the Guarantor and DBS Trustee Limited as Singapore Trustee. See "Terms and conditions of the Notes governed by Singapore law". Notes governed by the laws of England shall be issued under a trust deed governed under English law dated February 3, 2010, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated the date hereof (as may be further amended, supplemented or otherwise modified and in effect from time to time, the "English Law Trust Deed"), in each case among the Issuer, the Guarantor and the English Trustee. See "Terms and conditions of the Notes governed by English law". Notes issued under other laws shall be issued under such instrument(s) as may be appropriate as set out in the applicable Pricing Supplement and in such Note.

The establishment of the Program was authorized by a resolution passed by the Board of Directors of the Issuer on September 12, 2005 and of Temasek on September 7, 2005. All Notes offered under the Program are limited to an aggregate principal amount (which in the case of Notes issued at a premium, shall be the aggregate initial offering price, in the case of Notes issued at a discount from their principal amount, shall be their principal amount, the case of partly paid Notes, shall be the amount of subscription monies paid up at such time, or, in the case of Notes denominated in a currency other than U.S. dollars, the approximate equivalent thereof determined on the basis of the spot rate for the sale of the U.S. dollar against the purchase of the relevant currency in the London foreign exchange market quoted by any leading bank selected by the Issuer at any time selected by the Issuer during the five-day period before the date the Issuer agreed to issue such Notes), at any time outstanding of up to US\$10,000,000,000. The Program Limit was initially set at US\$5,000,000,000. On February 3, 2010, the Issuer and the Guarantor increased the Program Limit to US\$10,000,000,000. The maximum amount that may be issued under the Program may be increased pursuant to the terms of the Program.

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

### General

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

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

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

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

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

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

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

- (i) the registered holder of any Definitive Note; and
- (ii) each person for the time being shown in the records of any of the Clearing Systems, or such other additional or alternative clearing system approved by the Issuer or the Guarantor (as applicable)



and the New York Trustee, as having a particular principal amount of Notes credited to his or her securities account,

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

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

## **Guarantee**

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

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

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

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

## **Procedures for payment**

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

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



## Transfer and exchange

Subject to the restrictions on resale set forth in “Notice to purchasers and holders of Registered Notes and transfer restrictions” of this Offering Circular and the applicable Pricing Supplement, the Notes may be presented for registration of transfer or exchange at the office of the relevant Paying Agent. No service charge will be made for any transfer or exchange of such Notes, but the Issuer or the Guarantor (as applicable) may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Indenture § 305).

## Events of Default

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

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

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

- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization (other than a reorganization, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization (other than a reorganization, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganization (other than a reorganization, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action;
- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount Outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee shall cease to be in full force or effect or the Guarantor shall deny or disaffirm in writing its obligations under the Guarantee.

The applicable Pricing Supplement may specify additional Events of Default.

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

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

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

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

## **Payments of Additional Amounts**

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

- (1) which would not be payable or due but for the fact that the beneficial owner or the holder of such Notes is a domiciliary, national or resident of, or engaging in business (whether through a branch, agency or otherwise) or maintaining a permanent establishment or being physically present in, the Relevant Taxing Jurisdiction or otherwise having some connection with the Relevant Taxing Jurisdiction other than the holding or ownership of a Note, or receiving income therefrom, or the enforcement of a Note;
- (2) which would not be payable or due but for the fact that, where presentation is required, such Note was presented more than 30 days after the date such payment became due or was provided for, whichever is later, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on or before the expiration of 30 days;
- (3) which would not be payable or due but for the Noteholder’s or beneficial owner’s failure to comply with any certification, identification or other reporting requirements of the Relevant Taxing Jurisdiction concerning the nationality, residence, identity or other attributes of the Noteholder or beneficial owner of such Note required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of the Relevant Taxing Jurisdiction, if requested in writing addressed to the beneficial owner or Noteholder by the Issuer to comply with such requirement;
- (4) imposed on a payment to an individual that is required to be made pursuant to the European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive;
- (5) which would not be payable or due but for the fact that the Note was presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union;
- (6) that is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a Noteholder or beneficial owner of such Note;

- (7) which would not be payable to, or to a third party on behalf of, a Noteholder but for the fact that the Noteholder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed on such payment had such Noteholder been the sole beneficial owner of the Note;
- (8) which is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto; or
- (9) any combination of items (1) through (8) above.

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

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes, issued on or before December 31, 2013, 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 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.

## **Interest and Interest Rates**

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

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

### ***Fixed Rate Notes***

The applicable Pricing Supplement relating to a Fixed Rate Note will designate a fixed rate of interest per annum payable on such Note. Unless otherwise indicated in the applicable Pricing Supplement, (1) the Interest Payment Date(s) with respect to Fixed Rate Notes shall be either annually or semi-annually and (2) the Regular Record Date(s) for Fixed Rate Notes shall be the date that is 15 calendar days prior to each Interest Payment Date, whether or not such date is a Business Day. Unless otherwise indicated in the applicable Pricing Supplement, interest payments for Fixed Rate Notes shall be the amount of interest accrued from and including (1) the Original Issue Date of the series or (2) the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding the relevant Interest Payment Date. Unless otherwise indicated in the applicable Pricing Supplement, interest on such Notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed. Unless otherwise indicated in the applicable Pricing Supplement, in any case where any Interest Payment Date, redemption date or Stated Maturity of any Fixed Rate Note is not a Business Day at any place of payment, then payment of principal of or any premium or interest on such Note need not be made at such place of payment on such date, but may be made on the next succeeding Business



Day at such place of payment with the same force and effect as if made on the Interest Payment Date, redemption date or at the Stated Maturity, *provided* that no interest shall accrue on the amount payable for the period from and after such Interest Payment Date, redemption date or Stated Maturity, as the case may be.

### ***Floating Rate Notes***

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

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

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

Unless otherwise specified in the applicable Pricing Supplement, the "Calculation Date", where applicable, pertaining to any Interest Determination Date will be the first to occur of (a)(i) in the case of

any CD Rate Interest Determination Date, Commercial Paper Interest Determination Date, Treasury Interest Determination Date, Federal Funds Interest Determination Date or CMT Rate Interest Determination Date, the 10th day after such interest determination date or, if any such day is not a Market Day, the next succeeding Market Day or (ii) in the case of any Prime Rate Interest Determination Date, such interest determination date, and (b) the Market Day preceding the applicable Interest Payment Date or the Stated Maturity (or the date of redemption or repayment, if any), as the case may be.

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

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

Unless otherwise indicated in the applicable Pricing Supplement, the Regular Record Date with respect to Floating Rate Notes shall be the date 15 calendar days prior to each Interest Payment Date, whether or not such date shall be a Market Day. Unless otherwise specified in the applicable Pricing Supplement, interest payments for Floating Rate Notes shall be in the amount of interest accrued from and including (a) the Original Issue Date of the series or (b) the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding the Interest Payment Date; *provided, however*, that if the Interest Reset Dates with respect to any Floating Rate Note are daily or weekly, unless otherwise specified in the applicable Pricing Supplement, interest payable on any Interest Payment Date will include interest accrued from and including (a) the Original Issue Date of the series or (b) the day following the most recent Regular Record Date in respect of which interest has been paid or duly provided for, as the case may be, to but excluding the day following the Regular Record Date immediately preceding such Interest Payment Date. Notwithstanding the foregoing, interest payable at Maturity will include interest accrued to but excluding the date of Maturity. Unless otherwise specified in the applicable Pricing Supplement, the interest accrued on a Floating Rate Note for any period will be calculated by multiplying the face amount of such Floating Rate Note by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day in such period. The interest factor (expressed as a decimal rounded upwards, if necessary, as described below) for each such day is computed by dividing the interest rate (expressed as a decimal rounded upwards, if necessary, as described below) applicable to such day by, unless otherwise specified in the applicable Pricing Supplement, 360, in the case of Commercial Paper Rate Notes, Prime Rate Notes, CD Rate Notes, or Federal Funds Rate Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes and CMT Rate Notes. All percentages resulting from any calculation of the interest rate on Floating Rate Notes will be rounded, if necessary, to the nearest one-hundredth thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (for example, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all U.S. dollar amounts used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest cent (with one-half cent being rounded upwards). Unless otherwise indicated in the applicable Pricing Supplement, the interest rate in effect with respect to a Floating Rate Note on any day that is not an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to the immediately preceding Interest Reset Date (or if



there is none, the Initial Interest Rate), and the interest rate in effect on any day that is an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to such Interest Reset Date, subject in either case to any maximum or minimum interest rate limitation referred to above; *provided, however*, that the interest rate in effect for the 10 calendar days prior to Maturity shall be the interest rate in effect on the tenth calendar day prior to Maturity.

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

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

#### *Commercial Paper Rate Notes*

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

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

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

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

#### *Prime Rate Notes*

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

Unless otherwise indicated in the applicable Pricing Supplement, “Prime Rate” means, with respect to any Prime Rate Interest Determination Date, the rate on such date as published in H.15(519) under the heading “Bank Prime Loan”. In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Prime Rate Interest Determination Date, then the Prime Rate for that Prime Rate Interest Determination Date will be the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the heading “Bank Prime Loan”. If by

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

#### *CD Rate Notes*

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

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

#### *Federal Funds Rate Notes*

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

Unless otherwise indicated in the applicable Pricing Supplement, "Federal Funds Rate" means, with respect to any Federal Funds Interest Determination Date, the rate on such date for Federal Funds having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the heading "Federal Funds (Effective)" as displayed on the Moneyline Telerate Service ("Moneyline Telerate") (or any successor service) on page 120 (or any other page as may replace the applicable page on that service). In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Federal Funds Interest Determination Date, then the Federal Funds Rate will be the rate on such Federal Funds Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of

displaying the applicable rate, under the heading “Federal Funds/Effective Rate”. If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, the Federal Funds Rate for that Federal Funds Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates, as of 9:00 A.M., New York City time, on that Federal Funds Interest Determination Date, for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York selected by the Calculation Agent; *provided, however*, that if the brokers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate will be the Federal Funds Rate in effect on such Federal Funds Interest Determination Date.

#### *Treasury Rate Notes*

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

Unless otherwise indicated in the applicable Pricing Supplement, “Treasury Rate” means, with respect to any Treasury Interest Determination Date, the rate for the most recent auction of direct obligations of the United States (“Treasury Bills”) having the Index Maturity specified in the applicable Pricing Supplement on the display on Moneyline Telerate (or any successor service) on page 56 or page 57 (or any other pages as may replace such pages on such services) under the caption “Investment Rate”. If such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for that Treasury Interest Determination Date will be the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for such auction as otherwise announced by the United States Department of the Treasury. In the event that the results of the auction of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no auction is held, then the Treasury Rate will be the rate as published in H.15(519) under the heading “U.S. Government Securities/Treasury Bills/Secondary Market” or any successor publication or heading for Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement. If such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, then the Treasury Rate will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates as of approximately 3:30 P.M., New York City time, on such Treasury Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; *provided, however*, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate will be the Treasury Rate in effect on such Treasury Interest Determination Date.

#### *CMT Rate Notes*

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

Unless otherwise indicated in an applicable Pricing Supplement, “CMT Rate” means, with respect to any CMT Interest Determination Date, the rate displayed for the Index Maturity specified in the applicable Pricing Supplement on the Designated CMT Telerate Page (as defined below) under the caption, “Treasury Constant Maturities, Federal Reserve Board Release H.15”, “Mondays Approximately 3:45 P.M.” under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated CMT Telerate Page is FRBCMT, the rate on such CMT Interest Determination Date and (ii) if the Designated CMT Telerate Page is FEDCMT, the weekly or monthly average, as specified in the applicable Pricing Supplement, for the week or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related CMT Interest Determination Date occurs. If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Interest Determination Date will be such Treasury Constant Maturity rate for the Designated CMT Maturity Index as published in H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT

Interest Determination Date will be such Treasury Constant Maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Interest Determination Date with respect to the related CMT Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519). If such information is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on the CMT Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each a "Reference Dealer") in The City of New York (which may include the Agents or their affiliates) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Issuer, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for the most recently issued direct non-callable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Notes quotations, the CMT Rate for such CMT Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on the CMT Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Issuer, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the market at that time. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate for such CMT Interest Determination Date will be based on the arithmetic mean of the secondary market bid prices obtained and neither the highest nor the lowest of such quotes will be eliminated: *provided, however*, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT Rate for such Interest Reset Date will be the same as the CMT Rate in effect on such CMT Interest Determination Date. If two Treasury Notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

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

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

## **Redemption on Maturity**

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

## **Optional redemption**

Unless otherwise specified in the applicable Pricing Supplement, the Issuer may, at its option at any time, redeem the Notes of a series prior to its Stated Maturity in whole or in part at an amount equal to the greater of (i) their Redemption Amount and (ii) the Make Whole Amount (which is the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled



interest payments due on such Notes at a rate equal to (a) the yield of United States Treasury Notes of the same maturity plus (b) a spread specified in the applicable Pricing Supplement), in each case together with accrued but unpaid interest to (but excluding) the date of redemption (Indenture § 1109). For the avoidance of doubt, the aforementioned reference to “United States Treasury Notes of the same maturity” refers to United States Treasury Notes having a maturity equal or most nearly equal to the period from the date of redemption to the Stated Maturity of such Notes.

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

### **Open market purchases**

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

### **Optional tax redemption**

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

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

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

### **Modification and amendment**

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

Amounts; (i) change in any manner adverse to the interests of the holders of the Notes the terms and provisions of the Guarantee in respect of the due and punctual payment of the principal of and premium and interest on the Notes; or (j) change, in any manner adverse to the interests of the Noteholders, the terms and provisions of the covenant described under “— Consolidation, merger and sale of assets” (Indenture § 902).

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

## **Consolidation, merger and sale of assets**

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

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



transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred; and

- (e) the Issuer or such Successor Entity shall have delivered to the New York Trustee an officers' certificate and an opinion of counsel, each stating that such transaction and such supplemental indenture comply with the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with (Indenture § 801).

## **Defeasance and discharge**

The Indenture provides that the Issuer and the Guarantor, at the Issuer's option, (a) will be Discharged from any and all obligations in respect of the Notes issued thereunder (except for certain obligations to register the transfer of or exchange Notes, replace stolen, lost or mutilated Notes, and maintain paying agents and to hold certain moneys in trust for payment) or (b) need not comply with any term, provision or condition set forth in Indenture §§ 801, 1005 or 1007 of the Indenture if, in each case, the Issuer irrevocably deposits with the New York Trustee under the Indenture, in trust for the purpose of making the following payments for the benefit of holders of Notes: (1) an amount in U.S. dollars or (2) Government Obligations applicable to such Notes (determined on the basis of U.S. dollars), which through the scheduled payment of principal, premium and interest in respect thereof will provide not later than one day before the due date of any payment of principal, premium and interest, if any, on such Notes, money in an amount sufficient, in the opinion of an internationally recognized accounting firm that is independent to the Issuer and the Guarantor, to pay all the principal of and premium and interest on such Notes on the dates such principal, premium and interest is due in accordance with the terms of such Notes. In the case of a discharge described in clause (a) above, the Issuer is required to deliver to the New York Trustee under the Indenture prior to such discharge either (X) an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters to the effect that since the date of the Indenture there has been a change in applicable U.S. federal income tax law and, as a result of such change, beneficial owners of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and related defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and related defeasance had not been exercised or (Y) a ruling to such effect received from or published by the IRS and in the case of a discharge described in clause (b) above, the Issuer is required to deliver to the New York Trustee under the Indenture prior to such discharge an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters to the effect that beneficial owners of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and related defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and related defeasance had not been exercised (Indenture § 1401).

## **Waiver of immunity**

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

## **Governing law**

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

has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile (Indenture § 114).

### **Concerning the New York Trustee**

Deutsche Bank Trust Company Americas is the New York Trustee under the Indenture. Except during the continuance of an Event of Default, the New York Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the New York Trustee. In case an Event of Default has occurred and is continuing, the New York Trustee shall exercise those rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of the Indenture will require the New York Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it has received indemnity or security satisfactory to it against any such risk or liability (Indenture § 601). The Issuer and the Guarantor maintain an account and conduct other banking transactions with the New York Trustee and its affiliates in the ordinary course of their business. The Indenture contains limitations on the rights of the New York Trustee, should it become a creditor of any obligor on the Notes, to obtain payment of claims in certain cases, or to realize certain property received in respect of any such claim as security or otherwise. The New York Trustee is permitted to engage in other transactions with the Issuer or the Guarantor; *provided* that if it acquires any conflicting interest it must either eliminate the conflict within 90 days or resign.

### **Consent to service of process**

Each of the Issuer and the Guarantor has irrevocably designated and appointed CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011, as its authorized agent for service of process in any suit or proceeding arising out of or relating to the Indenture or Notes governed by the laws of the State of New York issued thereunder brought in any federal or state court in The City of New York in the Borough of Manhattan or brought under federal or state securities laws or brought by the New York Trustee (whether in its individual capacity or in its capacity as the New York Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of any New York State or United States federal court in The City of New York in any such suit or proceeding (Indenture § 114).

## Terms and conditions of the Notes governed by Singapore law

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

The Notes are constituted by a Singapore Law Trust Deed dated November 24, 2009, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated July 9, 2012 (as may be further amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Singapore Law Trust Deed**”), in each case between Temasek Financial (I) Limited (the “**Issuer**”), Temasek Holdings (Private) Limited (the “**Guarantor**”) and DBS Trustee Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Singapore Law Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Singapore Law Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated November 24, 2009 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, DBS Bank Ltd. as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Singapore Law Trust Deed and the Agency Agreement are available for inspection free of charge during usual business hours at the specified offices of the Paying Agents and the Transfer Agents.

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

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

### 1 Form, Denomination and Title

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

soon as practicable. Notes in bearer form may be issued pursuant to a supplemental trust deed that provides for the issuance of bearer notes and shall be in a form agreed between the Issuer, the Guarantor and the Trustee and in compliance with United States tax and other laws.

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

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

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

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

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

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

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

with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the registered holder of the Global Certificate shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

## 2 Transfers of Registered Notes

- (a) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (b) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined below) or Purchase Notice (as defined below) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice, Purchase Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice, Purchase Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon



payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

- (e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

### 3 Guarantee and Status

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

### 4 Interest and other Calculations

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



date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

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

(A) ISDA Determination for Floating Rate Notes

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

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

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

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

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

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

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

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

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant

Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Benchmark is LIBOR, the principal London office of each of the Reference Banks or, if the Benchmark is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time), or if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

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

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

Each Floating Rate Note where the Benchmark is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case

such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

(x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:

(I) in the case of Floating Rate Notes which are SIBOR Notes

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "SGD SIBOR" (or such other Relevant Screen Page);

(bb) if on any Interest Determination Date, no such rate appears on the Page ABSI (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof);

(cc) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;

(dd) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

- (ee) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
  - (bb) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
  - (cc) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period

concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

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

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of



leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

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

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

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

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

- (ee) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (dd) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or the

relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

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

In the case of Discount:

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

where:

- |           |   |  |
|-----------|---|--|
| SIBOR     | = | the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date; |
| Spot Rate | = | the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;  |
| Premium   | = | the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;   |

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

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

(ff) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Interest Period shall be determined in accordance with (ee) above on the basis of the quotations of those Reference Banks providing such quotations; and

(gg) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified thereon.

(v) *Rate of Interest for Variable Rate Notes*

(A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (v). The interest payable in respect of a Variable Rate Note for each Interest Period relating to that Variable Rate Note, which shall be payable on the first day of such Interest Period, is referred to in this Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.

(B) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period, subject as referred to in paragraph (v)(D) below, shall be determined as follows:

(x) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the fifth business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(1) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(2) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on

such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and

- (3) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an **"Agreed Rate"**) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
    - (y) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the fifth business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (x) above, the Rate of Interest for such variable Rate Note for such Interest Period shall automatically be the Fall Back Rate.
  - (C) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
    - (x) notify the Issuing and Paying Agent and the Calculation Agent in writing of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
    - (y) cause such Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
  - (D) For the purposes of paragraph (B) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note shall be the rate (the **"Fall Back Rate"**) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or SOR (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).
  - (E) The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(iii)(B) or 4(iii)(C), as the case may be, above (mutatis mutandis) and references therein to "Rate of Interest" shall mean "Fall Back Rate".

If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due

and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.
- (g) **Spread, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
  - (i) If any Spread is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Spread, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any

determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than the fourth Business Day after such determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period to be notified to the Noteholders in accordance with Condition 16 as soon as possible after their determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Trustee pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual — ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that



Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

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

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon

Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

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

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

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

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

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

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

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

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

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

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

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

- (l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Singapore Law Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to

the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee or an Extraordinary Resolution of holders of the Notes) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Singapore office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5 Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### **(b) Early Redemption:**

- (i) Zero Coupon Notes:
  - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
  - (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
  - (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity

Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**

Unless otherwise specified hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) (the "**Note Optional Tax Redemption**") at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer, or the Guarantor, as the case may be, is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) an opinion of independent tax counsel of recognised standing in Singapore or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer (or the Guarantor, as the case may be) would be required to pay Additional Amounts on the next payment in respect of such Notes (or the Guarantee) as a result of a change, amendment, application or interpretation described above and (ii) a certificate signed by two executive officers (being any of the Chief Executive Officer, the Chief Financial Officer, the Secretary, a Director or any other person authorised by the Board of Directors) of the Issuer (or the Guarantor, as the case may be) to the effect that, in the judgment of the Issuer (or the Guarantor, as the case may be), such obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the option of the Issuer**

Unless otherwise specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or some of the Notes on the date(s) specified thereon (the "**Notes Optional Redemption Date**"). Any such redemption of Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption.

Unless otherwise specified hereon, the Optional Redemption Amount shall be equal to the greater of (i) the principal amount of the Notes being redeemed and (ii) the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a Make Whole Call Reference Rate (as defined in the relevant Pricing Supplement) plus a spread specified in the relevant Pricing Supplement.



All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

- (e) **Redemption at the option of holders of Notes:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Purchase at the option of holders of Variable Rate Notes:** If VRN Purchase Option is specified hereon, each holder of Variable Rate Notes shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Variable Rate Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) to be purchased with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option purchase notice ("**Purchase Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

- (h) **Purchases:** The Issuer, the Guarantor and their subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Trustee Not Obligated to Monitor:** None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the Early Redemption Date or be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Noteholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

## 6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”) provided, however, that interest payable on any interest bearing Note at Maturity or redemption shall be payable in immediately available funds to the person to whom principal shall be payable. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to

Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in Singapore, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed

payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Notes denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Notes for, or on account of, any such taxes or duties, and, in relation to Notes which are not denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (the “**Additional Amounts**”) as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented), where presentation is required, for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements; or
- (f) **Estate, inheritance, gift, sales, transfer or similar taxes:** where such deduction or withholding is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a relevant holder or beneficial owner of such Note; or
- (g) **Fiduciary or partnership or person other than the sole beneficial owner of such payment:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon

if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed on such payment had such holder been the sole beneficial owner of such Note, Receipt or Coupon, as applicable; or

- (h) **Foreign Account Tax Compliance Act:** where such deduction or withholding is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto; or
- (i) any combination of items (a) through (h) above.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Singapore Law Trust Deed.

*Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes, issued on or before December 31, 2013, 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, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.*

## 8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date in respect of them.

## 9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to its being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) failure to pay any interest on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (b) failure to pay the Redemption Amount on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor and continuance of such failure for a period of 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or



- (d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days; or
- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action; or
- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee ceasing to be in full force or effect or the Guarantor denying or disaffirming in writing its obligations under the Guarantee

provided that in the case of paragraphs (d) and (e), the Notes shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest without any act by the Trustee or the Noteholders.

## **10 Consolidation, Merger and Sale of Assets and Substitution**

Each of the Issuer and the Guarantor has agreed in the Singapore Law Trust Deed that it may not consolidate with or merge into any other Person (as defined below) or permit any other Person to consolidate with or merge into it or directly or indirectly convey, transfer, sell or lease or otherwise dispose of all or substantially all of its property and assets to any Person unless:

- (a) any Person formed by such consolidation or into which the Issuer or the Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be,

has conveyed, transferred, sold or leased all or substantially all its properties and assets (the “**Successor Entity**”) is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental trust deed all of the Issuer’s or the Guarantor’s, as the case may be, obligations under the Notes and the Singapore Law Trust Deed (including any obligation to pay any Additional Amounts as provided in Condition 7);

- (b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;
- (c) any such Successor Entity not organised under the laws of the Republic of Singapore shall expressly agree by a supplemental trust deed that all payments pursuant to the Notes or the Guarantee, as the case may be, in respect of principal of and premium and interest on the Notes shall be made without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation or tax residency of such Successor Entity or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Successor Entity will, in relation to Notes which are not denominated in Singapore dollars, pay such additional amounts of, or in respect of the principal of and premium and interest on such Notes (“**Successor Additional Amounts**”) as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such) in the payment to the holders of such Notes of the amounts which would have been payable in respect of such Notes had no such withholding or deduction been required, subject to the same exceptions as apply with respect to the payment by the Issuer or the Guarantor, as the case may be, of Additional Amounts in respect of the Notes (inserting references to the taxing jurisdiction where appropriate), and provided that such Successor Entity shall not have the right to redeem the Notes pursuant to Condition 5(c) in respect of such Successor Additional Amounts unless (A) the obligation to pay such Successor Additional Amounts arises as a result of any change in, or amendment to, the laws or regulations of such Successor Entity’s jurisdiction of organisation or any political subdivision or taxing authority thereof or therein, or any change in the general application or official or general interpretation of such laws or regulations, which change or amendment is proposed and becomes effective after the date such Successor Entity assumes the obligations of the Issuer or the Guarantor, as the case may be, under the Singapore Law Trust Deed and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the Singapore Law Trust Deed relating to the redemption of the Notes shall have been satisfied; and
- (d) the Issuer or such Successor Entity shall have delivered to the Trustee an officers’ certificate and opinion of counsel, each stating that such transaction and such supplemental trust deed comply with this Condition 10 and that all conditions precedent provided for in this Condition 10 relating to such transaction have been complied with.

The Issuer and the Guarantor have agreed in the Singapore Law Trust Deed that upon any consolidation by the Issuer or the Guarantor with or merger or amalgamation by the Issuer or the Guarantor into any other entity, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or any conveyance, transfer, sale, assignment or lease, in one transaction or a series of transactions, directly or indirectly, of all or substantially all of the assets of the Issuer or the Guarantor, or any declaration by the Issuer that it acts as a trustee of all or substantially all of its assets for any Person, in each case in compliance with this Condition 10, the Successor Entity formed by such transaction or declaration shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer or the Guarantor, as the case may be, under the Singapore Law Trust Deed with the same effect as if such successor Person had been named as the Issuer therein, and the Issuer (which term shall for this purpose mean the Person named as the “Issuer” or the “Guarantor”, as

the case may be, in the first paragraph of the Singapore Law Trust Deed or any successor Person which shall theretofore become such in the manner described in this Condition to the extent that there exists a subsequent successor Person who shall substitute therefor in accordance with this Condition 10), except in the case of a lease, shall be discharged of all obligations and covenants under the Singapore Law Trust Deed and the Notes and may be dissolved and liquidated.

In this Condition 10, “**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

## **11 Meetings of Noteholders, Modification and Waiver**

- (a) **Meetings of Noteholders:** The Singapore Law Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Singapore Law Trust Deed) of a modification of any of these Conditions or any provisions of the Singapore Law Trust Deed. If the Trustee receives a written request by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding and is indemnified and/or secured to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Guarantee, in which case the necessary quorum at the meeting or any adjourned meeting shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

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

- (b) **Modification of the Singapore Law Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Singapore Law Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the Singapore Law Trust Deed, and (ii) any other modification (except as mentioned in the Singapore Law Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Singapore Law Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, such modification shall be notified to the Noteholders as soon as practicable.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require from the Issuer nor shall any Noteholder or Couponholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **12 Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Singapore Law Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13 Indemnification of the Trustee**

The Singapore Law Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

## **14 Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **15 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Singapore Law Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Singapore Law Trust Deed. The Singapore Law Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides. The consolidation of any additional Bearer Notes issued under the TEFRA "D" rules into a series of previously issued Bearer Notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent

Global Note or Definitive Bearer Notes and (ii) certification of non-U.S. beneficial ownership in accordance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3).

*Any further issuances could have adverse tax consequences to U.S. Noteholders as discussed under “Certain tax considerations — United States federal income taxation — Original issue discount — Fungible issue” in the current offering circular relating to the Program.*

## 16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the Business Times) and so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the rules of the SGX-ST so require, published on the website of the SGX-ST (www.sgx.com). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

*Until such time as any Definitive Notes or Definitive Certificates are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or The Central Depository (Pte) Limited (the “**Depository**”) or, as the case may be, the Global Certificate is or are issued in the name of a common depository for Euroclear and Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the previous paragraphs.*

*Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.*

*Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.*

## 17 Contracts (Rights of Third Parties) Act

No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

## 18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Singapore Law Trust Deed, the Notes, the Receipts, the Coupons, the Talons and the Guarantee are governed by, and shall be construed in accordance with, Singapore law.
- (b) **Jurisdiction:** The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee may be brought in such courts.



## Terms and conditions of the Notes governed by English law

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

The Notes are constituted by an English Law Trust Deed dated February 3, 2010, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated July 9, 2012 (as may be further amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**English Law Trust Deed**”), in each case between Temasek Financial (I) Limited (the “**Issuer**”), Temasek Holdings (Private) Limited (the “**Guarantor**”) and DB Trustees (Hong Kong) Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the English Law Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the English Law Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated February 3, 2010 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Deutsche Bank Luxembourg S.A. as registrar, Deutsche Bank AG, Hong Kong Branch and Deutsche Bank AG, Singapore Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below collectively as, the “**Agents**” and respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the English Law Trust Deed, any Supplemental English Law Trust Deed (as defined below), the Agency Agreement and any Supplemental Agency Agreement (as defined below) are available for inspection free of charge during usual business hours at the specified offices of the Paying Agents and the Transfer Agents.

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

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

### 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) shown hereon. The Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, at any time after any issue of the Notes, (i) reduce the denomination of such Notes into smaller divisible amounts and/or (ii) remove or reduce the minimum denomination requirement in respect of such Notes; and notwithstanding Condition 11 and Clause 15 of the English Law Trust Deed and all other provisions in these Conditions and the English Law Trust Deed, the Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, make any and all modifications to these Conditions and the English Law Trust Deed it deems necessary or appropriate to implement the foregoing and the Trustee shall, upon request of the Issuer, consent to all such

modifications. Any such reduction, removal or modification shall be binding on all Noteholders and all Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable. Notes in bearer form may be issued pursuant to a supplemental trust deed that provides for the issuance of bearer notes and shall be in a form agreed between the Issuer, the Guarantor and the Trustee and in compliance with United States tax and other laws.

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

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

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

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

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

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

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by The Depository Trust Company ("**DTC**"), a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") or (ii) a Global Certificate and such Global Certificate is issued in the name of DTC, a common depository for Euroclear and Clearstream, Luxembourg and/or the Depository, each person who is for the time being shown in the records of DTC, Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by DTC, Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor,

the Issuing and Paying Agent, the Registrar, all other agents of the Issuer, the Guarantor and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the registered holder of the Global Certificate shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg and/or the Depository.

In relation to each Series to be issued pursuant to Rule 144A of the Securities Act and in reliance on the exemption provided by Section 3(c)(7) under the U.S. Investment Company Act of 1940, as amended, the Issuer and the Guarantor will enter into a supplemental trust deed with the Trustee (a “**Supplemental English Law Trust Deed**”) and a supplemental agency agreement with the Trustee and the Agents (a “**Supplemental Agency Agreement**”), each in a form to be agreed among the parties thereto to provide for additional terms and conditions applicable to such Series. The Notes of such Series will be constituted by the English Law Trust Deed as amended and supplemented by the relevant Supplemental English Law Trust Deed. In relation to any such Series, references to the English Law Trust Deed shall mean the English Law Trust Deed as amended and supplemented by the relevant Supplemental English Law Trust Deed and references to the Agency Agreement shall mean the Agency Agreement as amended and supplemented by the relevant Supplemental Agency Agreement.

## 2 Transfers of Registered Notes

- (a) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (b) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined below) or Purchase Notice (as defined below) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such

request for exchange, form of transfer, Exercise Notice, Purchase Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice, Purchase Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

### 3 Guarantee and Status

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

### 4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).
- (b) **Interest on Floating Rate Notes, Index Linked Interest Notes and Variable Rate Notes:**
  - (i) **Interest Payment Dates:** Each Floating Rate Note, Index Linked Interest Note and Variable Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the



number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, provided that the Agreed Yield (as defined in Condition 4(b)(v)) in respect of any Variable Rate Note for any Interest Period (as defined below) shall be payable on the first day of that Interest Period.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

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

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

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

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

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
  - (1) the offered quotation; or
  - (2) the arithmetic mean of the offered quotations,  
(expressed as a percentage rate per annum) for the Benchmark which appears or appear, as the case may be, on the Relevant Screen Page



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

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

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Benchmark is LIBOR, the principal London office of each of the Reference Banks or, if the Benchmark is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time), or if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark by leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, at which, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing

provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Spread or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Spread or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Spread or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

- (x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:

- (I) in the case of Floating Rate Notes which are SIBOR Notes

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "SGD SIBOR" (or such other Relevant Screen Page);
- (bb) if on any Interest Determination Date, no such rate appears on the Page ABSI (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES—RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof);
- (cc) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of

Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;

- (dd) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (ee) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “Swap Offer and SIBOR (ABSIRFIX)” under the column headed “SGD SWAP OFFER” (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
  - (bb) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);
  - (cc) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other

replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

Premium or Discount = the rate being the composite quotation or in the absence of which,

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

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

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATESAT 11:00 A.M. SINGAPORE TIME" and under the column headed "USD



SIBOR” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

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

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

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

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

- (ee) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (dd) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest  $\frac{1}{16}$  per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

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

(ff) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Interest Period shall be determined in accordance with (ee) above on the basis of the quotations of those Reference Banks providing such quotations; and

(gg) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified thereon.

(v) *Rate of Interest for Variable Rate Notes*

(A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (v). The interest payable in respect of a Variable Rate Note for each Interest Period relating to that Variable Rate Note, which shall be payable on the first day of such Interest Period, is referred to in this Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.

(B) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period, subject as referred to in paragraph (v)(D) below, shall be determined as follows:

(x) not earlier than 9.00 a.m. (Singapore time) on the ninth Business Day nor later than 3.00 p.m. (Singapore time) on the fifth Business Day prior to the commencement of each Interest Period, the Issuer

and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

- (1) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
  - (2) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and
  - (3) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an **"Agreed Rate"**) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
- (y) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the fifth Business Day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (x) above, the Rate of Interest for such variable Rate Note for such Interest Period shall automatically be the Fall Back Rate.
- (C) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following Business Day:
- (x) notify the Issuing and Paying Agent and the Calculation Agent in writing of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
  - (y) cause such Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (D) For the purposes of paragraph (B) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note shall be the rate (the **"Fall Back Rate"**) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or SOR (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).
- (E) The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(iii)(B) or 4(iii)(C), as the case may be, above (mutatis mutandis) and references therein to "Rate of Interest" shall mean "Fall Back Rate".

If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.
- (g) **Spread, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
  - (i) If any Spread is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Spread, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the



sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than the fourth Business Day after such determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period to be notified to the Noteholders in accordance with Condition 16 as soon as possible after their determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (j) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Trustee pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “**Business Day**” means:
- (i) in the case of a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
  - (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or

- (iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong and/or
- (iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

**“Determination Date”** means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

**“euro”** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

**“Euro-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

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

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified herein.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi.

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

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

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

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

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

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

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

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

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

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

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

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the English Law Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee or an Extraordinary Resolution of holders of the Notes) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Singapore office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5 Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### **(b) Early Redemption:**

- (i) Zero Coupon Notes:
  - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c)



or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**

Unless otherwise specified hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) (the "**Note Optional Tax Redemption**") at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer, or the Guarantor, as the case may be, is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) an opinion of independent tax counsel of recognised standing in Singapore or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer (or the Guarantor, as the case may be) would be required to pay Additional Amounts on the next payment in respect of such Notes (or the Guarantee) as a result of a change, amendment, application or interpretation described above and (ii) a certificate signed by two executive officers (being any of the Chief Executive Officer, the Chief Financial Officer, the Secretary, a Director or any other person authorised by the Board of Directors) of the Issuer (or the Guarantor, as the case may be) to the effect that, in the

judgment of the Issuer (or the Guarantor, as the case may be), such obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the option of the Issuer**

Unless otherwise specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or some of the Notes on the date(s) specified thereon (the "**Notes Optional Redemption Date**"). Any such redemption of Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption.

Unless otherwise specified hereon, the Optional Redemption Amount shall be equal to the greater of (i) the principal amount of the Notes being redeemed and (ii) the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a Make Whole Call Reference Rate (as defined in the relevant Pricing Supplement) plus a spread specified in the relevant Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(e) **Redemption at the option of holders of Notes:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Purchase at the option of holders of Variable Rate Notes:** If VRN Purchase Option is specified hereon, each holder of Variable Rate Notes shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Variable Rate Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) to be purchased with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option purchase notice ("**Purchase Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) **Purchases:** The Issuer, the Guarantor and their subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (j) **Trustee Not Obligated to Monitor:** None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the Early Redemption Date or be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Noteholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

## 6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States, (i) other than in the case of Notes denominated in Renminbi, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank or (ii) in the case of Notes denominated in Renminbi, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
  - (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof (the “Record Date”) provided, however, that interest payable on any interest bearing Note at Maturity or redemption shall be payable in immediately available funds to the person to whom principal shall be payable. Payments of interest on each Registered Note, other than in the case of Registered Notes denominated in Renminbi, shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank. Payments of interest on each Registered Note denominated in Renminbi shall be made by transfer to the registered Renminbi account of the Noteholder. In this Condition 6(b)(ii), “registered Renminbi account” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register on the Record Date.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
  - (i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on

or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “**Financial Centres**” hereon and:
  - (i) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day or
  - (iii) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.
- (i) **In the case of Notes denominated in Renminbi — Payment of U.S. Dollar Equivalent:** Notwithstanding all other provisions in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, or if Renminbi is otherwise not available to the Issuer or the Guarantor as a result of circumstances beyond their control and such unavailability has been independently determined by a Renminbi Dealer, neither the Issuer nor the Guarantor is able or it would be impractical for the Issuer or the Guarantor, as the case may be, to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor, as the case may be, on giving not less than five or more than 30 days’ irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by a U.S. dollar denominated cheque drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of the Notes at its address appearing in the Register, or, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, by



transfer to a U.S. dollar denominated account with a bank in New York City. For the avoidance of doubt, no such payment of the U.S. Dollar Equivalent shall by itself be deemed to constitute a default in payment within the meaning of Condition 9(a) or Condition 9(b).

In the event of a payment pursuant to this Condition 6(i), the following modification shall be made in respect of the Conditions:

The definition of “**Business Day**” in Condition 4(k) shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in New York City.

For the purposes of this Condition 6(i):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

“**Illiquidity**” means that the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes or, as the case may be, the Guarantee, as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

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

“**Non-transferability**” means the occurrence of any event that makes it impossible for the Issuer or, as the case may be, the Guarantor to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or vice-versa, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or, as the case may be, the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

“**Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange) in Hong Kong and in New York City;

“**Rate Calculation Date**” means the day which is two Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under these Conditions;

“**Renminbi Dealer**” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

“**Spot Rate**”, for a Rate Calculation Date, means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the Calculation Agent in good faith and in a commercially reasonable manner at or around 11 a.m. (Hong Kong time) on such Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent in good faith and in a commercially reasonable manner will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official

fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; and

**“U.S. Dollar Equivalent”** means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date, as calculated by the Calculation Agent.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Noteholders.

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Notes denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Notes for, or on account of, any such taxes or duties, and, in relation to Notes which are not denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (the **“Additional Amounts”**) as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented), where presentation is required, for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/ EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements; or

- (f) **Estate, inheritance, gift, sales, transfer or similar taxes:** where such deduction or withholding is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a relevant holder or beneficial owner of such Note; or
- (g) **Fiduciary or partnership or person other than the sole beneficial owner of such payment:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed on such payment had such holder been the sole beneficial owner of such Note, Receipt or Coupon, as applicable; or
- (h) **Foreign Account Tax Compliance Act:** where such deduction or withholding is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the United States Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto; or
- (i) any combination of items (a) through (h) above.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the English Law Trust Deed.

*Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes, issued on or before December 31, 2013, 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, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.*

## 8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date in respect of them.

## 9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to its being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) failure to pay any interest on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or

- (b) failure to pay the Redemption Amount on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or
- (c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor and continuance of such failure for a period of 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days; or
- (e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action; or
- (f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount outstanding in excess of US\$100,000,000 (or its equivalent in another currency); or
- (g) the Guarantee ceasing to be in full force or effect or the Guarantor denying or disaffirming in writing its obligations under the Guarantee

provided that in the case of paragraphs (d) and (e), the Notes shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest without any act by the Trustee or the Noteholders.

## 10 Consolidation, Merger and Sale of Assets and Substitution

Each of the Issuer and the Guarantor has agreed in the English Law Trust Deed that it may not consolidate with or merge into any other Person (as defined below) or permit any other Person to consolidate with or merge into it or directly or indirectly convey, transfer, sell or lease or otherwise dispose of all or substantially all of its property and assets to any Person unless:

- (a) any Person formed by such consolidation or into which the Issuer or the Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be, has conveyed, transferred, sold or leased all or substantially all its properties and assets (the “**Successor Entity**”) is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental trust deed all of the Issuer’s or the Guarantor’s, as the case may be, obligations under the Notes and the English Law Trust Deed (including any obligation to pay any Additional Amounts as provided in Condition 7);
- (b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;
- (c) any such Successor Entity not organised under the laws of the Republic of Singapore shall expressly agree by a supplemental trust deed that all payments pursuant to the Notes or the Guarantee, as the case may be, in respect of principal of and premium and interest on the Notes shall be made without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation or tax residency of such Successor Entity or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Successor Entity will, in relation to Notes which are not denominated in Singapore dollars, pay such additional amounts of, or in respect of the principal of and premium and interest on such Notes (“**Successor Additional Amounts**”) as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such) in the payment to the holders of such Notes of the amounts which would have been payable in respect of such Notes had no such withholding or deduction been required, subject to the same exceptions as apply with respect to the payment by the Issuer or the Guarantor, as the case may be, of Additional Amounts in respect of the Notes (inserting references to the taxing jurisdiction where appropriate), and provided that such Successor Entity shall not have the right to redeem the Notes pursuant to Condition 5(c) in respect of such Successor Additional Amounts unless (A) the obligation to pay such Successor Additional Amounts arises as a result of any change in, or amendment to, the laws or regulations of such Successor Entity’s jurisdiction of organisation or any political subdivision or taxing authority thereof or therein, or any change in the general application or official or general interpretation of such laws or regulations, which change or amendment is proposed and becomes effective after the date such Successor Entity assumes the obligations of the Issuer or the Guarantor, as the case may be, under the English Law Trust Deed and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the English Law Trust Deed relating to the redemption of the Notes shall have been satisfied;
- (d) such Successor Entity shall have delivered to the Trustee and the New York Trustee an opinion of U.S. tax counsel of recognized standing to the effect that the beneficial owners of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred; and
- (e) the Issuer or such Successor Entity shall have delivered to the Trustee an officers’ certificate and opinion of counsel, each stating that such transaction and such



supplemental trust deed comply with this Condition 10 and that all conditions precedent provided for in this Condition 10 relating to such transaction have been complied with.

The Issuer and the Guarantor have agreed in the English Law Trust Deed that upon any consolidation by the Issuer or the Guarantor with or merger or amalgamation by the Issuer or the Guarantor into any other entity, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or any conveyance, transfer, sale, assignment or lease, in one transaction or a series of transactions, directly or indirectly, of all or substantially all of the assets of the Issuer or the Guarantor, or any declaration by the Issuer that it acts as a trustee of all or substantially all of its assets for any Person, in each case in compliance with this Condition 10, the Successor Entity formed by such transaction or declaration shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer or the Guarantor, as the case may be, under the English Law Trust Deed with the same effect as if such successor Person had been named as the Issuer therein, and the Issuer (which term shall for this purpose mean the Person named as the "Issuer" or the "Guarantor", as the case may be, in the first paragraph of the English Law Trust Deed or any successor Person which shall theretofore become such in the manner described in this Condition to the extent that there exists a subsequent successor Person who shall substitute therefor in accordance with this Condition 10), except in the case of a lease, shall be discharged of all obligations and covenants under the English Law Trust Deed and the Notes and may be dissolved and liquidated.

In this Condition 10, "**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

## **11 Meetings of Noteholders, Modification and Waiver**

- (a) **Meetings of Noteholders:** The English Law Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the English Law Trust Deed) of a modification of any of these Conditions or any provisions of the English Law Trust Deed. If the Trustee receives a written request by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding and is indemnified and/or secured to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Guarantee, in which case the necessary quorum at the meeting or any adjourned meeting shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders

(whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

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

- (b) **Modification of the English Law Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the English Law Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the English Law Trust Deed, and (ii) any other modification (except as mentioned in the English Law Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the English Law Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require from the Issuer nor shall any Noteholder or Couponholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **12 Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the English Law Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13 Indemnification of the Trustee**

The English Law Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

## **14 Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the English Law Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the English Law Trust Deed. The English Law Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides. The consolidation of any additional Bearer Notes issued under the TEFRA "D" rules into a series of previously issued Bearer Notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note or Definitive Bearer Notes and (ii) certification of non-U.S. beneficial ownership in accordance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3).

*Any further issuances could have adverse tax consequences to U.S. Noteholders as discussed under "Certain tax considerations — United States federal income taxation — Original issue discount — Fungible issue" in the current offering circular relating to the Program.*

## 16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the Business Times) and so long as the Notes are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and the rules of the SGX-ST so require, published on the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

*Until such time as any Definitive Notes or Definitive Certificates are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of DTC, Euroclear, Clearstream, Luxembourg and/or the Depository or, as the case may be, the Global Certificate(s) is or are issued in the name of DTC, a common depository for DTC, Euroclear and Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to DTC, Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the previous paragraphs.*

*Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to DTC, Euroclear, Clearstream, Luxembourg and/or the Depository.*

*Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.*

## 17 **Contracts (Rights of Third Parties) Act 1999**

No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 18 **Governing Law and Jurisdiction**

- (a) The English Law Trust Deed, the Notes issued thereunder and all non-contractual obligations arising out of or in connection therewith shall be governed by, and construed in accordance with, English law.
- (b) The courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) The Issuer and the Guarantor have irrevocably waived any objection which they may now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (d) Each of the Issuer and the Guarantor have (i) irrevocably designated and appointed Hackwood Secretaries Limited at One Silk Street, London EC2Y8HQ, as its authorised agent upon which process may be served in Proceedings arising out of or relating to the Notes governed by English law or the English Law Trust Deed that may be instituted in the courts of England or brought under English law by the Trustee (whether in its individual capacity or in its capacity as Trustee hereunder). If such person is not or ceases to be effectively appointed to accept service of process on the Issuer’s and the Guarantor’s behalf, then the Issuer and the Guarantor shall as soon as reasonably practicable, upon their becoming aware that such person has not been or has ceased to be so appointed, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer and the Guarantor, following which the Issuer or the Guarantor, as the case may be, shall take all reasonable steps to appoint such person as its agent for service of process. Nothing in this Clause shall affect the right to serve process in any other manner permitted by law.

## Form of Notes

The Notes of each series will be in bearer or in registered form as specified in the relevant Pricing Supplement.

### **Bearer Notes**

Each series of Bearer Notes may be represented either by a Temporary Global Note or a Permanent Global Note that will be deposited on the issue date thereof with CDP or a common depositary on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Beneficial interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for Definitive Bearer Notes only in the limited circumstances as described therein.

While any Bearer Note is represented by a Temporary Global Note, payments of principal, premium and interest (if any) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of an interest in such Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury Regulations, has been received by Euroclear, Clearstream and/or CDP and/or any other such depositary, as applicable, and such clearing agent or depositary, as the case may be, has given a like certification (based on the certifications it has received) to the relevant Trustee or Agent, as the case may be.

From the Exchange Date, interests in such Temporary Global Note will be exchangeable (free of charge) upon request as described therein for interests in a Permanent Global Note without receipts, interest coupons or talons against certification of beneficial ownership as described in the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, premium or principal due on or after the Exchange Date.

Each series of Bearer Notes shall comply with the D Rules unless otherwise stated in the relevant Pricing Supplement. The following legend will appear on the face of all Bearer Global Notes, Definitive Bearer Notes, receipts, interest coupons and talons thereon (or in the book or record where the Bearer Notes are held in book-entry form):

“Any United States person (as defined in the U.S. Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code.”

Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended (the “U.S. Internal Revenue Code” or the “Code”), generally provide that U.S. beneficial owners, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts, interest coupons or talons thereon and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts, interest coupons or talons thereon.

### **Registered Notes**

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each series sold outside the United States in reliance on Regulation S will be represented by interests in a Regulation S Global Note, which may be deposited with CDP or with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, or with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each series of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager(s), in the case of a syndicated issue (the “Distribution Compliance Period”), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (unless, if permitted by the terms of such Notes, registered pursuant to the Securities Act or exempt from registration thereunder) and may be held only through CDP, Euroclear and Clearstream or DTC for the accounts of Euroclear and Clearstream, as the case may be. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in limited circumstances as more fully described in “Annex A — Global clearance and settlement”.



Registered Notes of each series sold to QIBs under Rule 144A will be represented by a DTC Restricted Global Note deposited with a custodian for, and registered in the name of a nominee of, DTC. DTC Restricted Global Notes will be exchangeable for Definitive Registered Notes only in limited circumstances as described in this Offering Circular.

Registered Notes of each series sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (a “Definitive IAI Registered Note”). Definitive IAI Registered Notes will, at the request of the Noteholder (except to the extent otherwise indicated in the relevant Pricing Supplement), be issued in exchange for interests in a Registered Global Note upon compliance with the procedures for exchange as described in the Indenture or relevant trust deed.

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

## **Security Codes**

Bearer Notes shall be assigned (as applicable) a Common Code and an International Securities Identification number (“ISIN”). Registered Notes will be assigned (as applicable) a Common Code, ISIN and Committee on Uniform Securities Identification Procedures (“CUSIP”) number. If a further issuance of Notes of the same series of Notes is issued, the New York Trustee or Agent, as the case may be, shall arrange that the Notes of such further issuance shall be assigned (as applicable) a CUSIP number, Common Code and ISIN that are different from the CUSIP number, Common Code and ISIN, as the case may be, assigned to existing Notes of such series or to Notes of any other series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, Common Code and ISIN, as the case may be, thereafter applicable to the Notes of the relevant series will be notified by the New York Trustee or Agent, as the case may be, to the relevant Dealers. The consolidation of any additional Bearer Notes issued under the TEFRA “D” rules into a series of previously issued Bearer Notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note or Definitive Bearer Notes and (ii) certification of non-U.S. beneficial ownership in accordance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3).

## Certain tax considerations

*The following summary of certain Singapore and U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary is not to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. You should consult your own tax advisor concerning the application of Singapore and U.S. federal income tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.*

### Singapore taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any Noteholder or of any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer, the Guarantor nor any other persons involved in this Offering Circular accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

### Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

- any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17% with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax

of 15%. The above withholding tax rates may be reduced by applicable tax treaties, subject to conditions being met.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from Singapore income tax, including:

- interest from debt securities derived on or after January 1, 2004;
- discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and
- prepayment fee, redemption premium and break cost from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as the Program as a whole is arranged by the Arrangers, each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes which are debt securities issued under the Program during the period from the date of this Offering Circular to December 31, 2013 ("Relevant Notes") will be "qualifying debt securities" for the purposes of the ITA, to which the following treatment shall apply:

- subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "Comptroller") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Qualifying Income") from the Relevant Notes, derived by a Noteholder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore, or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10%; and
- subject to:
  - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (ii) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and the MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held

or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and

- even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “related party”, “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under Section 45 and Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

### **Capital gains**

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterization of capital gains, and hence, gains arising from the disposal of the Notes may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

In addition, Noteholders who apply or are required to apply FRS 39 — *Financial Instruments: Recognition and Measurement* (“FRS 39”) for Singapore income tax purposes may be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 even though no sale or disposal of the Notes is made. Please see the section below on “Adoption of FRS 39 treatment for Singapore income tax purposes”.

### **Adoption of FRS 39 treatment for Singapore income tax purposes**

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — *Financial Instruments: Recognition and Measurement*” (the “FRS 39 Circular”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### ***Estate duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

### **United States federal income taxation**

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON PROSPECTIVE PURCHASERS UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE NOTES; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition by a U.S. Holder (as defined below) of certain types of Notes that may be issued under the Program. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Program, and the relevant Pricing Supplement will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as partnerships or other pass-through entities, financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a fixed term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the relevant Pricing Supplement.

This summary pertains only to Registered Notes. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax law, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code.

The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments, the relevant Pricing Supplement will describe the material U.S. federal income tax consequences thereof.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any State thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has properly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership (including other entities treated as a partnership for U.S. federal income tax purposes) that holds Notes will depend on the status of the



partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisors concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the U.S. Internal Revenue Code, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date of this Offering Circular and all subject to change at any time, possibly with retroactive effect.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### ***Characterization of the Notes***

Whether a note is treated as debt (and not equity) for U.S. federal income tax purposes is an inherently factual question and no single factor is determinative. Except as set forth in the applicable Pricing Supplement, Temasek believes that the Notes will be treated as indebtedness for U.S. federal income tax purposes, although no opinions have been sought, and no assurances can be given, with respect to such treatment. The following discussion assumes that such treatment will be respected.

### ***Payments of Interest***

#### ***General***

Interest on a Note, whether payable in U.S. dollars or a currency other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— Original issue discount— General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such U.S. Holder’s method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount (“OID”), if any, accrued with respect to the Notes (as described below under “— Original issue discount”) generally will constitute income from sources outside the United States.

#### ***Effect of Singapore withholding taxes***

As discussed in “— Singapore taxation”, under current law Qualifying Income derived from the Relevant Notes is not subject to withholding tax by the Issuer, provided certain conditions are satisfied. However, in other cases payments of interest in respect of the Notes may be subject to Singapore withholding taxes. As discussed under “Description of the Notes governed by New York law — Payments of Additional Amounts”, “Terms and Conditions of the Notes governed by Singapore law — Taxation”, and “Terms and Conditions of the Notes governed by English law — Taxation”, the Issuer may become liable for the payment of Additional Amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no Singapore withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having actually received the amount of any Singapore taxes withheld by the Issuer with respect to a Note, includable in such U.S. Holder’s income at the time such amount is received or accrued in accordance with such U.S. Holder’s method of U.S. federal income tax accounting, and as then having actually paid over the withheld taxes to the Singapore taxing authorities. As a result of this rule, the amount of interest income (including Additional Amounts, if any) included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Singapore income taxes withheld by the Issuer (paid at the rate applicable to a U.S. Holder). Interest and OID generally will constitute foreign source income, which is either passive category income or, in the case of certain U.S. Holders, general category income. For purposes of the foreign tax credit limitation, foreign source income is classified as belonging to one of two “baskets”, and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that basket. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for Singapore taxes imposed on a payment of interest if the U.S. Holder has not met certain holding period

requirements. Since a U.S. Holder may be required to include OID on the Notes in its gross income in advance of any withholding of Singapore income taxes from payments attributable to the OID (which would generally occur when the Note is repaid or redeemed), a U.S. Holder may not be entitled to a credit or deduction for these Singapore income taxes in the year the OID is included in the U.S. Holder's gross income, and may be limited in its ability to credit or deduct in full the Singapore taxes in the year those taxes are actually withheld by the Issuer. Prospective purchasers should consult their tax advisors concerning the foreign tax credit implications of the payment of any Singapore taxes.

### **Original issue discount**

#### *General*

The following is a summary of the principal U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes issued with OID.

A Note, other than a Note with a term of one year or less (a "Short-Term Note"), will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "installment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is greater than or equal to 0.25% of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold for money to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate (with certain exceptions for different rates that take into account different compounding periods), or a variable rate (in the circumstances described below under "— Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any unconditional call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any unconditional put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes (regardless of their method of accounting) must include OID in income using a constant-yield method generally before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Discount Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Discount Note that were not qualified stated interest payments.

### *Acquisition premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “— Election to treat all interest as original issue discount”, is permitted to reduce the daily portions of OID which must be included in income by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Discount Note immediately after its purchase over the Discount Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, over the Discount Note’s adjusted issue price.

### *Market discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “Market Discount Note”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Discount Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an installment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the “revised issue price” of a Discount Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Market Discount Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the market discount that has been accrued on the Note while held by such U.S. Holder. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for certain interest on borrowings incurred to purchase or carry a Market Discount Note, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount generally will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and may not be revoked without the consent of the IRS.

### *Election to treat all interest as original issue discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “— General”, with certain modifications. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium (described below under “— Notes purchased at a premium”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Market Discount” to include market discount in income currently over the life of all debt instruments with market discount acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and if the election to apply the constant yield method to all interest on a Note is made with respect to a Note purchased at a premium, the electing U.S. Holder will be treated as having made the election discussed below under “— Notes purchased at a premium” to amortize bond premium on all taxable bonds held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisors concerning the consequences of this election.

### Variable Interest Rate Notes

It is expected that Notes that provide for interest at variable rates (“Variable Interest Rate Notes”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under U.S. Treasury Regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate and (c) a qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating



rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of any OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note that qualifies as a “variable rate debt instrument” is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest and any OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the relevant Pricing Supplement.

#### *Short-term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but the U.S. Holder may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain recognized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is recognized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity. A U.S. Holder not otherwise required may elect to accrue OID on a Short-Term Note as if the Short-Term



Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### *Fungible issue*

The Issuer may, without the consent of the Noteholders, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes.

#### **Notes purchased at a premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity will generally have "amortizable bond premium" to the extent of such excess. If so, the U.S. Holder will not be required to include any OID. In addition, the U.S. Holder may elect to amortize such premium, in which case the amount required to be included in the U.S. Holder's income each year with respect to qualified stated interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "— Original issue discount — Election to treat all interest as original issue discount".

#### **Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer and the Guarantor under the Notes may be assumed by another entity. Depending on the circumstances, such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder's tax basis in the Notes. However, under the Indenture, if the Issuer's obligations relating to the Notes are assumed by a Successor Entity as a result of certain consolidation, merger or sale of assets, such Successor Entity must deliver to the New York Trustee and the Trustee an opinion of U.S. tax counsel of recognized standing to the effect that the beneficial owners of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would be the case as if the transaction had not occurred. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

#### **Purchase, sale and retirement of Notes**

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the tax basis of the Note. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "— Original issue discount — Market discount" or "— Original issue discount — Short-Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss

recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. The deductibility of capital losses is subject to limitations.

### ***Foreign currency notes***

#### ***Interest***

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the U.S. dollar amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### ***OID***

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### ***Market discount***

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

### *Bond premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognize a market loss when the Note matures.

### *Sale or retirement*

As discussed above under “— Purchase, sale and retirement of Notes”, a U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the principal amount of the Note (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement.

### *Disposition of foreign currency*

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

### ***Backup withholding and information reporting***

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder to the extent required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or if the U.S. Holder had been notified that it is subject to backup withholding because of a failure to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain U.S. Holders who are individuals are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

### ***Reportable transactions***

U.S. Treasury Regulations require a U.S. taxpayer that participates in a “reportable transaction” to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat any foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds US\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of US\$10,000 in the case of a natural person and US\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules to the acquisition, holding or disposition of Notes.

### ***Foreign Account Tax Compliance Act***

The Issuer, and other non-U.S. financial institutions through which payments on the Notes are made, may be required to withhold U.S. tax on all, or a portion of, payments made after December 31, 2016 on any Notes issued or materially modified on or after January 1, 2013 pursuant to FATCA. The rules governing FATCA have not yet been fully developed in this regard, and the future application of FATCA to the Issuer and the Notes is uncertain. However, such withholding by the Issuer and other non-U.S. financial institutions through which payments on the Notes are made, may be required, among others, where (i) the Issuer or such other non-U.S. financial institution is a FFI that agrees to provide certain information on its account holders to the IRS (making the Issuer or such other non-U.S. financial institution a “participating FFI”) and (ii)(a) the payee itself is an FFI but is not a participating FFI or does not provide information sufficient for the relevant participating FFI to determine whether the payee is subject to withholding under FATCA or (b) the payee is not a participating FFI and is not otherwise exempt from FATCA withholding. Notwithstanding anything herein to the contrary, if an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer nor Temasek nor any other person would, pursuant to terms of the Notes, be required to pay any additional amounts as a result of the deduction or withholding of such tax. **THE RULES GOVERNING FATCA ARE EXTREMELY COMPLICATED. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS TO DETERMINE WHETHER THESE RULES MAY APPLY TO PAYMENTS THEY WILL RECEIVE UNDER THE NOTES.**

### ***European Union taxation***

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the “**Savings Directive**”), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest of other similar income paid by a person within its jurisdiction to an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such withholding system, tax will be deducted unless the recipient of the payment elects instead for an exchange of information procedure. The current rate of withholding is 35%. Belgium had previously operated a withholding system in relation to such payments, but has elected to apply the provision of information provisions that apply to the Member States (other than Austria and Luxembourg during the transitional period), with effect from January 1, 2010. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The Savings Directive does not preclude Member States from levying other types of withholding tax.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted or agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to an individual beneficial owner resident in, or certain limited types of entity established in, a Member State.

In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to an individual beneficial owner resident in, or certain limited types of entity established in, one of those countries or territories.

On November 13, 2008, the European Commission published a proposal for amendments to the Savings Directive. The proposal included a number of suggested changes which, if implemented, would amend or broaden the scope of the rules described above. The European Parliament approved an amended version of this proposal on April 24, 2009.

## **United Kingdom taxation**

**The comments below are of a general nature based on current United Kingdom law and HM Revenue & Customs practice and are not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisors.**

Persons in the United Kingdom (i) paying interest to, or receiving interest on behalf of, another person who is an individual or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to, or receiving such amounts on behalf of, another person who is an individual, may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.



## Benefit plan investor considerations

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes fiduciary standards and certain other requirements on employee benefit plans subject thereto, including collective investment funds, separate accounts, and other entities or accounts whose underlying assets are treated as assets of such plans pursuant to the U.S. Department of Labor “plan assets” regulation 29 C.F.R. Section 2510.3-101 and the U.S. Pension Protection Act of 2006 (the “Plan Assets Regulation”), (collectively, “ERISA Plans”), and on those persons who are fiduciaries with respect to ERISA Plans. Before authorizing an investment in the Notes, fiduciaries of ERISA Plans should consider, among other matters, (i) ERISA’s fiduciary standards, (ii) whether the investment in the Notes by the ERISA Plan satisfies the prudence and diversification requirements of ERISA, taking into account the overall investment policies of the ERISA Plan, the composition of the ERISA Plan’s portfolio and the limitations on the marketability of the Notes, (iii) whether the fiduciaries have authority to make an investment in the Notes under the applicable ERISA Plan investment policies and governing instruments and (iv) rules under ERISA and the U.S. Internal Revenue Code that prohibit ERISA Plan fiduciaries from causing an ERISA Plan to engage in a “prohibited transaction”.

**Due to the complexity of these rules and the penalties that may be imposed upon persons involved in a non-exempt prohibited transaction, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of or with “plan assets” of any ERISA Plan consult with their counsel regarding the potential consequences if the assets of the Issuer were deemed to be “plan assets” and the availability of exemptive relief under any applicable prohibited transaction class exemption or statutory exemption.**

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the U.S. Internal Revenue Code (together with ERISA Plans, “Plans”)) and certain persons (referred to as “parties in interest” or “disqualified persons”) having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a “party in interest” or “disqualified person” may constitute a prohibited transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes or other liabilities under ERISA and the U.S. Internal Revenue Code.

Because of the foregoing restrictions, the Notes may not be purchased or held by any Plan, or any person investing “plan assets” of any Plan, unless that purchase and holding is covered by an applicable prohibited transaction class exemption or statutory exemption. Any purchaser or holder of the Notes or any interest therein will be deemed to have represented by its purchase or holding thereof that either (a) it is not and is not using the assets of any (i) Plan or (ii) governmental, church or non-U.S. plan that is subject to federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code (“Similar Law”) or (iii) entity whose assets are treated as assets of any Plan, or (b) its purchase and holding of a Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code, a violation of applicable Similar Law or an unauthorized delegation of fiduciary authority.

In addition to the concern that the purchase or holding of Notes by Plans not result in any prohibited transactions, it is also important that such purchase or holding does not cause the Issuer to be deemed to be holding “plan assets.” Under the terms of the Plan Assets Regulation, if the Issuer were deemed to hold plan assets by reason of a Plan’s investment in the Notes, those plan assets would include an undivided interest in the assets held by the Issuer and Temasek. If the assets and transactions of the Issuer and Temasek were to be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and the U.S. Internal Revenue Code and the Issuer, investing Plan fiduciaries and parties in interest or disqualified persons with respect to Plans could be subject to substantial liabilities, excise taxes and penalties on any non-exempt prohibited transactions and liability as a result of an unauthorized delegation of fiduciary duty. Under the Plan Assets Regulation, the assets of the Issuer would be deemed to be “plan assets” of an ERISA Plan for purposes of ERISA and Section 4975 of the U.S. Internal Revenue Code if “plan assets” were used to acquire an equity interest in the Issuer and no exception were applicable under the Plan Assets Regulation. An “equity interest” is defined under the Plan Assets Regulation as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Temasek believes the Notes are properly characterized as debt and,

accordingly, the acquisition and holding of the Notes by Plans should not result in the Issuer being deemed to hold “plan assets.” However, the treatment of the Notes as debt, rather than equity, is not entirely free from doubt and therefore no assurances can be given, either in this regard or that another exception contained in the Plan Assets Regulation will be available.

Any plan fiduciary that proposes to cause a plan to purchase Notes should consult with its counsel regarding the applicability of the “plan asset,” fiduciary responsibility and prohibited transaction provisions under ERISA and Section 4975 of the U.S. Internal Revenue Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA or the U.S. Internal Revenue Code or applicable Similar Laws.

The sale of Notes to a plan investor is in no respect a representation by the Issuer, Temasek, the Arrangers or the Dealers or any of their affiliates that such an investment meets all relevant legal requirements with respect to investments by plan investors generally or any particular plan investor, or that such an investment is appropriate for plan investors generally or any particular plan investor.

# **Plan of distribution**

## **Summary of the Program Agreement**

Subject to the terms and on the conditions contained in a program agreement, initially dated as of September 14, 2005, as amended and restated as of February 3, 2010 (together with all supplements and amendments thereto, the “Program Agreement”), among the Issuer, the Guarantor, the Arrangers and the Dealers named therein (referred to herein as the “Arrangers” and the “Dealers”), the Notes will be offered from time to time for sale through the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Program Agreement also provides for Notes to be issued in syndicated series that are underwritten by two or more Dealers. The Program Agreement further provides for the resignation of existing Dealers and the appointment of additional Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Program and the Dealers for certain of their activities in connection with the Program.

The Issuer and the Guarantor have, jointly and severally, agreed to indemnify the Arrangers and the Dealers in connection with the offer and sale of such Notes, including liability under the Securities Act. The Program Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers may from time to time purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Dealers may make a market in the Notes.

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. In connection with the offer and sale of each series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Program will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Program qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such series of Notes will be listed on a stock exchange, that such Notes will trade from their date of issuance until maturity (or early redemption).

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

## **Certain matters relating to the Dealers**

Some of the Dealers and their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory or trustee services for Temasek, the Issuer or their affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to Temasek, the Issuer and their affiliates in the future, for which they may also receive customary fees and commissions.

The Dealers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Dealers or their affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of Temasek, the Issuer or their respective subsidiaries, affiliates or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing

sale or resale of any Notes issued pursuant to the terms of the Program (notwithstanding that such selected counterparties may also be purchasers of the Notes).

As of March 31, 2012, the Temasek Group had an effective interest of 30% and 18% of DBS Group Holdings Ltd and Standard Chartered PLC, respectively. See “Business of Temasek — Major Investments”.

DBS Group Holdings Ltd is an affiliate of DBS Bank Ltd., which is one of the Dealers under the Program. DBS Trustee Limited, the Singapore Trustee under the Singapore Law Trust Deed, is an affiliate of DBS Bank Ltd.

Standard Chartered PLC is the ultimate holding company of Standard Chartered Bank, which is also one of the Dealers under the Program.

Deutsche Bank Trust Company Americas, the New York Trustee under the Indenture, and DB Trustees (Hong Kong) Limited, the English Trustee under the English Law Trust Deed, are affiliates of Deutsche Bank AG. Deutsche Bank AG, Singapore Branch is one of the Dealers under the Program.

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

## **Selling restrictions**

### ***General***

The selling restrictions below may be modified or supplemented from time to time by the agreement of the Issuer, Temasek and the Dealers. Any such modification or supplement will be set out in a Pricing Supplement or in a supplement to this Offering Circular. The Program Agreement provides that the restrictions relating to any specific jurisdiction (set out below) shall be deemed to be modified to the extent (if at all) of any change(s) in, or change(s) in official interpretation of, applicable laws and regulations governing any of such restrictions relating to any specific jurisdiction.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material relating to the Notes or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required other than as provided herein.

Each Dealer has agreed that it will comply to the best of its knowledge and belief and in all material respects with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes the Offering Circular, any other offering material relating to the Notes or any Pricing Supplement.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the relevant Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided* that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **France**

Each Dealer has represented and agreed that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (a) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (“AMF”), on the date of its publication or, (b) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the *Règlement général* of the AMF; or

- (ii) Private placement in France:

in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier.

### **Hong Kong**

Each Dealer has represented and agreed that (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “Securities and Futures Ordinance)) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.



## **Italy**

Each Dealer has represented and agreed that the offer of the Notes has not been registered with the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, the “CONSOB”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that no Notes may be offered, sold or distributed, to the public in the Republic of Italy (“Italy”) nor may copies of this document or of any other document relating to the Notes be distributed in Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 2, paragraph (e) of the Prospectus Directive as implemented by Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (the “Issuers Regulation”); or
- (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Legislative Decree No. 58 of February 24, 1998, as amended from time to time, (the “Financial Services Act”) and Article 34-ter of the Issuers Regulation.

Moreover, and subject to the foregoing, each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this document or any other document relating to the Notes in Italy under (i) or (ii) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “Banking Act”);
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

## **Japan**

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “FIEA”). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Korea**

Each Dealer has represented and agreed that Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer undertakes to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

## ***Malaysia***

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia and accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 (or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b)), Schedule 8 (or Section 257(3)) and Schedule 9 (or Section 257(3)) of the Capital Markets and Services Act 2007 of Malaysia, subject to any law, order, regulation or official directive of Central Bank of Malaysia, Securities Commission of Malaysia and/or any other regulatory authority from time to time. In addition, residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Notes. The onus is on the residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Notes as aforesaid without the necessary approvals being in place.

## ***Singapore***

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## ***United Kingdom***

Each Dealer has represented, warranted and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (1) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (2) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## ***United States***

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and have not been registered or qualified under any state securities or “blue sky” laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from the registration requirements of the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Program Agreement, it will not offer, sell or deliver the Notes of any identifiable series (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the date of issue of the Notes of such series and the

completion of the distribution of the Notes of such series, as determined and certified to the Issuer by the relevant Dealer (or, in the case of a sale of a series of Notes on a syndicated basis, by the relevant lead manager(s)), except (A) to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"), as such terms are defined in Regulation S or (B) in accordance with Rule 144A under the Securities Act ("Rule 144A"). Each Dealer has agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the 40-day distribution compliance period commencing upon completion of the distribution of the series of Notes as determined and certified to the Issuer, a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meaning given to them by Regulation S.

Until 40 days after the later of the date of issue and the completion of the distribution of any Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notes to be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Pricing Supplement. The Issuer currently expects that all Notes issued pursuant to Rule 144A will be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act. The selling and transfer restrictions applicable to such Notes are expected to be substantially as set out under "Important Information for Investors Relating to the U.S." in the Form of Pricing Supplement annexed as Annex B to this Offering Circular, including certain representations which will be deemed to be made by the purchasers of such Notes. However, the Issuer may choose to use different restrictions in the future and if so, such restrictions will be set out in a supplement to this Offering Circular or the relevant Pricing Supplement.

Notes to be issued in reliance on Regulation S only may be restricted from being offered, sold or transferred within the United States or to, or for the account of, U.S. persons as set out in the relevant Pricing Supplement.

With respect to Notes only in definitive registered form, a Dealer registered or exempt from registration as a broker or dealer under the Exchange Act and nominated as such by the Issuer (a "4(2) Dealer") may, directly or through its affiliates, arrange for the placing of such Notes to institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) promulgated under the Securities Act) acting for themselves or other institutional "accredited investors" pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. In connection with each such sale of Definitive Registered Notes pursuant to Section 4(2) or in a transaction otherwise exempt from registration under the Securities Act, each 4(2) Dealer will (i) instruct the purchaser to deliver to the Issuer and to the Trustee an executed investment representation letter pursuant to the Indenture, and the 4(2) Dealer and the Issuer each agrees not to sell any Notes to any such purchaser until such an executed investment representation letter is so delivered, (ii) deliver, at or prior to settlement, an Offering Circular and the relevant Pricing Supplement to each Institutional Accredited Investor purchasing a Note or Notes from it and (iii) only sell to such purchaser, for such purchaser's own account or for any separate account of another Institutional Accredited Investor for which it is acting, Notes having an aggregate principal amount of not less than US\$250,000 (or its equivalent rounded upwards as specified in the relevant Pricing Supplement).

Each Dealer (or, in the case of a sale of a particular series of Notes offered on a syndicated basis, the relevant lead manager(s)) who has purchased Notes of a series in accordance with the Program Agreement shall determine and certify to the Issuer on the completion of the distribution of the Notes of such series purchased by or through it.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by U.S. tax regulations. Accordingly, Bearer Notes having a maturity of more than one year will be issued in accordance with the provisions of U.S. Treasury Regulation§ 1.163-5(c)(2)(i)(D), unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with the provisions of U.S. Treasury Regulation§ 1.163-5(c)(2)(i)(C). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

## **Notice to purchasers and holders of Registered Notes and transfer restrictions**

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Each prospective purchaser of Notes that have a legend regarding restrictions on transferability, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that this Offering Circular is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer and Temasek, is prohibited.

Additional restrictions regarding the eligible investors and transfer restrictions may apply to any series of Notes. Any such additional restrictions will be set out in the relevant Pricing Supplement.

### **Notes of a Series including Notes sold in reliance on the exemption provided by Section 3(c)(7) of the Investment Company Act (“3(c)(7) Series”)**

The Issuer currently expects that all Notes issued pursuant to Rule 144A will be issued in reliance on the exemption provided by Section 3(c)(7) under the Investment Company Act. The selling and transfer restrictions applicable to such Notes are expected to be substantially as set out under “Important Information for Investors Relating to the U.S.” in the Form of Pricing Supplement annexed as Annex B to this Offering Circular, including the following representations deemed to be made by the purchasers of such Notes and the purchasers of Notes offered and sold pursuant to Regulation S as part of a 3(c)(7) Series.

#### ***DTC Restricted Global Notes***

Each initial purchaser, and each subsequent purchaser or transferee, of an interest in a DTC Restricted Global Note issued as part of a 3(c)(7) Series will be deemed by its acceptance thereof to have represented, acknowledged and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows (terms used in this paragraph that are not defined will have the meaning given to them in Rule 144A or Regulation S, as the case may be):

- (1) Such person (i) is a QIB and a QP; (ii) is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A; and (iv) either (a) is not and is not using the assets of any (i) “employee benefit plan” which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), “plan” which is subject to Section 4975 of the U.S. Internal Revenue Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.
- (2) Such person (i) was not formed for the purpose of investing in the Issuer (unless each beneficial owner of its securities is a QP); and (ii) is acquiring an interest in the Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements deemed made by such person and for whom such person exercises sole investment discretion.
- (3) Such person understands and acknowledges that the Notes have not been and will not be registered under the Securities Act and accordingly may not be offered or sold as part of its initial distribution within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.



- (4) Such person understands and acknowledges that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” (as such term is defined under the Investment Company Act and related rules) and that the Issuer and the Guarantor have imposed the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Issuer and the Guarantor will qualify for the exemption provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company.
- (5) Such person agrees that its Notes may only be sold, transferred, assigned, pledged or otherwise disposed of in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or to a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction meeting the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S under the Securities Act (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), provided, that it delivers to the Issuer and the Guarantor an Offshore Transaction Letter substantially in the form appended to the Indenture or the English Agency Agreement, as the case maybe. The term “offshore transaction” has the meaning set forth in Regulation S. Such person understands that the transfer restrictions will remain in effect until the Issuer determines, in its sole discretion, to remove them.
- (6) Such person agrees that its Notes may be sold, transferred, assigned, pledged or otherwise disposed of only in minimum denominations of US\$250,000.
- (7) Such person understands that, subject to certain exceptions, to be a QP, entities must have US\$25 million in “investments” as defined in Rule 2a51-1 under the Investment Company Act.
- (8) Such person agrees, upon a proposed transfer of its Notes, to notify any purchaser of such Notes or the executing broker, as applicable, of any transfer restrictions that are applicable to the Notes being sold.
- (9) Such person understands and acknowledges that (i) the New York Trustee or the English Trustee, as the case may be, the Issuer, the Guarantor and their agents shall not be obligated to recognize any resale or other transfer of the Notes made other than in compliance with the restrictions described herein; and (ii) the Issuer and its agents may require any U.S. person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Notes to transfer the Notes within 30 days to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S and if the obligation is not met, the Issuer is irrevocably authorized, without any obligation, to sell such Notes on an offshore stock exchange on such terms as the directors of the Issuer think fit, or the Issuer shall be entitled to redeem such Notes at par, being a Redemption Amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date.
- (10) Such person agrees that neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any “directed selling efforts” as defined in Regulation S, or any “general solicitation or general advertising” as defined in Regulation D under the Securities Act, with respect to the Notes.
- (11) Such person understands that the New York Trustee or the English Trustee, as the case may be, the Issuer and the Guarantor may receive a list of participants holding positions in the Notes from one or more book-entry depositories.
- (12) Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.
- (13) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in the Indenture or the English Law Trust Deed, as the case may be. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

### ***Regulation S Global Notes***

Each initial purchaser, and each subsequent purchaser or transferee, of an interest in a Regulation S Global Note issued as part of a 3(c)(7) Series will be deemed to have represented, acknowledged and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for



which it is acting, as follows (terms used in this paragraph that are not defined will have the meaning given to them in Regulation S:

- (1) Such person is, at the time of the offer to it of Notes and at the time the buy order originated, outside the United States for purposes of Regulation S.
- (2) Such person is not a U.S. person and is not acquiring the Notes for the account or benefit of a U.S. person.
- (3) Such person is aware that the Notes have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S.
- (4) Such person understands that prior to the end of the expiration of the 40-day distribution compliance period, no exchange, sale, assignment, pledge, transfer or other disposal of interests in a Regulation S Global Note for interests in a DTC Restricted Global Note shall be permitted.
- (5) Such person understands that interests in the Regulation S Global Notes may only be sold, transferred, pledged or otherwise disposed of (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.
- (6) Such person understands that any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognized by the Issuer in respect of the Notes.
- (7) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in the Indenture or the English Law Trust Deed, as the case may be. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

#### ***Investor Representation Letters***

In the event that any purchaser of an interest in a DTC Restricted Global Note issued as part of a 3(c)(7) Series transfers such interest outside the United States in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), such transferor must execute an Offshore Transaction Letter in the form appended to the relevant Pricing Supplement and cause such letter to be promptly delivered to the Issuer and the Guarantor.

In addition, in the event any such interests are issued in definitive form ("Definitive Notes") in accordance with the provisions of the Indenture or the English Law Trust Deed, as the case may be, such Definitive Notes will bear a legend substantially in the form as provided for in the Indenture or the English Law Trust Deed, as the case may be, and before any U.S. person or person located in the United States may take delivery of any such Definitive Notes, such person must deliver to the Issuer and the Guarantor a representation letter substantially in the form as provided for in the Indenture or the English Law Agency Agreement, as the case may be.

#### ***Ability of the Issuer to Compel Sale of or Redeem such DTC Restricted Global Notes***

The Issuer may, at its option, compel any beneficial owner of interests in such a DTC Restricted Global Note to sell its interest in such Note, or sell such interests on behalf of such holder, or redeem its interests in such Note at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date (as defined in the Indenture) or the date fixed for redemption in accordance with the English Law Trust Deed, as the case may be, if such holder is not a QIB and a QP.

## **Legend**

Each such DTC Restricted Global Note representing the Notes will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND THAT NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN “**INVESTMENT COMPANY**” UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF “INVESTMENT COMPANY” UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT), AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (3) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, AND UPON CERTIFICATION TO THAT EFFECT BY THE SELLER IN WRITING IN AN OFFSHORE TRANSACTION LETTER IN THE FORM OF AS PROVIDED FOR IN [THE INDENTURE] [THE AGENCY AGREEMENT ENTERED INTO IN RELATION TO THIS NOTE] OR ANOTHER FORM ACCEPTABLE TO THE ISSUER. THE TERMS “**U.S. PERSON**,” “**OFFSHORE TRANSACTION**” AND “**DESIGNATED OFFSHORE SECURITIES MARKET**” HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE UNDER THE [INDENTURE] [ENGLISH LAW TRUST DEED] GOVERNING THIS NOTE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. THE ISSUER AND ITS AGENTS MAY REQUIRE ANY PERSON WHO IS REQUIRED TO BE A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER BUT WHO IS NOT A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AT THE TIME IT ACQUIRES THIS NOTE TO TRANSFER THIS NOTE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S WITHIN 30 DAYS. IF THIS NOTE IS NOT SO TRANSFERRED, THE ISSUER IS ENTITLED TO SELL THIS NOTE TO A PURCHASER SELECTED BY THE ISSUER OR REDEEM THIS

NOTE FROM SUCH PERSON AT PAR, BEING A REDEMPTION AMOUNT EQUAL TO THE PRINCIPAL AMOUNT PLUS ANY ACCRUED AND UNPAID INTEREST TO (BUT EXCLUDING) THE REDEMPTION DATE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") OR (II) SUCH PERSON'S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Each such Regulation S Global Note representing the Notes will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN "**INVESTMENT COMPANY**" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, OR (3) AFTER THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD

FOLLOWING THE ISSUE DATE OF THE NOTES, TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A **“QUALIFIED INSTITUTIONAL BUYER”** (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A **“QUALIFIED PURCHASER”** (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANOTHER FORM ACCEPTABLE TO THE ISSUER, AND SUCH TRANSFEREE WILL THEN HOLD THE ACQUIRED INTERESTS AS INTERESTS IN THE DTC RESTRICTED GLOBAL NOTE. THE TERMS **“U.S. PERSON,” “OFFSHORE TRANSACTION”** AND **“DESIGNATED OFFSHORE SECURITIES MARKET”** HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), “PLAN” SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”) OR (II) SUCH PERSON’S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

### **Non-3(c)(7) Series**

The following representations are deemed to be made by the purchasers indicated below in respect of Notes of a non-3(c)(7) Series.

#### ***DTC Restricted Global Notes***

Each purchaser of an interest in a DTC Restricted Global Note offered and sold in reliance on Rule 144A will be deemed to have represented, acknowledged and agreed as follows (terms used in this paragraph that are not defined will have the meaning given to them in Rule 144A or in Regulation S, as the case may be):

1. The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring Notes for its own account or for the account of one or more QIBs and that it exercises sole investment discretion with respect to each such account;
2. The purchaser understands that the Notes and the Guarantee are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Notes and the Guarantee have not been and will not be registered under the Securities Act or any other applicable state securities laws and may not be offered, sold, pledged or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act and any other applicable state securities laws; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such interest in a DTC Restricted Global Note, such interest in a DTC Restricted Global Note may be offered, resold, pledged or otherwise transferred only (A) to Temasek or any subsidiary thereof, (B) to a U.S. person or to a person in the United States whom the seller reasonably believes is a

QIB in a transaction meeting the requirements of Rule 144A, (C) outside the United States to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (D) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (E) pursuant to an effective registration statement under the Securities Act and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the interest in a DTC Restricted Global Note is required to, notify any purchaser of such interest in a DTC Restricted Global Note from it of the resale restrictions referred to in (i) above and that (iii) no representation is being made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Notes;

3. Either (a) it is not and is not using any (i) “employee benefit plan” which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), “plan” which is subject to Section 4975 of the U.S. Internal Revenue Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law;
4. The purchaser understands that the Issuer, Temasek and the Dealers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such investor account, and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account; and
5. Each DTC Restricted Global Note will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

“THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR AND THE DEALERS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT;



RITIES ACT AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (C) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

### ***Definitive IAI Registered Notes***

Each purchaser of Definitive IAI Registered Notes will be required to deliver to the Issuer, Temasek and the New York Registrar an IAI Investment Letter substantially in the form attached to the Indenture. The Definitive IAI Registered Notes will be subject to the transfer restrictions set forth in the legend below, such letter and the Indenture. Inquiries concerning transfers of Notes should be made to any Dealer.

1. The IAI Investment Letter will state, among other things, the following:
  - (i) that the Institutional Accredited Investor has received a copy of the Offering Circular and such other information as it deems necessary in order to make its investment decision;
  - (ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Offering Circular and the Notes (including those set out below) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act;
  - (iii) that, in the normal course of its business, the institutional accredited investor invests in or purchases securities similar to the Notes;
  - (iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts’ investment for an indefinite period of time;
  - (v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
  - (vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least US\$250,000 (or the approximate equivalent in another currency).
2. Each Definitive IAI Registered Note that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

“THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE

U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER, THE GUARANTOR AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS NOTE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED IN THE INDENTURE ENTERED INTO BY THE ISSUER, THE GUARANTOR AND THE NEW YORK TRUSTEE ON SEPTEMBER 16, 2005. THE PURCHASER REPRESENTS THAT IT IS AN INSTITUTIONAL “**ACCREDITED INVESTOR**” (WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) AND IT IS ACQUIRING THIS NOTE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO ANY RESALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS NOTE PURSUANT TO RULE 144A OR REGULATION S UNDER THE SECURITIES ACT OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER, THE GUARANTOR OR ANY AFFILIATE OF THE ISSUER OR THE GUARANTOR WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) ONLY (A) TO THE GUARANTOR OR ANY SUBSIDIARY OF THE GUARANTOR, (B) IN THE UNITED STATES TO A PERSON WHOM IT REASONABLY BELIEVES IS A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL “**ACCREDITED INVESTOR**” (WITHIN THE MEANING OF RULE 501 (A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL “**ACCREDITED INVESTOR**”, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF US\$250,000 AND MULTIPLES OF US\$1,000 IN EXCESS THEREOF FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO, OR FOR OFFER OR RESALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE GUARANTOR'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (C), (E) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER AND THE GUARANTOR, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE NEW YORK TRUSTEE AND, IN EACH OF THE FOREGOING CASES, NOT IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED

FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALES OR TRANSFERS OF RESTRICTED NOTES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

### **Regulation S Global Note**

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period (as defined in Regulation S), by accepting delivery of this Offering Circular and the Notes will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S).
2. It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that it will not offer, sell, pledge or otherwise transfer such Notes except in accordance with the transfer restrictions set forth in the legend appearing on the front of such Notes (as set out below) and any other applicable transfer restrictions specified in the relevant Pricing Supplement.
3. Either (a) it is not (i) an "employee benefit plan" which is subject to Title I of the ERISA, "plan" which is subject to Section 4975 of the U.S. Internal Revenue Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) a governmental, church or non-U.S. plan that is subject to any Similar Law, or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.
4. It understands that such Notes, unless otherwise determined by the Issuer and Temasek in accordance with applicable law, will bear a legend substantially to the following effect:
 

(i) in the case of Notes issued under the Indenture or Notes of a series issued in the form of a Regulation S Global Note and a DTC Restricted Global Note under the English Law Trust Deed:

"THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN THEM IN REGULATION S UNDER THE SECURITIES ACT."

(ii) in the case of Notes issued under the Singapore Law Trust Deed or Notes of a series issued in the form of only a Regulation S Global Note under the English Law Trust Deed:

"THE NOTES (THE "**NOTES**") AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY U.S. PERSON."
5. The Issuer, Temasek, the New York Registrar or the Singapore Registrar (as the case may be), the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Note. Prior to the expiration of the Distribution Compliance Period, before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Restricted Global Note if applicable, it will be required to provide a transfer agent with a written certification (in the form provided in the Indenture or the English Law Trust Deed, as applicable) as to compliance with applicable securities laws.

## **Legal matters**

Certain legal matters with respect to the Notes will be passed upon for the Issuer and Temasek by Allen & Gledhill LLP with respect to Singapore law and by Latham & Watkins LLP with respect to English, New York and United States federal securities laws. Certain legal matters with respect to the Notes will be passed upon for the Arrangers and Dealers by Davis Polk & Wardwell with respect to New York and United States federal securities laws.



## Ratings

Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by Standard & Poor’s. Any credit ratings accorded Temasek or the Notes are not a recommendation to purchase, hold or sell the Notes in as much as such ratings do not comment as to market price or suitability for investors. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. There can also be no assurance that such ratings will remain in effect for any given period or that the ratings will not be revised by the ratings agencies in the future if, in their judgment, circumstances so warrant. See “Investment considerations — Considerations related to the Issuer and Temasek — Credit ratings assigned to Temasek” for more details on Temasek’s credit ratings.

## **Independent public accountants**

The consolidated financial statements of Temasek as of March 31, 2012, 2011 and 2010 and for each of the years in the three-year period ended March 31, 2012, which are included elsewhere in this Offering Circular, have been audited by KPMG LLP, Singapore, public accountants and certified public accountants, as stated in their report also appearing herein.

## **Index to consolidated financial statements**

The page references in the Statement By Directors and the Independent Auditors' Report for the financial years ended March 31, 2012, 2011 and 2010 set out on pages F1 and F2 to F3, respectively, of the Offering Circular refer to the consolidated financial statements set out on pages FS1 to FS127.

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In the opinion of the Directors, the consolidated financial statements of the Group as set out on pages FS1 to FS127 are drawn up so as to present fairly the state of affairs of the Group as at 31 March 2012, 2011 and 2010, and the results, changes in equity and cash flows of the Group for each of the years then ended.

On behalf of the Board of Directors

/s/Suppiah Dhanabalan  
SUPPIAH DHANABALAN  
Chairman

/s/Ho Ching  
HO CHING  
Director

Singapore  
27 June 2012

## **Independent auditors' report**

TEMASEK HOLDINGS (PRIVATE) LIMITED

### **Report on the financial statements**

We have audited the accompanying consolidated financial statements of TEMASEK HOLDINGS (PRIVATE) LIMITED ("THPL") and its subsidiary companies (the "Group"), which comprise the consolidated balance sheets as at 31 March 2012, 2011 and 2010, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for each of the years then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS127.

### ***Management's responsibility for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Singapore Financial Reporting Standards.

### ***Auditors' responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



**TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES**

*Independent auditors' report  
Years ended 31 March 2012, 2011, 2010*

***Opinion***

In our opinion, the consolidated financial statements of the Group present fairly, in all material respects, the state of affairs of the Group as at 31 March 2012, 2011 and 2010 and the results, changes in equity and cash flows of the Group for each of the years then ended in accordance with Singapore Financial Reporting Standards.

/s/KPMG LLP

**KPMG LLP**

*Public Accountants and  
Certified Public Accountants*

Singapore  
27 June 2012

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TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

*Consolidated Income Statement*  
*Years ended 31 March 2012, 2011, 2010*

<b>The Group</b>	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Revenue	5	83,548.0	83,519.0	76,658.0
Cost of sales		(56,306.3)	(52,991.6)	(50,679.4)
<b>Gross profit</b>		<b>27,241.7</b>	<b>30,527.4</b>	<b>25,978.6</b>
Other income		6,285.6	4,855.4	4,518.0
Selling and distribution expenses		(5,669.0)	(5,758.7)	(5,317.6)
Administrative expenses		(7,960.3)	(7,321.9)	(8,722.5)
Other operating expenses		(7,138.3)	(6,259.7)	(9,936.6)
Finance expenses	6	(2,585.8)	(2,598.3)	(2,432.0)
<b>Profit before share of profit of associated companies and joint ventures</b>		<b>10,173.9</b>	<b>13,444.2</b>	<b>4,087.9</b>
Share of profit, net of tax of:				
- associated companies		3,008.5	2,603.7	2,373.6
- joint ventures		1,580.1	1,727.4	2,013.0
<b>Profit before income tax</b>		<b>14,762.5</b>	<b>17,775.3</b>	<b>8,474.5</b>
Income tax expense	7	(1,395.0)	(1,953.3)	(1,682.1)
<b>Profit for the year</b>	8	<b>13,367.5</b>	<b>15,822.0</b>	<b>6,792.4</b>
<b>Attributable to:</b>				
Equity holder of THPL		10,729.9	12,667.5	4,593.2
Non-controlling interests		2,637.6	3,154.5	2,199.2
<b>Profit for the year</b>		<b>13,367.5</b>	<b>15,822.0</b>	<b>6,792.4</b>

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

*Consolidated*  
*Statement of Comprehensive Income*  
*Years ended 31 March 2012, 2011, 2010*

The Group	2012 \$million	2011 \$million	2010 \$million
Profit for the year	13,367.5	15,822.0	6,792.4
<b>Other comprehensive income</b>			
Translation differences	(961.2)	(1,974.5)	2,337.0
Share of associated companies' and joint ventures' reserves	(277.7)	(158.5)	322.3
Change in fair value of available-for-sale financial assets, net of tax	(7,751.5)	945.6	22,778.2
Cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax	(1,121.6)	(2,245.4)	526.3
Cash flow hedges, net of tax	(38.4)	(213.5)	1,026.4
Partial disposal or dilution of investments in subsidiary companies, without loss of control	-	-	(15.1)
Disposal of investments in subsidiary companies, with loss of control	(26.8)	27.1	1,896.2
Disposal or dilution of investments in associated companies and joint ventures	159.7	362.1	(8.1)
Others, net	(71.3)	(29.9)	165.1
<b>Total other comprehensive income</b>	(10,088.8)	(3,287.0)	29,028.3
<b>Total comprehensive income for the year</b>	<u>3,278.7</u>	<u>12,535.0</u>	<u>35,820.7</u>
<b>Attributable to:</b>			
Equity holder of THPL	1,032.8	10,023.0	31,373.2
Non-controlling interests	2,245.9	2,512.0	4,447.5
<b>Total comprehensive income for the year</b>	<u>3,278.7</u>	<u>12,535.0</u>	<u>35,820.7</u>

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

*Consolidated Balance Sheet  
As at 31 March 2012, 2011, 2010*

The Group	Note	2012 \$million	2011 \$million	2010 \$million
<b>Non-current assets</b>				
Property, plant and equipment	11	67,791.0	66,777.8	67,974.3
Intangible assets	12	17,923.0	18,856.9	19,146.9
Associated companies	13	37,063.3	30,862.0	33,379.4
Joint ventures	14	12,410.9	11,191.7	11,230.9
Financial assets	15	59,983.0	65,043.4	63,781.6
Derivative financial instruments	16	720.9	252.4	399.2
Investment properties	17	7,853.6	7,144.6	6,534.8
Properties under development	18	433.3	175.7	186.8
Other non-current assets	19	10,650.2	11,302.3	10,241.2
Deferred tax assets	20	1,496.1	1,745.1	1,808.7
		<u>216,325.3</u>	<u>213,351.9</u>	<u>214,683.8</u>
<b>Current assets</b>				
Inventories	21	3,523.1	3,205.3	3,085.4
Trade and other receivables	22	24,753.3	20,332.6	16,683.3
Financial assets	15	11,347.0	11,293.4	9,553.8
Derivative financial instruments	16	208.0	644.6	1,050.5
Cash and bank balances	24	46,052.3	49,079.8	39,730.7
Assets classified as held for sale	25	427.0	3.5	5.3
		<u>86,310.7</u>	<u>84,559.2</u>	<u>70,109.0</u>
<b>Total assets</b>		<u>302,636.0</u>	<u>297,911.1</u>	<u>284,792.8</u>
<b>Equity attributable to equity holder of THPL</b>				
Share capital	9	39,306.4	34,568.5	34,568.5
Other reserves	10(a)	13,698.5	13,680.8	13,822.5
Share option reserve		-	687.1	630.4
Fair value reserve	10(b)	11,765.1	20,900.3	21,971.4
Hedging reserve	10(c)	(641.9)	(484.0)	(275.4)
Currency translation reserve	10(d)	(4,316.5)	(3,993.7)	(2,630.5)
Accumulated profits		<u>98,354.7</u>	<u>90,121.4</u>	<u>81,656.2</u>
		158,166.3	155,480.4	149,743.1
<b>Non-controlling interests</b>		<u>23,494.7</u>	<u>24,062.1</u>	<u>23,408.6</u>
<b>Total equity</b>		<u>181,661.0</u>	<u>179,542.5</u>	<u>173,151.7</u>
<b>Non-current liabilities</b>				
Borrowings	27	53,851.1	48,139.4	48,436.9
Derivative financial instruments	16	2,508.9	2,085.1	2,384.2
Provisions	28	596.3	478.7	462.0
Deferred income and liabilities	29	3,066.2	2,552.8	2,950.1
Deferred tax liabilities	20	4,650.6	5,279.1	6,108.3
Other non-current liabilities	30	2,807.2	2,922.6	3,094.9
		<u>67,480.3</u>	<u>61,457.7</u>	<u>63,436.4</u>
<b>Current liabilities</b>				
Trade and other payables	26	39,274.2	38,342.2	33,016.3
Current tax payable		2,538.7	2,938.6	1,595.8
Borrowings	27	8,174.9	10,346.6	8,889.7
Derivative financial instruments	16	449.0	1,835.6	968.6
Provisions	28	1,096.3	1,469.0	1,919.7
Deferred income and liabilities	29	1,961.6	1,978.9	1,814.6
		<u>53,494.7</u>	<u>56,910.9</u>	<u>48,204.7</u>
<b>Total liabilities</b>		<u>120,975.0</u>	<u>118,368.6</u>	<u>111,641.1</u>
<b>Total equity and liabilities</b>		<u>302,636.0</u>	<u>297,911.1</u>	<u>284,792.8</u>

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



TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

The Group	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
At 1 April 2009	34,344.3	13,332.5	669.7	(1,451.7)	(1,116.7)	(4,342.3)	76,961.8	118,397.6	22,554.8	140,952.4
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	4,593.2	4,593.2	2,199.2	6,792.4
Profit for the year	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	1,632.0	-	1,632.0	705.0	2,337.0
Translation differences	-	-	-	-	-	-	-	-	-	-
Share of associated companies' and joint ventures' reserves	-	(146.7)	(11.6)	183.7	200.8	(153.4)	257.1	329.9	(7.6)	322.3
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	22,733.7	-	-	-	22,733.7	44.5	22,778.2
Cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax	-	-	-	500.6	-	-	-	500.6	25.7	526.3
Cash flow hedges, net of tax	-	-	-	-	637.6	-	-	637.6	388.8	1,026.4
Partial disposal or dilution of investments in subsidiary companies, without loss of control	-	3.4	-	0.5	2.2	(21.2)	-	(15.1)	-	(15.1)
Disposal of investments in subsidiary companies, with loss of control	-	586.2	-	4.7	0.2	258.4	-	849.5	1,046.7	1,896.2
Disposal or dilution of investments in associated companies and joint ventures	-	(4.5)	-	(0.1)	0.5	(4.0)	-	(8.1)	-	(8.1)
Others, net	-	44.6	-	-	-	-	75.3	119.9	45.2	165.1
Total other comprehensive income	-	483.0	(11.6)	23,423.1	841.3	1,711.8	332.4	26,780.0	2,248.3	29,028.3
Total comprehensive income for the year	-	483.0	(11.6)	23,423.1	841.3	1,711.8	4,925.6	31,373.2	4,447.5	35,820.7
Balance carried forward	34,344.3	13,815.5	658.1	21,971.4	(275.4)	(2,630.5)	81,887.4	149,770.8	27,002.3	176,773.1

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

The Group	Note	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
Balance brought forward		34,344.3	13,815.5	658.1	21,971.4	(275.4)	(2,630.5)	81,887.4	149,770.8	27,002.3	176,773.1
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Employee share-based payment		-	-	69.1	-	-	-	-	69.1	74.9	144.0
Transfer from accumulated profits to other reserves		-	7.0	-	-	-	-	(7.0)	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	-	1,177.7	1,177.7
Dividends paid to non-controlling interests/capital reduction		-	-	-	-	-	-	-	-	(2,538.4)	(2,538.4)
Dividend (one tier) paid of \$0.27 per share		-	-	-	-	-	-	(224.2)	(224.2)	-	(224.2)
Issue of ordinary shares		224.2	-	-	-	-	-	-	224.2	-	224.2
Total contributions by and distributions to owners	9	224.2	7.0	69.1	-	-	-	(231.2)	69.1	(1,285.8)	(1,216.7)
<b>Changes in ownership interests in subsidiary companies</b>											
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	(122.1)	(122.1)
Disposal of investments in subsidiary companies with loss of control		-	-	(95.1)	-	-	-	-	(95.1)	(2,185.8)	(2,280.9)
Partial disposal or dilution of investments in subsidiary companies without loss of control		-	-	(1.7)	-	-	-	-	(1.7)	-	(1.7)
Total changes in ownership interests in subsidiary companies		-	-	(96.8)	-	-	-	-	(96.8)	(2,307.9)	(2,404.7)
Total transactions with owners		224.2	7.0	(27.7)	-	-	-	(231.2)	(27.7)	(3,593.7)	(3,621.4)
At 31 March 2010		34,568.5	13,822.5	630.4	21,971.4	(275.4)	(2,630.5)	81,656.2	149,743.1	23,408.6	173,151.7

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

The Group	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non- controlling interests \$million	Total equity \$million
At 1 April 2010	34,568.5	13,822.5	630.4	21,971.4	(275.4)	(2,630.5)	81,656.2	149,743.1	23,408.6	173,151.7
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	12,667.5	12,667.5	3,154.5	15,822.0
Profit for the year	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	(1,434.4)	-	(1,434.4)	(540.1)	(1,974.5)
Translation differences	-	-	-	-	-	(1,434.4)	-	(1,434.4)	(540.1)	(1,974.5)
Share of associated companies' and joint ventures' reserves	-	(13.1)	6.4	166.5	0.3	(325.5)	6.6	(158.8)	0.3	(158.5)
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	896.3	-	-	-	896.3	49.3	945.6
Cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax	-	-	-	(2,229.8)	-	-	-	(2,229.8)	(15.6)	(2,245.4)
Cash flow hedges, net of tax	-	-	-	-	(117.8)	-	-	(117.8)	(95.7)	(213.5)
Disposal of investments in subsidiary companies, with loss of control	-	-	-	-	-	27.1	-	27.1	-	27.1
Disposal or dilution of investments in associated companies and joint ventures	-	(5.5)	(0.4)	2.8	(0.1)	365.3	-	362.1	-	362.1
Others, net	-	0.3	-	93.8	(91.0)	-	7.7	10.8	(40.7)	(29.9)
Total other comprehensive income	-	(18.3)	6.0	(1,070.4)	(208.6)	(1,367.5)	14.3	(2,644.5)	(642.5)	(3,287.0)
Total comprehensive income for the year	-	(18.3)	6.0	(1,070.4)	(208.6)	(1,367.5)	12,681.8	10,023.0	2,512.0	12,535.0
Balance carried forward	34,568.5	13,804.2	636.4	20,901.0	(484.0)	(3,998.0)	94,338.0	159,766.1	25,920.6	185,686.7

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

The Group	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
Balance brought forward	34,568.5	13,804.2	636.4	20,901.0	(484.0)	(3,998.0)	94,338.0	159,766.1	25,920.6	185,686.7
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Employee share-based payment	-	-	53.1	-	-	-	-	53.1	10.0	63.1
Transfer from accumulated profits to other reserves	-	3.1	-	-	-	-	(3.1)	-	-	-
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	154.8	154.8
Dividends paid to non-controlling interests/capital reduction	-	-	-	-	-	-	-	-	(2,063.6)	(2,063.6)
Dividend (one tier) payable of \$1.17 per share	-	-	-	-	-	-	(981.8)	(981.8)	-	(981.8)
Dividend (one tier) payable of \$3.12 per share	-	-	-	-	-	-	(2,611.7)	(2,611.7)	-	(2,611.7)
Distribution to owner	-	-	-	-	-	-	(735.6)	(735.6)	-	(735.6)
Total contributions by and distributions to owners	-	3.1	53.1	-	-	-	(4,332.2)	(4,276.0)	(1,898.8)	(6,174.8)
<b>Changes in ownership interests in subsidiary companies</b>										
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	13.2	13.2
Acquisition of non-controlling interests without a change in control	-	1.0	-	-	-	-	(7.6)	(6.6)	(42.7)	(49.3)
Disposal of investments in subsidiary companies with loss of control	-	-	-	-	-	-	-	-	(1.2)	(1.2)
Partial disposal or dilution of investments in subsidiary companies without loss of control	-	(127.5)	(2.4)	(0.7)	-	4.3	123.2	(3.1)	71.0	67.9
Total changes in ownership interests in subsidiary companies	-	(126.5)	(2.4)	(0.7)	-	4.3	115.6	(9.7)	40.3	30.6
Total transactions with owners	-	(123.4)	50.7	(0.7)	-	4.3	(4,216.6)	(4,285.7)	(1,858.5)	(6,144.2)
At 31 March 2011	34,568.5	13,680.8	687.1	20,900.3	(484.0)	(3,993.7)	90,121.4	155,480.4	24,062.1	179,542.5

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
<b>The Group</b>										
At 1 April 2011	34,568.5	13,680.8	687.1	20,900.3	(484.0)	(3,993.7)	90,121.4	155,480.4	24,062.1	179,542.5
<b>Total comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	10,729.9	10,729.9	2,637.6	13,367.5
<b>Other comprehensive income</b>										
Translation differences	-	-	-	-	-	(546.8)	-	(546.8)	(414.4)	(961.2)
Share of associated companies' and joint ventures' reserves	-	(12.6)	5.7	(102.1)	(107.3)	195.0	(254.6)	(275.9)	(1.8)	(277.7)
Change in fair value of available-for-sale financial assets, net of tax	-	-	-	(7,790.7)	-	-	-	(7,790.7)	39.2	(7,751.5)
Cumulative change in fair value of available-for-sale financial assets transferred to income statement on disposal, net of tax	-	-	-	(1,117.5)	-	-	-	(1,117.5)	(4.1)	(1,121.6)
Cash flow hedges, net of tax	-	-	-	-	(44.4)	-	-	(44.4)	6.0	(38.4)
Disposal of investments in subsidiary companies, with loss of control	-	(36.9)	-	(131.9)	(4.2)	(97.8)	244.0	(26.8)	-	(26.8)
Disposal or dilution of investments in associated companies and joint ventures	-	23.7	1.7	6.4	(0.2)	128.1	-	159.7	-	159.7
Others, net	-	(60.1)	-	-	-	-	5.4	(54.7)	(16.6)	(71.3)
Total other comprehensive income	-	(85.9)	7.4	(9,135.8)	(156.1)	(321.5)	(5.2)	(9,697.1)	(391.7)	(10,088.8)
Total comprehensive income for the year	-	(85.9)	7.4	(9,135.8)	(156.1)	(321.5)	10,724.7	1,032.8	2,245.9	3,278.7
Balance carried forward	34,568.5	13,594.9	694.5	11,764.5	(640.1)	(4,315.2)	100,846.1	156,513.2	26,308.0	182,821.2

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Equity  
Years ended 31 March 2012, 2011, 2010

The Group	Note	Share capital \$million	Other reserves \$million	Share option reserve \$million	Fair value reserve \$million	Hedging reserve \$million	Currency translation reserve \$million	Accumulated profits \$million	Total equity attributable to equity holder of THPL \$million	Non-controlling interests \$million	Total equity \$million
Balance brought forward		34,568.5	13,594.9	694.5	11,764.5	(640.1)	(4,315.2)	100,846.1	156,513.2	26,308.0	182,821.2
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Employee share-based payment		-	-	(13.7)	-	-	-	15.1	1.4	39.3	40.7
Transfers/reclassifications		-	3.9	(411.5)	-	-	-	(3.9)	(411.5)	411.5	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	-	348.3	348.3
Dividends paid to non-controlling interests/ capital reduction		-	-	-	-	-	-	-	-	(3,730.1)	(3,730.1)
Dividend (one tier) payable of \$2.97 per share		-	-	-	-	-	-	(2,557.5)	(2,557.5)	-	(2,557.5)
Issue of ordinary shares	9	4,737.9	-	-	-	-	-	-	4,737.9	-	4,737.9
Total contributions by and distributions to owners		4,737.9	3.9	(425.2)	-	-	-	(2,546.3)	1,770.3	(2,931.0)	(1,160.7)
<b>Changes in ownership interests in subsidiary companies</b>											
Acquisition of subsidiary companies		-	-	-	-	-	-	-	-	63.3	63.3
Acquisition of non-controlling interests without a change in control		-	4.7	-	-	-	-	(53.2)	(48.5)	(147.4)	(195.9)
Disposal of investments in subsidiary companies with loss of control		-	-	(267.7)	-	-	-	-	(267.7)	97.5	(170.2)
Partial disposal or dilution of investments in subsidiary companies without loss of control		-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiary companies		-	95.0	(1.6)	0.6	(1.8)	(1.3)	108.1	199.0	104.3	303.3
Total transactions with owners		-	99.7	(269.3)	0.6	(1.8)	(1.3)	54.9	(117.2)	117.7	0.5
At 31 March 2012		4,737.9	103.6	(694.5)	0.6	(1.8)	(1.3)	(2,491.4)	1,653.1	(2,813.3)	(1,160.2)
		39,306.4	13,698.5	-	11,765.1	(641.9)	(4,316.5)	98,354.7	158,166.3	23,494.7	181,661.0

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



TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

*Consolidated Cash Flow Statement*  
*Years ended 31 March 2012, 2011, 2010*

<b>The Group</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
<b>Cash flows from operating activities</b>			
Profit before income tax	14,762.5	17,775.3	8,474.5
Adjustments for:			
Accretion of government compensation received	(23.7)	(29.4)	(38.2)
Amortisation and impairment loss on intangible assets	949.7	645.6	1,619.9
Amortisation of deferred gain on sale and leaseback transactions	(20.5)	(29.0)	(64.7)
Depreciation of property, plant and equipment	6,619.0	6,743.0	7,525.2
Dividend income	(68.9)	(48.2)	(628.6)
Fair value change of financial assets and derivative financial instruments	87.4	312.7	941.6
Fair value change of property under development	(18.9)	(13.0)	2.7
Fair value gain on investment properties	(139.5)	(354.3)	(159.7)
Gain from restructuring in operations and disposal of investments	(4,585.3)	(3,306.1)	(1,083.9)
Gain on disposal of property, plant and equipment	(21.3)	(121.8)	(53.6)
Impairment of property, plant and equipment	81.0	22.7	147.3
Impairment in value of investments in associated companies, joint ventures and other financial assets	1,434.4	489.9	1,844.3
Interest expense	2,585.8	2,598.3	2,432.0
Interest income	(302.7)	(286.0)	(321.6)
Loss/(Gain) on disposal of investment properties	1.1	*	(0.4)
Negative goodwill written off	(38.1)	(11.4)	(8.2)
Property, plant and equipment written off	16.7	16.2	14.3
Share based compensation expenses	104.6	103.2	172.1
Share of results of associated companies	(3,008.5)	(2,603.7)	(2,373.6)
Share of results of joint ventures	(1,580.1)	(1,727.4)	(2,013.0)
	<u>16,834.7</u>	<u>20,176.6</u>	<u>16,428.4</u>
Changes in working capital:			
Current assets	(3,609.7)	(5,584.3)	(7,067.1)
Current liabilities	2,009.0	2,938.3	2,852.1
Foreign currency translation adjustments	(53.9)	(255.8)	59.5
Cash generated from operating activities	<u>15,180.1</u>	<u>17,274.8</u>	<u>12,272.9</u>
Income tax paid	<u>(2,021.7)</u>	<u>(1,249.6)</u>	<u>(1,260.3)</u>
<b>Net cash from operating activities</b>	<u>13,158.4</u>	<u>16,025.2</u>	<u>11,012.6</u>

\* Less than \$0.1 million.

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

TEMASEK HOLDINGS (PRIVATE) LIMITED  
AND ITS SUBSIDIARY COMPANIES

Consolidated Cash Flow Statement  
Years ended 31 March 2012, 2011, 2010

The Group	Note	2012 \$million	2011 \$million	2010 \$million
<b>Cash flows from investing activities</b>				
Payments for acquisition of subsidiary companies and businesses (net of cash acquired) <sup>(1)</sup>		(2,888.4)	(109.7)	(39.9)
Proceeds from/(Payments for) disposal of subsidiary companies and businesses (net of cash disposed of) <sup>(1)</sup>		917.2	(280.4)	410.9
Payments for property, plant and equipment		(9,568.2)	(7,457.8)	(8,065.6)
Proceeds from disposal of property, plant and equipment		1,224.6	875.4	406.6
Payments for intangible assets		(324.9)	(328.5)	(361.4)
Proceeds from disposal of intangible assets		5.8	1.0	0.1
Payments for purchases of interests in associated companies and joint ventures (net)		(4,770.7)	(1,236.4)	(443.4)
(Payments for purchases)/Proceeds from disposal of financial assets and derivative financial instruments (net)		(3,001.0)	(1,205.4)	207.3
Proceeds from disposal/(Payments for purchases) of investment properties and properties under development (net)		317.3	(169.3)	(524.5)
Proceeds from finance lease receivables and loans and bill receivables		-	-	2.8
Repayment from/(Loans to) associated companies and joint ventures (net)		415.8	1,605.1	(151.0)
Dividends received from associated companies and joint ventures		2,500.7	3,056.0	2,171.1
Dividends received from financial assets		66.7	55.9	1,164.6
Interest received		173.0	152.1	206.3
Acquisition of non-controlling interest in existing subsidiary companies		-	-	(274.3)
Return of capital from available-for-sale financial assets and associated companies		170.6	153.8	5.7
<b>Net cash used in investing activities</b>		<b>(14,761.5)</b>	<b>(4,888.2)</b>	<b>(5,284.7)</b>
<b>Cash flows from financing activities</b>				
Payments for additional interest acquired in subsidiary companies without a change in control (net)		(44.7)	(236.9)	-
Repayments of finance lease and hire purchase obligations		(173.3)	(188.8)	(203.6)
Interest paid		(2,857.1)	(2,777.3)	(2,775.1)
Proceeds from borrowings		21,873.6	21,393.8	21,107.5
Repayments of borrowings		(17,259.0)	(17,979.5)	(16,935.6)
Return of capital by subsidiary companies to non-controlling interests		(338.9)	(132.2)	(91.0)
Dividends paid to shareholder		(3,593.5)	-	(224.2)
Dividends paid to non-controlling interests		(3,391.2)	(1,931.4)	(2,475.6)
Capital contributions from non-controlling interest shareholders		348.3	154.8	1,177.7
Proceeds from issuance of new shares		4,020.3	-	224.2
<b>Net cash used in financing activities</b>		<b>(1,415.5)</b>	<b>(1,697.5)</b>	<b>(195.7)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,018.6)</b>	<b>9,439.5</b>	<b>5,532.2</b>
Cash and cash equivalents at the beginning of the year		48,943.7	39,504.2	33,972.0
<b>Cash and cash equivalents at the end of the year</b>	24	<b>45,925.1</b>	<b>48,943.7</b>	<b>39,504.2</b>

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

**Note <sup>(1)</sup> - The attributable net assets of subsidiary companies and businesses acquired and disposed of are as follows:**

	Recognised values		
	2012	2011	2010
	\$million	\$million	\$million
<b>Acquisition of subsidiary companies and businesses</b>			
Non-current assets	3,127.2	140.8	36.3
Current assets	169.7	78.1	212.1
Non-current liabilities	(5.1)	(36.7)	(9.8)
Current liabilities	(135.2)	(57.3)	(59.0)
	3,156.6	124.9	179.6
Non-controlling interests	(63.3)	(13.2)	(62.6)
Net identifiable assets	3,093.3	111.7	117.0
Goodwill on acquisition	12.5	58.4	14.8
Amount previously accounted for as associated companies/joint ventures	(64.5)	(5.1)	-
Consideration not yet paid	(10.4)	(26.5)	-
Consideration paid, satisfied in cash	3,030.9	138.5	131.8
Cash and cash equivalents acquired	(142.5)	(28.8)	(91.9)
Net cash outflow from acquisitions	2,888.4	109.7	39.9
<b>Disposal of subsidiary companies and businesses</b>			
Non-current assets	3,695.2	642.8	5,392.3
Current assets	1,056.8	429.5	2,608.6
Non-current liabilities	(2,427.2)	(624.4)	(1,433.5)
Current liabilities	(1,353.3)	(405.8)	(3,123.6)
	971.5	42.1	3,443.8
Non-controlling interests	97.5	(1.2)	(1,647.6)
	1,069.0	40.9	1,796.2
Realisation of reserves and goodwill	127.6	27.1	360.6
Transfer to associated companies	(2,120.1)	-	-
Others	6.0	4.0	-
Gain/(loss) on disposals	2,229.4	(38.3)	(542.5)
Cash consideration received	1,311.9	33.7	1,614.3
Cash and cash equivalents disposed of	(394.7)	(314.1)	(1,203.4)
Net cash inflow/(outflow) from disposals <sup>(2)</sup>	917.2	(280.4)	410.9

<sup>(2)</sup> During the year ended 31 March 2011, THPL distributed all its shares in a wholly-owned subsidiary company to its owner, resulting in the deconsolidation of \$311.2 million cash from the Group.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 June 2012.

## **1. General information**

Temasek Holdings (Private) Limited ("THPL") is incorporated and domiciled in Singapore. The address of THPL's registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The financial statements comprise THPL and its subsidiary companies (together referred to as the "Group") and the Group's interest in associated companies and joint ventures.

The principal activity of THPL is that of an investment holding company. The principal activities of the Group include that of investment holding companies and operating companies operating in the following sectors: (a) financial services; (b) telecommunications, media and technology; (c) transportation and industrials; (d) life sciences, consumer and real estate; and (e) energy and resources.

THPL is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

### **2.3 Functional and presentation currency**

The financial statements are presented in Singapore Dollar, which is THPL's functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest \$0.1 million, unless otherwise indicated.

### **2.4 Basis of preparation of entities with non-coterminous year-end**

References to the financial years 2012, 2011 and 2010 refer to the financial years ended 31 March 2012, 31 March 2011 and 31 March 2010 respectively.

The consolidated financial statements include the financial statements of THPL and all its subsidiary companies drawn up to 31 March 2012, except for the following subsidiary companies' financial statements which have been prepared and audited up to the year ended 31 December 2011 (and in the case of Neptune Orient Lines Limited and STATS ChipPAC Ltd., a year end as at the last Friday and last Sunday of every calendar year respectively):

- Fullerton Financial Holdings Pte. Ltd. and its subsidiary companies;
- Neptune Orient Lines Limited and its subsidiary companies;
- Pine Investments Holdings Pte. Ltd. and its subsidiary companies;
- PSA International Pte Ltd and its subsidiary companies;
- Singapore Technologies Engineering Ltd and its subsidiary companies;
- Singapore Technologies Semiconductors Pte Ltd;
- Singapore Technologies Telemedia Pte Ltd and its subsidiary companies;
- STATS ChipPAC Ltd. and its subsidiary companies;
- Temasek Holdings Consulting (Shanghai) Company Limited;
- Certain subsidiary companies of Accuron Technologies Limited;
- Certain subsidiary companies of Fullerton Fund Investments Pte Ltd;
- Certain subsidiary companies of Fullerton (Private) Limited;
- Certain subsidiary companies of Temasek Capital (Private) Limited; and
- Certain subsidiary companies of Tembusu Capital Pte. Ltd..

In exercising its powers under Section 200(8) of the Singapore Companies Act, Chapter 50, the Accounting and Corporate Regulatory Authority of Singapore has approved the above-mentioned subsidiary companies and each of their respective subsidiary companies to have a year end as at 31 December 2011 (and in the case of Neptune Orient Lines Limited and STATS ChipPAC Ltd., a year end as at the last Friday and last Sunday of every calendar year respectively) which does not coincide with the year end of THPL, being their ultimate holding company.

Management evaluated the significance of transactions between 1 January 2012 and 31 March 2012, and where necessary, made adjustments to the consolidated financial statements of the Group.

Had the unaudited balance sheets of these subsidiary companies as at 31 March been included in the consolidated balance sheet of the Group, the effect on the equity attributable to equity holder of THPL as at 31 March would have been approximately as follows:

	2012 \$million	2011 \$million	2010 \$million
As shown in audited consolidated balance sheet of the Group as at 31 March	158,166.3	155,480.4	149,743.1
Net increase/(decrease) in equity attributable to equity holder of THPL as at 31 March in respect of these subsidiary companies	1,685.2	933.4	(410.0)
Consolidated balance sheet as would be revised	<u>159,851.5</u>	<u>156,413.8</u>	<u>149,333.1</u>

Had the unaudited income statements of these subsidiary companies for the years ended 31 March been included in the consolidated income statement of the Group, the effect on the profit attributable to equity holder of THPL for the years ended 31 March would have been approximately as follows:

	2012 \$million	2011 \$million	2010 \$million
As shown in audited consolidated income statement of the Group for the years ended 31 March	10,729.9	12,667.5	4,593.2
Net (decrease)/increase in profit attributable to equity holder of THPL for the period from 1 January to 31 March in respect of these subsidiary companies	(130.9)	395.4	285.3
Consolidated income statement as would be revised	<u>10,599.0</u>	<u>13,062.9</u>	<u>4,878.5</u>

## 2.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information on areas involving a high degree of judgement, or areas where estimates are significant to the financial statements, is set out in note 4.

## 2.6 Changes in accounting policies

### **Overview**

On 1 April 2011, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application by the Group from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The following are the new or revised FRS and INT FRS that are relevant to the Group:



### **Amendments to FRS 107 *Financial Instruments: Disclosures* (2010)**

#### *Disclosure on credit risk of financial instruments*

From 1 April 2011, the Group applied the amendments to FRS 107 *Financial Instruments: Disclosures* resulting from the *Improvements to FRSs 2010* in disclosing the credit risk of financial instruments arising from the financial effect of the extent to which collaterals held as security and other credit enhancements mitigate credit risk.

Previously, the Group has disclosed the description of collateral held as security and other credit enhancements in respect of financial assets that are past due or impaired, including an estimate of their fair value as at reporting date. The Group now discloses an estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date.

The adoption of FRS 107 (2010) affects only the disclosures in the financial statements and has no financial effect on the results and financial position of the Group for the current and previous financial years. Certain comparative disclosures have been restated (see note 33(d)).

### **3. Significant accounting policies**

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

#### **3.1 Consolidation**

##### ***Business combinations***

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated income statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred in the consolidated income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, unless another measurement basis is required by FRS.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree company's employees (acquiree company's awards) and relate to past services, then all or a portion of the amount of the acquirer company's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree company's awards and the extent to which the replacement awards relate to past and/or future service.

### ***Subsidiary companies***

Subsidiary companies are entities (including special purpose entities) over which the Group has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable or convertible are taken into account. The financial statements of subsidiary companies are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary companies have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### ***Business combinations involving entities under common control***

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as an acquisition on the date that the common control business combination occurs. The assets and liabilities acquired are recognised at the carrying amounts based on the financial statements of the acquired entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the cash paid for the acquisition and net assets acquired is recognised directly in equity.

### ***Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in the consolidated income statement. If the Group retains any interest in the previous subsidiary company, then such interests is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee company or as a financial asset depending on the level of influence retained.

### ***Associated companies and joint ventures***

Associated companies are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreements and requiring unanimous consent for strategic financial and operating decisions.

Associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. The consolidated financial statements include the Group's share of the post-acquisition results and reserves of associated companies and joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Associated companies and joint ventures held by or through venture capital organisations, or mutual funds, unit trusts and similar entities are exempted from applying the equity method in the consolidated financial statements and classified as at fair value through profit or loss in accordance with FRS 39.

Unincorporated joint ventures are accounted for by recognising the Group's assets and liabilities from the joint ventures, as well as expenses incurred by the Group and the Group's share of results earned from the joint ventures, in the consolidated financial statements.

The Group's investments in associated companies and joint ventures include goodwill identified on acquisition. When the Group's share of losses exceeds its interest in an associated company or a joint venture, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make or has made payments on behalf of the investee company.

### ***Transactions with non-controlling interests***

Non-controlling interests represents the equity in subsidiary companies not attributable, directly or indirectly, to THPL, and are presented separately in the consolidated income statement, consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owner of THPL.

Changes in THPL's ownership interest in a subsidiary company that do not result in a change in control are accounted for as equity transactions and therefore the carrying amounts of assets and liabilities are not changed and goodwill, bargain purchase gain and gain or loss on partial disposal are not recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets/liabilities of the subsidiary company. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owner of THPL.

***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associated companies and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**3.2 Foreign currencies**

***Foreign currency transactions***

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

Foreign currency differences arising on translation are recognised in the income statement, except for foreign currency differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below), available-for-sale equity instruments and financial liabilities designated as hedges of a net investment in a foreign operation (note 3.7).

***Foreign operations***

The assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated to Singapore Dollar at the average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 April 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity. However, if the operation is a non wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated company or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to income statement.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the currency translation reserve in the consolidated statement of changes in equity.

### **3.3 Property, plant and equipment**

#### ***Recognition and measurement***

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

#### ***Subsequent costs***

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits embodied within the item will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. Other subsequent expenditure such as repairs and maintenance is recognised in the income statement as incurred.

### ***Depreciation***

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

	<u>Nature of property, plant and equipment</u>	<u>Useful lives</u>
(a)	Buildings	3 to 99 years
(b)	Leasehold land and improvements, dry docks, floating docks, wharves, slipways, syncrolifts and wet berthages	1 to 99 years
(c)	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts	4 to 30 years (For used passenger aircraft and used freighter aircraft, the Group depreciates them over 15 years less age of aircraft)
(d)	Marine crafts and vessels	2 to 25 years
(e)	Plant, equipment and machinery (excluding easements)	1 to 120 years
(f)	Furniture, fittings, office equipment, computers, vehicles and others	1 to 20 years

No depreciation is provided on freehold land, easements (included in plant, equipment and machinery) and leasehold land with a remaining lease period of more than 100 years. No depreciation is provided on construction work-in-progress until the related property, plant and equipment is ready for use.

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

### **3.4 Research and development costs**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.



Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense when it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement using the straight-line method over the estimated useful lives.

### **3.5 Intangible assets**

#### ***Goodwill***

Goodwill and bargain purchase gain arise on the acquisition of subsidiary companies, associated companies and joint ventures.

##### *(a) Acquisitions prior to 1 April 2001*

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree company.

Goodwill and negative goodwill on acquisitions were written off against accumulated profits in the year of acquisition.

Goodwill and negative goodwill that have previously been taken to reserves are not taken to the consolidated income statement when (i) the business is disposed; or (ii) the goodwill is impaired.

##### *(b) Acquisitions occurring between 1 April 2001 and 31 March 2005*

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree company.

Goodwill arising on the acquisition of subsidiary companies is presented in intangible assets. Goodwill arising on the acquisition of associated companies and joint ventures is presented together with investments in associated companies and joint ventures.

Goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life. On 1 April 2005, the Group discontinued amortisation of this goodwill. This remaining goodwill balance is subject to testing for impairment, as described in note 3.9.

Negative goodwill was derecognised by crediting accumulated profits on 1 April 2005.

Gains and losses on the disposal of subsidiary companies, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(c) *Acquisitions occurring between 1 April 2005 and 31 March 2010*

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree company.

Goodwill arising on the acquisition of subsidiary companies is presented in intangible assets. Goodwill arising on the acquisition of associated companies and joint ventures is presented together with investments in associated companies and joint ventures.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3.9. Negative goodwill is recognised immediately in the consolidated income statement.

Gains and losses on the disposal of subsidiary companies, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(d) *Acquisitions on or after 1 April 2010*

For acquisitions on or after 1 April 2010, goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the consolidated income statement.

Goodwill is measured at cost less accumulated impairment losses. In respect of associated companies and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment.

Gains and losses on the disposal of subsidiary companies, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

***Other intangible assets***

Other intangible assets that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets are amortised in the income statement on a straight-line basis over their estimated useful lives from the date on which they are available for use.

Other intangible assets that have indefinite useful lives or are not ready for use are stated at cost less accumulated impairment losses.

The estimated useful lives are as follows:

	<u>Nature of intangible assets</u>	<u>Useful lives</u>
(a)	Transmission licence and distribution licence	Indefinite
(b)	Licence fee	Over the term of the contract or not more than 25 years
(c)	Spectrum and other licences	12 to 25 years
(d)	Computer software	1 to 10 years
(e)	Port use rights	Period of the operating rights
(f)	Trademarks	3 to 7 years
(g)	Customer contracts and relationships	Not more than 18 years
(h)	Patents and intellectual property rights	2 to 19 years
(i)	Brand name	5 to 70 years
(j)	Deferred development expenditure	Over the term of the contract or not more than 20 years

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

### **3.6 Investment properties and properties under development**

Investment properties (including those under development) for the Group are held for long-term rental yields and are not occupied substantially by the Group.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent valuers on an open market basis. Changes in fair values are recognised in the income statement.

Where the fair value of the investment property under development cannot be reliably measured, the property is measured at cost until the earlier of the date of construction is completed and the date at which fair value becomes reliably measurable.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised.

If an investment property becomes substantially owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

### 3.7 Financial instruments

#### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and cash equivalents, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, other short-term highly liquid investments and bank overdrafts. For the purpose of the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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

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

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

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

#### *(b) Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity. Held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

(c) *Loans and receivables*

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

(d) *Available-for-sale financial assets*

The Group's investments in certain equity securities and debt securities are classified as available-for-sale financial assets if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses and foreign exchange gains and losses on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to the income statement.

(e) *Trade and other payables*

Trade and other payables are carried at amortised cost using the effective interest method.

(f) *Borrowings*

Borrowings except for exchangeable bonds/notes are carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Exchangeable bonds/notes are carried at fair value, i.e. the residual amount after deducting the fair value of the derivative liability from the proceeds of issue. The difference between the proceeds of issue and fair value of exchangeable bonds/notes is amortised over the period of exchangeable bonds/notes using the effective interest rate method, and is included as interest expense in income statement.

***Impairment of financial assets***

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

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

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

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses in respect of financial assets measured at amortised cost are recognised in the income statement. Impairment losses in respect of available-for-sale financial assets are recognised by transferring the cumulative loss that has been recognised in other comprehensive income and presented in the fair value reserve in equity, to the income statement.

Impairment losses in respect of financial assets measured at amortised cost and available-for-sale debt securities are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities shall not be reversed through the income statement. Any subsequent increase in fair value of such assets is recognised in other comprehensive income and presented in the fair value reserve in equity.

#### ***Derivative financial instruments and hedging activities***

The Group holds derivative financial instruments to hedge its risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

##### ***(a) Cash flow hedges***

Changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement.



If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction affects the income statement. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in equity is recognised immediately in the income statement. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

*(b) Fair value hedges*

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

*(c) Hedges of a net investment in a foreign operation*

Foreign currency differences arising on translation of financial liabilities designated as hedges of a net investment in a foreign operation are recognised in income statement. On consolidation, such foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such foreign currency differences are recognised in the consolidated income statement.

When the hedged net investment is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the consolidated income statement on disposal.

*(d) Separable embedded derivatives*

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

*(e) Economic hedges*

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

***Share capital***

Ordinary shares are classified as equity.

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

### ***Compound financial instruments***

Compound financial instruments issued by the Group comprise convertible notes and convertible redeemable preference shares that can be converted to shares or redeemed at the option of the holder and/or issuer at varying conditions and redemption amounts.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

## **3.8 Leases**

### ***When entities within the Group are lessees of a finance lease***

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

### ***When entities within the Group are lessees of an operating lease***

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rents are recognised in the income statement in the year in which they are incurred.

### ***When entities within the Group are lessors of a finance lease***

Leased assets in which the Group transfers substantially all the risks and rewards of ownership to the lessees are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in "other non-current assets" and "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

***When entities within the Group are lessors of an operating lease***

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised in the income statement when earned.

**3.9 Impairment – non-financial assets**

***Property, plant and equipment, Intangible assets, Associated companies and Joint ventures***

The recoverable amounts of goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, are estimated each year at the same time, and as and when indicators of impairment are identified. The carrying amounts of the Group's other non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

### **3.10 Inventories and contracts work-in-progress**

#### *(a) Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first-in-first-out basis or by weighted average cost depending on the nature and use of the inventories. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### *(b) Contracts work-in-progress*

Contracts work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on contracts within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on contracts within "trade and other payables".

### **3.11 Non-current assets held for sale**

Non-current assets or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale and are carried at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investee companies ceases once classified as held for sale or distribution.

### **3.12 Employee benefits**

#### *(a) Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

#### *(b) Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

#### *(c) Share-based payment*

For equity-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in the equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the goods or services received is determined by reference to the fair value of the equity instrument granted at the date of the grant. At each balance sheet date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised in expense and a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made to the original estimate if the actual outcome differs from the estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in liability. The fair value of the goods or services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement.

The proceeds received from the exercise of the equity instrument, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

*(d) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

*(e) Other long-term employee benefits*

The Group's net obligations in respect of long-term employee benefits other than pension plans is the amount of future benefits that employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

### **3.13 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **3.14 Revenue recognition**

#### ***Sale of goods and rendering of services***

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from the rendering of services is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date, provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be reliably measured.



Revenue from the sale of goods and the rendering of services includes the following:

(a) *Revenue from financial services*

Fee and commission income (net)

Fee and commission income is earned from a range of services rendered by the Group to its customers, comprising income earned from services rendered over a period of time and from providing transaction-type services.

Fees earned from providing services over a period of time are recognised over the service period during which the related service is provided or credit risk is undertaken. Fee and commission income from such services comprise mainly servicing fees, investment management fees and syndication fees. Fees earned from providing transaction-type services are recognised when the service has been performed, which include underwriting fees and brokerage income.

Fee and commission expenses are netted off against the gross fee and commission income in the income statement. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Interest income

Interest income comprises interest arising from various types of lending activities and includes interest on debt securities and deposits. Interest income is recognised based on the effective interest method.

(b) *Revenue from investment trading activities*

Changes in fair values of financial assets at fair value through profit or loss, and financial derivative instruments are recognised as revenue when the changes in fair value arise. On disposal, the difference between the carrying amount and the sales proceeds is recognised as revenue in the income statement.

(c) *Revenue from liner and logistics services*

Revenue from liner services is recognised on an accrual basis, using the percentage-of-completion method.

Revenue from logistics services is derived from the storage, handling and transportation of customer products. Such revenue is recognised when the services are provided. For shipments in transit, revenue is recognised on an accrual basis, using the percentage-of-completion method. Recognition of handling revenue is deferred until completion of the handling activity. Revenue is also recognised from fees earned upon the performance of certain logistics outsourcing activities, such as freight forwarding and customs clearance services.

(d) *Revenue from energy and resources*

*Sale and transmission of electricity and gas*

Revenue from the sale of electricity and gas is recognised when electricity and gas is delivered to consumers.

Transmission revenue is earned from the transmission of electricity, gas and related services and is recognised as the services are rendered.

Distribution revenue is earned from the distribution of gas and electricity and related services and is recognised at the point of consumption. Distribution revenue comprises services rendered and a net accrual for unbilled and unread revenue. Accrued revenue is determined having regard to the period since a customer's last billing date and the customer's previous consumption patterns.

*Transfers of asset from customers*

Revenue arising from assets transferred from customers is recognised in the income statement when the performance obligations associated with receiving those customer contributions are met. In determining the amount of revenue to be recognised, the fair value of the assets is required to be estimated and the circumstances and nature of the transferred assets, which includes market value and relevant rate-regulated framework governing those assets, are taken into account.

(e) *Revenue from contracts*

Revenue from long-term contracts is recognised based on the percentage-of-completion method, which is measured by either:

- (i) a combination of different or a single cost component(s) that would provide the most reliable indication of the stage of completion of a contract; or
- (ii) when goods and services, representing part of a contract, are delivered; or
- (iii) upon completion of designated phases of a contract.

Provision for foreseeable losses on uncompleted contracts is recognised in the income statement as soon as such losses are determinable.

(f) *Dividend income*

Dividend income is recognised in the income statement when the right to receive payment is established.

(g) *Rental income*

Rental income under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised in the income statement when earned.

(h) *Capacity swaps*

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

**3.15 Other income**

Other income includes interest income, dividend income, gains on disposal of investments in subsidiary companies, associated companies, joint ventures, property, plant and equipment and other financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised when the right to receive payment is established.

**3.16 Government grants**

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

**3.17 Finance expenses**

Finance expenses comprise interest expense on borrowings and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

**3.18 Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary companies, associated companies and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **3.19 Discontinued operations**

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

### **3.20 Dividends to THPL's shareholder**

Dividends to THPL's shareholder are recognised when the obligation to dividend payment is established.

### **3.21 Financial guarantees**

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value plus transaction costs and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amounts of the financial guarantees are transferred to the income statement.

#### 4. Critical estimates and judgements

Critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

(a) *Impairment of property, plant and equipment and goodwill*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on the higher of fair value less costs to sell and value in use calculations. The value in use calculations require the use of estimates.

(b) *Impairment of available-for-sale financial assets*

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when an investment is impaired. This determination requires significant judgement about whether the decline in fair value below cost is significant or prolonged. The Group evaluates, among other factors, the duration of the decline and the magnitude by which the fair value of an investment is below cost; and the financial health and short-term business outlook of the investee.

(c) *Fair value estimates for certain financial assets and liabilities and derivative financial instruments*

The Group carries certain financial assets and liabilities and derivative financial instruments at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence (i.e. foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these financial assets and liabilities and derivative financial instruments would affect profit or loss and other comprehensive income.

(d) *Impairment of loans and receivables*

The Group assesses whether there is objective evidence that loans and receivables have been impaired at each balance sheet date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense.

(e) *Income tax expense*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses at each tax jurisdiction.

The Group reviews the carrying amount of deferred tax assets at each balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

(f) *Construction contracts*

The Group uses the percentage-of-completion method to account for its contract revenue.

The stage of completion is measured by either:

- (i) a combination of different or a single cost component(s) that would provide the most reliable indication of the stage of completion of a contract; or
- (ii) when goods and services, representing part of a contract, are delivered; or
- (iii) upon completion of designated phases of a contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion and the contract revenue respectively.



**5. Revenue**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Sale of goods	16,111.9	15,749.0	15,517.6
Rendering of services	63,372.5	62,667.4	55,290.1
Dividend income	1,775.8	1,567.5	796.7
Interest income	3,054.6	2,766.2	2,779.4
Investment (loss)/gain, net	(766.8)	768.9	1,959.1
Government grants	-	-	315.1
	<u>83,548.0</u>	<u>83,519.0</u>	<u>76,658.0</u>

Investment (loss)/gain, net, comprises (i) unrealised fair value gains/(losses); and (ii) net gains/(losses) on disposal of financial assets measured at fair value through profit or loss and derivative financial instruments.

**6. Finance expenses**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Interest expense:			
- bank loans	586.0	702.9	906.8
- fixed and floating rate notes	1,854.3	1,760.6	1,371.8
- finance lease and hire purchase obligations	44.8	55.3	76.4
Others	177.1	138.4	168.3
	<u>2,662.2</u>	<u>2,657.2</u>	<u>2,523.3</u>
Borrowing costs capitalised	(76.4)	(58.9)	(91.3)
	<u>2,585.8</u>	<u>2,598.3</u>	<u>2,432.0</u>

Interest expense incurred by the Group's banking subsidiary companies of \$1,121.3 million (2011: \$968.9 million; 2010: \$1,184.0 million) is included as part of the Group's cost of sales and is, therefore not included as part of finance expenses.

**7. Income tax expense**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
<b>Current tax expense</b>			
Current year	2,394.4	2,517.3	1,711.7
Over-provided in prior periods	(412.4)	(435.9)	(247.4)
	<u>1,982.0</u>	<u>2,081.4</u>	<u>1,464.3</u>
<b>Deferred tax (credit)/expense</b>			
Origination and reversal of temporary differences	(587.2)	(128.0)	209.8
Change in tax rates	0.2	(0.1)	8.0
	<u>(587.0)</u>	<u>(128.1)</u>	<u>217.8</u>
Total income tax expense	<u>1,395.0</u>	<u>1,953.3</u>	<u>1,682.1</u>



**Reconciliation of effective tax rate**

	2012 \$million	2011 \$million	2010 \$million
Profit before share of profit of associated companies and joint ventures	10,173.9	13,444.2	4,087.9
Tax calculated using Singapore tax rate of 17% (2011: 17%; 2010: 17%)	1,729.6	2,285.5	694.9
Net income not subject to tax	(1,180.1)	(2,345.6)	(1,885.5)
Expenses not deductible for tax purposes	1,033.6	2,164.3	2,806.0
Recognition of previously unrecognised tax benefits	(2.3)	(83.8)	(41.1)
Deferred tax benefits not recognised	142.9	102.4	135.5
Effect of different tax rates in other countries	386.2	237.4	93.5
Effect of change in tax rates	0.2	(0.1)	8.0
Over-provided in prior periods	(412.4)	(435.9)	(247.4)
Others	(302.7)	29.1	118.2
	1,395.0	1,953.3	1,682.1

**8. Profit for the year**

The following items have been included in arriving at profit for the year:

	Note	2012 \$million	2011 \$million	2010 \$million
<b>Other income</b>				
Dividend income		68.9	48.2	628.6
Fair value gain on investment properties	17	139.5	354.3	159.7
Gain on disposal/dilution of investments in subsidiary and associated companies, and joint ventures		1,896.5	877.5	467.1
Gain on disposal of investments in financial assets		2,688.8	2,482.5	1,377.7
Gain on disposal of property, plant and equipment		21.3	121.8	53.6
Interest income		302.7	286.0	321.6
Exchange gain		6.6	-	291.2

	Note	2012 \$million	2011 \$million	2010 \$million
<b>Total expenses</b>				
Depreciation of property, plant and equipment	11	(6,619.0)	(6,743.0)	(7,525.2)
Amortisation of intangible assets	12	(472.7)	(467.4)	(483.5)
Impairment loss (net):				
- investments in associated companies, joint ventures and other financial assets		(1,434.4)	(489.9)	(1,844.3)
- property, plant and equipment	11	(81.0)	(22.7)	(147.3)
- intangible assets	12	(477.0)	(178.2)	(1,136.4)
Loss on disposal/dilution of investments in subsidiary and associated companies, and joint ventures		(17.0)	(52.0)	(699.1)
Loss on disposal of investments in financial assets		(0.1)	(1.9)	(61.8)
Operating lease expenses		(2,448.3)	(3,067.7)	(2,958.3)
Wages and salaries		(10,505.8)	(10,408.0)	(10,728.3)
Contribution to defined contribution plan		(880.9)	(789.7)	(763.6)
Employee share-based compensation expenses		(104.6)	(103.2)	(172.1)
Other staff-related costs and benefits		(1,295.1)	(977.8)	(997.2)
Exchange loss		(235.3)	(298.1)	(174.3)

## 9. Share capital

	2012 No. of shares	2011 No. of shares	2010 No. of shares
<b>Fully paid ordinary shares, with no par value:</b>			
At beginning of the year	836,805,558	836,805,558	835,224,180
Issue of shares	24,923,768	-	1,581,378
At end of the year	<u>861,729,326</u>	<u>836,805,558</u>	<u>836,805,558</u>

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

### Year ended 31 March 2012

During the year ended 31 March 2012, THPL issued 3,774,923 ordinary shares at an issue price of \$190.10 per share, for consideration otherwise than in cash and 21,148,845 ordinary shares at an issue price of \$190.10 per share, for cash.

### Year ended 31 March 2011

There was no issue of shares during the year ended 31 March 2011.

**Year ended 31 March 2010**

During the year ended 31 March 2010, THPL issued 1,581,378 ordinary shares at an issue price of \$141.76 per share, for cash.

***Capital management***

***THPL***

THPL's capital comprises its share capital and reserves. The primary objective in capital management is to safeguard the ability to deliver long-term sustainable returns to its shareholder.

THPL seeks to ensure it maintains healthy capital ratios and a strong credit rating so as to facilitate cost-effective access to debt capital markets and thereby maintain maximum funding flexibility. THPL has been assigned an overall corporate credit rating of "AAA" by Standard & Poor's Ratings Services and "Aaa" by Moody's Investors Service, Inc..

THPL is designated as a Fifth Schedule Company under the Singapore Constitution with a special responsibility to safeguard THPL's past reserves. Reserves in THPL are categorised as current or past reserves, depending on when these have been accumulated.

Reserves accumulated before the term of the current Government and any government asset transfers, form THPL's past reserves. Current reserves are primarily profits accumulated after a newly elected government is sworn into power.

If THPL's total reserves are less than THPL's past reserves, or if THPL's current reserves are negative, this will be considered a draw on THPL's past reserves. THPL will need to seek the President's concurrence before such a situation occurs.

THPL's Chairman and CEO are required to certify THPL's Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals as part of THPL's governance discipline.

Thus, the President acts as a check under a "two-key" concept to safeguard THPL's past reserves as a Fifth Schedule Company.

There were no changes to THPL's approach to capital management during the year.

### ***The Group***

THPL is an investment company that owns and manages its portfolio on a commercial basis. In general, THPL does not guarantee the financial obligations of its portfolio companies.

Operating companies in its portfolio are managed by their respective management, and guided and supervised by their respective boards. THPL does not direct the commercial and operational decisions of these operating companies, but holds their respective boards accountable for the financial performance and risk management processes of their companies. Capital management of these operating companies are managed by their respective management teams and supervised by their respective boards of directors.

## **10. Reserves**

### **(a) Other reserves**

Other reserves mainly include:

#### **(i) Merger reserve**

The merger reserve represents the difference between the nominal value of shares issued by subsidiary companies in exchange for the nominal value of shares acquired in respect of the acquisition of entities under common control.

#### **(ii) Capital reserve**

The capital reserve mainly comprises the Group's share of capital reserves of associated companies and joint ventures and goodwill on acquisition completed prior to 1 April 2001.

#### **(iii) Other reserves**

Other reserves comprise mainly surplus on disposal of investments transferred from accumulated profits and premium/discount on acquisition of/disposal to non-controlling interests. The said premium/discount represents the difference between the fair value of the consideration on acquisition of or on disposal to non-controlling interests and the carrying value of the interest acquired/disposed of.

### **(b) Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held until the investments are derecognised or impaired.



**(c) Hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

**(d) Currency translation reserve**

The currency translation reserve comprises:

- (i) foreign currency differences arising from the translation of the financial statements of subsidiary and associated companies, and joint ventures whose functional currencies are different from the functional currency of THPL;
- (ii) the gains or losses on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and
- (iii) the foreign currency differences on monetary items which form part of the Group's net investment in foreign operations.

**11. Property, plant and equipment**

Cost	Note	Freehold land and buildings \$million	Leasehold land and buildings improvements \$million	Dry docks, floating docks, wharves, slipways, synchrolifts and wet berthages \$million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, fittings, office equipment, computers, vehicles and others \$million	Construction work-in-progress \$million	Total \$million
<b>At 1 April 2009</b>		1,185.5	10,159.5	2,898.7	19,965.7	4,536.0	62,838.8	8,641.7	7,190.8	117,416.7
Acquisition of subsidiary companies		-	25.0	-	-	-	4.0	1.4	0.2	30.6
Additions		13.2	335.3	72.7	133.3	134.5	1,391.2	412.0	6,219.4	8,711.6
Disposal of subsidiary companies		(14.3)	(2,298.9)	-	-	-	(8,694.8)	(362.9)	(786.2)	(12,157.1)
Disposals		(2.5)	(147.7)	(59.6)	(457.9)	(24.8)	(828.3)	(301.7)	(30.9)	(1,853.4)
Transfer/reclassification/adjustments		10.8	557.5	404.7	1,651.2	23.3	4,375.9	402.5	(7,502.2)	(76.3)
Transfer to intangible assets	12	-	(42.9)	-	-	-	(10.5)	(1.7)	(23.1)	(78.2)
Write off		-	(11.9)	-	-	-	(157.5)	(19.2)	(3.9)	(192.5)
Translation differences		96.5	(32.1)	(37.4)	-	(93.6)	4,644.6	988.0	213.3	5,779.3
<b>At 31 March 2010</b>		1,289.2	8,543.8	3,279.1	21,292.3	4,575.4	63,563.4	9,760.1	5,277.4	117,580.7
Acquisition of subsidiary companies		2.6	0.9	-	-	-	13.2	1.7	0.4	18.8
Additions		8.6	64.4	60.1	159.8	24.9	1,563.8	489.2	5,385.1	7,755.9
Disposal of subsidiary companies		-	(541.2)	-	-	-	(166.5)	(224.7)	(105.3)	(1,037.7)
Disposals		(3.2)	(31.4)	(21.0)	(1,312.2)	(57.0)	(865.9)	(260.9)	(11.5)	(2,563.1)
Transfer/reclassification/adjustments		13.1	422.4	69.0	734.5	2.1	2,959.1	675.4	(4,866.3)	9.3
Transfer to intangible assets	12	-	-	-	-	-	-	(101.5)	(133.2)	(234.7)
Write off		-	(30.9)	-	-	-	(88.2)	(32.6)	(1.1)	(152.8)
Translation differences		(23.9)	(155.9)	(120.1)	(0.3)	(334.3)	(380.1)	11.9	(36.7)	(1,039.4)
<b>At 31 March 2011</b>		1,286.4	8,272.1	3,267.1	20,874.1	4,211.1	66,598.8	10,318.6	5,508.8	120,337.0
Acquisition of subsidiary companies		-	0.7	-	-	-	1.9	0.3	-	2.9
Additions		56.6	64.0	85.8	130.4	40.6	1,783.1	542.8	7,474.4	10,177.7
Assets classified as held for sale		-	-	(22.4)	-	(189.5)	-	-	-	(211.9)
Disposal of subsidiary companies		(200.9)	(127.5)	(74.1)	-	-	(3,128.6)	(90.3)	(51.5)	(3,672.9)
Disposals		(5.6)	(76.1)	(19.3)	(2,386.3)	(63.3)	(774.9)	(221.5)	(10.9)	(3,557.9)
Transfer/reclassification/adjustments		(61.5)	272.8	89.6	1,718.0	397.5	3,901.8	(315.6)	(6,028.1)	(25.5)
Transfer to intangible assets	12	-	-	-	-	-	(6.2)	(15.0)	(88.4)	(109.6)
Write off		(2.2)	(30.5)	-	-	-	(100.5)	(15.8)	-	(149.0)
Translation differences		(3.1)	11.4	9.4	3.4	32.7	59.1	14.0	8.2	135.1
<b>At 31 March 2012</b>		1,069.7	8,386.9	3,336.1	20,339.6	4,429.1	68,334.5	10,217.5	6,812.5	122,925.9

	Note	Freehold land and buildings \$million	Leasehold land and buildings and improvements \$million	Dry docks, floating docks, wharves, slipways, synchrolifts and wet berthages \$million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts \$million	Marine crafts and vessels \$million	Plant, equipment and machinery \$million	Furniture, fittings, office equipment, computers, vehicles and others \$million	Construction work-in- progress \$million	Total \$million
<b>Accumulated depreciation and impairment losses</b>										
At 1 April 2009		234.7	4,153.9	995.8	6,886.9	1,940.0	29,608.7	5,383.5	7.3	49,210.8
Depreciation for the year	8	29.8	417.0	155.3	1,595.3	206.4	4,217.0	904.4	-	7,525.2
Impairment loss (net)	8	-	13.6	-	6.1	-	72.8	54.8	-	147.3
Disposal of subsidiary companies		(0.7)	(1,197.9)	-	-	-	(6,111.8)	(285.1)	-	(7,595.5)
Disposals		(*)	(104.4)	(39.6)	(273.4)	(21.5)	(745.3)	(265.3)	-	(1,449.5)
Transfer/reclassification/adjustments		(1.5)	24.6	0.3	(*)	0.2	(4.5)	3.3	(7.3)	15.1
Transfer to intangible assets	12	-	(12.9)	-	-	-	(7.8)	(1.8)	-	(22.5)
Write off		(0.1)	(11.5)	-	-	-	(142.9)	(18.6)	-	(173.1)
Translation differences		13.5	(20.7)	(10.8)	-	(44.2)	1,439.9	570.9	-	1,948.6
At 31 March 2010		275.7	3,261.7	1,101.0	8,214.9	2,080.9	28,326.1	6,346.1	-	49,606.4
Depreciation for the year	8	33.7	293.5	162.7	1,574.7	195.7	3,621.4	861.3	-	6,743.0
Impairment loss (net)	8	-	3.9	-	15.7	-	2.6	0.5	-	22.7
Disposal of subsidiary companies		-	(130.2)	-	-	-	(142.0)	(148.8)	-	(421.0)
Disposals		(2.8)	(18.2)	(14.4)	(645.8)	(41.5)	(783.7)	(234.3)	-	(1,740.7)
Transfer/reclassification/adjustments		(2.0)	9.8	0.6	(0.3)	-	(19.7)	12.3	-	0.7
Transfer to intangible assets	12	-	-	-	-	-	-	(65.1)	-	(65.1)
Write off		-	(28.8)	-	-	-	(76.7)	(31.1)	-	(136.6)
Translation differences		(3.8)	(61.5)	(43.0)	(0.2)	(157.7)	(203.7)	19.7	-	(450.2)
At 31 March 2011		300.8	3,330.2	1,206.9	9,159.0	2,077.4	30,724.3	6,760.6	-	53,559.2
Depreciation for the year	8	25.5	300.2	153.3	1,488.6	184.1	3,701.0	766.3	-	6,619.0
Impairment loss (net)	8	13.7	23.6	-	14.8	-	17.3	9.3	2.3	81.0
Assets classified as held for sale		-	-	(16.7)	-	(104.5)	-	-	-	(121.2)
Disposal of subsidiary companies		(56.2)	(62.5)	(7.0)	-	(47.3)	(1,955.0)	(69.5)	-	(2,150.2)
Disposals		(0.9)	(35.3)	(17.3)	(1,846.4)	(47.3)	(681.4)	(181.9)	-	(2,810.5)
Transfer/reclassification/adjustments		(0.2)	37.7	-	(0.3)	-	105.0	(149.5)	-	(7.3)
Transfer to intangible assets	12	-	-	-	-	-	-	(1.7)	-	(1.7)
Write off		(2.2)	(27.9)	-	-	-	(88.7)	(13.5)	-	(132.3)
Translation differences		1.5	0.8	2.9	1.1	20.6	57.8	14.2	-	98.9
At 31 March 2012		282.0	3,566.8	1,322.1	8,816.8	2,130.3	31,880.3	7,134.3	2.3	55,134.9
<b>Carrying amount</b>										
At 31 March 2010		1,013.5	5,282.1	2,178.1	13,077.4	2,494.5	35,237.3	3,414.0	5,277.4	67,974.3
At 31 March 2011		985.6	4,941.9	2,060.2	11,715.1	2,133.7	35,874.5	3,558.0	5,508.8	66,777.8
At 31 March 2012		787.7	4,820.1	2,014.0	11,522.8	2,298.8	36,454.2	3,083.2	6,810.2	67,791.0

\* Less than \$0.1 million.

Property, plant and equipment of the Group included the following:

- (a) borrowing costs for the year capitalised in the cost of property, plant and equipment of \$76.4 million (2011: \$58.9 million; 2010: \$78.6 million);
- (b) staff costs for the year capitalised in the cost of property, plant and equipment of \$303.7 million (2011: \$306.7 million; 2010: \$240.3 million);
- (c) property, plant and equipment acquired under finance lease, sale and leaseback and hire purchase arrangements with carrying amount of \$1,152.7 million (2011: \$1,414.5 million; 2010: \$1,447.4 million) at the balance sheet date;
- (d) property, plant and equipment with carrying amount of \$208.1 million (2011: \$155.5 million; 2010: \$201.9 million) at the balance sheet date was held for the purpose of generating operating lease revenue; and
- (e) property, plant and equipment with carrying amount of \$1,957.1 million (2011: \$2,762.4 million; 2010: \$2,000.9 million) at the balance sheet date was pledged to secure banking facilities (note 27(i)).

***Impairment losses***

Impairment losses on property, plant and equipment included the following amounts recognised in “other operating expenses” in the income statement:

***Singapore Power Limited (“S Power”) and its subsidiary companies***

During the year ended 31 March 2010, on identification of impairment indicators in certain cash-generating units (“CGUs”), S Power performed an impairment test on these CGUs and recognised an impairment write-down of \$109.3 million. The impairment write-down was primarily driven by changes in the cost of capital and assumptions used in the forecasted cash flows. Refer to note 12(b) for details on the impairment tests.

## 12. Intangible assets

	Note	Goodwill on consolidation \$million	Licences \$million	Software \$million	Other intangible assets \$million	Total \$million
<b>Cost</b>						
At 1 April 2009		16,302.1	1,872.9	1,387.7	2,758.9	22,321.6
Additions		173.5	122.8	105.0	144.3	545.6
Disposals/Write off		(1.6)	(0.1)	(40.4)	(0.4)	(42.5)
Acquisition/(Disposal) of subsidiary companies		(238.8)	(325.6)	(44.1)	(227.0)	(835.5)
Transfer from property, plant and equipment	11	-	-	21.2	57.0	78.2
Reduction of goodwill		(73.6)	-	-	-	(73.6)
Purchase price allocation adjustment		(6.5)	-	-	-	(6.5)
Transfer/reclassification/ adjustments		-	-	(12.5)	23.2	10.7
Translation differences		631.5	294.8	8.3	48.3	982.9
At 31 March 2010		16,786.6	1,964.8	1,425.2	2,804.3	22,980.9
Additions		-	94.9	136.0	146.9	377.8
Disposals/Write off		(0.8)	(1.4)	(77.1)	(9.3)	(88.6)
Acquisition/(Disposal) of subsidiary companies		58.4	-	(27.4)	11.8	42.8
Transfer from property, plant and equipment	11	-	-	183.6	51.1	234.7
Purchase price allocation adjustment		5.6	-	-	1.4	7.0
Transfer/reclassification/ adjustments		-	115.4	166.1	(165.8)	115.7
Translation differences		(203.0)	27.9	(34.8)	(159.3)	(369.2)
At 31 March 2011		16,646.8	2,201.6	1,771.6	2,681.1	23,301.1
Additions		-	72.2	82.5	135.1	289.8
Disposals/Write off		(6.3)	(0.1)	(38.8)	(1.6)	(46.8)
Acquisition/(Disposal) of subsidiary companies		(279.1)	2.7	(217.5)	(33.4)	(527.3)
Transfer from property, plant and equipment	11	-	-	81.4	28.2	109.6
Purchase price allocation adjustment		(5.7)	-	-	-	(5.7)
Transfer/reclassification/ adjustments		-	-	64.7	(64.7)	-
Translation differences		(8.1)	3.2	(5.5)	(10.4)	(20.8)
At 31 March 2012		16,347.6	2,279.6	1,738.4	2,734.3	23,099.9

	Note	Goodwill on consolidation \$million	Licences \$million	Software \$million	Other intangible assets \$million	Total \$million
<b>Accumulated amortisation and impairment losses</b>						
At 1 April 2009		495.1	600.3	914.4	421.2	2,431.0
Amortisation for the year	8	-	87.1	172.3	224.1	483.5
Impairment loss (net)	8	1,050.8	-	-	85.6	1,136.4
Acquisition/(Disposal) of subsidiary companies		-	(253.8)	(37.4)	(16.8)	(308.0)
Disposals/Write off		(*)	-	(39.6)	(0.1)	(39.7)
Transfer from property, plant and equipment	11	-	-	-	22.5	22.5
Transfer/reclassification/ adjustments		-	-	(8.4)	11.5	3.1
Translation differences		38.6	58.5	5.4	2.7	105.2
At 31 March 2010		1,584.5	492.1	1,006.7	750.7	3,834.0
Amortisation for the year	8	-	102.4	201.0	164.0	467.4
Impairment loss (net)	8	153.0	-	-	25.2	178.2
Acquisition/(Disposal) of subsidiary companies		-	-	(15.2)	-	(15.2)
Disposals/Write off		(0.8)	(1.4)	(62.8)	(3.5)	(68.5)
Transfer from property, plant and equipment	11	-	-	65.1	-	65.1
Transfer/reclassification/ adjustments		-	77.8	3.0	(2.5)	78.3
Translation differences		(29.9)	6.9	(20.5)	(51.6)	(95.1)
At 31 March 2011		1,706.8	677.8	1,177.3	882.3	4,444.2
Amortisation for the year	8	-	120.7	213.8	138.2	472.7
Impairment loss (net)	8	400.1	-	14.2	62.7	477.0
Acquisition/(Disposal) of subsidiary companies		(3.8)	-	(148.4)	(28.0)	(180.2)
Disposals/Write off		-	(*)	(24.7)	(1.4)	(26.1)
Transfer from property, plant and equipment	11	-	-	1.7	-	1.7
Transfer/reclassification/ adjustments		-	-	(4.4)	4.6	0.2
Translation differences		(7.0)	1.9	(4.8)	(2.7)	(12.6)
At 31 March 2012		2,096.1	800.4	1,224.7	1,055.7	5,176.9
<b>Carrying amount</b>						
At 31 March 2010		15,202.1	1,472.7	418.5	2,053.6	19,146.9
At 31 March 2011		14,940.0	1,523.8	594.3	1,798.8	18,856.9
At 31 March 2012		14,251.5	1,479.2	513.7	1,678.6	17,923.0

Amortisation expense included in the income statement is analysed as follows:

	2012 \$million	2011 \$million	2010 \$million
Cost of sales	159.3	164.2	178.2
Selling and distribution expenses	*	12.3	52.5
Administrative expenses	34.3	37.8	57.6
Other operating expenses	279.1	253.1	195.2
	472.7	467.4	483.5

\* Less than \$0.1 million.



**Impairment testing for cash-generating units containing goodwill**

Goodwill is tested annually for impairment, as well as when there is any indication that goodwill may be impaired. Goodwill is allocated to the Group's cash-generating units ("CGUs") expected to benefit from synergies of the business combinations.

The goodwill is mainly attributed to the acquisitions of the following subsidiary companies:

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
SingTel Optus Pty Limited and its subsidiary companies	(a)	9,577.7	9,657.2	9,027.7
SPI (Australia) Assets Pty Ltd and its subsidiary companies	(b)	<u>2,429.8</u>	<u>2,428.5</u>	<u>2,388.0</u>

**(a) SingTel Optus Pty Limited ("Optus") and its subsidiary companies**

The fixed, mobile, cable and broadband networks of Optus, a group of subsidiary companies of Singapore Telecommunications Limited, are integrated operationally and accordingly, Optus as a group is a CGU for the purpose of impairment tests for goodwill.

The recoverable value of the CGU including goodwill is determined based on value in use calculations.

The value in use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods of 5 years. Cash flows beyond the terminal year are extrapolated using the estimated growth rates of 4.0% (2011: 4.0%; 2010: 4.0%) and pre-tax discount rates of 12.9% (2011: 12.2%; 2010: 12.1%). Key assumptions used in the calculation of value in use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which Optus operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

At the respective balance sheet dates, no impairment charge was required for goodwill on acquisition of Optus, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

(b) SPI (Australia) Assets Pty Ltd ("SPIAA") and its subsidiary companies

The aggregate carrying amounts of goodwill being allocated to the respective CGUs in SPIAA, a group of subsidiary companies of Singapore Power Limited ("S Power"), are as follows:

	2012 \$million	2011 \$million	2010 \$million
Electricity distribution	319.8	199.7	196.2
Gas distribution	656.8	471.0	462.8
Gas transmission	1,014.9	955.8	939.2
Asset management	438.3	802.0	789.8
	<u>2,429.8</u>	<u>2,428.5</u>	<u>2,388.0</u>

The SPIAA Group has re-organised its reporting structure, which has changed the composition of the CGUs. Some cash flows previously within the asset management CGU are now within the electricity distribution, gas distribution and gas transmission CGUs. The reallocation of goodwill has been performed on a relative value approach.

The recoverable amounts of the CGUs are the higher of fair value less costs to sell and value in use. The recoverable amounts of the CGUs were determined to be higher than their carrying amounts and hence no impairment is necessary.

S Power has based its assessment of fair value less costs to sell on discounted future cash flows with the following key assumptions:

- (i) Cash flow time horizon used in valuing the CGUs were between five years and twenty years. Cash flows were projected using growth assumptions for revenue, operating expenditure and capital expenditure. S Power believes that this forecast period is justified due to the long-term nature of the CGUs' activities.
- (ii) For regulated assets, the growth assumption is primarily driven by the assumptions in the regulatory building block models with growth being the function of the regulated asset base and the allowable return from the regulators. For non-regulated assets, the growth is largely determined by contractual parameters and the projected Australian Consumer Price Index ("CPI"). Expenditure growth for all assets is largely indexed to the projected annual Australian CPI of 3.0% (2011: 2.5%; 2010: 2.5%).

The annual growth rates applied to the CGUs range from 0.0% to 3.0% (2011: 0.0% to 3.0%; 2010: 1.0% to 3.0%), which do not exceed the long-term average growth rates for the industry and the country.

- (iii) Cash flows are discounted to their present value using a pre-tax discount rate based on the weighted average cost of capital ("WACC"). The WACC takes into account the average rates of return required by providers of debt and equity capital (weighted to the market) to compensate them for the time value of money and the inherent risk or uncertainty in achieving the cash flow returns for that outlay of capital. Depending on the nature of the assets, the discount rates applied in determining the recoverable amounts of the units range from 8.8% to 10.2% (2011: 9.2% to 10.1%; 2010: 9.2% to 10.1%) per annum.

For the year ended 31 March 2010, on identification of impairment indicators in CGUs within SPIAA, S Power performed an impairment test on these CGUs and recognised an impairment loss of \$1,039.8 million, out of which \$109.3 million was impaired against the CGUs' property, plant and equipment, \$894.4 million was impaired against goodwill (mainly against the asset management CGU) and \$36.1 million against contract intangible assets. The impairment was primarily driven by changes in the cost of capital and assumptions used in the forecasted cash flows.

***Impairment testing for licences (intangible assets with indefinite useful lives)***

***Singapore Power Limited ("S Power") and its subsidiary companies***

The following CGUs in SP AusNet, a stapled security comprising SP Australia Networks (Finance) Trust; SP Australia Networks (Transmission) Ltd; and SP Australia Networks (Distribution) Ltd, and SPI (Australia) Assets Pty Ltd and its subsidiary companies have licences with indefinite useful lives:

	2012 \$million	2011 \$million	2010 \$million
Electricity distribution	166.8	167.0	150.3
Gas distribution	309.6	309.2	304.2
Electricity transmission	435.2	434.2	440.2
	911.6	910.4	894.7

Recoverable amount is the higher of fair value less costs to sell and value in use. The recoverable amounts of the CGUs were determined to be higher than their carrying amounts and hence no impairment of intangible assets with indefinite useful lives is necessary.

S Power has based its assessment of fair value less costs to sell on discounted cash flow projections over a period of 20 years together with an appropriate terminal value incorporating growth rates based on the long-term Consumer Price Index assumption of 2.6% (2011: 2.5%; 2010: 2.5%).

Regulated cash flow forecasts are based on allowable returns on electricity and gas transmission and distribution assets, together with other information included in the CGUs' 5-year forecast in the relevant market. Cash flows after the 5-year business plan are based on an extrapolation of the forecast, taking into account inflation and expected customer connection growth rates. It is considered appropriate to use cash flows after the 5-year forecast period considering the long-term nature of the CGUs' activities.

Cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. The discount rates applied in determining the recoverable amounts of the CGUs range from 8.8% to 9.2% (2011: 9.0% to 9.2%; 2010: 9.2% to 9.7%).

In addition, recoverable amounts were assessed against appropriate market earnings before interest, tax, depreciation and amortisation multiples and regulated asset base multiples of recent transactions involving similar assets.

### 13. Associated companies

	2012 \$million	2011 \$million	2010 \$million
Investments in associated companies	37,063.3	30,862.0	33,379.4
Quoted equity shares, at market value	34,804.5	33,334.6	30,258.4

The summarised financial information sets out below relating to associated companies is not adjusted for the percentage ownership held by the Group.

	2012 \$million	2011 \$million	2010 \$million
<b>Income statement</b>			
Revenue	53,987.9	64,770.2	65,994.0
Profit for the year attributable to equity holders of associated companies	8,295.8	19,093.8	7,667.1
<b>Balance sheet</b>			
Total assets	546,430.0	455,254.1	415,074.3
Total liabilities	407,417.1	344,652.1	294,889.3

The Group has not recognised losses relating to certain associated companies where the Group's share of losses exceeds the carrying amount of its investment in those associated companies. The Group's share of cumulative unrecognised losses at the respective balance sheet date is not considered significant to the Group.

The Group's share of associated companies' contingent liabilities is disclosed in note 37.

Details of significant associated companies are disclosed in note 41.

**14. Joint ventures**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Investments in joint ventures	12,410.9	11,191.7	11,230.9

The summarised financial information sets out below relating to joint ventures is adjusted for the percentage ownership held by the Group.

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
<b>Income statement</b>			
Income	13,228.7	12,270.2	8,612.4
Expenses	(10,852.1)	(9,866.6)	(5,998.8)
Profit before income tax	2,376.6	2,403.6	2,613.6
Income tax expense	(709.3)	(594.8)	(579.1)
Profit for the year	1,667.3	1,808.8	2,034.5
<b>Balance sheet</b>			
Non-current assets	23,024.2	21,366.0	14,607.1
Current assets	4,780.2	3,180.9	2,753.8
Non-current liabilities	(9,445.8)	(8,700.6)	(4,318.2)
Current liabilities	(6,428.3)	(5,726.0)	(2,958.5)
	11,930.3	10,120.3	10,084.2
Non-controlling interests	(301.3)	(284.1)	(162.5)
Net assets	11,629.0	9,836.2	9,921.7

The Group's share of joint ventures' capital commitments are disclosed in note 36.

**15. Financial assets**

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
<b>Non-current portion</b>				
Available-for-sale financial assets	(a)	59,361.3	65,038.4	63,774.0
Held-to-maturity financial assets		145.5	5.0	7.6
Financial assets at fair value through profit or loss		476.2	-	-
		<u>59,983.0</u>	<u>65,043.4</u>	<u>63,781.6</u>
<b>Current portion</b>				
Available-for-sale financial assets	(a)	2,433.9	1,955.4	1,819.2
Held-to-maturity financial assets		28.8	-	-
Financial assets at fair value through profit or loss		8,884.3	9,338.0	7,734.6
		<u>11,347.0</u>	<u>11,293.4</u>	<u>9,553.8</u>
		<u>71,330.0</u>	<u>76,336.8</u>	<u>73,335.4</u>
Financial assets at fair value through profit or loss:				
- held for trading		3,697.5	3,909.9	6,985.3
- at fair value on initial recognition		5,663.0	5,428.1	749.3
		<u>9,360.5</u>	<u>9,338.0</u>	<u>7,734.6</u>

- (a) Included in available-for-sale financial assets are bonds sold under repurchase agreements of \$638.8 million (2011: \$743.0 million; 2010: \$1,209.8 million). The corresponding liability in relation to this agreement together with repurchase agreement for investment securities of \$701.7 million (2011: \$743.3 million; 2010: \$1,235.5 million) is presented under current and non-current deposits and balances of banks placed with banking subsidiary companies (note 26 and note 30). The liability in relation to the repurchase agreements of government securities will mature between 2012 to 2015, and the corresponding bonds will mature between 2013 to 2015. These transactions are conducted under terms that are usual and customary to standard securities borrowing and lending activities.

The effective interest rates for the interest-bearing financial assets at the balance sheet date range from 0.1% to 40.0% (2011: 0.3% to 40.0%; 2010: 0.1% to 17.5%) per annum.

The significant exposure to non-functional currencies is as follows:

	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Hong Kong Dollar	24,048.3	29,255.1	27,863.4
Pound Sterling	14,255.7	14,143.3	14,423.8
US Dollar	12,963.7	10,285.3	10,328.7
Indian Rupee	<u>3,385.9</u>	<u>5,948.7</u>	<u>4,145.8</u>



### Fair value hierarchy

The table below analyses financial assets carried at fair value, by valuation method included within different levels (as defined in note 34):

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
<b>2012</b>				
<b>Non-current portion</b>				
Available-for-sale financial assets	44,662.8	761.6	13,936.9	59,361.3
Financial assets at fair value through profit or loss	0.4	335.8	140.0	476.2
	<u>44,663.2</u>	<u>1,097.4</u>	<u>14,076.9</u>	<u>59,837.5</u>
<b>Current portion</b>				
Available-for-sale financial assets	829.1	1,176.1	428.7	2,433.9
Financial assets at fair value through profit or loss	5,495.1	2,943.0	446.2	8,884.3
	<u>6,324.2</u>	<u>4,119.1</u>	<u>874.9</u>	<u>11,318.2</u>
	<u>50,987.4</u>	<u>5,216.5</u>	<u>14,951.8</u>	<u>71,155.7</u>
<b>2011</b>				
<b>Non-current portion</b>				
Available-for-sale financial assets	51,053.5	710.6	13,274.3	65,038.4
<b>Current portion</b>				
Available-for-sale financial assets	812.6	1,142.8	-	1,955.4
Financial assets at fair value through profit or loss	7,585.8	1,482.6	269.6	9,338.0
	<u>8,398.4</u>	<u>2,625.4</u>	<u>269.6</u>	<u>11,293.4</u>
	<u>59,451.9</u>	<u>3,336.0</u>	<u>13,543.9</u>	<u>76,331.8</u>
<b>2010</b>				
<b>Non-current portion</b>				
Available-for-sale financial assets	49,669.8	364.8	13,739.4	63,774.0
<b>Current portion</b>				
Available-for-sale financial assets	750.9	1,068.3	-	1,819.2
Financial assets at fair value through profit or loss	7,038.9	633.6	62.1	7,734.6
	<u>7,789.8</u>	<u>1,701.9</u>	<u>62.1</u>	<u>9,553.8</u>
	<u>57,459.6</u>	<u>2,066.7</u>	<u>13,801.5</u>	<u>73,327.8</u>

Financial assets at fair value included within Level 3:

	Note	2012 \$million	2011 \$million	2010 \$million
At beginning of the year		13,543.9	13,801.5	11,493.2
Gains recognised in revenue in the income statement		19.0	18.9	-
(Losses)/Gains recognised in other income in the income statement		(93.2)	(32.8)	75.8
Losses recognised in other operating expenses in the income statement		(1,133.1)	(571.8)	(1,188.1)
Net losses recognised in the income statement		(1,207.3)	(585.7)	(1,112.3)
Net (losses)/gains recognised in other comprehensive income		(99.5)	597.0	2,508.5
Purchases		3,793.2	3,794.6	2,722.5
Sales		(1,444.4)	(3,262.4)	(1,522.7)
Issues		-	-	38.7
Settlements		(80.5)	(5.5)	(98.5)
Transfer into Level 3	(i)	823.2	10.2	29.3
Transfer out of Level 3	(ii)	(377.7)	(776.0)	(254.4)
Translation differences		0.9	(29.8)	(2.8)
At end of the year		14,951.8	13,543.9	13,801.5

The costs or net assets values of the available-for-sale financial assets included within Level 3 approximate their fair values.

- (i) During the year ended 31 March 2012, available-for-sale financial assets with a carrying amount of \$648.2 million were transferred from Level 1 to Level 3 because quoted prices in the market for such securities are no longer regularly available.
- (ii) During the year ended 31 March 2011, available-for-sale financial assets with a carrying amount of \$612.9 million were transferred from Level 3 to Level 1 because the securities became listed.

**16. Derivative financial instruments**

	<b>2012 Assets \$million</b>	<b>2012 Liabilities \$million</b>	<b>2011 Assets \$million</b>	<b>2011 Liabilities \$million</b>	<b>2010 Assets \$million</b>	<b>2010 Liabilities \$million</b>
<b>Non-current portion</b>						
Cash flow hedges	107.5	(2,045.6)	69.8	(1,459.4)	64.4	(1,756.8)
Fair value hedges	442.3	(284.4)	147.7	(549.3)	309.3	(568.5)
Non-hedging instruments	171.1	(178.9)	34.9	(76.4)	25.5	(58.9)
	<u>720.9</u>	<u>(2,508.9)</u>	<u>252.4</u>	<u>(2,085.1)</u>	<u>399.2</u>	<u>(2,384.2)</u>
<b>Current portion</b>						
Cash flow hedges	89.6	(177.4)	155.0	(1,429.9)	460.3	(698.7)
Fair value hedges	0.4	(8.7)	174.5	(157.4)	294.8	(133.5)
Non-hedging instruments	118.0	(262.9)	315.1	(248.3)	295.4	(136.4)
	<u>208.0</u>	<u>(449.0)</u>	<u>644.6</u>	<u>(1,835.6)</u>	<u>1,050.5</u>	<u>(968.6)</u>
	<u>928.9</u>	<u>(2,957.9)</u>	<u>897.0</u>	<u>(3,920.7)</u>	<u>1,449.7</u>	<u>(3,352.8)</u>

Analysed as:

	<b>Notional amount \$million</b>	<b>Fair values</b>	
		<b>Assets \$million</b>	<b>Liabilities \$million</b>
<b>2012</b>			
Currency forwards	12,258.7	61.0	(146.9)
Currency swaps	1,340.4	1.3	(21.5)
Interest-rate swaps	23,721.3	179.9	(791.4)
Cross-currency swaps	27,681.9	526.0	(1,746.6)
Fuel oil swaps/options	738.3	48.9	(0.7)
Currency options	274.7	7.3	(5.1)
Futures contracts	976.6	6.3	(8.4)
Others	4,759.2	98.2	(237.3)
Total		<u>928.9</u>	<u>(2,957.9)</u>
Less: current portion		<u>208.0</u>	<u>(449.0)</u>
Non-current portion		<u>720.9</u>	<u>(2,508.9)</u>
<b>2011</b>			
Currency forwards	13,719.9	189.4	(217.2)
Currency swaps	601.5	6.7	(0.6)
Interest-rate swaps	25,175.7	172.7	(484.0)
Cross-currency swaps	24,922.5	312.4	(3,111.9)
Fuel oil swaps/options	550.2	57.2	-
Currency options	204.3	18.9	(12.4)
Futures contracts	1,923.6	11.1	(17.3)
Others	4,318.0	128.6	(77.3)
Total		<u>897.0</u>	<u>(3,920.7)</u>
Less: current portion		<u>644.6</u>	<u>(1,835.6)</u>
Non-current portion		<u>252.4</u>	<u>(2,085.1)</u>

	Notional amount \$million	Fair values	
		Assets \$million	Liabilities \$million
<b>2010</b>			
Currency forwards	5,873.7	59.5	(85.1)
Currency swaps	353.9	6.3	(8.2)
Interest-rate swaps	22,573.1	310.5	(479.1)
Cross-currency swaps	23,066.8	742.8	(2,628.1)
Fuel oil swaps/options	1,056.8	130.1	(115.0)
Currency options	826.4	38.2	(26.9)
Futures contracts	1,196.4	11.7	(5.0)
Others	2,162.3	150.6	(5.4)
Total		1,449.7	(3,352.8)
Less: current portion		1,050.5	(968.6)
Non-current portion		399.2	(2,384.2)

#### Fair value hierarchy

The table below analyses derivative financial instruments carried at fair value, by valuation method included within different levels (as defined in note 34):

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
<b>2012</b>				
<b>Non-current portion</b>				
Derivative assets	-	655.0	65.9	720.9
Derivative liabilities	-	(2,488.8)	(20.1)	(2,508.9)
	-	(1,833.8)	45.8	(1,788.0)
<b>Current portion</b>				
Derivative assets	8.7	188.1	11.2	208.0
Derivative liabilities	(8.5)	(395.1)	(45.4)	(449.0)
	0.2	(207.0)	(34.2)	(241.0)
	0.2	(2,040.8)	11.6	(2,029.0)
<b>2011</b>				
<b>Non-current portion</b>				
Derivative assets	-	252.4	-	252.4
Derivative liabilities	-	(2,085.1)	-	(2,085.1)
	-	(1,832.7)	-	(1,832.7)
<b>Current portion</b>				
Derivative assets	21.7	552.3	70.6	644.6
Derivative liabilities	(21.1)	(1,811.2)	(3.3)	(1,835.6)
	0.6	(1,258.9)	67.3	(1,191.0)
	0.6	(3,091.6)	67.3	(3,023.7)

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
<b>2010</b>				
<b>Non-current portion</b>				
Derivative assets	-	399.2	-	399.2
Derivative liabilities	-	(2,384.2)	-	(2,384.2)
	-	(1,985.0)	-	(1,985.0)
<b>Current portion</b>				
Derivative assets	0.1	940.6	109.8	1,050.5
Derivative liabilities	(0.1)	(968.5)	-	(968.6)
	-	(27.9)	109.8	81.9
	-	(2,012.9)	109.8	(1,903.1)

**17. Investment properties**

	Note	2012 \$million	2011 \$million	2010 \$million
At beginning of the year		7,144.6	6,534.8	5,331.1
Acquisition/de-consolidation/disposal of subsidiary companies		1,007.0	92.2	(6.8)
Additions		288.2	143.4	504.4
Disposals		(785.4)	(35.1)	(21.5)
Transfer from property, plant and equipment/properties under development		59.6	55.2	567.8
Fair value gain recognised in the income statement	8	139.5	354.3	159.7
Translation differences		0.1	(0.2)	0.1
At end of the year		7,853.6	7,144.6	6,534.8

Investment properties are revalued at the respective balance sheet date by independent professional valuers with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

	2012 \$million	2011 \$million	2010 \$million
Rental income from investment properties	332.5	344.2	272.2
Direct operating expenses arising from investment properties that generated rental income	(88.2)	(101.8)	(82.5)

At the balance sheet date, certain investment properties amounting to \$4,264.6 million (2011: \$1,520.8 million; 2010: \$2,535.4 million) are mortgaged to banks to secure credit facilities (note 27(ii)) granted to certain subsidiary companies.

**18. Properties under development**

	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
At beginning of the year	175.7	186.8	758.5
Acquisition/de-consolidation/disposal of subsidiary companies	117.0	-	-
Additions	178.8	25.9	20.1
Fair value gain/(loss) recognised in the income statement	18.9	13.0	(2.7)
Transfer to investment properties	(57.1)	(50.0)	(589.1)
At end of the year	<u>433.3</u>	<u>175.7</u>	<u>186.8</u>

**19. Other non-current assets**

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Loans and bills receivable of banking subsidiary companies	(a)	8,327.4	10,468.7	9,115.4
Finance lease receivables		15.4	17.6	21.5
Loans to:				
- associated companies and joint ventures	(b)	1,518.3	178.7	128.2
- others		356.8	407.7	428.1
Defined benefit obligations		41.8	41.0	31.2
Prepayments		67.6	88.7	159.3
Other receivables		574.0	577.6	841.5
		<u>10,901.3</u>	<u>11,780.0</u>	<u>10,725.2</u>
Allowance for impairment		(251.1)	(477.7)	(484.0)
		<u>10,650.2</u>	<u>11,302.3</u>	<u>10,241.2</u>

**(a) Loans and bills receivable of banking subsidiary companies**

Included in loans and bills receivable (non-current and current (note 22)) are \$72.6 million (2011: \$7.2 million; 2010: \$35.8 million) and \$545.1 million (2011: \$132.7 million; 2010: \$60.8 million) of total gross loans to non-bank customers which are pledged as collateral for borrowing facilities granted to a subsidiary company and for bonds issued by a subsidiary company, respectively (note 27(iii)).

In addition, an amount of \$887.4 million (2011: \$854.7 million; 2010: \$926.7 million) of loans and bills receivable is pledged as collateral for liabilities and contingent liabilities of a subsidiary company.

**(b) Loans to associated companies and joint ventures**

Loans to associated companies and joint ventures mainly comprise:

Singapore Telecommunications Limited ("SingTel") and its subsidiary companies

In July 2011, SingTel established a business trust, NetLink Trust, as part of the Info-Communications Development Authority of Singapore's ("IDA") effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In September 2011, SingTel sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., a 29.9%-owned associated company of SingTel, and 7 exchange buildings ("Assets"), and SingTel's business of providing duct and manhole services in relation to the Assets ("Business") to NetLink Trust, for an aggregate consideration of approximately \$1.9 billion (see note 29(a) on the gain recorded on disposal of Assets and Business). SingTel also completed its subscription for a further 567,380,000 units at \$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to SingTel of \$567.4 million and loans from SingTel of \$1,325.0 million.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager, and hence it is equity accounted as an associated company of SingTel.

The exposure to non-functional currencies is not significant.



## 20. Deferred tax

Movements in the deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	Provisions \$million	Tax losses and capital allowances \$million	TWDV <sup>(1)</sup> in excess of NBV <sup>(2)</sup> of assets \$million	Others \$million	Total \$million
<b>Deferred tax assets</b>					
At 1 April 2009	(669.9)	(781.7)	(331.9)	(858.8)	(2,642.3)
Acquisition/(Disposal) of subsidiary companies	12.9	85.7	-	15.3	113.9
Recognised in income statement	(193.8)	77.3	(5.5)	(62.9)	(184.9)
Recognised in equity	-	16.5	-	188.0	204.5
Transfer to/(from) current tax	240.0	(10.1)	7.8	22.7	260.4
Translation differences	(81.6)	(69.1)	(78.1)	(90.7)	(319.5)
At 31 March 2010	(692.4)	(681.4)	(407.7)	(786.4)	(2,567.9)
Acquisition/(Disposal) of subsidiary companies	(0.2)	-	-	-	(0.2)
Recognised in income statement	(173.7)	100.8	(6.2)	(208.3)	(287.4)
Recognised in equity	(0.1)	(0.8)	-	(0.6)	(1.5)
Transfer to/(from) current tax	233.2	(11.6)	-	64.8	286.4
Translation differences	21.0	(37.6)	(6.4)	2.5	(20.5)
At 31 March 2011	(612.2)	(630.6)	(420.3)	(928.0)	(2,591.1)
Acquisition/(Disposal) of subsidiary companies	-	(0.5)	-	44.6	44.1
Recognised in income statement	(126.0)	4.3	62.6	(266.7)	(325.8)
Recognised in equity	*	-	-	9.8	9.8
Transfer to current tax	178.4	5.8	*	12.6	196.8
Translation differences	3.4	3.4	(2.0)	1.9	6.7
At 31 March 2012	(556.4)	(617.6)	(359.7)	(1,125.8)	(2,659.5)

(1) TWDV - Tax written down value

(2) NBV - Net book value

\* Less than \$0.1 million.

	Accelerated tax depreciation \$million	Revaluation gains \$million	Others \$million	Total \$million
<b>Deferred tax liabilities</b>				
At 1 April 2009	4,835.9	330.0	1,316.2	6,482.1
Acquisition/(Disposal) of subsidiary companies	(141.8)	-	(64.3)	(206.1)
Recognised in income statement	344.2	26.2	32.3	402.7
Recognised in equity	-	(20.4)	102.7	82.3
Transfer from/(to) current tax	(16.6)	-	11.1	(5.5)
Translation differences	63.6	(0.7)	49.1	112.0
At 31 March 2010	5,085.3	335.1	1,447.1	6,867.5
Acquisition/(Disposal) of subsidiary companies	*	19.2	2.4	21.6
Recognised in income statement	(47.1)	69.3	137.1	159.3
Recognised in equity	-	16.6	(16.6)	-
Transfer (to)/from current tax	6.3	-	(930.6)	(924.3)
Translation differences	16.7	(2.3)	(13.4)	1.0
At 31 March 2011	5,061.2	437.9	626.0	6,125.1
Acquisition/(Disposal) of subsidiary companies	(0.2)	4.6	0.4	4.8
Recognised in income statement	(113.4)	(174.7)	26.9	(261.2)
Recognised in equity	-	(8.5)	(53.3)	(61.8)
Transfer from current tax	3.6	-	8.6	12.2
Translation differences	(4.3)	*	(0.8)	(5.1)
At 31 March 2012	4,946.9	259.3	607.8	5,814.0

\* Less than \$0.1 million.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	2012 \$million	2011 \$million	2010 \$million
Deferred tax assets	(1,496.1)	(1,745.1)	(1,808.7)
Deferred tax liabilities	4,650.6	5,279.1	6,108.3

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

	2012 \$million	2011 \$million	2010 \$million
Deductible temporary differences	805.8	2,831.0	2,692.0
Tax losses	1,265.1	9,214.2	9,549.9
	2,070.9	12,045.2	12,241.9

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiary companies operate. The deductible temporary differences do not expire under current tax legislation except for tax losses amounting to \$100.3 million (2011: \$91.5 million; 2010: \$81.9 million) which will expire between 2016 and 2031 (2011: between 2016 and 2029; 2010: between 2021 and 2029).

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiary companies of the Group can utilise the benefits.

**21. Inventories**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Raw materials, supplies, engineering products and sundry items	725.7	691.5	602.3
Work-in-progress	937.4	1,090.6	1,122.7
Bunkers, fuel stocks and general consumables	1,239.0	1,152.1	1,095.8
Finished goods	558.2	399.3	405.6
Development properties held for sale	326.4	119.8	104.6
	<u>3,786.7</u>	<u>3,453.3</u>	<u>3,331.0</u>
Allowance for inventories	(263.6)	(248.0)	(245.6)
	<u>3,523.1</u>	<u>3,205.3</u>	<u>3,085.4</u>

Of the carrying amount, \$989.8 million (2011: \$836.6 million; 2010: \$1,081.5 million) relates to inventories carried at net realisable values.

**22. Trade and other receivables**

	<b>Note</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
		<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Trade receivables		9,680.1	9,530.8	9,262.9
Allowance for impairment of trade receivables		(562.8)	(608.1)	(716.6)
Net trade receivables	(a)	<u>9,117.3</u>	<u>8,922.7</u>	<u>8,546.3</u>
Advance payments to suppliers		269.4	443.9	288.8
Interest and dividend receivables		470.1	337.6	277.4
Prepayments and deposits		1,148.4	986.3	880.8
Due from customers on contracts	23	58.5	47.0	34.1
Tax prepayments and recoverables		130.4	74.0	139.1
Amounts due from associated companies and joint ventures				
- trade		344.3	291.4	344.5
- non-trade		134.8	230.0	40.0
Placements and balances with banks	(b)	<u>3,539.3</u>	<u>2,308.9</u>	<u>1,402.7</u>
Loans and bills receivable of banking subsidiary companies	19(a)	8,443.6	3,648.5	3,017.1
Loans to:				
- associated companies and joint ventures		19.9	34.0	67.2
- others		15.2	24.6	41.6
Other receivables		<u>1,590.8</u>	<u>3,424.2</u>	<u>2,028.4</u>
		<u>25,282.0</u>	<u>20,773.1</u>	<u>17,108.0</u>
Allowance for impairment of other receivables		(528.7)	(440.5)	(424.7)
		<u>24,753.3</u>	<u>20,332.6</u>	<u>16,683.3</u>

- (a) At the balance sheet date, \$Nil million (2011: \$289.0 million; 2010: \$316.8 million) of trade receivables are pledged as collateral for financing arrangements entered into by certain subsidiary companies of the Group (note 27(iv)).

The analysis of trade receivables at the balance sheet date is:

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Not past due and not impaired	7,386.5	6,040.9	5,952.4
Past due but not impaired	1,730.8	2,881.8	2,593.9
Impaired	562.8	608.1	716.6
	<u>9,680.1</u>	<u>9,530.8</u>	<u>9,262.9</u>

The change in allowance for impairment of trade receivables during the year is as follows:

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
At beginning of the year	608.1	716.6	597.8
Allowance recognised as an expense in the income statement	203.7	117.7	287.5
Allowance utilised	(218.1)	(197.5)	(204.7)
Acquisition/(Disposal) of subsidiary companies	(27.8)	(18.6)	(4.6)
Translation differences	(3.1)	(10.1)	40.6
At end of the year	<u>562.8</u>	<u>608.1</u>	<u>716.6</u>

The significant exposure to non-functional currencies is as follows:

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
US Dollar	1,831.3	1,656.0	1,962.1
Euro	234.8	296.8	229.3
Australian Dollar	181.6	132.1	284.0
Pound Sterling	139.0	209.4	170.4
Japanese Yen	<u>107.3</u>	<u>111.0</u>	<u>137.0</u>

- (b) Included in placements and balances with banks are:
- (i) an amount of \$Nil million (2011: \$39.4 million; 2010: \$110.6 million) in which a subsidiary company has pledged as collateral in relation to securities sold under a repurchase agreement; and
  - (ii) government securities with a carrying amount of \$209.4 million (2011: \$85.9 million; 2010: \$83.3 million), held as collateral by a subsidiary company in relation to securities purchased subject to resale agreements.

**23. Contracts work-in-progress**

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Aggregated recognised contract costs and recognised profits (less recognised losses) to date		3,915.2	2,830.9	2,935.4
Allowance for foreseeable losses		(10.5)	(8.0)	(10.8)
		<u>3,904.7</u>	<u>2,822.9</u>	<u>2,924.6</u>
Progress billings		(4,546.2)	(3,426.1)	(3,564.5)
		<u>(641.5)</u>	<u>(603.2)</u>	<u>(639.9)</u>
Analysed by:				
Due from customers on contracts	22	58.5	47.0	34.1
Due to customers on contracts	26	(700.0)	(650.2)	(674.0)
		<u>(641.5)</u>	<u>(603.2)</u>	<u>(639.9)</u>

**24. Cash and bank balances**

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Fixed deposits		40,282.8	42,946.5	34,742.6
Cash on hand and at bank		<u>5,769.5</u>	<u>6,133.3</u>	<u>4,988.1</u>
Cash and bank balances in the consolidated balance sheet		46,052.3	49,079.8	39,730.7
Less:				
Bank overdrafts				
- secured	27	(36.0)	(27.1)	-
- unsecured	27	(0.7)	(38.0)	(45.6)
Restricted cash		<u>(90.5)</u>	<u>(71.0)</u>	<u>(180.9)</u>
Cash and cash equivalents in the consolidated cash flow statement		<u>45,925.1</u>	<u>48,943.7</u>	<u>39,504.2</u>

Fixed deposits at the balance sheet date mature within 1.5 years (2011: 2.5 years; 2010: 3.5 years) from the balance sheet date and have weighted average effective interest rates of 0.0% to 13.0% (2011: 0.0% to 13.3%; 2010: 0.0% to 11.0%) per annum.

At the balance sheet date, cash and bank balances totalling \$210.0 million (2011: \$769.0 million; 2010: \$964.0 million) are held in various publicly-listed subsidiary companies of Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") which operate under regulations which impose restrictions and conditions on related party transactions, including the transfers of cash and the granting of loans to other subsidiary companies of ST Telemedia Group. The regulations differ between these listed subsidiary companies, depending on the rules applicable to the stock exchanges on which they are listed and the countries in which ST Telemedia's subsidiary companies are incorporated or listed.

At the balance sheet date, cash and bank balances totalling \$765.2 million (2011: \$666.5 million; 2010: \$173.3 million) are held in countries with foreign exchange controls.

The significant exposure to non-functional currencies is as follows:

	2012 \$million	2011 \$million	2010 \$million
US Dollar	2,622.6	4,847.3	2,714.3
Euro	250.4	302.8	343.7
Renminbi	199.7	167.0	90.5
Hong Kong Dollar	190.0	52.8	98.7
Singapore Dollar	181.9	298.6	72.2

## 25. Assets classified as held for sale

As at 31 March 2012, assets classified as held for sale mainly comprise:

### Singapore Telecommunications Limited ("SingTel") and its subsidiary companies

SingTel sold its 3.98% equity interest in Taiwan's Far EastTone Telecommunications Co., Ltd for a cash consideration of approximately \$339.0 million by way of an on-market sale on 27 April 2012.

## 26. Trade and other payables

	Note	2012 \$million	2011 \$million	2010 \$million
Trade payables		8,482.1	8,218.3	7,713.5
Deposits and balances of non-bank customers placed with banking subsidiary companies	(a)	13,510.7	12,807.1	11,489.4
Deposits and balances of banks placed with banking subsidiary companies	15(a)	1,011.0	886.1	1,115.3
Other creditors	(b)	2,695.1	2,235.6	2,694.9
Accrued operating expenses		5,965.5	5,994.8	5,785.9
Accrued capital expenditures		700.4	388.3	321.4
Interest payable		628.4	758.3	584.9
Amounts due to associated companies and joint ventures		413.9	137.1	139.2
Sales in advance of carriage and tickets		1,456.8	1,459.8	1,337.9
Due to customers on contracts	23	700.0	650.2	674.0
Advance payments received		571.3	671.0	706.0
Deposits from customers		581.5	542.1	453.9
Dividend payable to equity holder of THPL		2,557.5	3,593.5	-
		<u>39,274.2</u>	<u>38,342.2</u>	<u>33,016.3</u>

- (a) The deposits and balances of non-bank customers placed with banking subsidiary companies (current and non-current (note 30)) include amounts designated as loan collaterals totalling \$525.1 million (2011: \$494.0 million; 2010: \$393.6 million).
- (b) As at 31 March 2010, other creditors included purchase consideration payable of \$487.5 million which represented Singapore Telecommunications Limited ("SingTel") Group's purchase of an additional 1.5% effective equity interest in Bharti Airtel Limited ("Bharti") which was completed in November 2009. The non-current payable portion was shown in note 30. The total amount payable was subject to a minimum and maximum purchase consideration to be finalised based on the prevailing Bharti share price in May 2011, in accordance with the terms of the share purchase agreement. During the year ended 31 March 2011, SingTel Group recognised a realised fair value gain of \$38.0 million on the purchase consideration payable in the consolidated income statement upon final settlement of the consideration in January 2011.

The significant exposure to non-functional currencies is as follows:

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
US Dollar	2,521.9	2,242.6	2,232.9
Euro	441.9	394.8	242.6
Renminbi	152.4	113.0	117.0
Singapore Dollar	140.2	377.9	133.4
Pound Sterling	106.9	239.8	249.0
Japanese Yen	95.4	104.2	279.6

The expected contractual undiscounted cash flows, including interest payments, of significant trade and other payables (comprising trade payables and deposits and balances placed with banking subsidiary companies) approximate their respective carrying amounts at the balance sheet dates, and are to be settled mainly within one year subsequent to the respective balance sheet dates.



**27. Borrowings**

	<b>Note</b>	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Bank overdrafts	24			
- secured		36.0	27.1	-
- unsecured		0.7	38.0	45.6
		36.7	65.1	45.6
Short-term bank loans	(a)			
- secured		953.8	729.4	1,226.7
- unsecured		3,295.7	2,287.9	4,337.6
		4,249.5	3,017.3	5,564.3
Bank loans	(a)			
- secured		4,202.9	2,343.8	1,989.7
- unsecured		12,674.6	12,222.5	16,619.7
		16,877.5	14,566.3	18,609.4
Fixed rate notes	(b)			
- secured		1,861.7	2,505.5	2,741.7
- unsecured		33,937.0	35,301.9	27,866.3
		35,798.7	37,807.4	30,608.0
Floating rate notes - unsecured	(b)	632.7	562.7	580.9
Guaranteed exchangeable bonds/notes ("GEBs"/"GENs")	(c)	1,219.5	-	33.5
Finance lease and hire purchase obligations	31	1,072.7	1,094.6	1,129.7
Convertible redeemable preference shares ("CRPs")		*	3.1	3.0
Commercial bills		1,897.0	961.6	234.9
Other loans		241.7	407.9	517.3
<b>Total borrowings</b>		<b>62,026.0</b>	<b>58,486.0</b>	<b>57,326.6</b>

\* Less than \$0.1 million.

	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Analysed by:			
Current portion	8,174.9	10,346.6	8,889.7
Non-current portion	53,851.1	48,139.4	48,436.9
<b>Total borrowings</b>	<b>62,026.0</b>	<b>58,486.0</b>	<b>57,326.6</b>

The secured borrowings above are collateralised by the following:

- (i) property, plant and equipment (note 11);
- (ii) investment properties (note 17);
- (iii) loans and bills receivable of banking subsidiary companies (note 19(a));
- (iv) net trade receivables (note 22(a)); and
- (v) lien on export documents and pari passu charge on receivables, letter of credit and consumer financing receivables.

**(a) Bank loans**

These loans bear interest at rates ranging from 0.4% to 14.3% (2011: 0.2% to 13.5%; 2010: 0.4% to 20.1%) per annum.

**(b) Fixed and floating rate notes**

	Effective interest rate		
	2012 %	2011 %	2010 %
Fixed rate notes	0.9 – 14.6	1.5 – 14.6	1.5 – 14.6
Floating rate notes	1.0 – 4.1	0.4 – 7.4	0.7 – 7.4

**Notes:**

The fixed and floating rate notes are mainly attributed to the following subsidiary companies:

	Note	2012 \$million	2011 \$million	2010 \$million
PSA International Pte Ltd and its subsidiary companies		3,397.7	4,020.6	3,469.8
Singapore Power Limited and its subsidiary companies		11,053.4	10,510.1	9,283.0
Singapore Telecommunications Limited and its subsidiary companies	(1)	6,300.8	6,761.5	5,074.4
Temasek Financial (I) Limited	(2)	9,683.7	9,707.9	7,810.5

**(1) Singapore Telecommunications Limited (“SingTel”) and its subsidiary companies**

Certain bonds, issued by Singtel Optus Pty Limited, a subsidiary company of SingTel, amounting to \$2,101.9 million (2011: \$2,011.2 million; 2010: \$1,247.6 million) are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiary companies of Optus.

**(2) Temasek Financial (I) Limited (“TFI”)**

The notes issued are part of a US\$10.0 billion Guaranteed Global Medium Term Note Program (the “MTN Program”). Under the MTN Program, notes issued by TFI are fully and unconditionally guaranteed by THPL.

**(c) Guaranteed exchangeable bonds/notes (“GEBs”/“GENs”)**

**Temasek Financial (III) Private Limited (“TFIII”)**

The repayment and due performance of the GEBs issued by TFIII are unconditionally and irrevocably guaranteed by THPL.

Each GEB is exchangeable, at the option of the holder, into exchange property as follows:

- In the case of the \$790.0 million Zero Coupon GEB due 2014 (“GEB I”) issued on 25 October 2011: The exchange property underlying the GEB I initially comprised 21,768,389 Standard Chartered PLC (“StanChrt”) shares. The exchange right is exercisable at the option of the GEB I holder on or after 4 December 2011 and up to 10 business days prior to the GEB I’s maturity date on 24 October 2014. Each \$250,000 GEB I is initially exchangeable into 6,888.7308 StanChrt shares. The StanChrt shares to be delivered upon exchange of the GEB I would be fully paid and rank pari passu with all fully paid StanChrt shares of the same class in issue on the relevant exchange date.
- In the case of the \$500.0 million Zero Coupon GEB due 2013 (“GEB II”) issued on 14 December 2011: The exchange property underlying the GEB II initially comprised 127,453,690 Li & Fung Limited (“Li & Fung”) shares. The exchange right is exercisable at the option of the GEB II holder on or after 23 January 2012 and up to 10 business days prior to the GEB II’s maturity date on 14 December 2013. Each \$250,000 GEB II is initially exchangeable into 63,726.8452 Li & Fung shares. The Li & Fung shares to be delivered upon exchange of the GEB II would be fully paid and rank pari passu with all fully paid Li & Fung shares of the same class in issue on the relevant exchange date.

The exchange property is subject to adjustment in the event of the occurrence of certain dilutive events, including share sub-divisions, consolidations, redenominations, rights issues, bonus issues, reorganisations and capital distributions.

TFIII may elect, within 3 business days following a GEB holder’s exercise of its exchange right, to satisfy its obligations by delivery of cash in lieu of exchange property.

Both GEBs may be redeemed at 100% of their principal amount in cash or by delivery of the relevant shares, at the option of the Issuer, in whole at any time if, prior to the date of giving notice of redemption, 90% or more of the aggregate principal amount of the GEB I or GEB II, as the case may be, have been redeemed, exchanged or purchased and cancelled.

Unless the GEBs have been redeemed, exchanged or purchased and cancelled, the GEBs will be redeemed by TFIII on their respective maturity dates at a price equal to 100% of their principal amount.

**(d) Carrying amounts and fair values of borrowings**

The fair values of total borrowings which are not carried at fair values at the balance sheet date are as follows:

	Carrying amount			Fair value		
	2012 \$million	2011 \$million	2010 \$million	2012 \$million	2011 \$million	2010 \$million
Borrowings	54,381.7	57,086.3	31,413.5	56,453.5	58,875.2	32,490.5

**(e) Maturity of borrowings**

	Total \$million	Within 1 year \$million	After 1 year but within 5 years \$million	After 5 years \$million
<b>2012</b>				
Bank overdrafts	36.7	36.7	-	-
Short-term bank loans	4,249.5	4,249.5	-	-
Bank loans	16,877.5	1,365.2	13,275.0	2,237.3
Fixed rate notes	35,798.7	499.8	13,704.4	21,594.5
Floating rate notes	632.7	-	-	632.7
GEBs	1,219.5	-	1,219.5	-
Finance lease and hire purchase obligations	1,072.7	110.6	290.7	671.4
CRPs	*	-	-	*
Commercial bills	1,897.0	1,897.0	-	-
Other loans	241.7	16.1	187.1	38.5
	<u>62,026.0</u>	<u>8,174.9</u>	<u>28,676.7</u>	<u>25,174.4</u>
<b>2011</b>				
Bank overdrafts	65.1	65.1	-	-
Short-term bank loans	3,017.3	3,017.3	-	-
Bank loans	14,566.3	930.7	11,728.9	1,906.7
Fixed rate notes	37,807.4	4,952.3	11,825.8	21,029.3
Floating rate notes	562.7	110.9	-	451.8
Finance lease and hire purchase obligations	1,094.6	173.4	410.3	510.9
CRPs	3.1	3.1	-	-
Commercial bills	961.6	961.6	-	-
Other loans	407.9	132.2	241.6	34.1
	<u>58,486.0</u>	<u>10,346.6</u>	<u>24,206.6</u>	<u>23,932.8</u>

\* Less than \$0.1 million.

	Total \$million	Within 1 year \$million	After 1 year but within 5 years \$million	After 5 years \$million
<b>2010</b>				
Bank overdrafts	45.6	45.6	-	-
Short-term bank loans	5,564.3	5,564.3	-	-
Bank loans	18,609.4	246.0	17,330.6	1,032.8
Fixed rate notes	30,608.0	2,244.6	10,056.7	18,306.7
Floating rate notes	580.9	272.0	-	308.9
GENs	33.5	33.5	-	-
Finance lease and hire purchase obligations	1,129.7	168.5	454.7	506.5
CRPs	3.0	-	-	3.0
Commercial bills	234.9	234.9	-	-
Other loans	517.3	80.3	349.4	87.6
	<u>57,326.6</u>	<u>8,889.7</u>	<u>28,191.4</u>	<u>20,245.5</u>

**(f) Contractual cash flows**

The following are the expected contractual undiscounted cash flows of significant borrowings including interest payments:

		Cash flows			
	Carrying amount \$million	Contractual cash flows \$million	Within 1 year \$million	After 1 year but within 5 years \$million	After 5 years \$million
<b>2012</b>					
Bank loans	21,127.0	22,623.5	6,857.5	13,165.3	2,600.7
Notes, GEBs, CRPs and commercial bills	39,547.9	53,422.5	3,899.0	19,434.0	30,089.5
	<u>60,674.9</u>	<u>76,046.0</u>	<u>10,756.5</u>	<u>32,599.3</u>	<u>32,690.2</u>
<b>2011</b>					
Bank loans	17,583.6	18,477.2	5,580.2	10,789.4	2,107.6
Notes, CRPs and commercial bills	39,334.8	53,633.1	7,928.7	16,498.7	29,205.7
	<u>56,918.4</u>	<u>72,110.3</u>	<u>13,508.9</u>	<u>27,288.1</u>	<u>31,313.3</u>
<b>2010</b>					
Bank loans	24,173.7	25,274.9	6,233.4	17,635.3	1,406.2
Notes, GENs, CRPs and commercial bills	31,460.3	40,595.8	3,828.8	14,462.1	22,304.9
	<u>55,634.0</u>	<u>65,870.7</u>	<u>10,062.2</u>	<u>32,097.4</u>	<u>23,711.1</u>

## 28. Provisions

	2012 \$million	2011 \$million	2010 \$million
Contingencies	211.8	259.6	286.9
Restructuring	10.8	36.8	80.2
Warranties	199.9	197.7	199.9
Others	1,270.1	1,453.6	1,814.7
	<u>1,692.6</u>	<u>1,947.7</u>	<u>2,381.7</u>
Analysed by:			
Current portion	1,096.3	1,469.0	1,919.7
Non-current portion	596.3	478.7	462.0
	<u>1,692.6</u>	<u>1,947.7</u>	<u>2,381.7</u>

Movements in provisions are as follows:

	Contingencies \$million	Restructuring \$million	Warranties \$million	Others \$million	Total \$million
At 1 April 2009	279.2	138.9	179.3	1,332.9	1,930.3
Acquisition/(Disposal) of subsidiary companies	-	-	0.2	(41.8)	(41.6)
Provisions made	57.9	12.9	39.3	815.1	925.2
Provisions utilised	(48.0)	(67.7)	(17.4)	(316.8)	(449.9)
Translation differences	(2.2)	(3.9)	(1.5)	25.3	17.7
At 31 March 2010	<u>286.9</u>	<u>80.2</u>	<u>199.9</u>	<u>1,814.7</u>	<u>2,381.7</u>
Acquisition/(Disposal) of subsidiary companies	0.5	-	0.1	(11.0)	(10.4)
Provisions made/(reversed)	37.9	0.6	19.9	(245.1)	(186.7)
Provisions utilised	(38.1)	(36.7)	(18.0)	(114.0)	(206.8)
Translation differences	(27.6)	(7.3)	(4.2)	9.0	(30.1)
At 31 March 2011	<u>259.6</u>	<u>36.8</u>	<u>197.7</u>	<u>1,453.6</u>	<u>1,947.7</u>
Acquisition/(Disposal) of subsidiary companies	(40.2)	(17.0)	-	-	(57.2)
Assets classified as held for sale	-	-	0.1	-	0.1
Provisions made/(reversed)	48.2	1.7	23.4	(73.2)	0.1
Provisions utilised	(51.4)	(11.0)	(23.0)	(110.8)	(196.2)
Translation differences	(4.4)	0.3	1.7	0.5	(1.9)
At 31 March 2012	<u>211.8</u>	<u>10.8</u>	<u>199.9</u>	<u>1,270.1</u>	<u>1,692.6</u>

## 29. Deferred income and liabilities

	Note	2012 \$million	2011 \$million	2010 \$million
Deferred grants and donations		117.3	94.0	115.0
Customers' contributions		604.3	632.7	642.2
Deferred gain on sale and leaseback transactions		28.3	30.0	109.0
Unearned revenue		2,745.8	3,200.6	3,020.3
Others	(a)	1,532.1	574.4	878.2
		<u>5,027.8</u>	<u>4,531.7</u>	<u>4,764.7</u>

	2012 \$million	2011 \$million	2010 \$million
Analysed by:			
Current portion	1,961.6	1,978.9	1,814.6
Non-current portion	3,066.2	2,552.8	2,950.1
	<u>5,027.8</u>	<u>4,531.7</u>	<u>4,764.7</u>

(a) Others mainly comprise:

Singapore Telecommunications Limited ("SingTel") and its subsidiary companies

As at 31 March 2012, the gain on disposal of Assets and Business recorded by SingTel, as described in note 19(b), amounting to \$1,089.7 million was deferred in the Group's balance sheet and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's balance sheet will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed.

### 30. Other non-current liabilities

	Note	2012 \$million	2011 \$million	2010 \$million
Deposits from customers		251.9	244.6	227.6
Deposits and balances of non-bank customers placed with banking subsidiary companies	26(a)	3.3	8.1	23.2
Deposits and balances of banks placed with banking subsidiary companies	15(a)	107.2	308.0	559.4
Advance payments received		591.7	746.8	454.5
Other creditors	26(b)	315.0	351.8	580.4
Defined benefit obligations		348.8	262.8	286.7
Accrued operating expenses		1,189.3	1,000.5	963.1
		<u>2,807.2</u>	<u>2,922.6</u>	<u>3,094.9</u>



### 31. Finance lease and hire purchase obligations

At the balance sheet date, the Group has obligations under finance lease and hire purchase that are repayable as follows:

	Note	2012 \$million	2011 \$million	2010 \$million
Minimum finance lease and hire purchase obligations due:				
Within 1 year		175.4	236.5	225.9
After 1 year but within 5 years		518.3	587.5	620.5
After 5 years		1,505.7	809.2	771.3
		<u>2,199.4</u>	<u>1,633.2</u>	<u>1,617.7</u>
Less: Future finance charges		(1,126.7)	(538.6)	(488.0)
Present value of finance lease and hire purchase obligations	27	<u>1,072.7</u>	<u>1,094.6</u>	<u>1,129.7</u>

The present value of finance lease and hire purchase obligations is analysed as follows:

	2012 \$million	2011 \$million	2010 \$million
Within 1 year	110.6	173.4	168.5
After 1 year but within 5 years	290.7	410.3	454.7
After 5 years	671.4	510.9	506.5
	<u>1,072.7</u>	<u>1,094.6</u>	<u>1,129.7</u>
Analysed by:			
Current portion	110.6	173.4	168.5
Non-current portion	962.1	921.2	961.2
	<u>1,072.7</u>	<u>1,094.6</u>	<u>1,129.7</u>

Interest rates on the Group's finance lease and hire purchase obligations ranged from 0.3% to 17.3% (2011: 0.3% to 22.4%; 2010: 0.3% to 22.4%) per annum.

### 32. Operating lease commitments

#### (a) Where the Group is a lessee

The Group leases a number of warehouse, property, plant and equipment, office buildings, aircrafts, vessels and terminals under non-cancellable operating leases. The leases have different terms and terminate at various dates. Some of the leases have specific clauses like rental escalation clauses, renewal rights and purchase options.

At the balance sheet date, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2012 \$million	2011 \$million	2010 \$million
Within 1 year	2,635.4	2,645.8	2,802.9
After 1 year but within 5 years	6,402.7	6,872.6	8,075.2
After 5 years	4,805.1	5,064.0	5,515.5
	<u>13,843.2</u>	<u>14,582.4</u>	<u>16,393.6</u>

Details of significant operating lease commitments are disclosed below.

Neptune Orient Lines Limited ("NOL") and its subsidiary companies

The NOL Group's operating lease commitments on vessels included US\$0.3 billion (2011: US\$0.3 billion; 2010: US\$1.0 billion) relating to lease arrangements wherein the lease term had not commenced and the underlying vessels were not in use as at the balance sheet date.

Singapore Airlines Limited ("SIA") and its subsidiary companies

SIA has 3 B777-200, 3 B777-200ER, 3 B777-300, 19 A330-300 and 7 A380-800 aircraft under operating leases with fixed rental rates. Under 5 of the aircraft lease agreements, the rentals will be adjusted if one-month LIBOR exceeds 6.5% per annum.

The original lease terms range from 5 to 10.5 years. In 2 of the aircraft lease agreements, SIA holds options to extend the lease for a further maximum period of 5 years. In 5 other aircraft lease agreements, SIA holds options to extend the leases for a further maximum period of 3 years and in 24 others, SIA holds the options to extend the leases for a further maximum period of 2 years. Sub-leasing is allowed under all the lease arrangements.

Singapore Airlines Cargo Pte Ltd ("SIA Cargo"), a subsidiary company of SIA, has 3 B747-400F aircraft under operating leases with fixed rental rates. The lease terms range from 10 to 11 years. In one of the aircraft lease agreements, SIA Cargo holds the option to extend the lease for a further maximum period of 2 years. For the other 2 agreements, there is no option for renewal. Sub-leasing is allowed under all the lease arrangements.

SilkAir (Singapore) Private Limited ("SilkAir"), a subsidiary company of SIA, has 6 A320-200s and 3 A319-100s aircraft under operating leases with fixed rental rates. The original lease terms for the 3 A319-100s aircraft range from 6.9 to 11.5 years, which SilkAir holds options to extend the leases up to a maximum of 3 years. The original lease terms for the 6 A320-200s range from 4 to 11.8 years and SilkAir holds options to extend the leases for 2 to 5 years. None of the operating lease arrangements confer on SilkAir an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements.

Singapore Telecommunications Limited ("SingTel") and its subsidiary companies

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The commitments included the minimum amounts payable of \$39.5 million (2011: \$39.4 million; 2010: \$37.8 million) per annum under those contracts. The operating lease payments under these contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

**(b) Where the Group is a lessor**

The Group leases certain of its investment properties and property, plant and equipment under operating leases. Some of the leases have escalation clauses and renewal rights.

Non-cancellable operating lease rentals receivables are analysed as follows:

	2012 \$million	2011 \$million	2010 \$million
Within 1 year	629.9	568.2	390.4
After 1 year but within 5 years	1,266.6	917.8	795.5
After 5 years	482.4	424.6	496.2
	<u>2,378.9</u>	<u>1,910.6</u>	<u>1,682.1</u>

**33. Financial risk management of financial assets and liabilities**

Financial assets comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and cash equivalents and derivative financial assets. Financial liabilities comprise trade and other payables, borrowings and derivative financial liabilities.

The carrying amounts of the different categories of the Group's financial instruments are as follows:

	2012 \$million	2011 \$million	2010 \$million
Loans and receivables	79,798.2	79,080.8	65,156.0
Available-for-sale financial assets	61,795.2	66,993.8	65,593.2
Held-to-maturity financial assets	174.3	5.0	7.6
Held for trading financial assets	3,697.5	3,909.9	6,985.3
Financial assets at fair value through profit or loss on initial recognition	5,663.0	5,428.1	749.3
Derivative financial instruments	(2,029.0)	(3,023.7)	(1,903.1)
Financial liabilities	<u>(100,066.1)</u>	<u>(95,515.8)</u>	<u>(89,523.0)</u>

**(a) Financial risk management objectives and policies of Temasek Holdings (Private) Limited ("THPL")**

THPL is an investment holding company that owns and manages its portfolio on a commercial basis. In general, it does not guarantee the financial obligations of its portfolio companies.

Operating subsidiary companies in its portfolio are managed by their respective management, and guided and supervised by their respective boards. THPL does not direct the commercial and operational decisions of these operating companies, but holds their respective boards accountable for the financial performance and risk management processes of their companies. As such, financial risk management of these operating companies are the responsibility of their management teams and supervised by their respective board of directors.

Disclosure of financial risk management of the financial assets and liabilities relating to certain operating subsidiary companies which contributed significantly to the consolidated financial assets and liabilities of the Group is set out in note 33(d). These disclosures are extracted from the financial risk management section of their respective financial statements.

THPL Board determines the objectives and overall direction for its risk management framework and functions. Under the Board's guidance, the Chief Executive Officer and Senior Management team promote a culture of risk awareness and balanced risk-taking.

Enterprise risks, including the management of financial risks, are factored into the day to day decision making of THPL on investments, divestments, company policies and processes. These decisions are taken under the supervision of the Chief Executive Officer and Senior Management team.

THPL's established approval authorities, company policies and standard operating procedures continue to drive its end-to-end process controls. These procedures also cover THPL's reporting requirements to the Board, Board Committees and Senior Management to apprise them of the relevant risk issues.

Not all risk considerations can be measured in quantitative terms, especially when such measurements are not available or impractical to compute. The methodology applied in the year ended 31 March 2012, is fundamentally similar to that of the previous years.

**(b) Financial risk profile of THPL's portfolio**

THPL's portfolio comprises mainly equities. As at 31 March 2012, THPL's net portfolio value of \$198 billion (2011: \$193 billion; 2010: \$186 billion):

- (i) refers to the sum of (1) the market value of investments in publicly-listed securities as of such specified date and (2) the fair value of investments in unlisted securities, in each case held directly by THPL and indirectly through its Investment Holding Companies (as defined below), whether such holding is for the short term or the long term; and

- (ii) takes into account the net amount of other assets and liabilities of THPL and its direct and indirect wholly-owned subsidiary companies whose principal activities are that of investment holding or financing, or the provision of investment advisory and consultancy services or management services to THPL and the aforementioned subsidiary companies (together, the "Investment Holding Companies").

In respect of the fair value of investments in unlisted securities in note 33(b)(i)(2), the fair value of:

- unlisted available-for-sale investments is based on valuation methods in accordance with FRS; and
- investments in unlisted subsidiary and associated companies is based on the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements. Where the unlisted subsidiary and associated companies that hold substantially investments in publicly-listed securities, their fair values will take into account the market values of the underlying publicly-listed securities.

Financial risks comprise mainly market risk, liquidity risk and credit risk. Market risks include equity price risk, foreign currency risk and interest rate risk.

As THPL's portfolio comprises mostly equities, market risk exposure of THPL's portfolio arises mainly from changes in equity prices, and such risk exposure is reflected in the mark-to-market changes of the portfolio, including the foreign exchange rate movements of the portfolio. More details are provided in note 33(c)(i).

THPL has the flexibility to adopt a long-term view on its investments and is lightly geared with minimal liabilities. As such, while its portfolio is exposed to share price movements, THPL does not necessarily have to liquidate its holdings in response to short-term fluctuations in the markets. With low gearing, interest rate risk exposure due to debt repricing is expected to be relatively low. More details are provided in note 33(c)(i) and (iii).

**(c) *Financial risk management processes and exposures***

**(i) *Market risk***

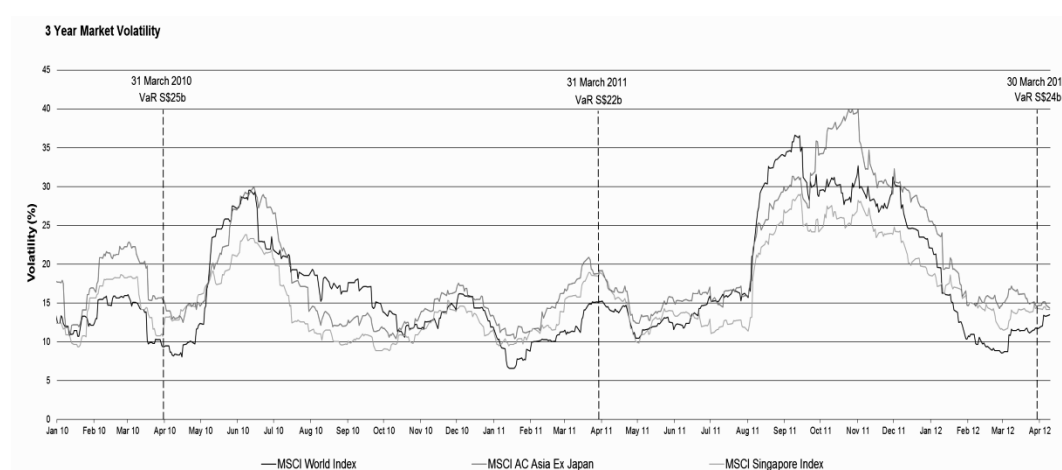
To assess the market risk of its portfolio, THPL uses a Value-at-Risk ("VaR") statistical model that estimates the potential decline in portfolio value over a given period, based on historical market behaviour. Although VaR estimates are highly dependent on the assumptions and parameters used and can vary significantly in different market scenarios, they serve to provide a useful quantitative marker of relative and potential risks under normal market conditions. The total diversified VaR on THPL's portfolio is reported to THPL's Senior Management on a monthly basis and its Board of Directors on a quarterly basis.

As a long-term investor, THPL computes an annual VaR to give its stakeholders a sense of how the portfolio might decline in value over a 12-month holding period. Monte Carlo simulation at 84% confidence level and based on three years of weekly price data are used to compute the VaR. This is based on the assumption that the most recent 3-year history would be indicative of market behaviour over the next 12 months.

As at 31 March 2012, the VaR of THPL's portfolio was about \$24 billion (2011: \$22 billion; 2010: \$25 billion). This implies a 16% probability of its portfolio incurring marked-to-market losses in excess of \$24 billion (2011: \$22 billion; 2010: \$25 billion), on a net portfolio value of \$198 billion (2011: \$193 billion; 2010: \$186 billion), in the following 12 months, assuming that the portfolio composition remains unchanged. This means that there is a 84% probability of an outcome better than a decline of portfolio value of \$24 billion. The process also generates an indication of the upside potential for the portfolio even though conventional VaR reporting only focuses on the downside.

Over the last financial year, the VaR increased by \$2 billion (2011: dropped by \$3 billion; 2010: dropped by \$3 billion) while THPL's net portfolio value increased by \$5 billion (2011: increased by \$7 billion; 2010: increased by \$56 billion). At 12% of the value of the portfolio as at 31 March 2012, VaR as a percentage of the portfolio remains unchanged from 31 March 2011, which stood at 12%. Historically, the VaR's movement aligned reasonably well to the volatility of the major equity markets in which THPL's portfolio operated.

#### THPL's Portfolio VaR and Market Volatilities from January 2010 to March 2012



The top 10 holdings contributed 60% (2011: 68%; 2010: 72%) of the total diversified VaR. Singapore Telecommunications Limited, the single largest holding, accounted for 17% (2011: 16%; 2010: 17%) of the VaR.

Although VaR provides valuable insights and a basis for comparing risks between investments, no single risk measure can capture all aspects of market risk in THPL's portfolio. To complement the VaR measure, THPL also conducts monthly stress tests and scenario analyses to gauge the effect of low probability but high impact events. THPL has recalibrated the stress parameters during the course of 2009 and the GFC of 2008/2009 has continued to be an integral part of our stress tests.

THPL VaR by Sector

	2012 %	2011 %	2010 %
Financial Services	46	40	43
Transportation and Industrials	20	24	26
Life Sciences, Consumer and Real Estate	14	11	14
Telecommunications, Media and Technology	11	22	13
Energy and Resources	5	2	3
Others	4	1	1
Total	100	100	100

THPL VaR by Risk Factors

	2012 %	2011 %	2010 %
Equity Risk	104	103	98
Foreign Exchange Risk	15	10	7
Interest Rate Risk	4	3	3
Total Diversification Effects*	(23)	(16)	(8)
Total	100	100	100

\* Diversification effects resulting from the interactions between the equity, foreign exchange and interest rate risk factors.

(ii) *Foreign currency risk*

Foreign currency risk exposures comprise mainly of transactional and translational foreign currency risks. Transactional foreign currency risk refers to cashflow related risk arising from THPL's foreign currency denominated investments and related operating cashflows. Translational foreign currency risk refers to exchange rate impact on the balance sheet when translating THPL's foreign currency portfolio into its Singapore Dollar functional currency.

It is THPL's policy not to take positions in currencies with a view to making trading gains from currency movements. Where currency exposures arise naturally in the course of THPL's business of investing and divesting in foreign currency denominated assets or international businesses, THPL considers the merits of hedging transactional and translational foreign currency exposures on an economic basis.



***Transactional foreign currency exposures***

THPL's transactional foreign currency risk arises from its foreign currency denominated investments and related cashflows, including divestment cashflows, dividend receipts and operating expenses. THPL uses forward contracts primarily to hedge its transactional currency exposures with known cashflow timeline. Such contracts allow THPL to buy or sell currencies at market determined exchange rates and are executed purely for hedging purpose only.

***Translational foreign currency exposures***

The translational foreign currency exposures of THPL arise mainly from its investments in portfolio companies. When translating the value of these investments back to its functional currency, Singapore Dollars, it is subjected to volatility in foreign exchange movements. Due to the long investment holding period, the cost of hedging such balance sheet exposures on a rolling basis can be costly. THPL does only enter into selective currency hedges when the long term cost of the hedging program is expected to be off-set by the long term trajectory of the currency. For all other investments, the foreign currency risk is therefore embedded in the investment appraisal process in the return calculation. THPL also borrows in foreign currencies within its approved debt issuance limit which provides a partial natural hedge against the translational foreign currency exposure of its portfolio.

Foreign currency risk of financial assets, derivatives, cash and cash equivalents and borrowings is reflected in the overall portfolio VaR, as shown in note 33(c)(i) and accounts for 15% (2011: 10%; 2010: 7%) (before diversification effects) of THPL's VaR.

***(iii) Interest rate risk***

Exposure to interest rate risk relates primarily to interest bearing liabilities. THPL manages the interest rate risk by maintaining a mix of fixed and floating interest bearing liabilities of various maturities. Where necessary, THPL also enters into derivative financial instruments such as interest rate swaps to hedge against potential interest rate risks, with the prior approval of THPL's Senior Management Committee ("SMC").

Interest rate risk is reflected in the overall portfolio VaR, as shown in note 33(c)(i) and accounts for 4% (2011: 3%; 2010: 3%) (before diversification effects) of THPL's VaR.

***(iv) Counterparty credit risk***

THPL has a counterparty credit risk management framework in place and the exposure to counterparty credit risk is monitored on an ongoing basis.

Counterparty credit risk arises mainly from the following activities:

- placement of cash and fixed deposits with banks;
- marked-to-market gains from financial transactions before settlement of the trades;

- non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades; and
- placement of financial assets in custody of custodians.

The maximum exposures arising from the placement of cash or fixed deposits with banks, non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades and placement of financial assets in custody of custodians are the gross amount of the cash or asset transacted. The maximum exposure from marked-to-market gains from financial transactions before settlement of the trades is the magnitude of the marked-to-market gains.

Limits on maximum exposure are imposed on the counterparties and where appropriate, THPL seeks to reduce its counterparty's exposures by having in place legally enforceable netting agreements and collateral arrangements. Regular review of approved counterparties is also carried out.

(v) *Liquidity risk*

The liquidity needs for THPL to manage its portfolio arises mainly from operational expenses and payments to its shareholder. Being lightly geared with minimal liabilities and with a significant part of the investment portfolio comprising tradeable securities, there is no significant liquidity risk.

THPL manages this liquidity risk through a combination of optimal cash holding and maintenance of credit facilities and borrowings. Excess funds are invested in short-term bank deposits and liquid securities that can be readily convertible to cash if required.

(d) ***Financial risk management objectives and policies of operating subsidiary companies managed by their respective management***

THPL does not direct the commercial and operational decisions of the operating companies in its portfolio, but holds their respective boards accountable for the financial performance and risk management processes of their companies. Financial risk management of these operating subsidiary companies are the responsibility of their management teams and supervised by their respective board of directors.

The following disclosures of the financial risk management of the financial assets and liabilities relating to certain operating subsidiary companies, which contributed significantly to the consolidated financial assets and liabilities of the Group, are extracted from their respective financial statements.

*PT Bank Danamon Indonesia Tbk ("Danamon")*

The following disclosure is extracted from the consolidated financial statements of Fullerton Financial Holdings Pte. Ltd. and its subsidiary companies.

### *Risk management framework*

The organization of Danamon risk management involves oversight from the Board of Commissioners, the Board of Directors, and the Risk Monitoring Committee. The Risk Monitoring Committee is the highest risk authority in the Board of Commissioners' level. The Risk Monitoring Committee approves and monitors the implementation of risk management policies and framework of Danamon and its subsidiary companies. The Risk Monitoring Committee meets every month to assess the performance of the respective credit portfolios and discuss risk issues. The Risk Monitoring Committee is established by the Board of Directors and is responsible for managing risk of Danamon and its subsidiary companies. The Risk Monitoring Committee comprises of all members of the Board of Directors and senior management executives. It is chaired by the Integrated Risk Director.

In line with industry best practices and the Basel II Risk Management Framework, Danamon has established an Integrated Risk function. Integrated Risk is an integrated risk management function by combining credit, market, liquidity and operational risk under one umbrella. This function is chaired by Integrated Risk Director and fully staffed with experienced risk managers. It is a centralised and independent function, clearly separated with no reporting line or responsibility to business.

Danamon's risk management policies are established to identify and analyse the risks faced by Danamon, to set appropriate risk limits and controls, and to monitor risks and adherence to limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. Danamon, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Danamon's Audit Committee is responsible for monitoring compliance with Danamon's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by Danamon. Danamon's Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to Danamon's Audit Committee.

#### *(i) Credit risk*

Credit risk is defined as the potential losses when a customer or counterparty fails to fulfil its obligations as and when they fall due, and arises principally from Danamon's loans and advances to customers and other banks, and investment debt securities. The objective of credit risk management is to control and manage credit risk exposures within acceptable parameters, while optimising the return on risk.

Credit risk is managed through established policies and procedures covering credit acceptance criteria, credit origination and approval, pricing, monitoring, problem loan management and portfolio management. Danamon also closely monitors the development of its loan portfolios, including its subsidiary companies to enable Danamon to initiate a preventive action in a timely manner when there is deterioration in credit quality.

A primary element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. Danamon's risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of credit facility or exposure. This risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the level of decision-making authority required to extend or materially change the credit and the monitoring procedures applied to the ongoing exposure.

Customer rating process is performed through a well-known Moody's Analytics' platform named "Risk Analyst", while the scorecard and Probability of Default ("PD") Master scale are developed internally with the help from Moody's Analytics professional service. Currently, customers' rating and PD results from the system are only used as a reference in credit approval process.

The creditworthiness of individual counterparty is evaluated and appropriate credit limits are established. Credit limits set forth maximum credit exposures that Danamon is willing to assume over specified periods. Credit limits are also established for industries, countries and products to ensure broad diversification of credit risk and to avoid undue concentration.

#### *Concentration of credit risk analysis*

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Danamon encourages the diversification of its credit portfolio among a variety of geographies, industries, credit product, individual obligors, reflecting a well balanced and healthy risk profile, and to focus marketing efforts toward potential industries and customers in order to minimise the credit risk.

#### *Stress Testing*

Stress Testing is a method of risk measurement by estimating the potential economic loss to Danamon under abnormal market conditions in order to ascertain the sensitivity of Danamon's performance to changes in risk factors and to identify influencing factors that significantly impact Danamon's revenue and capital. Scenarios are defined into three categories: Mild, Moderate, and Severe based on the severity of macro economic factors used in the scenarios (i.e.: Pound Sterling, inflation, Indonesian Rupiah/US Dollar). In addition to scenarios built around historically observed events, hypothetical adverse events and their impact are also considered. This is done in collaboration with Danamon's economist team based on their view of possible macroeconomic developments, and Octagon Advisors as Danamon's consultant in developing the framework.

Danamon is actively involved in the implementation of Basel II in accordance with the Central Bank guidelines.

*Maximum exposure to credit risk*

For financial assets recognised on the balance sheet, the maximum exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that Danamon would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn committed credit facilities granted to customers.

*Credit quality*

Credit quality is determined based on three pillars, namely: business prospect, financial performance and repayment capability of the borrower. In particular, the credit quality in relation to loans and advances are differentiated as follows:

- Pass represents credit facilities which demonstrate strong growth in business, high and stable earnings, strong capital and liquidity, prompt repayment for principal and/or interest and compliance with credit terms and conditions.
- Special mention represents credit facilities which demonstrate limited growth of business, fairly good earnings, capital and liquidity but with potential for decline. The arrear in principal and/or interest is up to 90 days.
- Substandard represents credit facilities which demonstrate very limited growth of business, low earnings and limited cash flow to meet the liabilities. The arrear in principal and/or interest is exceeding 90 days but no more than 120 days.
- Doubtful represents credit facilities which demonstrate declining in the business, negative earnings and very low liquidity that shows inability to repay principal or interest. The arrear in principal and/or interest is exceeding 120 days but no more than 180 days.
- Loss represents credit facilities which demonstrate borrowers' financial condition in serious doubt, sustaining heavy losses and unable to meet all liabilities. The arrear in principal and/or interest is exceeding 180 days.

*Credit restructuring*

In order to minimise credit losses, to preserve asset values and to save potentially viable business from collapse, Danamon is prepared to consider restructuring problem credits for borrowers which have difficulties in fulfilling their obligations but still co-operate and have good business prospect and as long as it is of benefit to both parties. At the balance sheet date, the restructured loans amounted to \$238.9 million (2011: \$320.3 million; 2010: \$294.0 million).

*Credit quality of financial assets*

Danamon's financial assets are disclosed below.

	Placements and balances with other banks \$million	Loans to and bills receivable from non-bank customers \$million	Investment debt securities \$million	Government securities \$million	Derivative receivables \$million	Other financial assets \$million
<b>2012</b>						
<b>Carrying amount</b>						
Individually impaired	-	205.9	-	-	-	27.7
Collectively impaired	-	14,231.0	-	-	-	-
Neither past due* nor impaired	812.7	16.5	217.7	1,021.0	22.9	533.1
Impairment	-	(378.1)	-	-	-	(9.2)
<b>Total</b>	<b>812.7</b>	<b>14,075.3</b>	<b>217.7</b>	<b>1,021.0</b>	<b>22.9</b>	<b>551.6</b>
<b>2011</b>						
<b>Carrying amount</b>						
Individually impaired	-	227.0	-	-	-	65.1**
Collectively impaired	-	11,536.3	-	-	-	-**
Neither past due* nor impaired	766.9	9.1	166.1	1,467.0	27.2	420.8**
Impairment	-	(385.5)	-	-	-	(37.4)**
<b>Total</b>	<b>766.9</b>	<b>11,386.9</b>	<b>166.1</b>	<b>1,467.0</b>	<b>27.2</b>	<b>448.5**</b>
<b>2010</b>						
<b>Carrying amount</b>						
Individually impaired	-	417.5	-	-	-	178.1**
Collectively impaired	-	9,102.1	-	-	-	-**
Neither past due* nor impaired	745.7	15.5	92.3	2,157.6	48.5	468.6**
Impairment	-	(316.0)	(*)	-	-	(132.3)**
<b>Total</b>	<b>745.7</b>	<b>9,219.1</b>	<b>92.3</b>	<b>2,157.6</b>	<b>48.5</b>	<b>514.4**</b>

# Past due refers to receivables that are overdue by 1 day or more.

\* Less than \$0.1 million.

\*\* Restated.

Danamon's financial assets with designated credit classification are stipulated below.

	Placements and balances with other banks \$million	Loans to and bills receivable from non-bank customers \$million	Derivative receivables \$million	Other financial assets \$million
<b>2012</b>				
<b>Carrying amount</b>				
Pass	812.7	12,537.2	22.9	533.1
Special mention	-	1,303.6	-	-
Substandard	-	59.2	-	-
Doubtful	-	101.7	-	18.5
Loss	-	73.6	-	-
<b>Total</b>	<b>812.7</b>	<b>14,075.3</b>	<b>22.9</b>	<b>551.6</b>
<b>2011</b>				
<b>Carrying amount</b>				
Pass	766.9	10,064.1	27.2	420.8
Special mention	-	1,122.4	-	-
Substandard	-	58.9	-	-
Doubtful	-	82.3	-	27.7
Loss	-	59.2	-	-
<b>Total</b>	<b>766.9</b>	<b>11,386.9</b>	<b>27.2</b>	<b>448.5</b>
<b>2010</b>				
<b>Carrying amount</b>				
Pass	745.7	8,029.5	48.5	468.6
Special mention	-	855.0	-	-
Substandard	-	130.9	-	-
Doubtful	-	98.9	-	45.8
Loss	-	104.8	-	-
<b>Total</b>	<b>745.7</b>	<b>9,219.1</b>	<b>48.5</b>	<b>514.4</b>

The credit quality of government securities and investment debt securities is further illustrated as follows:

	Government securities \$million	Investment debt securities \$million
<b>2012</b>		
AAA	-	28.3
AA- to AA+	-	114.1
A- to A+	-	68.2
Lower than A-	1,021.0	7.1
<b>Total</b>	<b>1,021.0</b>	<b>217.7</b>



	Government securities \$million	Investment debt securities \$million
<b>2011</b>		
AAA	-	9.4
AA- to AA+	-	54.3
A- to A+	-	89.2
Lower than A-	1,467.0	13.2
<b>Total</b>	<b>1,467.0</b>	<b>166.1</b>
<b>2010</b>		
AA- to AA+	-	38.5
A- to A+	-	24.2
Lower than A-	2,157.6	18.5
Unrated	-	11.1
<b>Total</b>	<b>2,157.6</b>	<b>92.3</b>

#### *Impaired financial assets*

Impaired financial assets (other than those carried at fair value through profit or loss) are those which Danamon determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the agreement(s) underlying the financial assets. Financial assets carried at fair value through profit or loss is not assessed for impairment since the measure of fair value reflects their credit qualities.

#### *Allowance for impairment*

Danamon establishes an allowance for impairment losses on financial assets carried at amortised cost or classified as available for sale that represents its evaluation of the collectibility of each financial asset. The main components of this allowance are a specific impairment loss allowance and a collective impairment loss allowance.

There were no loans and advances which were past due and not impaired at the balance sheet date.

#### *Write off Policy*

Financial assets are written-off against the respective allowance for losses when they are classified as Loss. Write off is the administrative action of Danamon in writing off loans and advances classified as Loss from the balance sheet in the amount of the liability of the debtors, without writing off Danamon's right to claim against the debtors which is in line with Bank Indonesia's ("BI") regulation.

#### *Fair value of collateral and other security enhancements held*

Danamon holds collateral against loans to and bills receivables from non-bank customers in the form of properties, ships, machine equipment and cash collateral.

Generally, collaterals are not held in relation to loans and placements to banks (except when securities are held as part of reverse repurchase). At the balance sheet date, there were no such collaterals held in relation to loans and placements to banks.

Reposessed assets acquired in conjunction with the settlement of loans are stated at the lower of the related loans carrying value or the net realisable value of the reposessed assets. In the case of default, the consumer gives the right to Danamon to sell the reposessed assets or take any other actions to settle the outstanding loan receivables. A major effort should be made to sell any holdings of reposessed assets since the assets must be reserved in accordance to the length of holdings. Consumers are entitled to the positive differences between the proceeds from sales of reposessed assets and the outstanding loan receivables. If the differences are negative, Danamon will record those differences as losses from disposal of reposessed assets.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amount of the financial assets at the balance sheet date is shown below. This excludes the value of collaterals and other security enhancements that are determined by management not to be enforceable (legally or practically) by Danamon.

	2012	2011	2011	2010	2010
		As	As	As	As
		restated **	previously reported	restated **	previously reported
	\$million	\$million	\$million	\$million	\$million
Land and buildings	2,463.9	2,569.6	6,690.2	2,216.2	5,436.9
Ships	153.0	119.4	517.9	121.7	354.1
Heavy equipment	382.7	241.6	905.4	322.7	908.7
Material handling	16.8	21.1	81.7	26.4	77.2
Cash collaterals	178.1	145.8	431.8	133.5	321.0
Vehicles	67.5	109.9	213.7	54.9	140.1
Inventory	199.7	113.6	421.7	246.9	671.4
Receivables	695.0	449.8	1,487.4	571.2	1,691.1
Others	110.8	109.3	338.5	104.3	274.7
	<u>4,267.5</u>	<u>3,880.1</u>	<u>11,088.3</u>	<u>3,797.8</u>	<u>9,875.2</u>

\*\* Refer to note 2.6

*Details of financial and non-financial assets obtained during the year by taking possession of collateral held as security are shown below.*

	2012	2011	2010
	\$million	\$million	\$million
Property	*	0.5	6.1
Inventory	1.4	-	-
Equipment	-	-	7.6
	<u>1.4</u>	<u>0.5</u>	<u>13.7</u>

\* Less than \$0.1 million.

*Concentration of credit risk by sector and industry of issuer*

	<----- 2012 ----->			<----- 2011 ----->			<----- 2010 ----->		
	Loans to and bills receivable from non-bank customers \$million	Derivative receivables \$million	Others <sup>#</sup> \$million	Loans to and bills receivable from non-bank customers \$million	Derivative receivables \$million	Others <sup>#</sup> \$million (Restated)	Loans to and bills receivable from non-bank customers \$million	Derivative receivables \$million	Others <sup>#</sup> \$million (Restated)
<b>Concentration by sector</b>									
Manufacturing	1,856.2	0.5	196.6	1,145.4	0.5	147.7	1,075.7	2.4	215.2
Electricity, gas and water	1.8	-	-	3.3	-	-	3.0	-	-
Agriculture, farming	222.8	-	-	167.4	0.8	-	186.1	1.0	59.1
Business services	172.5	1.0	0.9	543.5	3.1	2.9	331.0	7.9	5.0
Public services	206.0	-	-	231.3	-	-	194.9	-	-
Transportation and warehousing	513.0	-	7.0	348.8	0.2	8.4	491.3	1.1	10.3
Mining	228.1	-	-	206.2	0.1	-	174.8	0.8	-
Construction	137.5	-	-	88.3	-	-	84.9	-	-
Financial institutions	397.5	21.4	818.0	389.1	22.5	770.6	201.9	35.3	749.9
Retail	9,475.2	-	136.6	5,057.0	-	120.3	4,145.0	*	108.2
Others	1,242.8	*	816.3	3,592.1	-	709.5	2,646.6	-	737.9
Impairment	(378.1)	-	(9.3)	(385.5)	-	(37.4)	(316.0)	-	(132.4)
	14,075.3	22.9	1,966.1	11,386.9	27.2	1,722.0	9,219.2	48.5	1,753.2

\* Less than \$0.1 million.

<sup>#</sup> Included in "Others" are placements and balances with other banks, other financial assets, irrevocable letters of credit, undrawn credit facilities, guarantees and standby letters of credit.

	<----- 2012 ----->		<----- 2011 ----->		<----- 2010 ----->	
	Investment debt securities \$million	Government securities \$million	Investment debt securities \$million	Government securities \$million	Investment debt securities \$million	Government securities \$million
<b>Industry of issuer</b>						
Agriculture, mining and quarrying	14.3	-	5.7	-	31.4	-
Manufacturing	4.3	-	3.6	-	-	-
Building construction	16.5	-	4.8	-	1.5	-
Transport, storage and communications	2.8	-	2.9	-	3.0	-
Financial institutions	113.9	-	115.4	-	32.2	-
Others	65.9	1,021.0	33.7	1,467.0	24.3	2,157.6
Impairment	-	-	-	-	(*)	-
	217.7	1,021.0	166.1	1,467.0	92.4	2,157.6

\* Less than \$0.1 million.

(ii) *Market risk*

Market risk is the risk of losses arising from adverse movement of market variables in portfolios held by Danamon, which are defined as interest rates and exchange rates.

Market risk exists in both bank wide and treasury activities. These include exposures in securities and money market, equity participation in other financial institutions, provisions of funds (loans and similar forms), funding and issuance of debt instruments, and trade financing activities.

The objective of market risk management is to control and manage market risk exposures within acceptable parameters, while optimising the return. This is done through a comprehensive policy and limit framework to measure and monitor the amount of risk based on risk appetite of Danamon. Market risk limits are allocated at bank-wide level and are reported and monitored by Market Risk on a daily basis. Management Action Triggers helps to prompt the management in case the risk level is high.

Market Risk is responsible for identifying, measuring, monitoring and controlling market risk in Danamon, based on framework approved by the Asset and Liability Committee ("ALCO"). ALCO acts as the apex senior management forum charged with making all policy decisions regarding market and liquidity risk management. On the other hand, the Risk Monitoring Committee confirms and endorses ALCO decisions.

Overall, market risk is divided into the following risks:

(a) *Foreign exchange risk*

Foreign exchange risks arise from on and off-balance sheet position both on the asset and liability sides through transactions in foreign currencies.

Danamon measures the foreign exchange risk to understand the impact of the exchange rate movement on Danamon's revenue and capital. In order to manage and mitigate the foreign exchange risk, predefined limits are set on top of the 20% regulatory limit. For net open position ("NOP"), Danamon is introducing more risk sensitive measurements such as Value-at-Risk ("VAR") to enhance control of foreign exchange risk together with internal net open position limits.

The NOP ratio of Danamon at the balance sheet date, based on BI's prevailing regulations are as follows:

	2012	2011	2010
NOP Ratio (on-balance sheet)	3.8%	12.2%	14.6%
NOP Ratio (on and off-balance sheet)	0.5%	0.6%	4.2%

In addition to the NOP ratio monitoring, Danamon also monitors the foreign currency exchange sensitivity. The following simulation illustrates the exposure if there are adverse movements in the foreign currency exchange. Foreign currency exchange shock number comes from volatility of market factors with two years historical daily data with 99% confidence level. Danamon calculates foreign currency exchange shock using historical simulation or parametric approach assuming that changes in risk factors follow a normal or logarithmic normal distribution. The analysis should be viewed in the context of the limitations of the methodology used and are therefore not maximum amounts that Danamon can lose on its market risk positions. The meaningfulness of the foreign currency exchange sensitivity procedure, based on historical market movements, is verified by back-testing whereby the daily market movements are compared with the estimates forecast using the foreign currency exchange shock procedure.

*Sensitivity analysis*

	<b>2012 \$million</b>	<b>2011 \$million</b>	<b>2010 \$million</b>
Magnitude of shock	0.8% - 9.7%	10.0% - 15.0%	10.0% - 15.0%
Net exposure in foreign exchange	10.4	9.2	66.9
Losses on exchange rate change	0.5	1.0	6.8

The losses on changes in exchange rate change in 2012 is lower than in 2011 mainly because of lower net exposure in foreign currency exchange.

*(b) Interest rate risk*

Interest rate risk is the potential loss that may occur from adverse movements in market interest rates vis-à-vis Danamon's position.

Danamon manages its interest rate risk through the use of Earning-at-Risk ("EAR") and repricing gap analysis. To enhance Danamon's management of interest rate risk, Danamon is implementing Economic Value of Equity ("EVE"). EVE will provide insight on longer term of interest rate risk as well as the effect on the value of Danamon's capital. Trading book remains to be managed through position and more risk sensitive measurements such as DV01, VAR and MATS. Limits are established using these measures to control Danamon's interest rate exposures.

*Sensitivity analysis*

An analysis of Danamon's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves, a constant position on the balance sheets using behavioural assumptions, with impact to net interest earning assets is as follows:

*Sensitivity to interest rate risk*

	100 bps parallel			
	Increase		Decrease	
	Effect on income statement \$million	Effect on equity \$million	Effect on income statement \$million	Effect on equity \$million
<b>2012</b> <sup>(i)</sup>				
Indonesian Rupiah	(7.9)	46.1	7.9	46.1
US Dollar	4.0	14.0	(4.0)	14.0
<b>2011</b> <sup>(ii)</sup>				
Indonesian Rupiah	(65.3)	(9.9)	65.3	9.9
US Dollar	23.4	(0.1)	(23.4)	0.1
<b>2010</b> <sup>(iii)</sup>				
Indonesian Rupiah	4.4	(8.4)	(4.4)	8.4
US Dollar	(1.7)	(0.7)	1.7	0.7

(i) using EAR method

(ii) using DV01 method and equity was placed in bucket 2 years

(iii) using DV01 method and equity was placed in bucket 5 years

The main objective of interest rate risk management is to limit the adverse effect of interest rate movements on income statement and to enhance earnings within defined parameters.

*(iii) Liquidity risk*

Liquidity risk is the risk caused by the inability of Danamon to meet its obligation associated with financial liabilities at due date, and unwind position with market. Liquidity risk is central to a commercial bank and as such needs to be managed on an on-going basis.

The ALCO acts as the apex body entrusted to monitor the liquidity situation of Danamon. ALCO is in charge of determining the policy and strategy of Danamon's asset and liability in line with the principles of prudent risk management and applicable regulatory requirements. ALCO approves the limit framework, deliberates on the long-term structural balance sheet positioning of Danamon, as well as assumption used in the risk measurement. These are subject to Risk Monitoring Committee review and endorsement.

Danamon manages liquidity risk through liquidity gap analysis and liquidity ratios. Liquidity risk is measured and monitored on daily basis based on liquidity risk limit framework. Liquidity gap analysis provides insight as to the mismatch of expected cash inflows vis-à-vis outflows on any given day. This is centrally managed within Treasury which has direct and authorised access to interbank, wholesale, and other professional markets, to supplement core banking activities such as lending and deposit taking.



*Exposure to liquidity risk*

To complete the framework, liquidity risk is measured and controlled under both normal and stress scenarios. Thus, the Maximum Cumulative Outflow ("MCO") is estimated also under abnormal market condition, such that the Liquidity Contingency Plan is in place in case of liquidity crisis. MCO is estimated net cashflows for each tenor bucket for all assets and liabilities of Danamon. The maturity ladder allocates the inflows and outflows into time buckets in accordance with their contractual maturity and behavioural assumption.

One of the liquidity ratios monitored is net liquid assets to one month's liabilities. For this purpose, net liquid assets include cash and cash equivalents and investment grade debt securities for which there is an active and liquid market, less any deposits from banks and commitments maturing within next month.

The nominal inflow/(outflow) disclosed in the liquidity table represents the contractual undiscounted cash flows relating to the principal and interest on the financial instrument or commitment. The disclosure for derivatives shows a net amount for derivatives that are net settled, but a gross inflow and outflow amount for derivatives that have simultaneous gross settlement (e.g., forward exchange contracts).

At the balance sheet date, the ratio of loan to deposit was as follows:

<b>Ratios</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Loan Deposit Ratio ("LDR")	98%	94%	89%
Modified LDR	89%	87%	82%

*Singapore Power Limited ("S Power") and its subsidiary companies*

S Power Group's activities expose it to foreign currency, interest rate, credit and liquidity risks which arise in the normal course of business. S Power Group manages its exposure to these risks in accordance with its risk management policies. S Power's Finance Committee and Board Risk Management Committee review and approve risk management policies. S Power's Board Risk Management Committee assists the Board of Directors in managing the risks in S Power Group.

S Power Group utilises a variety of financial instruments to manage its exposure to interest rate and foreign exchange risks including:

- spot and forward foreign exchange contracts;
- interest rate swaps; and
- cross currency interest rate swaps.

S Power Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The material financial risks associated with S Power Group's activities are each described below, together with details of S Power Group's policies for managing the risk.

*(i) Foreign currency risk*

S Power Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, and trade creditors which are denominated in currencies other than Singapore Dollar (or the functional currency in the case of foreign subsidiary companies).

The objective of S Power Group's risk management policies is to mitigate foreign exchange risk by utilising various hedging instruments. S Power Group therefore considers avoidable currency risk exposure to be minimal for S Power Group.

S Power Group enters into cross currency swaps to manage exposures arising from foreign currency borrowings including the US Dollar, Pound Sterling, Japanese Yen, Swiss Franc and Hong Kong Dollar. Under cross currency interest rate swaps, S Power Group agrees to exchange specified foreign currency principal and interest amounts at an agreed future date at a pre-determined exchange rate. Such contracts enable S Power Group to mitigate the risk of adverse movements in foreign exchange rates. Except where a foreign currency borrowing is taken with the intention of providing a natural hedge by matching the underlying cash flows, all foreign currency borrowings are swapped back to Singapore Dollar or the functional currency of the subsidiary company concerned. For foreign currency swaps that do not meet the requirements of hedge accounting, changes in fair value are recorded in the income statement.

S Power Group uses forward foreign exchange contracts to substantially hedge foreign currency risk attributable to purchase transactions. The maturities of the forward foreign exchange contracts are intended to match the forecast progress payments of the supply and installation contracts. Whenever necessary, the forward foreign exchange contracts are either rolled over at maturity or translated into foreign currency deposits, whichever is more cost efficient.

S Power Group's investments in its overseas subsidiary companies, which are denominated in foreign currencies, are managed on a case-by-case basis.

At the balance sheet date, S Power Group has outstanding forward foreign exchange contracts with notional amounts of approximately \$769.0 million (2011: \$320.8 million; 2010: \$555.5 million). The net fair value of forward foreign exchange contracts for S Power Group at the balance sheet date was \$30.9 million (2011: \$5.5 million; 2010: \$19.8 million) comprising assets of \$7.2 million (2011: \$49.2 million; 2010: \$3.1 million) and liabilities of \$38.1 million (2011: \$43.7 million; 2010: \$22.9 million). These amounts were recognised as derivative assets and liabilities in other receivables and derivative financial instruments respectively.

At the balance sheet date, if the functional currencies of the subsidiary companies in S Power Group had moved against each of the currencies as illustrated in the table below, with all other variables held constant, profit before tax and equity would have been affected as below.

	<b>Profit before tax \$million</b>	<b>Equity (hedging reserve) \$million</b>
<b>Judgements of reasonably possible movements - increase/(decrease):</b>		
<b>2012</b>		
<b>US Dollar</b>		
Increase of 10.7% and 22.0% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against US Dollar	(0.9)	(50.4)
Decrease of 10.7% and 22.0% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against US Dollar	3.2	75.7
<b>Pound Sterling</b>		
Increase of 22.5% by Australian Dollar functional currency	(0.1)	(4.5)
Decrease of 22.5% by Australian Dollar functional currency	0.6	4.8
<b>Euro</b>		
Increase of 13.3% and 22.5% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against Euro	-	(9.7)
Decrease of 13.3% and 22.5% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against Euro	1.2	11.7
<b>Japanese Yen</b>		
Increase of 12.7% by Singapore Dollar functional currency against Japanese Yen	-	(6.5)
Decrease of 12.7% by Singapore Dollar functional currency against Japanese Yen	-	6.5

	Profit before tax \$million	Equity (hedging reserve) \$million
<b>Judgements of reasonably possible movements - increase/(decrease):</b>		
<b>2011</b>		
<b>US Dollar</b>		
Increase of 10.1% and 22.0% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against US Dollar	7.2	(69.5)
Decrease of 10.1% and 22.0% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against US Dollar	(6.9)	106.4
<b>Pound Sterling</b>		
Increase of 12.0% by Australian Dollar functional currency	-	(13.0)
Decrease of 12.0% by Australian Dollar functional currency	-	16.6
<b>Euro</b>		
Increase of 12.6% and 21.75% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against Euro	-	(6.4)
Decrease of 12.6% and 21.75% by Singapore Dollar functional currency and Australian Dollar functional currency respectively against Euro	-	9.1
<b>Japanese Yen</b>		
Increase of 14.9% by Singapore Dollar functional currency against Japanese Yen	-	(6.0)
Decrease of 14.9% by Singapore Dollar functional currency against Japanese Yen	-	6.0
<b>2010</b>		
<b>Swiss Franc</b>		
Increase of 18.8% by Australian Dollar functional currency	0.1	(7.8)
Decrease of 18.8% by Australian Dollar functional currency	(0.2)	11.4

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) and the 95th percentile (for Australia operations) best and worst expected outcomes having regard to actual historical exchange rate data over the previous 5 years. S Power Group's management considers that past movements are a reasonable basis for determining possible movements in foreign currency exchange rates.

(ii) *Interest rate risk*

S Power Group manages its interest rate exposure by maintaining a significant portion of its debt at fixed interest rates. This is done by the (a) issuance of fixed rate debt; (b) use of interest rate swaps to convert variable rate debt to fixed rate debt; or (c) use of cross currency interest rate swaps to convert fixed or variable rate non-functional currency denominated debt to fixed rate functional currency denominated debt.

The use of derivative financial instruments relates directly to the underlying existing and anticipated indebtedness.

At the balance sheet date, S Power Group has interest rate and cross currency interest rate swaps with a notional amount of \$40,850.1 million (2011: \$35,198.8 million; 2010: \$34,267.8 million). S Power Group classifies these swaps as cash flow and fair value hedges except for swaps of notional amount of \$7,192.2 million (2011: \$5,518.1 million; 2010: \$4,908.0 million) that do not meet the requirements of hedge accounting in which case changes in fair value are recorded in the income statement. The net fair value of swaps of S Power Group at the balance sheet date was \$1,310.1 million (2011: \$1,506.7 million; 2010: \$884.9 million) comprising assets of \$494.2 million (2011: \$330.6 million; 2010: \$788.3 million) and liabilities of \$1,804.3 million (2011: \$1,837.3 million; 2010: \$1,673.2 million). These amounts are recognised as derivative assets and liabilities in other receivables and derivative financial instruments respectively. S Power Group's excess funds are principally invested in bank deposits of varying maturities to match its cash flow needs.

At the balance sheet date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit before tax and equity would have been affected as follows:

	<b>Profit before tax \$million</b>	<b>Equity (hedging reserve) \$million</b>
<b>Judgements of reasonably possible movements - increase/(decrease):</b>		
<b>2012</b>		
81 bps and 323 bps increase for Singapore and Australia operations respectively	2.0	557.0
81 bps and 323 bps decrease for Singapore and Australia operations respectively	(5.5)	(643.6)
<b>2011</b>		
141 bps and 327 bps increase for Singapore and Australia operations respectively	(6.1)	642.7
141 bps and 327 bps decrease for Singapore and Australia operations respectively	10.4	(791.2)
<b>2010</b>		
181 bps and 308 bps increase for Singapore and Australia operations respectively	13.6	540.0
181 bps and 308 bps decrease for Singapore and Australia operations respectively	(7.1)	(659.0)

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) and the 95th percentile (for Australian operations) best and worst expected outcomes having regard to actual historical interest rate data over the previous 5 years based on the 6-month Singapore swap offer rate (for Singapore operations) and 3-month Australia bank bill swap rate (for Australia operations). S Power Group's management considers that past movements are a reasonable basis for determining possible movements in interest rates.

(iii) *Credit risk*

Credit risk is the risk of financial loss to S Power Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from S Power Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

Surplus funds are invested in interest bearing deposits with financial institutions with good credit ratings assigned by international credit rating agencies. Counterparty risks are managed by limiting exposure to any individual counterparty. S Power Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk. S Power Group held cash and cash equivalents of \$588.9 million (2011: \$234.9 million; 2010: \$959.0 million) which represents its maximum exposure on these assets.

Counterparty risks on derivatives are generally restricted to any gain when marked-to-market, and not on the notional amount transacted. As a prudent measure, S Power Group enters into derivatives only with financial institutions with good credit ratings assigned by international credit rating agencies. Therefore, the possibility of a material loss arising from the non-performance by a counterparty is considered remote.

There is no significant concentration of credit risk of trade debts. The credit quality of trade and other receivables that are not past due or impaired at the reporting date is of acceptable risk. In addition to customers' deposits, S Power Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

(iv) *Liquidity risk*

Liquidity risk is the risk that S Power Group will not be able to meet its financial obligations as they fall due. S Power Group adopts prudent liquidity risk management by maintaining sufficient cash and liquid financial assets, and ensures the availability of funding through an adequate level of bank credit lines and the establishment of medium term note programs.

Singapore Telecommunications Limited ("SingTel") and its subsidiary companies

SingTel Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. SingTel Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of SingTel Group.

SingTel Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors of SingTel assume responsibility for the overall financial risk management of SingTel Group. The Finance, Investment and Risk Committee ("FIRC") of SingTel assists the Directors of SingTel in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors of SingTel.

(i) *Foreign exchange risk*

The foreign exchange risk of SingTel Group arises from subsidiary companies, associated companies and joint ventures operating in foreign countries such as Australia, Bangladesh, India, Indonesia, Philippines, Pakistan and Thailand. Translational risks of overseas net investments are not hedged unless approved by the FIRC.

SingTel Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

SingTel Group's Treasury Policy, as approved by the FIRC, is to substantially hedge all known transactional currency exposures. SingTel Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, US Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce SingTel Group's transactional exposure to foreign currency exchange rate fluctuations.

(ii) *Interest rate risk*

SingTel Group has cash balances placed with reputable banks and financial institutions which generate interest income for SingTel Group. SingTel Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

SingTel Group's borrowings include bank borrowings and bonds. The borrowings expose SingTel Group to interest rate risk. SingTel Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail SingTel Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At the balance sheet date, after taking into account the effect of interest rate swaps, approximately 75% (2011: 73%; 2010: 67%) of SingTel Group's borrowings are at fixed rates of interest.

At the balance sheet date, assuming that the market interest rate is 50 bps higher or lower than the market interest rate and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by \$7.8 million (2011: \$11.8 million; 2010: \$13.4 million).



(iii) *Credit risk*

Financial assets that potentially subject SingTel Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

SingTel Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, SingTel Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

SingTel Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counterparties are limited to high credit rating commercial banks and other financial institutions. SingTel Group has policies that limit the financial exposure to any one financial institution.

(iv) *Liquidity risk*

To manage liquidity risk, SingTel Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance SingTel Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, SingTel Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

(v) *Market risk*

SingTel Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

#### **34. Fair values of financial assets and liabilities**

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values can be obtained from quoted market prices, discounted cash flow models, counterparties' valuations or option pricing models as appropriate.

The carrying values of the financial assets and liabilities approximate their fair values, unless disclosed separately in the respective notes to the financial statements.

*Fair value hierarchy*

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy have the following levels:

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

The financial assets and liabilities carried at fair value, by valuation method included within different levels are analysed in notes 15 and 16.

### **35. Related party transactions**

The Group engages in various transactions in the ordinary course of business with companies related to or associated with the Group at their prevailing market rates or prices and on customary terms and conditions. These related party transactions would have been required to be, and could have been, replaced with transactions with other parties on similar terms.

Other than the information disclosed elsewhere in the financial statements, there are no other significant transactions that took place between the Group and its related parties during the financial year.

Senior management personnel compensation of the Group is as follows:

	Year ended 31 March 2012				Year ended 31 March 2011				Year ended 31 March 2010			
	Compensation		R-Scope		T-Scope		Compensation		R-Scope		T-Scope	
	Paid <sup>(ii)</sup> \$million	Deferred incentives <sup>(iii)</sup> \$million	units awarded <sup>(iv)</sup> million	units awarded <sup>(v)</sup> million	Paid <sup>(ii)</sup> \$million	Deferred incentives <sup>(iii)</sup> \$million	units awarded <sup>(iv)</sup> million	units awarded <sup>(v)</sup> million	Paid <sup>(ii)</sup> \$million	Deferred incentives <sup>(iii)</sup> \$million	units awarded <sup>(iv)</sup> million	units awarded <sup>(v)</sup> million
THPL Directors' remuneration <sup>(i)</sup>	7.4	1.5	1.0	-	11.3	13.8	2.7	7.0	6.3	7.0	-	-
THPL and TI Senior management personnel remuneration	59.4	39.8	18.5	20.0	70.5	104.8	24.9	63.9	36.7	55.4	8.0	-
Aggregate Negative WA Bonus Allocation to be offset against future WA Bonus Pools	-	-	-	-	-	-	-	-	-	(115.4)	-	-
WABB Bonus used to offset Negative WA Bonus	-	-	-	-	-	115.4	-	-	-	-	-	-
Total THPL and TI Senior management personnel remuneration	66.8	41.3	19.5	20.0	81.8	234.0	27.6	70.9	43.0	(53.0)	8.0	-
Remuneration for Senior management personnel in subsidiary companies <sup>(vi)</sup>	399.6		NA	NA	336.5		NA	NA	300.7		NA	NA
Total Senior management personnel remuneration of the Group <sup>(vi)</sup>	507.7		19.5	20.0	652.3		27.6	70.9	290.7		8.0	-

**Notes:**

- (i) THPL Directors' remuneration includes directors' fees payable to Non-Executive Directors and remuneration payable to Executive Directors of THPL.
- (ii) Paid compensation includes:
- directors' fees
  - salaries and allowances
  - annual wage supplement
  - paid out portion of the bonus earned on the wealth added and other performance bonuses earned for the year before (i.e. bonuses paid in year ended 31 March 2012 were based on targets achieved in year ended 31 March 2011)
  - sign-on, guaranteed cash bonuses and paid out portion of the sign-on and guaranteed wealth added bonuses
  - employer's contributions to Central Provident Fund ("CPF") in Singapore, where applicable
  - all benefits-in-kind, including car benefits, club memberships, drivers, medical benefits, housing, children's education, home trips, and others.
- (iii) Deferred incentives include:
- unutilised annual leave accrual
  - deferred portion of the sign-on, wealth added bonuses and guaranteed wealth added bonuses retained in the Wealth Added Based Bonus bank ("WABB")\*
  - negative wealth added bonuses allocated in year ended 31 March 2010 in respect of the negative wealth added performance for year ended 31 March 2009. This negative allocation is clawed-back from the individual's WABB balance accumulated in prior years. If the WABB balance is not sufficient to offset the negative allocation, the negative balance will be aggregated on a company-wide basis to be offset against future positive WA bonus pools. For year ended 31 March 2011, an amount is used to offset the prior year negative WA bonus brought forward.
  - fair value of the unvested Temasek Restricted Staff Co-Investment Plan ("R-Scope")\* units which includes the fair value of units granted during the year and the increase in value of units granted prior to this year. R-Scope units take 3 to 7 years to vest.
  - fair value of unvested Temasek Staff Co-Investment Plan ("T-Scope")\* units which includes the fair value of units granted during the year and the increase in value of units granted prior to this year. T-Scope units take 7 to 12 years to vest depending on satisfaction of performance conditions and its value is amortised over 7 years.

- (iv) R-Scope units are the number of co-investment units awarded under the Temasek Restricted Staff Co-Investment Plan during the year, the fair value of which has been included in the deferred incentives amount.
- (v) T-Scope units are the number of co-investment units awarded under the Temasek Staff Co-Investment Plan during the year, the fair value of which has been included in the deferred incentives amount.

- \* THPL's staff incentive system links variable compensation to the achievement of annual performance targets, as well as the wealth creation for THPL's shareholder on a sustainable basis.

For each year that THPL achieves positive wealth added ("WA"), a portion of THPL's attributable wealth added or excess returns is set aside for THPL's staff incentive pool.

One part of the staff incentive pool is used to fund THPL's variable wealth added bonus plan, where part of the earned bonus is paid in cash and a significant balance is deferred in the form of R-Scope units and WABB, especially for senior management. Payout from the WABB balances is subject to THPL's future wealth added performance, with claw-back in the event of negative WA. This creates alignment for sustainable wealth added performance.

Another part of the staff incentive pool funds "performance-based co-investment units" under the Temasek Staff Co-Investment Plan or T-Scope for eligible employees. Vesting of these T-Scope units is over 5 years and begins after meeting certain performance conditions from the third year onwards. Unvested units will lapse after 12 years or if performance conditions are not met.

In the event of a negative WA for the year, a corresponding negative share will be deducted from the individual WABB balance before further payouts are made. In the case where the negative WA bonus allocated is greater than the WABB balance, the negative balance will be aggregated on a company-wide basis to be offset against future positive WA bonus pools. No new T-Scope units for the year will be awarded.

- (vi) Remuneration for senior management personnel in Group subsidiary companies is based on information from their respective financial reports, and includes:
  - directors' fees and other remuneration
  - salaries and allowances
  - annual wage supplement
  - bonuses
  - deferred payment or fair value of equity-based incentives, where applicable
  - employer's contributions to defined contribution and benefit plans and post employment plans, including employer's CPF contributions in Singapore, where applicable
  - certain share-based compensation
  - benefits-in-kind and other short-term employee benefits.

- (vii) Total senior management personnel remuneration includes paid as well as deferred compensation for directors and senior management of THPL as well as directors and other senior management personnel of subsidiary companies of the Group.

### 36. Capital and other commitments

Capital and other commitments contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2012 \$million	2011 \$million	2010 \$million
Investment commitments	10,761.4	8,317.7	4,739.6
Property, plant and equipment	13,597.5	11,116.8	11,460.1
Share of joint ventures' capital commitments	1,792.5	1,704.4	995.0
Development expenditure	23.1	474.1	283.3
Credit commitments	414.4	204.0	171.2
Intangible assets	242.8	25.6	624.2
Others	686.6	1,418.4	596.6

Other commitments not included in the above table are described below:

#### Gas Supply Pte Ltd ("GASSUP")

On 12 February 2001, GASSUP entered into a Gas Sales Agreement ("GSA") with Pertamina to purchase natural gas with a minimum quantity for a period of 20 years.

On the same date, GASSUP entered into a Singapore Gas Transportation Agreement with a related company, PowerGas Limited, and Pertamina for the delivery and transportation of natural gas.

The first delivery took place on 12 September 2003.

During the year ended 31 March 2012, GASSUP entered into long-term agreement to purchase liquefied natural gas over a period of 10 years commencing from 2013.

#### Neptune Orient Lines Limited ("NOL") and its subsidiary companies

At the balance sheet date, NOL Group had an uncalled capital contribution commitment in respect of its investment in an associated company. The outstanding commitment existed to the extent that the request for additional funds by the associated company for its business and its container terminal project might result in additional calls on its shareholders, the quantum of which is not ascertainable at the present time.

### 37. Contingent liabilities

	2012 \$million	2011 \$million	2010 \$million
Guarantees	643.9	652.4	869.6
Contingent liabilities arising from activities undertaken by banking subsidiary companies:			
- acceptances and endorsements	-	-	198.9
- guarantees and standby letters of credit	2,201.5	1,405.0	771.5
- others	3.8	5.9	7.8
Share of contingent liabilities of associated companies	7,121.7	5,414.9	4,600.5

Other contingent liabilities not included in the above table are described below:

#### CapitaLand Limited ("CapitaLand") and its subsidiary companies

- (i) During the year ended 31 March 2012, a subsidiary company of the CapitaLand Group has provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$1,618.0 million granted to a joint venture. At the balance sheet date, the amount outstanding under the facilities was \$1,618.0 million.
- (ii) A subsidiary company of the CapitaLand Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to \$1,486.1 million (2011: \$1,486.1 million; 2010: \$1,370.0 million) and bankers' guarantee facility amounting to \$133.9 million (2011: \$133.9 million; 2010: \$133.9 million) granted to an associated company. At the balance sheet date, the total amount outstanding under the facilities was \$1,286.1 million (2011: \$1,241.1 million; 2010: \$870.1 million).
- (iii) In 2011, CapitaLand provided several undertakings on cost overrun, interest shortfall, completion and annualised gross rental, on a joint or several basis, in respect of term loan and revolving credit facilities amounting to \$1,490.9 million, granted to a joint venture. The undertakings were discharged in 2012.
- (iv) CapitaLand previously held an effective 20% interest in the proposed Macao Studio City ("MSC") project through its minority holding in East Asia Satellite Television (Holdings) Limited ("East"), a joint venture with eSun Holdings Limited ("eSun"). The MSC project is held by East and New Cotai LLC ("New Cotai") in the proportions of 60% and 40% respectively, through Cyber One Agents Limited ("Cyber One").



On 14 October 2010, New Cotai Entertainment LLC (“NCE”), an affiliate company of New Cotai, issued a writ in the High Court of Hong Kong, Special Administrative Region against, amongst others, CapitaLand and CapitaLand Integrated Resorts Pte Ltd (“CIR”), a subsidiary company of CapitaLand.

The writ alleged that East Asia Televisao por Satellite, Limitada (“MacauCo”) has breached its contract with NCE in relation to a lease of premises in the MSC for NCE’s casino operations (“Casino Lease”). NCE has sued CapitaLand and CIR for inducement and/or procurement of breach of contract by MacauCo and conspiracy with eSun and others to use unlawful means with the intention of injuring NCE by doing whatever was necessary to ensure that MacauCo did not sign the definitive agreement in relation to the Casino Lease.

On 27 June 2011, the CapitaLand Group divested its entire 20% interest in MSC to a wholly-owned subsidiary company of eSun, Boom Faith Limited (“Boom Faith”). Concurrently with the divestment, a settlement deed was effected between, inter alia, CapitaLand, CIR, eSun, Boom Faith and New Cotai which resulted in a full and final settlement, on a no admission of liability basis, of the legal proceedings and all disputes arising from the MSC project. The settlement included a release from liability between parties to the settlement deed and no settlement sum was payable by any party.

*Neptune Orient Lines Limited (“NOL”) and its subsidiary companies*

*(i) Protection and indemnity insurance*

Protection and Indemnity (“P&I”) insurance has been arranged to cover the legal liability of the NOL Group for its shipping operations. Vessels operated by the NOL Group are entered in P&I Clubs which are mutual protection and indemnity associations. In addition, these clubs are also members of the International Group of P&I Clubs. A member of the mutual association is subject to calls payable to the associations based on the member’s claims records as well as the claim records of all other members in the International Group of P&I Clubs. In a mutual association, premiums are paid as advance calls during the policy year and these premiums form a basic fund out of which claims and other outgoings are met. This fund is invested and any income earned is added to it. This fund is supplemented, if necessary, by calls made after the end of the policy year so that when the policy year is finally closed, there is neither profit nor loss. A contingent liability exists for the NOL Group to the extent that the aggregate claims records of all the members of the associations show significant deterioration which may result in additional calls on the members, the quantum of which is not ascertainable at the present time.

(ii) *Litigation and claims*

Other than the provisions made in the consolidated financial statements, the NOL Group may be liable for vessel damages, litigation and other claims in connection with its operational activities. Based upon information presently available and advice by the NOL Group's legal counsel, NOL management believes that the NOL Group is not liable under such claims, and/or that it is not possible to estimate the amount of additional losses, if any, that might result from adverse judgements against the NOL Group.

On 17 May 2011, NOL's office in Uxbridge, United Kingdom was visited by representatives from the European Commission ("EC"). NOL is one of several container liner companies to have been visited by the EC. NOL Group understands the EC is investigating whether there have been any violations of EU competition law concerning the liner shipping industry. The investigation is ongoing and NOL is cooperating with the EC.

(iii) *Tax exposure*

The NOL Group may become contingently liable for assessments by the tax authorities for its operational activities.

The Internal Revenue Services (the "IRS") of the United States of America ("USA") had audited the 2005 and 2006 USA federal income tax returns of APL Limited ("APLL"), a subsidiary company of NOL. In August 2010, the IRS issued Revenue Agent's Report ("RAR") proposing certain adjustments primarily related to (1) different interpretations of tax legislation under the USA tonnage tax regime and (2) transfer pricing. APLL disagrees with the IRS's proposed adjustments and is contesting them through the IRS administrative procedures. APLL has filed its protest letter with the IRS on 20 September 2010 and has requested for the case to be reviewed and assigned to appeals. Subsequently, the IRS filed a rebuttal to the protest letter with the IRS Office of Appeals. The appeal process commenced on 31 August 2011. In the meantime, the NOL Group is not able to reasonably determine with certainty the ultimate outcome of the RAR with the IRS and will continue to defend its tax return position. At the balance sheet date, based on available facts and information, the NOL Group believes that it has provided adequate provisions for all the open matters referred to in the RAR.

In June 2011, the IRS commenced the examination of APLL's 2007, 2008 and 2009 USA federal income tax returns.

Other than the provisions made in the consolidated financial statements, based upon information presently available and the best estimates of whether additional taxes will be due, NOL management believes that the NOL Group is not liable under such assessments and/or that it is not possible to estimate the amount of additional tax provisions, if any, that might result from adverse assessments raised against the NOL Group.

Pine Investments Holdings Pte. Ltd. ("Pine") and its subsidiary companies

ITV Public Company Limited ("ITV") is a subsidiary company of Shin Corporation Public Company Limited ("Shin"), which in turn is an associated company of Pine Group. During the operation of ITV's television business, ITV attempted on several occasions to negotiate unsuccessfully with the Office of Permanent Secretary, the Prime Minister's Office ("PMO") of Thailand for compensation and to amend the ITV Operating Agreement for television in UHF System (the "ITV Operating Agreement") on the ground that the PMO has breached the ITV Operating Agreement. In accordance with the ITV Operating Agreement, ITV subsequently began arbitration proceedings in 2002 requesting compensation for ITV's damages. ITV succeeded in the arbitration and as a result of the arbitration award, ITV began paying a reduced annual concession fee with effect from 1 January 2004 and began changing its programming mix with effect from 1 April 2004.

However, the PMO instituted legal proceedings in the Central Administrative Court ("CAC") of Thailand requesting the revocation of the arbitration award, which the Court did on 9 May 2006. Then, on 7 June 2006, ITV appealed against the CAC decision with the Supreme Administrative Court ("SAC") of Thailand, but the SAC upheld the verdict of the CAC. ITV then had to comply with the original terms and conditions as specified in the ITV Operating Agreement regarding payment of the concession fee at the original rate as indicated in the ITV Operating Agreement and the adjusted programming mix on 14 December 2006.

Subsequently, the PMO sent a written notice to ITV requesting payment of (i) the shortfall in concession fees for 2004, 2005 and 2006 amounting to an aggregate of THB 2,210 million (\$90.5 million); (ii) interest from 2004; and (iii) a fine for breaching the programming portion of 70% of news and documentary required under the ITV Operating Agreement as a result of the programming reschedule totalling THB 97,760 million (\$4,003.3 million), by 6 March 2007. ITV attempted to negotiate with the PMO regarding the calculation of interest and fine, but was unsuccessful.

Consequently, the PMO revoked the concession on 7 March 2007 on the grounds that ITV did not pay the concession shortfall including interest and fine and ITV had to cease operations of its UHF system television station. The PMO also ordered ITV to transfer the remaining assets under the ITV Operating Agreement back to PMO, and the Parliament issued the Public Television Act transferring that the UHF frequency to be used by the Public Television Channel.

ITV filed a claim against the PMO pursuant to the arbitration provisions in the ITV Operating Agreement and sought compensation in the form of monetary damages to be payable to ITV. There are three claims in the dispute settlement process:

- (1) the case ITV filed against the PMO at Arbitration Institute claiming that the fine and interest on the concession shortfall was unreasonable;
- (2) the case ITV filed against the PMO for wrongful termination of the ITV Operating Agreement, claiming damages in the amount of THB 21,814 million (\$893.3 million); and
- (3) the counterclaim by the PMO against ITV claiming damages to be paid by ITV in the amount of THB 101,865 million (\$4,171.4 million) which previously was filed at the CAC but it was dismissed and on 19 December 2007 it was affirmed by the SAC so the PMO had to process the claim at the Arbitration Institute.

The various claims above are currently undergoing arbitration in the Arbitration Institute. Shin had indicated that it was unable to foresee the result of the Arbitration Institute or the Court verdict (should the Arbitration award be appealed).

Sembcorp Industries Ltd ("Sembcorp") and its subsidiary companies

- (i) A Wayleave Agreement was entered into between a subsidiary company of Sembcorp, Sembcorp Gas Pte Ltd ("SembGas") and the Government of Singapore with respect to certain pipelines where SembGas would indemnify the Government of Singapore against all claims, actions, demands, proceedings, liabilities, damages, costs and expenses arising out of or in connection with any occurrence during the use, maintenance or operations of these pipelines. No such claim has arisen to date.
- (ii) A Power and Water Purchase Agreement ("PWPA") was entered into between a subsidiary company of Sembcorp, Sembcorp Salalah Power & Water Company SAOC ("SSPWC") and a Buyer to purchase power and water for a period of 15 years from the date of commercial operations as defined in the PWPA. Around the same time, a Turnkey Engineering, Procurement and Construction Contract ("EPC") was entered into with a Contractor for the construction of the power and desalination plant. Through the EPC, SSPWC has contracted out all risks of construction of the plant to the Contractor.

As a result of delays in achieving various phases of commencement dates for the plants, the Buyer had sought for claims on liquidated damages and compensation for revenue losses from SSPWC under the PWPA.

Taking into consideration the PWPA and the EPC contractual terms, SSPWC is confident that the final settlement should at least result in a neutral position. In addition, SSPWC had received a bankers' guarantee as performance bond from the Contractor which is adequately sized to cover SSPWC's potential liquidated damages payment to the Buyer when or if any claim arises. These claims and disputes are expected to be settled in 2012.

Singapore Airlines Limited ("SIA") and its subsidiary companies

- (i) *Cargo: Investigations by competition authorities and civil class actions*

In 2006 and thereafter, Singapore Airlines Cargo Pte Ltd ("SIA Cargo"), a subsidiary company of SIA, and SIA were among several airlines that have received notice of investigations by competition authorities in the United States of America ("USA"), European Union, Australia, Canada, New Zealand, South Africa, South Korea, and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the "air cargo issues").

On 8 February 2011, SIA Cargo confirmed its acceptance of a plea bargain offered by the USA Department of Justice (US\$48.0 million or \$62.5 million). The plea agreement has brought the Department of Justice's air cargo investigations in the USA to a close for SIA Cargo.

On 30 November 2010, the Korea Fair Trade Commission ("KFTC") released its adverse decision against 21 air cargo carriers, including SIA Cargo, in respect of fuel surcharges. A fine of KRW 3.117 billion (\$3.6 million) was imposed on SIA Cargo. The fine was paid in January 2011 in accordance with Korean laws. SIA Cargo contested the validity of the KFTC decision and has filed an appeal before the Seoul District Court.

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo carriers, including SIA Cargo and SIA, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of Euro 74.8 million (\$135.7 million) was imposed on SIA Cargo and SIA. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the decision.

In July 2010, SIA Cargo was among eight airlines to receive notification that the Competition Commission of South Africa had referred a complaint to the South Africa Competition Tribunal in respect of fuel surcharges. These proceedings have not progressed since the initial issuance of the complaint. SIA Cargo intends to defend this proceeding.

In December 2008, the competition authorities in New Zealand and Australia initiated civil penalty proceedings concerning the air cargo issues. In New Zealand, a statement of claim was issued against 14 airlines including both SIA Cargo and SIA. In Australia, statements of claim have been issued against nine airlines including SIA Cargo. In August 2011, the New Zealand High Court issued a judgment on the first stage of the New Zealand proceedings concerning whether the New Zealand Commerce Act applies to air cargo services coming to New Zealand from overseas. The High Court gave an affirmative response on this issue. SIA Cargo and SIA have appealed this decision and the New Zealand Commerce Commission has cross-appealed. The New Zealand and Australia proceedings otherwise remain at a preliminary stage. A defence has been filed in both proceedings.

After the investigations commenced, civil damage lawsuits were filed in the USA, Canada, Australia, South Korea, England and the Netherlands by private parties against several airlines, including SIA Cargo and SIA. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice.

In June 2011, without admitting any liability, SIA Cargo and SIA reached a settlement with the plaintiffs in Canada whereby SIA Cargo agreed to pay CAD 1.05 million (\$1.3 million) to resolve all liability of SIA Cargo and SIA as concerns the civil damage lawsuits filed in Canada.

In addition, without admitting any liability, SIA Cargo has reached settlements with certain of its customers to resolve all pending and potential future civil damage claims regarding the air cargo issues. The individual terms of such settlements are required to be kept confidential.

Apart from Canada and South Korea, the filed cases still remain in their respective procedural states and none have been tried thus far on their respective substantive legal merits.

Apart from the above, it is premature to make provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims.

(ii) *Passengers: Civil Class Actions and Investigations by Competition Authorities*

SIA and several airlines have been named in civil class action lawsuits in the USA and Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. These cases are currently in procedural stages and none have been tried thus far on their respective substantive legal merits.

In addition, in July 2010, SIA received notice of an investigation of the Competition Commission of India ("CCI") concerning alleged collusion in the elimination of commissions paid to travel agents in India. In January 2011, the Office of the Director General of the CCI issued a report exonerating SIA and the other defendant airlines. The Travel Agent Association of India has filed an appeal of the CCI's decision with the Competition Appellate Tribunal ("COMPAT"). SIA has filed a reply brief with the COMPAT.

As the civil class action suits and appeal have neither been tried or decided nor the damages quantified and the investigations by the competition authorities are ongoing, it is premature to make provision in the financial statements.

*Singapore Power Limited ("S Power") and its subsidiary companies*

*Victorian February bushfires*

In early February 2009, the state of Victoria was impacted by significant bushfires. The Victorian Government subsequently established a Royal Commission of Inquiry into the bushfire crisis. The Royal Commission made a number of recommendations, which were then analysed by a Powerlines Bushfire Safety Taskforce (the "Taskforce") established by the Victorian Government.

The Victorian Government announced on 29 December 2011 that it had accepted all of the recommendations of the Taskforce, including a package of measures over the next 10 years estimated to cost between A\$700.0 million and A\$950.0 million. These measures include the following:

- Electricity distributors to be required to install a new generation protection device across their networks over the next ten years, with funding subject to Australian Energy Regulator ("AER") approval and estimated to cost A\$500.0 million;
- Target replacement of Single Wire Earth Return and 22kV powerlines in high fire loss consequence areas with underground or insulated cables. This will be based on the relative cost-benefit assessment of risk reduction, with up to A\$200.0 million budgeted to be funded directly by the Victorian Government; and

- The Victorian Government intends to request an additional A\$250.0 million funding from the Commonwealth Government to further reduce risk.

A working group is being established to include representatives of Energy Safe Victoria, electricity distribution businesses and the Victorian Government to consider the practicalities of rolling out the Taskforce initiatives and the announced Victorian Government programs. The Victorian Government has also established the Powerline Bushfire Safety Program Oversight Committee to oversee, manage and review the programs. In parallel, SP AusNet continues to enhance its processes designed to minimise bushfire risk as part of its usual continual improvement practices.

SP AusNet is a defendant in litigation that has been brought in connection with the 7 February 2009 bushfires located at Kilmore East and Beechworth, respectively. As part of these legal proceedings, SP AusNet has counterclaimed against several parties. SP AusNet denies that it was negligent. SP AusNet alleges that its conduct was at all times reasonable, in compliance with technical regulations and reasonable in light of economic regulations applicable to SP AusNet.

The parties to the Beechworth bushfire class action, including SP AusNet, agreed to settle the proceeding prior to the court hearing. The terms of the settlement involve the defendants collectively paying 40 per cent of the plaintiffs' assessed losses plus interest of 5 per cent up to a cap of A\$32.8 million. SP AusNet's share of the settlement sum is 27 per cent of the assessed losses, and its contribution is capped at A\$19.7 million. This amount will be paid by SP AusNet's insurers. The balance of the settlement sum is to be paid by the Department of Sustainability and Environment, Parks Victoria and Eagle Travel Tower Services Pty Ltd.

The settlement agreement has been approved by the Court on 16 May 2012. The settlement has been reached without admission of liability of SP AusNet or any other party.

The Kilmore East hearing is presently scheduled to commence in January 2013. This date may change. The plaintiffs in the Kilmore East proceeding are yet to identify any quantum of damages sought. SP AusNet will vigorously defend this claim.

From time to time, suggestions have been made that SP AusNet may have been responsible for, or contributed to, other fires. It is possible that SP AusNet may be involved in future proceedings concerning the possible causes of other fires, although it is SP AusNet's view that none of the fire was caused by SP AusNet's negligence. SP AusNet's position is that its conduct was at all times reasonable in light of economic regulations applicable to SP AusNet. As at the date of this financial report, SP AusNet is not aware of any further claim against it.

SP AusNet has liability insurance which specifically provides cover for bushfire liability. SP AusNet reviews its insurance cover annually and ensures it is commensurate with the scale and size of its operations, the risks assessed to be associated with its operations and with industry standards and practice.

SP AusNet's bushfire mitigation and vegetation management programs are audited annually by Energy Safe Victoria. SP AusNet has a 'zero' bushfire mitigation index throughout the 2008-09 bushfire season.



*STATS ChipPAC Ltd. ("STATS") and its subsidiary companies*

STATS, a subsidiary company of Singapore Technologies Semiconductors Pte Ltd, is subject to claims and litigations, which arise in the normal course of business. These claims may include allegations of infringement of intellectual property rights of others as well as other claims of liability. STATS accrues liabilities associated with these claims and litigations when they are probable and reasonably estimable.

In February 2006, STATS and its subsidiary companies, STATS ChipPAC Inc. ("ChipPAC") and STATS ChipPAC (BVI) Limited were named as defendants in a patent infringement lawsuit filed in Federal Court of United States of America ("USA") for the Northern District of California (the "California Litigation"). The plaintiff, Tessera Technologies, Inc. ("Tessera"), has asserted that semiconductor chip packaging, specifically devices having Ball Grid Array ("BGA") and multi-chip BGA configurations used by the defendants, infringe certain patents of Tessera. As of September 2010, all of the asserted patents have expired. Tessera has further asserted that STATS is in breach of an existing license agreement entered into by Tessera with ChipPAC, which agreement has been assigned by ChipPAC to STATS.

In May 2007, at Tessera's request, the USA International Trade Commission (the "ITC") instituted an investigation (the "First ITC Investigation") of certain of STATS co-defendants in the California Litigation and other companies, including certain of STATS customers. In addition, in April 2007, Tessera instituted an action in Federal District Court for the Eastern District of Texas (the "Texas Action") against certain of STATS co-defendants in the California Litigation and other companies. In the First ITC Investigation, the ITC issued a limited exclusion order in May 2009 preventing the named companies from importing certain packaged semiconductor chips and products containing them into the USA. The respondents in the First ITC Investigation appealed to the USA Court of Appeals and the ITC determination was affirmed. The respondents in the First ITC Investigation have filed petitions for rehearing by the USA Court of Appeals. Such petitions for hearing by the USA Court of Appeals were denied. Some of the respondents in the First ITC action filed petitions for review with the USA Supreme Court but such petitions were denied.

The Texas Action seeks damages and injunctive relief against the named defendants. Both the First ITC Investigation and the Texas Action allege infringement of two of the same patents asserted by Tessera in the California Litigation, and may involve some of the same products packaged by STATS that are included in the California Litigation. Tessera and the defendants in the Texas Action filed a stipulation to transfer the Texas Action to the Northern District of California, where the California Litigation is pending, and the California Court agreed to such transfer. The Texas Action defendants have not yet moved to consolidate that action with the California Litigation but one or more of those defendants may do so.

In May 2008, the ITC instituted an investigation (the "Second ITC Investigation") of STATS and other semiconductor package assembly service providers that are included in the California Litigation. In the Second ITC Investigation, Tessera sought an order to prevent STATS and other named companies (collectively, the "Respondents") from providing packaging or assembly services for certain packaged semiconductor chips incorporating small format non-tape BGA semiconductor packages and products containing them, for importation into the USA. In addition, Tessera sought a general exclusion order excluding from importation all small format non-tape BGA semiconductor packages (and downstream products containing such packages), regardless of whether such packages are assembled by the Respondents. The Second ITC Investigation alleged infringement of three of the same patents asserted by Tessera in the California Litigation. STATS responded to the complaint in June 2008. In February 2009, the Second ITC Investigation was stayed pending the outcome of the First ITC Investigation. In March 2009, Tessera moved to terminate the Second ITC Investigation. In August 2009, the ITC issued a final determination terminating the Second ITC Investigation.

The stay in the California Litigation was lifted on 4 January 2012. A new schedule has been entered with a trial date of 7 April 2014. The USA Patent and Trademark Office (the "PTO") instituted re-examination proceedings on all of the patents Tessera has asserted in the California Litigation. For three of those patents, the PTO has confirmed the re-examined claims. It is not possible to predict the outcome of the California Litigation, or the total costs of resolving the California Litigation; nor is it possible to predict the outcome of the Texas Action or whether it will be consolidated in whole or in part with the California Litigation. It is also not possible to predict the outcome of the PTO proceedings that remain pending or their impact on the California Litigation.

STATS believes that it has a meritorious defence to these claims and intends to defend the lawsuit vigorously. A court or ITC determination that STATS' products or processes infringe the intellectual property rights of others could result in significant liability and/or require STATS to make material changes to its products and/or processes. Due to the inherent uncertainties of litigation, STATS cannot accurately predict the ultimate outcome and it could result in significant liability and could have a material adverse effect on the business, financial condition and the results of operations of STATS.

STATS also, from time to time, receives from customers request for indemnification against pending or threatened infringement claims brought against such customers, such as the Tessera cases described above. The resolution of any future allegation or request for indemnification could have a material adverse effect on STATS' business, financial condition and results of operations.

In addition, STATS is subject to various taxes in the different jurisdictions in which it operates. These include taxes on income, property, goods and services, and other taxes. STATS submits tax returns and claims with the appropriate government taxing authorities, which are subject to examination and agreement by those taxing authorities. STATS regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine adequacy of provision for taxes.

Singapore Technologies Telemedia Pte Ltd (“ST Telemedia”) and its subsidiary companies

On 22 August 2008, a complaint was filed in the state courts of Hawaii, United States of America, against 34 named individuals and entities including STT Communications Ltd (“STTC”), a subsidiary company of ST Telemedia, (the “Defendants”). The complaint arises out of the transaction, which completed on 1 January 2003, where the businesses of Pihana Pacific, Inc. (“Pihana”) and i-STT Pte Ltd were combined with that of Equinix, Inc., through a merger and an acquisition, respectively. New complainants were added whose complaints contained substantially similar allegations. All the complainants, who were allegedly holders of Pihana common stock, allege that their rights as shareholders were violated, and the transaction was improperly effected. The complainants are seeking unspecified punitive damages, equitable relief, fees and costs, and compensatory damages in an amount they allegedly “believe may be all or a substantial portion of the approximately US\$725 million (equivalent to \$940 million) value of Equinix held by Defendants”. STTC filed a motion to dismiss the complaint on the basis of the courts lack of jurisdiction. On 16 March 2010, the court granted STTC’s motion and ruled that the claimants failed to establish jurisdiction over STTC. On 21 May 2010, the complainants appealed against this order of the court, and this appeal is currently pending before the Hawaii Supreme Court. In December 2011, the parties reached an agreement in-principle on a global settlement which provides, among other things, that all claims and proceedings against all defendants will be dismissed with prejudice. It is anticipated that the parties will enter into a formal settlement agreement. In the event that the settlement is not finalised for any reason, STTC is of the view that the complainants’ claims against STTC are without merit and it intends to vigorously defend the claim. However, due to the inherent uncertainties of litigation, STTC cannot accurately predict the outcome of the matter.

Singapore Telecommunications Limited (“SingTel”) and its subsidiary companies

*Other commercial disputes*

A subsidiary company of SingTel, SingTel Optus Pty Limited (“Optus”) (and certain subsidiary companies), is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus’ companies under the contracts and claims against Optus’ companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

**38. Significant subsequent events**

Fullerton Financial Holdings Pte Ltd ("FFH") and its subsidiary companies

Subsequent to 31 March 2012, a conditional share purchase agreement was signed on 2 April 2012 between FFH and DBS Group Holdings Ltd ("DBS") for DBS to acquire 100% interest in FFH's wholly-owned subsidiary company, Asia Financial (Indonesia) Pte. Ltd. ("AFI"), including the subsidiary company's 67.37% stake in PT Bank Danamon Indonesia Tbk ("Danamon"), for a total consideration of IDR 45.2 trillion (\$6.2 billion) based on an agreed price of IDR 7,000 per Danamon share held by AFI. The total consideration would be paid in the form of 439 million new DBS shares at an issue price of \$14.07 per new DBS share. Completion of the sale is subject to, among others, regulatory approvals being obtained.

DBS Group Holdings Ltd ("DBS") and its subsidiary companies

On 2 April 2012, DBS announced that it has entered into a conditional share purchase agreement with FFH to acquire 100% of its wholly-owned subsidiary company, AFI, which holds a 67.37% stake in Danamon for total consideration of IDR 45.2 trillion (approximately \$6.2 billion). The total consideration would be paid in the form of 439 million new DBS shares.

Upon completion of the proposed acquisition, DBS will launch a mandatory tender offer to acquire the remaining listed shares from the other shareholders of Danamon. The proposed transaction is subject to receipt of all necessary regulatory approvals, which includes Singapore and Indonesia, and shareholders' approval in Singapore.

**39. New accounting standards and interpretations not yet adopted**

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2012 or later periods and which the Group has not early adopted. The Group is currently evaluating the impact of application of these standards and interpretations on the Group's financial statements.

The following standards, amendments and interpretations that are relevant to the Group are set out below:

**FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)**

FRS 110 establishes control as the basis for determining which entities are to be consolidated. The standard provides guidance on how to apply the control principle, including circumstances involving de facto control and agency relationships, and whether voting rights or rights other than voting are relevant in assessing control.

FRS 110 is to be applied retrospectively with certain transitional provisions.

***FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)***

FRS 111 prescribes the accounting for joint operations and joint ventures in both consolidated and separate financial statements. It requires that the type of joint arrangement be determined based on the rights and obligations of the parties to the arrangement, rather than the structure of the arrangement as currently prescribed by FRS 31. FRS 111 also requires joint ventures to be accounted for using the equity method under FRS 28 (2011) and removes the existing accounting policy choice of equity accounting or proportionate consolidation under FRS 31.

FRS 111 is to be applied retrospectively with certain transitional provisions.

***FRS 112 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013)***

FRS 112 requires the disclosure of summarised financial information about each subsidiary company that has material non-controlling interests as well as material associated company and joint venture. It also sets out new disclosure requirements such as financial or other support provided to consolidated and unconsolidated structured entities, and financial information about unconsolidated structured entities that the reporting entity had sponsored.

FRS 112 is to be applied prospectively.

***FRS 113 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)***

FRS 113 provides a precise definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements.

FRS 113 is to be applied prospectively.

#### 40. Significant subsidiary companies

Details of significant subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation	Effective equity held by the Group		
		2012 %	2011 %	2010 %
<b><i>Held by THPL</i></b>				
Fullerton Fund Investments Pte Ltd	Singapore	100.0	100.0	100.0
Fullerton Management Pte Ltd	Singapore	100.0	100.0	100.0
<sup>1</sup> Neptune Orient Lines Limited	Singapore	65.6	65.6	65.7
Pine Investments Holdings Pte. Ltd.	Singapore	100.0	100.0	100.0
PSA International Pte Ltd	Singapore	100.0	100.0	100.0
Singapore Airlines Limited	Singapore	55.9	55.0	54.2
Singapore Power Limited	Singapore	100.0	100.0	100.0
Singapore Technologies Engineering Ltd	Singapore	50.7	51.0	50.3
Singapore Technologies Telemedia Pte Ltd	Singapore	100.0	100.0	100.0
Singapore Telecommunications Limited	Singapore	54.4	54.4	54.4
Temasek Capital (Private) Limited	Singapore	100.0	100.0	100.0
Temasek Financial (I) Limited	Singapore	100.0	100.0	100.0

<sup>1</sup> Held through THPL – 26.0% (2011: 26.0%; 2010: 26.0%) and Tembusu Capital Pte. Ltd. – 39.6% (2011: 39.6%; 2010: 39.7%).

#### 41. Significant associated companies

Details of significant associated companies are as follows:

Name of associated companies	Country of incorporation	Effective equity held by the Group		
		2012 %	2011 %	2010 %
<i>Held by THPL</i>				
CapitaLand Limited *	Singapore	39.5	39.4	39.5
<sup>1</sup> DBS Group Holdings Ltd *	Singapore	29.5	27.3	27.6
Keppel Corporation Limited *	Singapore	20.7	20.9	21.1
Sembcorp Industries Ltd *	Singapore	48.8	48.7	48.9
<sup>1</sup> Held through THPL – 11.8% (2011: 12.1%; 2010: 12.2%) and Maju Holdings Pte. Ltd. – 17.7% (2011: 15.2%; 2010: 15.4%).				
* The associated companies had been equity accounted for in the consolidated financial statements based on results for the year ended, or financial position as at 31 December, the year end of the associated companies.				



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## **Annex A —**

### **Global clearance and settlement**

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of DTC, CDP, Euroclear and Clearstream (together, the “Clearance Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearance Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearance System. None of the Issuer, Temasek, the Arrangers, any Dealer, the New York Trustee, the Singapore Trustee, the English Trustee and any exchange, paying or transfer agent (each an “Agent”) or party to the Indenture, the Agency Agreement governed by Singapore law, the Agency Agreement governed by English law, the Singapore Law Trust Deed and/or the English Law Trust Deed will be held responsible or bear any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearance System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearance System(s) applicable for the relevant series.

#### **The Clearance Systems**

##### ***DTC***

DTC is a limited purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions among participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“indirect participants”).

DTC will take any action permitted to be taken by the holder of a beneficial interest in a Registered Global Note (including, without limitation, the presentation of a Registered Global Note for exchange) only at the direction of one or more participants to whose account with DTC interests in such Registered Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes in respect of which such participant or participants has or have given such direction. If an Event of Default under the Notes occurs, DTC reserves the right to exchange the Registered Global Notes for Definitive Registered Notes bearing the appropriate legend, which it will distribute to the relevant participants. DTC makes payments only in U.S. dollars.

##### ***CDP***

In respect of Notes which are accepted for clearance by CDP in Singapore (subject to the agreement of CDP and any restrictions or conditions as specified in the relevant Pricing Supplement), clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the “Depository System”) maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organization. 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.

*Clearance and Settlement under the Depository System.* In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note for persons holding the Notes in securities accounts with CDP (the “Depositors”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day

following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors (the “Depository Agents”) approved by CDP under the Singapore Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

*General.* CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, Temasek, the Paying Agent in Singapore or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### ***Euroclear and Clearstream***

Euroclear and Clearstream each holds securities for participating organizations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with each other. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant’s overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

### **Book-Entry Ownership**

#### ***Bearer Notes***

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems of any Bearer Series of Notes. In respect of Bearer Notes, as may be specified in the relevant Pricing Supplement, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons will be deposited with CDP or with a common depository on behalf of Euroclear and Clearstream. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of CDP, Euroclear and Clearstream.

## **Registered Notes**

The Issuer will make applications to CDP, Euroclear and/or Clearstream or DTC for acceptance in their respective book-entry systems of the Regulation S Global Notes. Each Regulation S Global Note will have a CUSIP, an ISIN or Common Code and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under “Notice to purchasers and holders of Registered Notes and transfer restrictions”.

The Issuer will make applications to DTC for acceptance in its book-entry settlement system of the DTC Restricted Global Notes. Each DTC Restricted Global Note will have a CUSIP number and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under “Notice to purchasers and holders of Registered Notes and transfer restrictions”. The custodian with whom the DTC Restricted Global Notes are deposited and DTC will electronically record the principal amount of the DTC Restricted Notes held within the DTC system.

Investors may hold their interests in a Regulation S Global Note through DTC, Euroclear, Clearstream or CDP, as the case may be, directly through such Clearance System if they are participants in such Clearance System, or indirectly through organizations that are participants of such Clearance System. Investors may hold their interests in a DTC Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations that are participants in such system.

So long as DTC, Euroclear, Clearstream or CDP, or their respective nominee, is the registered owner or holder of a Global Note, DTC, Euroclear, Clearstream, CDP, or their respective nominee, will be considered as the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed (as applicable) and such Notes. Accordingly, each owner of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearance System and, if a person is not a participant in the relevant Clearance System, on the procedures of the participant through which the person owns its interest in order to exercise any rights of a Noteholder under the Indenture, the Singapore Law Trust Deed or the English Law Trust Deed (as applicable).

Payments in U.S. dollars of principal and interest in respect of DTC Restricted Global Notes registered in the name of DTC’s nominee will be to, or to the order of, its nominee as the registered holder of such DTC Restricted Global Note. In the case of any such payments which are denominated other than in U.S. dollars, payment of such amounts will be made to the Paying Agent who will make payment of all or part of the amount to the beneficial holders of interests in such DTC Restricted Global Note directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant participant’s DTC account as aforesaid, in accordance with instructions received from DTC. The Issuer expects that the nominee will upon receipt of any such payment, immediately credit DTC participants’ accounts with any such payments denominated in U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant DTC Restricted Global Note as shown on the records of DTC. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such DTC Restricted Global Note held through such DTC participants will be governed by standing instructions and customary practices between the participants and owners of beneficial interests, as is the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants and not of the Agents, the New York Trustee, the Issuer or Temasek.

The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, these laws may impair the ability to transfer a beneficial interest in a Registered Global Note to such persons. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may be limited by the lack of a Definitive Registered Note in respect of such interest. The ability of the holder of a beneficial interest in any Registered Note represented by the Registered Global Notes to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a participant or indirect participant in DTC.

None of the Issuer, Temasek, the New York Trustee, the Singapore Trustee, the English Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

## ***Definitive Registered Notes***

Registration of title to Registered Notes in a name other than CDP or its nominee or a depository for Euroclear and Clearstream or DTC will not be permitted unless (i) in the case of DTC Restricted Global Notes, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the DTC Restricted Global Notes, or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such, and, in the case of Notes issued under the English Law Trust Deed, the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, (ii) in the case of Regulation S Global Notes deposited with a common depository for Euroclear or Clearstream, Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (iii) in the case of Regulation S Global Notes deposited with CDP, CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention permanently to cease business or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the relevant Master Depository Services Agreement as amended, varied or supplemented from time to time, (iv) an event of default with respect to such series has occurred, (v) in the case of Notes issued under the Indenture, the New York Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of holders of the Notes under the Notes and the New York Trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the New York Trustee to obtain possession of the Notes or (vi) in the case of Notes issued under the Indenture, unless otherwise provided in the relevant Pricing Supplement, a written request for one or more Definitive Registered Notes is made by a holder of beneficial interest in a Registered Global Note, provided that such written notice or request is submitted to the New York Registrar by such holder not less than 30 days prior to the requested date of such exchange or in the case of Notes issued under the English Law Trust Deed or Notes issued under the Singapore Law Trust Deed that are not cleared through CDP, the Issuer provides its consent. In such circumstances, the Issuer will cause sufficient Definitive Registered Notes to be executed and delivered to the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) for completion, authentication and dispatch to the relevant holder(s) of the Notes.

A person having an interest in the relevant Registered Global Note must provide the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) with:

- (i) written instructions and such other information as the Issuer and the New York Registrar, the Singapore Registrar or the English Registrar (as the case may be) may require to complete, execute and deliver such Definitive Registered Notes; and
- (ii) in the case of a DTC Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Registered Notes issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

## ***Trading within same Clearance System***

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC’s rules and will be settled in immediately available funds using DTC’s Same-Day Funds Settlement System. Secondary market trading between Euroclear and/or Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream and will be settled using procedures applicable to conventional Eurobonds in immediately available funds.

## ***Trading between Clearance Systems***

### ***Trading between a Euroclear or Clearstream seller and a DTC purchaser involving only Registered Global Notes***

Due to time zone differences in their favor, Euroclear and Clearstream participants may employ their customary procedures for transactions in which interests in a Registered Global Note are to be transferred by Euroclear or Clearstream (as the case may be) to a participant in DTC. The seller must send instructions to Euroclear or Clearstream through a Euroclear or Clearstream participant (as the case may be) at least one business day prior to settlement. In these cases, Euroclear or Clearstream



will instruct its respective depository to deliver the interests in the Registered Global Note to the DTC participant's account against payment. Payment will include interest (if any) accrued on such interests in the Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. The payment will then be reflected in the account of the Euroclear or Clearstream participant the following day, and receipt of cash proceeds in the Euroclear or Clearstream participant's account would be back-valued to the value date (which would be the preceding day when settlement occurred in New York). Should the Euroclear or Clearstream participant have a line of credit in its respective Clearance System and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e. the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would be valued instead as of the actual settlement date.

*Trading between a DTC seller and a Euroclear or Clearstream purchaser involving only Registered Global Notes*

When interests in a Registered Global Note are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a Euroclear or Clearstream participant, as the case may be, at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will then instruct its respective depository to receive such interests against payment. Payment will include interest (if any) accrued on such interest in the Registered Global Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. Payment will then be made by the depository to the participant's account against delivery of the interests in the Note. After settlement has been completed, the interests will be credited to the respective Clearance System, and by the Clearance System, in accordance with its usual procedures, to the Euroclear or Clearstream participant's account. The securities credit will appear the next day (European time) and the cash debit will be back-valued to, and any interest on the Note will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e. the trade fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear or Clearstream participants will need to make available to the respective Clearance System the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on-hand or existing lines of credit, as such participants would for any settlement occurring within Euroclear or Clearstream. Under this approach, such participants may take on credit exposure to Euroclear or Clearstream until the interests in the Note are credited to their accounts one day later.

Alternatively, if Euroclear or Clearstream has extended a line of credit to a Euroclear or Clearstream participant, as the case may be, such participant may elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear or Clearstream participants purchasing interests in the Note held in DTC would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the Note were credited to their accounts. However, any interest on the Note would accrue from the value date. Therefore, in many cases the investment income on the interests in the Note held in DTC earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Since the settlement takes place during New York business hours, DTC participants can employ their usual procedures for transferring interests in Registered Global Notes to the respective depositories of Euroclear or Clearstream for the benefit of Euroclear or Clearstream participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently from a trade between participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, Temasek, the New York Trustee, the Singapore Trustee, the English Trustee and any Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

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## Annex B — Form of Pricing Supplement

The form of Pricing Supplement that will be issued in respect of each series of Notes, subject only to the deletion of non-applicable provisions or modifications, as appropriate, is set out below:

Pricing Supplement dated

**Temasek Financial (I) Limited**  
**Issue of [Aggregate Nominal Amount of Series] [Title of Notes]**  
**unconditionally and irrevocably guaranteed by**  
**Temasek Holdings (Private) Limited**  
**Under the US\$10,000,000,000 Guaranteed Global Medium Term Note Program**  
**Series Number**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated . This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated .

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes, issued on or before December 31, 2013, 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, Chapter 134 of Singapore (the “Income Tax Act”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]<sup>1</sup>

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

- |          |  |  |
|----------|--|--|
| <b>1</b> | (i) Issuer:  | Temasek Financial (I) Limited  |
|          | (ii) Guarantor:  | Temasek Holdings (Private) Limited   |
| <b>2</b> | (i) Series Number:   |  |
|          | (ii) [Tranche Number:  |  |
|          | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] |  |
| <b>3</b> | Specified Currency or Currencies:  |  |
| <b>4</b> | Aggregate Nominal Amount:  |  |
|          | (i) Series:  |  |
|          | (ii) [Tranche:]  |  |
| <b>5</b> | Issue Price:   | % of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)] |

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<sup>1</sup> Insert if and as applicable



- 6 (i) Specified Denominations: [ ] and integral multiples of [ ] in excess thereof.
- [In the case of English law or Singapore law governed notes, if the Issuer's right to re-denominate the Notes does not apply to this Series, insert: The second and third sentences of Condition 1 do not apply to this Series Number [ ].]*
- (ii) Calculation Amount:
- 7 (i) Issue Date:
- (ii) Interest Commencement Date:
- 8 Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]<sup>2</sup>*
- 9 Interest Rate Basis: [ % Fixed Rate]  
[[specify reference rate] +/– % Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at Par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Installment]  
[Other (specify)]
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
- 12 (i) Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
- (ii) Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]
- 13 Listing: [SGX-ST/Other (specify)/None]
- 14 Method of distribution: [Syndicated/Non-syndicated]

### Provisions Relating to Interest (if any) Payable

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

<sup>2</sup> Note that for fixed rate Notes denominated in Renminbi, where the interest payment dates and maturity date are subject to a business day convention, specify an Interest Payment Date falling in or nearest to the relevant month and year.

- (iii) Fixed Coupon Amount [(s)]: per in nominal amount  
*(Note: For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards)*
- (iv) Broken Amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction: (Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars)<sup>3</sup>
- (vi) Determination Date(s): in each year. *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]\**
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

## 16 Floating Rate Provisions

- [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s):
- (ii) Specified Interest Payment Dates:
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Business Centre(s):
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Interest Period Date(s): [Not Applicable/specify dates]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):
- (viii) Screen Rate Determination:
- Relevant Time:
  - Interest Determination Date: [ [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
  - Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]
  - Reference Banks (if Primary Source is "Reference Banks"): [Specify four]

<sup>3</sup> For fixed rate Notes denominated in Renminbi, specify: "Actual/365 (Fixed)".

\* Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA.

- Relevant Financial Centre: [The financial centre most closely connected to the Benchmark — *specify if not London*]
- Benchmark: [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
- Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
- Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
- Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (ix) ISDA Determination:
  - Floating Rate Option:
  - Designated Maturity:
  - Reset Date:
  - ISDA Definitions: (if different from those set out in the Conditions):
- (x) Spread [+/-]% per annum
- (xi) Minimum Rate of Interest: % per annum
- (xii) Maximum Rate of Interest: % per annum
- (xiii) Day Count Fraction:
- (xiv) Spread Multiplier:
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

#### **16A Singapore Dollar Notes**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Floating Rate Notes:
  - Manner in which the Rate of Interest is to be determined: [SIBOR Notes/Swap Rate Notes/Variable Rate Notes/Other]
  - Calculation Amount: [*Specify*]
  - Denomination Amount: [*Specify*]
  - Interest Commencement Date: [*Specify date(s)*]
  - Interest Payment Date: [*Specify date(s)*]
  - Interest Period: [*Specify*]
  - Interest Denomination Date: [ Business Days in [Singapore] prior to *specify date(s)*]
  - Relevant Time: [11.00 a.m. (Singapore time)/Other]
  - Relevant Business Day: [*Specify*]
  - Spread: [*Give details*]
  - FRN Day Basis: [*Specify*]

(ii) SIBOR Notes:	
— Screen Page:	[Give details]
— Reference Banks:	[Specify]
(iii) Swap Rate Notes:	
— Discount/Premium:	[Specify]
— Other terms or special conditions:	[Not applicable/give details]
(iv) Variable Rate Notes:	
— Interest Commencement Date:	[Specify date(s)]
— Interest Payment Date:	[Specify date(s)]
— Interest Period:	[Specify dates]
— Relevant Dealer:	[Specify]
— Other terms or special conditions:	[Not applicable/give details]
(v) Calculation Agent:	
<b>17 Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Amortization Yield:	% per annum
(ii) Day Count Fraction:	
(iii) Any other formula/basis of determining amount payable:	
<b>18 Index Linked Interest Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
(i) Index/Formula:	[Give or annex details]
(ii) Calculation Agent responsible for calculating the interest due:	
(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	
(iv) Interest Period(s):	
(v) Specified Interest Payment Dates:	
(vi) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Centre(s):	
(viii) Minimum Rate of Interest:	% per annum
(ix) Maximum Rate of Interest:	% per annum
(x) Day Count Fraction:	
<b>19 Dual Currency Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:
- (v) Day Count Fraction:

## Provisions Relating to Redemption

<b>20</b>	<b>Optional Redemption</b>	[Applicable/Not Applicable] <i>(If applicable, provide further details, including the amount of spread for purposes of determining the Make Whole Amount (in the case of New York law governed Notes) or the Make Whole Call Reference Rate and the amount of spread for purposes of determining the Optional Redemption Amount (in the case of English law or Singapore law governed Notes))</i>
<b>21</b>	<b>Optional Tax Redemption</b>	[Applicable/Not Applicable]
<b>22</b>	<b>Additional Call Options</b>	[Applicable. See "Important Information for Investors Relating to the U.S. — Ability of the Issuer to Compel Sale of or Redeem Rule 144A Notes" below.][Not Applicable]
<b>23</b>	<b>Put Option</b>	[Applicable/Not Applicable] <i>(If applicable, provide further details)</i>
<b>24</b>	<b>Final Redemption Amount of each Note</b>	[        per Note of specified denomination/ Other/See Appendix]
<b>25</b>	<b>Early Redemption Amount</b>	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	
	(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates:	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only):	[Yes/No/Not Applicable]

## General Provisions Applicable to the Notes

<b>26</b>	Form of Notes:	Bearer Notes/Registered Notes <i>[Delete as appropriate]</i>
	(i) Form of Global Note:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on        days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]  [Temporary Global Note exchangeable for Definitive Notes on        days' notice]  [Permanent Global Note exchangeable for Definitive Notes on        days' notice/at any time/in the limited circumstances specified in the permanent Global Note]

		[Regulation S Global Note [and DTC Restricted Global Note, each] exchangeable for Definitive Registered Notes only in the limited circumstances specified in the Indenture/Singapore Law Trust Deed/English Law Trust Deed]
	(ii) Applicable TEFRA Rules:	[C Rules/D Rules/Not Applicable]
<b>27</b>	Financial Center(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(vii) relate</i> ]
<b>28</b>	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i> ]
<b>29</b>	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Yes/No. <i>If yes, give details</i> ]
<b>30</b>	Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i> ]
	(i) Instalment Amount(s):	
	(ii) Instalment Date(s):	
	(iii) Minimum Instalment Amount:	
	(iv) Maximum Instalment Amount:	
<b>31</b>	Redenomination, renominialization and reconventioning provisions:	[Not Applicable/The provisions [in Condition ] [annexed to this Pricing Supplement] apply]
<b>32</b>	Consolidation provisions:	[Not Applicable/The provisions [in Condition ] [annexed to this Pricing Supplement] apply]
<b>33</b>	Other terms or special conditions:	[Not Applicable/ <i>give details</i> ]
<b>33A</b>	Governing Law:	

## Distribution

<b>34</b>	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i> ]
	(ii) Stabilising Manager (if any):	[Not Applicable/ <i>give name</i> ]
	(iii) Dealer's Commission:	
<b>35</b>	If non-syndicated, name of Dealer:	Not Applicable/ <i>give name</i>
<b>36</b>	Additional selling restrictions:	[Not Applicable/The Notes are Section 3(c)(7) securities issued in reliance on an exemption under the U.S. Investment Company Act of 1940, as amended. The eligible investors and transfer restrictions described below in the section entitled "Important Information for Investors Relating to the U.S." apply./The Notes may not be offered, sold or transferred within the United States or to, or for the account or benefit of, U.S. persons./See "Additional Selling Restrictions" below/ <i>give details</i> ]

## Operational Information

37 ISIN Code:

38 Common Code:

39 CUSIP No.:

40 Clearing System(s):

[CDP] [DTC] [Euroclear and Clearstream, Luxembourg] (if any clearing system(s) other than CDP, DTC or Euroclear and Clearstream, Luxembourg, provide the following information)

[Name of Clearing System(s)/Identification Number(s)]

[Note: A member of the Central Moneymarkets Unit Service (the "CMU") operated by the Hong Kong Monetary Authority may act as a custodian for persons seeking to hold bonds through the CMU so long as such CMU member has subscribed to the CMU-Euroclear linkage service (a "Qualifying CMU Member"). Accordingly, any persons seeking to hold a beneficial interest in Notes denominated in Renminbi through the CMU are advised to contact a Qualifying CMU Member to establish eligibility.]

41 Delivery:

Delivery [against/free of] payment

42 The Agents appointed in respect of the Notes are:

## General

43 Additional steps that may only be taken following [Not Applicable/give details] approval by an Extraordinary Resolution in accordance with :

44 The aggregate principal amount of Notes issued [Not Applicable/US\$ ] has been translated into U.S. dollars at the rate of , producing a sum of (for Notes not denominated in U.S. dollars):

## [LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Issuer's US\$10,000,000,000 Guaranteed Global Medium Term Note Program.]

## [STABILIZING

In connection with the issue of the Notes, one or more Dealers named as stabilizing manager (the "Stabilizing Manager(s)") (or persons acting on behalf of any Stabilizing Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.]



## [ADDITIONAL SELLING RESTRICTIONS]

Each of the Dealers in respect of the \_\_\_\_\_ series of Notes to be issued under the Program has represented, acknowledged and agreed that it has complied with the selling restrictions set forth in the section entitled “Plan of Distribution — Selling Restrictions” in the Offering Circular dated \_\_\_\_\_ and the additional selling restrictions set forth below in the offering of such Notes: *[specify applicable additional selling restrictions].*

## [IMPORTANT INFORMATION FOR INVESTORS RELATING TO THE U.S.]

As described more fully below, there are certain restrictions regarding the Notes which affect potential investors. These restrictions modify the restrictions set forth in the section entitled “Plan of distribution — Selling restrictions — United States” in the Offering Circular dated \_\_\_\_\_. These restrictions include prohibitions on sale or transfer in the offering of the Notes and thereafter to persons in circumstances which would cause either the Issuer or the Guarantor to be required to be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), or the Notes to be required to be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). [References to the “Indenture” shall mean the indenture dated as of September 16, 2005, as amended and supplemented by the first supplemental indenture dated as of April 10, 2007, the eighth supplemental indenture dated as of July 15, 2011 and the ninth supplemental indenture dated as of July 9, 2012 and as further amended and supplemented by a supplemental indenture in relation to the Notes, to be dated as of the date of original issuance of the Notes, in each case among the Issuer, the Guarantor and Deutsche Bank Trust Company Americas as the trustee (the “New York Trustee”).] [References to the “English Law Trust Deed” shall mean the trust deed dated February 3, 2010, as amended and supplemented by the first supplemental trust deed dated July 15, 2011 and the second supplemental trust deed dated July 9, 2012 and as a further amended and supplemented by a supplemental trust deed in relation to the Notes, to be dated as of the date of original issuance of the Notes, in each case among the Issuer, the Guarantor and DB Trustees (Hong Kong) Limited as the trustee (the “English Trustee”) and references to the “English Agency Agreement” shall mean the agency agreement dated as of February 3, 2010, as amended and supplemented by the first supplemental agency agreement dated July 9, 2012 and as further amended and supplemented by a supplemental agency agreement in relation to the Notes, to be dated as of the date of original issuance of the Notes, among the Issuer, the Guarantor, the English Trustee, Deutsche Bank Luxembourg S.A. as registrar, Deutsche Bank AG, Hong Kong Branch and Deutsche Bank AG, Singapore Branch as initial issuing and paying agent and the other agents named in it.]

### ***Eligible Investors***

The Notes may only be offered or sold (A) to U.S. persons or persons in the United States who are both “qualified institutional buyers” (each a “QIB”) as defined in Rule 144A under the Securities Act (“Rule 144A”) and “qualified purchasers” (each, a “QP”) as defined in the Investment Company Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, or (B) outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). The terms “U.S. person” and “offshore transaction” have the meanings set forth in Regulation S. Neither the Issuer nor the Guarantor will be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.

Bearer Notes generally may not be offered or sold to a person within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”)), subject to certain exceptions.

A description of the transfer restrictions applicable to the Notes, including Notes initially sold in the United States or to U.S. persons, is set forth below in the section entitled “— Transfer Restrictions”.

### DTC Restricted Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Notes offered hereby in reliance on Rule 144A and the exemption provided by Section 3(c)(7) of the Investment Company Act (or any beneficial interest therein), including interests in DTC Restricted Global Notes, will be deemed



by its acceptance thereof to have represented and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows:

- (1) Such person (i) is a QIB and a QP; (ii) is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A; and (iv) either (a) is not and is not using the assets of any (i) “employee benefit plan” which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), “plan” which is subject to Section 4975 of the Code or entity whose underlying assets are treated as assets of any such employee benefit plan or plan within the meaning of ERISA or the Code or (ii) governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”), or entity whose assets are treated as assets of any such plan, or (b) its purchase and holding of a DTC Restricted Global Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or violation of applicable Similar Law.
- (2) Such person (i) was not formed for the purpose of investing in the Issuer (unless each beneficial owner of its securities is a QP); and (ii) is acquiring an interest in the Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements deemed made by such person and for whom such person exercises sole investment discretion.
- (3) Such person understands and acknowledges that the Notes have not been and will not be registered under the Securities Act and accordingly may not be offered or sold as part of its initial distribution within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (4) Such person understands and acknowledges that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” (as such term is defined under the Investment Company Act and related rules) and that the Issuer and the Guarantor have imposed the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Issuer and the Guarantor will qualify for the exemption provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company.
- (5) Such person agrees that its Notes may only be sold, transferred, assigned, pledged or otherwise disposed of in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or to a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction meeting the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S under the Securities Act (including, for the avoidance of doubt, a bona fide sale on the Singapore Exchange Securities Trading Limited) (the “SGX-ST”), provided, that it delivers to the Issuer and the Guarantor an Offshore Transaction Letter substantially in the form appended to [the Indenture] [the English Agency Agreement]. The term “offshore transaction” has the meaning set forth in Regulation S. Such person understands that the transfer restrictions will remain in effect until the Issuer determines, in its sole discretion, to remove them.
- (6) Such person agrees that its Notes may be sold, transferred, assigned, pledged or otherwise disposed of only in minimum denominations of US\$250,000.
- (7) Such person understands that, subject to certain exceptions, to be a QP, entities must have US\$25 million in “investments” as defined in Rule 2a51-1 under the Investment Company Act.
- (8) Such person agrees, upon a proposed transfer of its Notes, to notify any purchaser of such Notes or the executing broker, as applicable, of any transfer restrictions that are applicable to the Notes being sold.
- (9) Such person understands and acknowledges that (i) the [New York] [English] Trustee, the Issuer, the Guarantor and their agents shall not be obligated to recognize any resale or other transfer of the Notes made other than in compliance with the restrictions described herein; and (ii) the Issuer

and its agents may require any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Notes to transfer the Notes within 30 days to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S and if the obligation is not met, the Issuer is irrevocably authorized, without any obligation, to sell such Notes on an offshore stock exchange on such terms as the directors of the Issuer think fit, or the Issuer shall be entitled to redeem such Notes at par, being a Redemption Amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the Redemption Date.

- (10) Such person agrees that neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any “directed selling efforts” as defined in Regulation S, or any “general solicitation or general advertising” as defined in Regulation D under the Securities Act, with respect to the Notes.
- (11) Such person understands that the [New York] [English] Trustee, the Issuer and the Guarantor may receive a list of participants holding positions in the Notes from one or more book-entry depositories.
- (12) Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.
- (13) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in [the Indenture] [the English Law Trust Deed]. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

#### Regulation S Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Notes offered hereby in reliance on Regulation S (or any beneficial interest therein), including interests in Regulations S Global Notes, will be deemed to have represented and agreed, on its own behalf and on behalf of each account for which it is purchasing and each person for which it is acting, as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (1) Such person is, at the time of the offer to it of Notes and at the time the buy order originated, outside the United States for purposes of Regulation S.
- (2) Such person is not a U.S. person and is not acquiring the Notes for the account or benefit of a U.S. person.
- (3) Such person is aware that the Notes have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S.
- (4) Such person understands that prior to the end of the expiration of the 40-day distribution compliance period, no exchange, sale, assignment, pledge, transfer or other disposal of interests in a Regulation S Global Note for interests in a DTC Restricted Global Note shall be permitted.
- (5) Such person understands that interests in the Regulation S Global Notes may only be sold, transferred, pledged or otherwise disposed of (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a bona fide sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.
- (6) Such person understands that any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognized by the Issuer in respect of the Notes.
- (7) Such person understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in [the Indenture] [the English Law Trust Deed]. In addition, such person understands that the legend shall not be removed from the Notes unless the Issuer agrees, in its sole discretion, to remove the legend.

### ***Transfer Restrictions***

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act, and have not been registered or qualified under any state securities laws in the United States or the securities laws of any other jurisdiction and, accordingly, may not be offered, resold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available, and except in accordance with the restrictions described below.

Any purchaser of DTC Restricted Global Notes may only sell, transfer, assign, pledge, or otherwise dispose of such Notes in compliance with the Securities Act and other applicable securities laws (i) to the Guarantor or any subsidiary thereof, (ii) to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, or (iii) outside the United States to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), *provided* that such purchaser delivers to the Issuer and the Guarantor an Offshore Transaction Letter in the form of Appendix A hereto.

Each transferee, assignee, pledgee or other person acquiring any interest in a DTC Restricted Global Note will be deemed by its acceptance thereof to have made all of the representations and agreements set forth above in the section entitled “— Eligible Investors — DTC Restricted Global Notes”.

Any purchaser of interests in the Regulation S Global Notes may only sell, transfer, assign, pledge, or otherwise dispose of such interests (i) to the Guarantor or any subsidiary thereof, (ii) to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), or (iii) after the expiration of the 40-day distribution compliance period following the issue date of the Notes, to a U.S. person or a person in the United States whom it reasonably believes is both a QIB and a QP (x) in a transaction that meets the requirements of Rule 144A or (y) pursuant to any other available exemption from the registration requirements of the Securities Act, and such transferee will then acquire such interests as interests in the DTC Restricted Global Note.

Each transferee, assignee, pledgee or other person acquiring in any interest in a Regulation S Global Note will be deemed by its acceptance thereof to have made all of the representations and agreements set forth above in the section entitled “— Eligible Investors — Regulation S Global Notes”.

### ***Investor Representation Letters***

In the event that any purchaser of DTC Restricted Global Notes that is located within the United States or that is a U.S. person transfers such Notes outside the United States in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the SGX-ST), such transferor must execute an Offshore Transaction Letter in the form of Appendix A hereto and cause such letter to be promptly delivered to the Issuer and the Guarantor.

In addition, in the event any Notes are issued in definitive form (“Definitive Notes”) in accordance with the provisions of [the Indenture] [the English Law Trust Deed], such Definitive Notes will bear a legend substantially in the form as provided for in [the Indenture] [the English Law Trust Deed] and before any U.S. person or person located in the United States may take delivery of any such Definitive Notes, such person must deliver to the Issuer and the Guarantor a representation letter substantially in the form as provided for in [the Indenture] [the English Law Agency Agreement].

### ***Ability of the Issuer to Compel Sale of or Redeem DTC Restricted Global Note***

The Issuer may, at its option, compel any beneficial owner of interests in the DTC Restricted Global Note to sell its interest in such Notes, or sell such interests on behalf of such holder, or redeem its interests in such Note at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) [the Redemption Date (as defined in the Indenture)] [the date fixed for redemption], if such holder is not a QIB and a QP.

## **Legend**

Each DTC Restricted Global Note representing the Notes will bear a legend substantially to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND THAT NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN “**INVESTMENT COMPANY**” UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF “INVESTMENT COMPANY” UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT), AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) TO A U.S. PERSON OR A PERSON IN THE UNITED STATES WHOM THE SELLER REASONABLY BELIEVES IS BOTH A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “**QUALIFIED PURCHASER**” (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (3) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, AND UPON CERTIFICATION TO THAT EFFECT BY THE SELLER IN WRITING IN AN OFFSHORE TRANSACTION LETTER IN THE FORM OF AS PROVIDED FOR IN [THE INDENTURE] [THE AGENCY AGREEMENT ENTERED INTO IN RELATION TO THIS NOTE] OR ANOTHER FORM ACCEPTABLE TO THE ISSUER. THE TERMS “**U.S. PERSON**,” “**OFFSHORE TRANSACTION**” AND “**DESIGNATED OFFSHORE SECURITIES MARKET**” HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE UNDER THE [INDENTURE] [ENGLISH LAW TRUST DEED] GOVERNING THIS NOTE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE. THE ISSUER AND ITS AGENTS MAY REQUIRE ANY PERSON WHO IS REQUIRED TO BE A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER BUT WHO IS NOT A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER AT THE TIME IT ACQUIRES THIS NOTE TO TRANSFER THIS NOTE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S WITHIN 30 DAYS. IF THIS NOTE IS NOT SO TRANSFERRED, THE ISSUER IS ENTITLED TO SELL THIS NOTE TO A PURCHASER SELECTED BY THE ISSUER OR REDEEM THIS NOTE FROM SUCH PERSON



AT PAR, BEING A REDEMPTION AMOUNT EQUAL TO THE PRINCIPAL AMOUNT PLUS ANY ACCRUED AND UNPAID INTEREST TO (BUT EXCLUDING) THE REDEMPTION DATE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (B) **GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW")** OR (II) SUCH PERSON'S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Each Regulation S Global Note representing the Notes will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND UNDER THE APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. TERMS USED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. NEITHER THE ISSUER NOR THE GUARANTOR HAS BEEN OR WILL BE REGISTERED AS AN "**INVESTMENT COMPANY**" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE UPON EXEMPTIONS FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF US\$250,000 (1) TO THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (2) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE SELLER TO BE A U.S. PERSON, IF EITHER (X) AT THE TIME THE BUY ORDER ORIGINATED THE PURCHASER WAS OUTSIDE THE UNITED STATES, OR THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVED THE PURCHASER WAS OUTSIDE THE UNITED STATES OR (Y) THE SALE IS MADE IN A TRANSACTION EXECUTED IN A DESIGNATED OFFSHORE SECURITIES MARKET, AND TO A PERSON NOT KNOWN TO THE SELLER TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE, OR (3) AFTER THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD FOLLOWING THE ISSUE DATE OF THE NOTES, TO A U.S. PERSON OR A PERSON IN THE UNITED STATES

WHOM THE SELLER REASONABLY BELIEVES IS BOTH A **“QUALIFIED INSTITUTIONAL BUYER”** (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A **“QUALIFIED PURCHASER”** (AS DEFINED IN THE INVESTMENT COMPANY ACT) (X) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANOTHER FORM ACCEPTABLE TO THE ISSUER, AND SUCH TRANSFEREE WILL THEN HOLD THE ACQUIRED INTERESTS AS INTERESTS IN THE DTC RESTRICTED GLOBAL NOTE. THE TERMS **“U.S. PERSON,” “OFFSHORE TRANSACTION”** AND **“DESIGNATED OFFSHORE SECURITIES MARKET”** HAVE THE MEANINGS SET FORTH IN REGULATION S. THE HOLDER AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

NONE OF THE [NEW YORK] [ENGLISH] TRUSTEE, THE ISSUER, THE GUARANTOR OR THEIR AGENTS SHALL BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS NOTE AND THE GUARANTEE MADE OTHER THAN IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS REFERRED TO ABOVE.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT EITHER (I) SUCH PERSON IS NOT AND IS NOT USING THE ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” AS DEFINED IN AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**“ERISA”**), “PLAN” SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **“CODE”**), OR (B) GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**“SIMILAR LAW”**) OR (II) SUCH PERSON’S PURCHASE AND HOLDING OF A NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF APPLICABLE SIMILAR LAW.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH SELLER OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN TO THE PURCHASER AND TO ANY EXECUTING BROKER.]

**Offshore Transaction Letter**

To:

Temasek Financial (I) Limited  
60B Orchard Road  
#06-18 Tower 2  
The Atrium @ Orchard  
Singapore 238891

as Issuer

Temasek Holdings (Private) Limited  
60B Orchard Road  
#06-18 Tower 2  
The Atrium @ Orchard  
Singapore 238891

as Guarantor

With a copy to:

Deutsche Bank Trust Company Americas  
60 Wall Street — 27th Floor  
MSNYC60-2710  
New York, New York 10005

as Trustee

Re: [ ] Series of Guaranteed Notes (the **“Notes”**) under the US\$10,000,000,000 Guaranteed Global Medium Term Note Program

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 16, 2005, as amended and supplemented by the first Supplemental Indenture, dated as of April 10, 2007, the eighth Supplemental Indenture, dated as of July 15, 2011, and the ninth Supplemental Indenture, dated as of July 9, 2012, and as further amended and supplemented by a [ ] Supplemental Indenture in relation to the Notes, dated as of the date of original issuance of the Notes (collectively, the **“Indenture”**), among Temasek Financial (I) Limited, as the issuer (the **“Issuer”**), Temasek Holdings (Private) Limited, as the guarantor (the **“Guarantor”**), and Deutsche Bank Trust Company Americas, as the trustee (the **“Trustee”**). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter (an **“Offshore Transaction Letter”**) relates to the sale or other transfer by us of interests in a DTC Restricted Global Note representing the Notes in an offshore transaction pursuant to Regulation S (**“Regulation S”**) under the U.S. Securities Act of 1933, as amended (the **“Securities Act”**).

Capitalized terms used but not defined herein shall have the meanings given to them in Regulation S, except as otherwise stated herein.

We acknowledge (or if we are acting for the account of another person, such person has confirmed that it acknowledges) that the Notes have not been and will not be registered under the Securities Act and that neither the Issuer nor the Guarantor has registered, and neither the Issuer nor the Guarantor intends to register, as an “investment company” under the Investment Company Act of 1940, as amended (the **“Investment Company Act”**).

We hereby certify as follows:

1. The offer and sale of the Notes was not and will not be made to a person in the United States or to a person known by us to be a U.S. Person.
2. Either: (a) at the time the buy order for the Notes was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or (b) the transaction in the Notes was executed in, on or

through the facilities of a designated offshore securities market (including the Singapore Exchange Securities Trading Limited), and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States.

3. Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts in the United States with respect to the Notes.
4. The proposed transfer of the Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act or the Investment Company Act.
5. None of the Issuer, the Guarantor or any of their agents participated in the sale of the Notes.
6. If the transfer is in accordance with Rule 904 of Regulation S, and we are a dealer in securities or have received a selling concession, fee or other remuneration in respect of the Notes, and the transfer is to occur during the Distribution Compliance Period (as defined in the Indenture), that the requirements of Rule 904(b)(i) of Regulation S have been satisfied.
7. We agree, prior to the sale of the Notes, to notify the purchaser of such Notes or the executing broker, as applicable, of the transfer restrictions that are applicable to the Notes being sold.
8. We agree that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

[Where there are joint transferors, each must sign this Offshore Transaction Letter. An Offshore Transaction Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).]

Very truly yours,

[NAME OF TRANSFEROR]

By: \_\_\_\_\_

Name:

Title:

Address:

Date:



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## Annex C — Republic of Singapore

*The following information regarding the Republic of Singapore is included for information purposes only and has not been independently verified by the Issuer, Temasek, the Arrangers or the Dealers or any of their respective affiliates or advisors. All of the data and information contained below has been obtained from publicly available official sources.*

### Singapore Overview

Singapore is a Southeast Asian island city-state with a population of approximately 5.18 million in June 2011 and a GDP of approximately S\$299.6 billion at 2005 market prices for the 12 months ended December 31, 2011. Singapore has one of Asia's most developed economies and is a Southeast Asian hub for a number of industries. Key factors which have contributed to Singapore's economic growth are its strategic location, its modern infrastructure, a long record of consistent macroeconomic management, a transparent public sector, a disciplined and highly-educated workforce and a high domestic savings rate.

Singapore's economy is highly export-oriented, with a significant reliance on electronics exports, which comprised 31.6% of non-oil domestic exports in 2011. Its major trading partners are Europe, China, Malaysia, Indonesia, Hong Kong, Japan, Taiwan, Thailand, South Korea and the United States. Singapore's trading position is supported by strong infrastructure, a developed financial system and a good telecommunications network.

According to the Ministry of Trade & Industry and the Singapore Department of Statistics, Singapore's economy is forecasted to expand by approximately 1% to 3% in 2012 compared to a growth of 4.9% in 2011, and Singapore has averaged real GDP growth of 6.4% over the previous 10 years. Singapore's per capita GDP at current market prices was S\$63,050 in 2011.

Singapore is currently assigned a long-term and short-term local and foreign currency issuer rating of "AAA" and "A –1+", respectively, by S&P and "Aaa" and "P –1", respectively, by Moody's. Singapore is the only Asian sovereign currently assigned S&P's highest credit rating and "AAA" and "Aaa" credit ratings by S&P and Moody's, respectively.

The following table sets forth selected economic data for Singapore for the years indicated:

### Selected economic data

	2007	2008	2009	2010	2011
	(S\$ millions, except percentages)				
GDP (base year 2005) .....	247,170	251,374	248,911	285,659	299,625
Growth in GDP (percentage change) .....	8.9%	1.7%	(1.0)%	14.8%	4.9%
Consumer Price Index .....	93.2	99.4	100.0	102.8	108.2
M1 Money Supply .....	63,939	75,704	93,472	112,466	129,119
Growth in M1 Money Supply (percentage change) .....	22.4%	18.4%	23.5%	20.3%	14.8%
M2 Money Supply .....	297,559	333,411	371,123	403,078	443,353
Growth in M2 Money Supply (percentage change) .....	13.4%	12.0%	11.3%	8.6%	10.0%
Foreign Reserves .....	234,546	250,346	263,955	288,954	308,403
Total Exports (base year 2006) .....	463,403	477,371	428,388	519,026	533,608
Growth in Exports (percentage change) .....	7.4%	3.0%	(10.3)%	21.2%	2.8%
Total Imports (base year 2006) .....	403,344	442,218	385,903	448,281	453,845
Growth in Imports (percentage change) .....	6.4%	9.6%	(12.7)%	16.2%	1.2%
*Current Account Balance .....	59,092	50,673	50,769	75,687	71,680
Stock Market Turnover .....	604,599	386,558	370,919	407,698	373,006

Sources: Singapore Department of Statistics, [www.singstat.gov.sg](http://www.singstat.gov.sg); Monetary Authority of Singapore, [www.mas.gov.sg](http://www.mas.gov.sg) (Monthly Statistical Bulletin); Ministry of Trade and Industry, [www.mti.gov.sg](http://www.mti.gov.sg) (Economic Survey of Singapore)

\* Current Account Balance for 2007 is based on base year 2000, while 2008, 2009, 2010 and 2011 are based on base year 2005.

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## **Annex D —**

### **Constitutional safeguards**

*The following is a general summary of the laws of Singapore relating to Temasek as a company specified in Part II of the Fifth Schedule to the Constitution. This summary is for general information only and does not purport to be a comprehensive description or exhaustive statement of applicable laws.*

The Constitution is the supreme law of Singapore. The Constitution provides that the President of Singapore (the “President”), who shall be elected by the citizens of Singapore in accordance with any law made by the Legislature of Singapore, shall be the Head of State. A constitutional framework relating to the safeguarding of reserves (namely, the excess of assets over liabilities) of the Government of Singapore, statutory boards specified in Part I of the Fifth Schedule to the Constitution (each, a “Statutory Board”) and Government companies specified in Part II of the Fifth Schedule to the Constitution (each a “Fifth Schedule Company”) is set out in the Constitution. The Constitution provides for the President to exercise certain powers over the appointment of directors and the chief executive officer, the budget and certain proposed transactions of a Fifth Schedule Company. Temasek, being a Fifth Schedule Company specified in Part II of the Fifth Schedule to the Constitution, is subject to such powers of the President and the constitutional safeguards relating to its Past Reserves (as defined herein).

#### **Appointment of Directors and Chief Executive Officer**

The appointment or removal of any person as a director of Temasek (“Director”) or CEO is not permitted unless the President, acting in his discretion and after consultation with the Council of Presidential Advisers (constituted under Part VA of the Constitution), concurs with such appointment or removal, and without such concurrence of the President, the appointment or removal is void and of no effect. In advising or making any recommendation to the President in relation to the appointment or revocation of appointment of a Director or CEO, the Council of Presidential Advisers is required to state whether its advice or recommendation is unanimous or the number of votes for and against it. In addition, the Council of Presidential Advisers is required to, as soon as practicable after advising as such or making any such recommendation, send a copy of such advice or recommendation to the Prime Minister and the Speaker of Parliament (who shall cause the copy to be presented to Parliament of Singapore (the “Parliament”) as soon as possible). If the President, contrary to the recommendation of the Council of Presidential Advisers, refuses to concur with an appointment or removal of any person as a Director or CEO, the Parliament may, by resolution passed by not less than two-thirds of the total number of the elected Members of Parliament, overrule the decision of the President. Upon the passing of such resolution, the President shall be deemed to have concurred with such appointment or removal on the date of passing of such resolution. The term of appointment of a Director may not exceed three years. At the expiry of the term of appointment, a Director is eligible for reappointment.

#### **Annual Budgets and Certain Proposed Transactions**

Before the commencement of each financial year of Temasek, the Board of Directors is required to present to the President for his approval its annual budget (as well as any supplementary budget) for that financial year, together with a declaration (the “Declaration”) by the chairman (the “Chairman”) of the Board of Directors and the CEO whether the annual budget (or, as the case may be, supplementary budget) when implemented, is likely to draw on the reserves which were not accumulated by Temasek during the current term of office of the Government (the “Past Reserves”). The President, acting in his discretion and after consultation with the Council of Presidential Advisers, may disapprove the annual budget or supplementary budget of Temasek if, in his opinion, the budget is likely to draw on the Past Reserves, except that if he approves any such budget notwithstanding his opinion that the budget is likely to so draw on those reserves, the President is under a duty to cause his opinion to be published in the Government Gazette.

If the President has not approved the annual budget by the first day of the financial year, Temasek:

- (a) shall, within three months of that first day, present to the President a revised budget for that financial year together with the Declaration described above; and
- (b) may, pending the decision of the President, incur expenditure not exceeding one-quarter of the amount provided in the approved budget of Temasek for the preceding financial year.

In addition, if the President does not approve the revised budget, Temasek may during that financial year incur a total expenditure not exceeding the amount provided in the approved budget of Temasek for the preceding financial year; and the budget for the preceding financial year shall have effect as the approved budget for that financial year.

Within six months after the close of a financial year, the Board of Directors is required to present to the President:

- (a) an audited profit and loss account showing the revenue collected and expenditure incurred by Temasek during that financial year, and an audited balance sheet showing the assets and liabilities of Temasek at the end of that financial year; and
- (b) a declaration by the Chairman and CEO whether the audited profit and loss account and balance sheet of Temasek show any drawing on the Past Reserves.

The Board of Directors and the CEO have a duty to inform the President of any proposed transaction of Temasek, which is likely to draw on the Past Reserves. Where the President has been so informed, the President, acting in his discretion and after consultation with the Council of Presidential Advisers, may disapprove the proposed transaction (other than a proposed transaction which the Prime Minister and the Minister responsible for defence, on the recommendations of the Permanent Secretary to the Ministry of Defence and the Chief of Defence Force, certify to be necessary for the defence and security of Singapore), except that if he does not disapprove any such proposed transaction even though he is of the opinion that such proposed transaction is likely to draw on the Past Reserves, the President is under a duty to cause his decision and opinion to be published in the Government Gazette.

### **Transfer of Past Reserves**

A proposed transfer or transfer by Temasek of any of its reserves to the Government, any Statutory Board or another Fifth Schedule Company shall not be taken into account in determining whether the Past Reserves are likely to be or have been drawn on if:

- (a) in the case of a proposed transfer or transfer of reserves by Temasek to the Government, the Minister responsible for finance undertakes in writing to add those reserves of Temasek to the reserves accumulated by the Government before its current term of office;
- (b) in the case of a proposed transfer or transfer of reserves by Temasek to a Statutory Board, that Statutory Board by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Statutory Board before the current term of office of the Government; or
- (c) in the case of a proposed transfer or transfer of reserves by Temasek to another Fifth Schedule Company, the board of directors of that Fifth Schedule Company by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Fifth Schedule Company before the current term of office of the Government.

Any reserves so transferred shall be deemed to form part of the reserves accumulated by the Government, the relevant Statutory Board or, as the case may be, the relevant Fifth Schedule Company before the current term of office of the Government, on the relevant date specified in the Constitution.

Similarly, a proposed transfer or transfer by the Government, any Statutory Board or another Fifth Schedule Company of any of its respective reserves to Temasek shall not be taken into account in determining whether the reserves accumulated by the Government, that Statutory Board or, as the case may be, that Fifth Schedule Company before the current term of office of the Government are likely to be or have been drawn on if the Board of Directors by resolution resolves that those reserves shall be added to the Past Reserves. Any reserves so transferred will be deemed to form part of the Past Reserves.

### **President's Access to Information**

In the exercise of his functions under the Constitution, the President shall be entitled, at his request, to any information concerning Temasek which is available to the Board of Directors ("Temasek Information"). The President may request the CEO or a Director to furnish any Temasek Information concerning the reserves of Temasek, and the CEO or Director concerned shall be under a duty to provide the information.

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**Temasek Financial (I) Limited US\$10.0 Billion Guaranteed Global Medium Term Note**