SP Group Treasury Pte. Ltd.

(UEN 201810357N)
(incorporated with limited liability under the laws of Singapore)

S$10,000,000,000
GLOBAL MEDIUM TERM NOTE PROGRAM

unconditionally and irrevocably guaranteed by

Singapore Power Limited

(UEN 199406577N)
(incorporated with limited liability under the laws of Singapore)

Under the Global Medium Term Note Program (the "Program") described in this Offering Circular, SP Group Treasury Pte. Ltd. (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "Notes") unconditionally and irrevocably guaranteed (the "Guarantee") by Singapore Power Limited ("SP" or the "Guarantor"). The aggregate nominal amount of Notes outstanding will not at any time exceed S$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 for 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 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 of such series will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX- ST is 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) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 15.

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 of any other jurisdiction, and the Notes may include Bearer Notes (as defined below) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code")). The Notes may only be offered and sold (i) to U.S. persons or persons in the United States who are both "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") and "qualified purchasers" ("QPs") as defined in the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the rules and regulations promulgated thereunder, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, 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"), not pre-arranged with a U.S. person. Any series of Notes may be subject to additional selling restrictions. The relevant Pricing Supplement in respect of such series of Notes will specify any such restrictions. See "Plan of Distribution" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions".

Notes of each series (as described in "Summary of the Program") to be issued in bearer form ("Bearer Notes" comprising a "Bearer Series") will initially be represented by interests in a temporary global Note or by 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 the relevant date of issue (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 Clearstream Banking, *S.A.* ("Clearstream") and Euroclear Bank S.A./N.V. ("Euroclear") 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, for interests in a Permanent Global Note (each a "Global Note") on or after the date 40 days after the relevant Issue Date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Individual definitive Bearer Notes ("Definitive Bearer Notes") will only be available in certain limited circumstances as described herein.

Notes of each series to be issued in registered form ("Registered Notes" comprising a "Registered Series") sold to non-U.S. persons in an "offshore transaction" in reliance on 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, and registered in the name of, CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, or a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"). 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 or Clearstream, or DTC. Notes of each Registered Series sold to QIBs that are also QPs in reliance on Rule 144A, as referred to in, and subject to the transfer restrictions described in, "Plan of Distribution" will initially be represented by interests in a global restricted Registered Note, without interest coupons (each a "Restricted Global Note" and together with any Regulation S Global Notes, 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 Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "Annex B — Global Clearance and Settlement". Individual definitive Registered Notes ("Definitive Registered Notes") will only be available in certain limited circumstances as described herein.

The Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's Investors Service, Inc. ("Moody's") and "AA+" by S&P Global Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"). The Program has been rated "(P)Aa1" by Moody's. Notes issued under the Program may be rated or unrated. Where an issue of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Guarantor or the Program. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

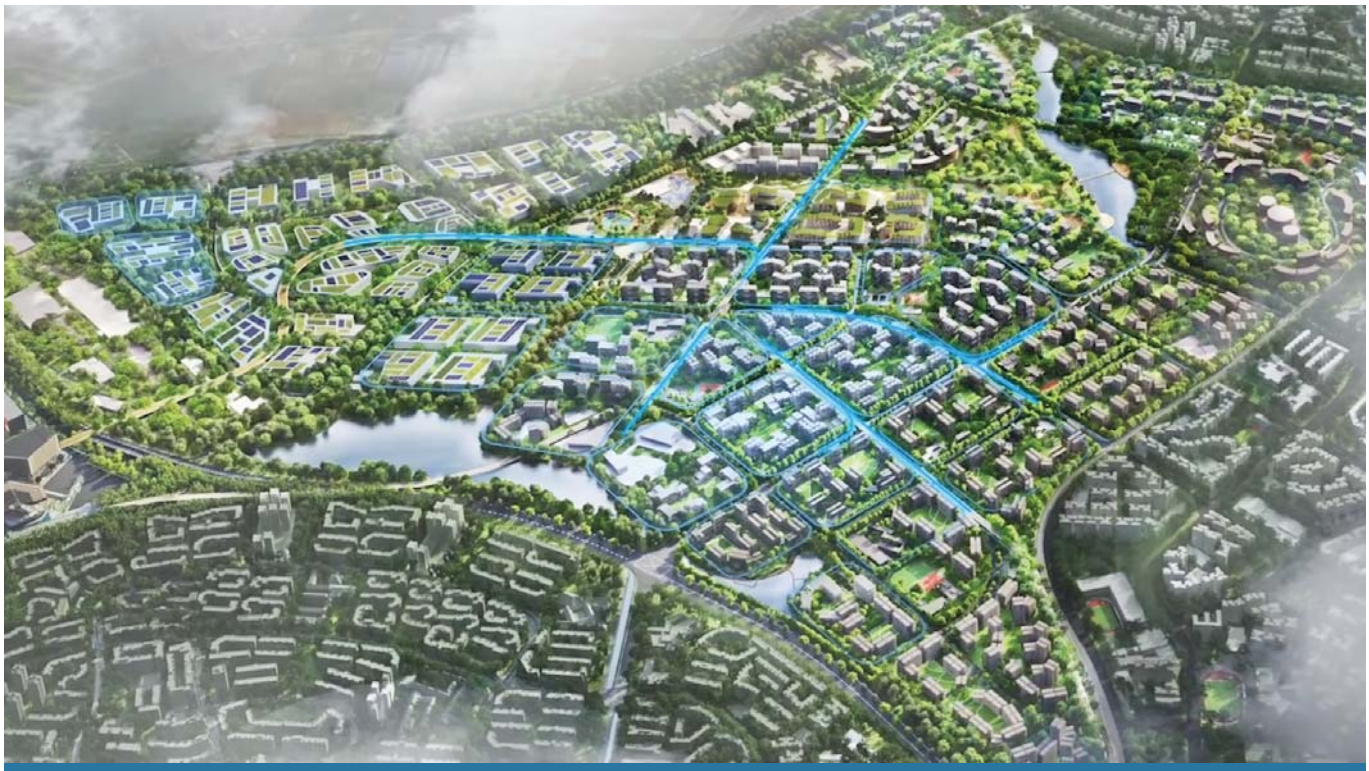
Arrangers

DBS Bank Ltd. Deutsche Bank Morgan Stanley Asia (Singapore) Pte.

Dealers

BNP PARIBAS Crédit Agricole CIB DBS Bank Ltd. Deutsche Bank HSBC
Mizuho Morgan Stanley OCBC Bank United Overseas Bank

The date of this Offering Circular is 15 September, 2022



Empowering the Future of Energy

Upholding Reliability and Efficiency as a Grid Operator

- Rigorous Checks Conducted to Ensure the Reliability of Electricity Supply

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In making an investment decision, investors must rely on their own examination of the Issuer, SP, 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 prospective purchaser (and each employee, representative or other agent of each prospective purchaser) 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 kind (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 prospective purchaser 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 any Arranger or Dealer or any person affiliated with any Arranger or 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 SP 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, SP, the Arrangers or the Dealers.

Certain information in this Offering Circular has been extracted from publicly available documents and information. None of such documents or publicly available information is incorporated by reference in this Offering Circular. Each of the Issuer and SP 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, whether or not included in this Offering Circular.

This Offering Circular is not a prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation").

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area and/or the United Kingdom or offered to the public in a Member State of the European Economic Area and/or the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination of such Notes shall be €100,000 (or its equivalent in any other currency as of the date of issue of the Notes).

No person has been authorized to give any information or to make any representation that is not contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, SP, or any of the Dealers or any of the Arrangers. 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, SP or SP 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, SP or SP 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 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, SP, 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 Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions". This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The Arrangers and the Dealers have not separately verified the information contained in (or incorporated into) this Offering Circular. To the fullest extent permitted by law, 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 (or incorporated into) this Offering Circular or for any statement, made or purported to be made, by any of the Arrangers or any of the Dealers or on the behalf in connection with the Issuer, SP or the issue and offering of the Notes. The Arrangers and the Dealers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, SP, 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. None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer, SP or SP Group during the life of the arrangements contemplated by this Offering Circular nor to advise investors of any information coming to the attention of any of the Arrangers or the Dealers.

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 applicable 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 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 without notice, but it must end no later than the earlier of 30 days after the Issue Date of the relevant series of Notes and 60 days after the date of the allotment of the relevant series of Notes. Any stabilization action or over allotment must be conducted by the relevant Stabilization Manager(s) or person(s) acting on behalf of any Stabilization Manager(s) in accordance with all applicable laws and rules.

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Bearer Notes, delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in the Internal Revenue Code).

The Notes may only be offered and sold (1) to U.S. persons or persons in the United States who are both QIBs and QPs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and each such purchaser (including any transferees) must be able to make, and will be deemed to have made, certain acknowledgments, representations, warranties and agreements as set forth in "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions", and/or (2) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S, not pre-arranged with a U.S. person. Neither the Issuer nor the Guarantor is or will be registered under the Investment Company Act in reliance on the exclusion provided by Section 3(c)(7) of 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. The relevant Pricing Supplement in respect of such series of Notes will specify any such restrictions. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "Plan of Distribution".

If Notes of a series are being offered or sold to U.S. persons or in the United States, potential investors are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and Section 3(c)(7) of the Investment Company Act. 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 that are also QPs 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 Global Notes and Transfer Restrictions" and the relevant Pricing Supplement.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense in the United States.

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 protections 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 any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA; or

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

NOTIFICATION UNDER SECTION 309B(1) OF THE SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Program shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

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

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET: The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS: If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor in the UK means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as

it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

For a description of other restrictions, see "Plan of Distribution" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions".

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference and is to be read and construed on the basis that such documents are so incorporated. The following documents shall be incorporated in, and form part of, this Offering Circular:

(a) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time, including each relevant Pricing Supplement;

(b) the most recently published audited consolidated annual financial statements, and any interim financial statements (whether audited or unaudited) published subsequent to such annual financial statements, of SP Group from time to time; and

(c) all documents issued by the Issuer and specified in a supplement or amendment to this Offering Circular as being incorporated by reference in this Offering Circular.

All documents incorporated by reference will be available, free of charge, from the offices of the Paying Agent (as defined herein) in Singapore.

AVAILABLE INFORMATION

Each of the Issuer and SP has agreed that, for so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any 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 for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

ENFORCEMENT OF CIVIL LIABILITIES

Each of the Issuer and SP is a company incorporated in Singapore. All of the Issuer's and SP's directors and executive officers (and certain of the parties named in this Offering Circular) reside outside the United States, and all or a substantial portion of the assets of the Issuer and SP and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or SP or such persons, or to enforce against the Issuer or SP or such persons outside of the United States courts judgments obtained in United States courts including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States.

Each of the Issuer and SP has, however, appointed CT Corporation System, 111 Eighth Avenue, New York, New York 10011 as its authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Notes (other than Notes expressed to be governed by the laws of Singapore) that may be instituted in any federal or state court in the City of New York or brought under U.S. federal or state securities laws. Furthermore, a judgment for money in an 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 Singapore dollars 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 Notes denominated in Singapore dollars would be required to render such judgment in Singapore dollars, and such judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Judgments of United States courts based upon the civil liability provisions of the federal securities laws of the United States 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 the federal securities laws of the United States.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuer's, SP's or SP Group's financial position, business strategy, plans and objectives of management for future operations relating to the Issuer's, SP's or SP Group's products and business, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer's, SP's or SP Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's, SP's or SP Group's present and future business strategies and the environment in which they will operate in the future. Among 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, changes in Government regulation and licensing of SP Group's business activities in Singapore, the condition of and changes in the local, regional or global economy, increased competition from alternative fuel sources and changes in technology affecting the electricity and gas transmission and distribution industry in Singapore and the ongoing global pandemic of the 2019 novel coronavirus and related coronavirus disease ("COVID-19"). Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry and Regulation" and "Business of SP Group". These forward-looking statements speak only as of the date of this Offering Circular. The Issuer and SP 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 SP with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Given the uncertainties of forward-looking statements, there can be no assurance that projected results or events will be achieved and investors are cautioned not to place undue reliance on such statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

SP Group maintains its financial books and records in Singapore dollars and in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All references in this Offering Circular to "IFRS" are to IFRS as issued by the IASB.

Due to the application of SFRS(I) 15 *Revenue from Contracts with Customers* and SRFS(I) 14 *Regulatory Deferral Accounts*, "revenue" in the income statement reflects only revenue recognized for financial reporting purposes (as described in Note 3.17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022). Regulatory deferral accounts ("RDA") debit or credit balances (representing timing differences between revenue recognized for financial reporting purposes and revenue earned for regulatory purposes) are presented as separate line items on the balance sheet and movements in those account balances are presented as separate line items in the income statement.

However, for the purposes of this Offering Circular:

- certain references (as indicated herein) to "revenue" in respect of SP Group for FY22, FY21 and FY20 respectively are to the aggregate of (i) the amount stated under the line item "revenue" in SP Group's income statement for the year ended March 31, 2020, March 31, 2021 or March 31, 2022 (as the case may be) and (ii) the amount stated as "net movement in RDA balances related to profit or loss" for FY20, FY21 or FY22 in each case as set out in Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022; and

- certain references (as indicated herein) to "revenue" in relation to a particular business segment or entity within SP Group for FY20, FY21 and FY22 are to the aggregate of the revenue recognized for financial reporting purposes and the net movement in RDA balances related to profit or loss which can be attributed to such business segment or entity.

Except as specified above, other references to "revenue" in this Offering Circular could refer to either or both of (i) revenue recognized for financial reporting purposes, and/or (ii) revenue as described above, as the context may require.

In addition, for simplicity, for purposes of this Offering Circular, unless otherwise specified, references to "net profit" in respect of SP Group for FY20, FY21 and FY22 are to the amounts stated under the line item "profit for the year and net movements in RDA balances, attributable to owner of the Company" in SP Group's income statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022.

In this Offering Circular, certain non-SFRS(I) financial measures and ratios are used, including "EBITDA", "EBITDA margin" and "Net Revenue", each with the meanings and as calculated as set forth in "Selected Financial and Other Data". These measures are presented because SP Group believes that they and similar measures are widely used in the markets in which SP Group operates as a means of evaluating a company's operating performance and financing structure. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under SFRS(I) or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in SP Group's historical financial statements prepared in accordance with SFRS(I) included in this Offering Circular.

Due to the one-off gain from the AusNet Divestment (as defined herein) which was recognised in the year ended March 31, 2022, the financial statements for the year ended March 31, 2022 may not be comparable to the financial statements of the two prior years in this regard. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — AusNet Divestment" for more information.

Investors should carefully consider all of the information in this Offering Circular before making an investment in the Notes. If in any doubt, investors should consult their own independent financial or other professional advisers. Each potential investor should determine for itself the relevance of the information contained in this Offering Circular, and its purchase of the Notes should be based upon such investigation as it deems necessary.

Unless otherwise specified or the context otherwise requires, in this Offering Circular references to "km" are to kilometers; references to "kWh", "GWh" and "MWh" are to kilowatt-hours, gigawatt-hours and megawatt-hours, respectively; references to "kVA" are to kilovolt-amperes; references to "kW" and "MW" are to kilowatts and megawatts, respectively; references to "U.S.$" or "U.S. dollars" are to the lawful currency of the United States of America; references to "Singapore" are to the Republic of Singapore; references to "S$" or "Singapore dollars" are to the lawful currency of the Republic of Singapore; references to "A$" or "Australian dollars" are to the lawful currency of Australia; references to "£" or "sterling" are to pounds sterling, the lawful currency of the United Kingdom; references to "JPY" or "Japanese Yen" are to the lawful currency of Japan; and references to the "Government" are to the Government of the Republic of Singapore.

For the avoidance of doubt, (i) the information on use of system charges charged by SPPA in this Offering Circular includes the portion attributable to the Tunnels owned under the SPCIT Trust (each as defined herein), and (ii) for the purpose of business segment information, the financial information relating to the "Others" segment in this Offering Circular includes inter-segment elimination.

For the convenience of the reader, this Offering Circular contains translations of some Singapore dollar amounts into U.S. dollars as of and for the period ended March 31, 2022 based on the exchange rate of S$1.3539 per U.S.$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 31, 2022. 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 websites referred to in this Offering Circular are intended as guides as to where public information relating to, amongst other things, the electricity, gas and district cooling industries in Singapore, SP Group's investee companies and the SP Group Green Financing Framework (as defined herein) may be obtained. Information appearing in such websites is not incorporated by reference in this Offering Circular and does not form part of this Offering Circular. Such information is included for general information only. None of the Issuer, SP, the Arrangers, the Dealers or any of their respective affiliates or advisors nor any other party has conducted an independent review of the information from such websites or verified the accuracy of the contents of such websites and none of the Issuer, SP, the Arrangers, the Dealers or any of their respective affiliates or advisors nor any other party makes any representation, express or implied, or accepts any responsibility whatsoever that any such information on such websites is accurate, complete and/or up-to-date.

See "Annex A — Glossary" for a description of certain technical terms commonly used in relation to SP Group's business.

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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 "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry and Regulation" and "Business of SP Group".

Unless the context otherwise requires, in this Offering Circular, references to "the Company" and "the Issuer" refer to SP Group Treasury Pte. Ltd.; references to "SP" and "the Guarantor" refer to Singapore Power Limited; references to the "SP Group" refer to SP and its subsidiaries, taken as a whole; references to "SPPA" or "SP PowerAssets" refer to SP PowerAssets Limited, the company in SP Group which engages in the Electricity Authorized Business; references to "PowerGas" refer to PowerGas Limited, the company in SP Group which engages in the Gas T&D Business; references to "SP PowerGrid", "SPPG" or "the Manager" refer to SP PowerGrid Limited, the management company in SP Group that manages the Electricity T&D Business (on behalf of the Electricity T&D Group) and the Gas T&D Business (on behalf of PowerGas); references to "SP Services" refer to SP Services Limited, the company in SP Group which engages in the Market Support Services Business, and references to "SDC" refer to Singapore District Cooling Pte Ltd, the company in SP Group which engages in the District Cooling Services Business. In addition, references to "Electricity T&D Group" refer to SPPA (in its own capacity as well as in its capacity as the Trustee-Manager (as defined herein)).

Due to the one-off gain from the AusNet Divestment (as defined herein) which was recognized in the year ended March 31, 2022, the financial statements for the year ended March 31, 2022 may not be comparable to the financial statements of the two prior years in this regard. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — AusNet Divestment" for more information.

Overview

SP Group is a leading energy utility company in Asia Pacific, with total assets and RDA debit balances of S$23.0 billion as of March 31, 2022 and S$2.0 billion of net profit for the financial year ended March 31, 2022.

SP Group owns and operates electricity and gas transmission and distribution businesses and a market-support services business in Singapore, and holds a 40% interest in SGSP (Australia) Assets Pty Ltd ("SGSPAA"), an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. SP Group also owns and operates one of the world's largest underground district cooling network that is located in Singapore. SP Group is also deploying sustainable energy solutions regionally, including but not limited to energy efficiency projects such as district cooling and heating operations in China, renewable projects such as solar energy generation projects in China and Vietnam, and provision of Energy as a Service ("EaaS") via a host of energy solutions to enable different customer segments to achieve their sustainability objectives. As of March 31, 2022, SP Group's Electricity T&D Business, Gas T&D Business and Market Support Services Business serve more than 1.69 million industrial, commercial and residential customers in Singapore. SP Group's electricity and gas transmission and distribution networks are amongst the most reliable and cost-effective worldwide.

SP Group's core business comprises the following segments:

- **Transmission and distribution business in Singapore**

  SP Group's transmission and distribution business in Singapore is substantially driven by the Electricity T&D Business and also includes the Gas T&D Business. SPPA, a wholly-owned subsidiary of SP, is the sole Transmission Licensee in Singapore, and owns and maintains the electricity transmission and distribution network that delivers power to substantially all electricity consumers in Singapore. PowerGas, a wholly-owned subsidiary of SP, is the sole Gas Transporter Licensee and gas system operator in Singapore, and owns, operates and maintains the gas transmission and distribution network that delivers both natural gas and town gas to substantially all gas end users in Singapore.

Net profit for the year from this segment accounted for 74%, 67% and 30% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 64% of SP Group's total net profit for the year ended March 31, 2022.[1] Total assets and RDA debit balances of this segment accounted for 70%, 70% and 63% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Investments in Australia**

  SP Group holds an interest in SGSPAA, an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. As of June 30, 2022, SP Group owns a 40% interest in SGSPAA**.** SP Group previously owned an interest in AusNet Services Limited ("AusNet Services"), a company engaged in the transmission and distribution of electricity and gas in Australia, which was listed on the Australian Securities Exchange ("ASX"). SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022 (the "AusNet Divestment"), and AusNet Services has since been delisted from the ASX.

  SP Group seeks to create and optimize risk-adjusted returns of its investments over the long term. SP Group aims to add value to its investee companies through board representations, exercising governance and oversight at the board level and providing inputs on the strategic direction of its investee companies.

  SP Group's net profit for the year from its investments in Australia accounted for 15%, 18% and 8% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 18% of SP Group's total net profit for the year ended March 31, 2022.[2] Total assets and RDA debit balances of this segment accounted for 11%, 14% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Market Support Services Business**

  SP Services, a wholly-owned subsidiary of SP, is the only MSSL in Singapore. SP Services also facilitates competition in the retail electricity market by enabling consumers to switch seamlessly between buying electricity from Retail Licensees and at wholesale market prices, and by acting as a Retailer of Last Resort. SP Services also acts as a billing agent to certain Retail Licensees and other utility principals. These principals include PUB, City Energy and various refuse vendors, to whom SP Services provides billing, meter reading (where applicable) and other customer services for gas, water and refuse utilities.

  SP Group's net profit for the year from this segment accounted for 9%, 11% and 5% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 11% of SP Group's total net profit for the year

[1] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.
[2] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

ended March 31, 2022.[3] Total assets and RDA debit balances of this segment accounted for 6%, 7% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Others**

  The "Others" segment comprises certain other activities, including (without limitation) investment holding services and the businesses described below. The financial impact of the AusNet Divestment was reflected in the "Others" business segment (as resulting from the activity of investment holding services).

  Sustainable Energy Solutions

  SP Group aims to capture new opportunities across the energy value chain, with a vision to empower utilities and its customers to accelerate towards their efficiency and sustainability goals by providing comprehensive sustainable energy solutions which mainly comprises three key categories, namely: 1) energy efficiency projects such as district cooling and heating, microgrids and energy storage, 2) renewable energy including but not limited to solar and wind energy, and 3) EaaS where SP will leverage on its deep engineering capabilities and strong in-house capabilities to design and develop solutions for its customers such as renewable energy certificates, carbon credits and grid monitoring solutions, integrated energy solutions, smart energy network and other power grid applications.

  Notable projects include providing the Singapore Institute of Technology with a multi-energy urban microgrid at the university's upcoming Punggol campus as well as SP Group's partnership with Sembcorp Marine to install renewable energy and energy storage systems. In addition, SP Group is working with the Housing Development Board of Singapore ("HDB") to develop a smart energy town at HDB Tengah housing estate. This will entail the provision of energy efficient cooling services to the Tengah residents and is Singapore's first residential cooling project. SP Group also aims to deploy its district cooling solutions to the commercial and industrial sectors and has been appointed in April 2022 to retrofit seven buildings in Tampines town centre with an interconnected, sustainable cooling solution designed in-house. SP Group, via a 70:30 joint venture with Daikin Singapore (with SP Group holding a shareholding interest of 70.0% and Daikin Singapore holding a shareholding interest of 30.0% respectively), will also design, build, own and operate Singapore's largest industrial district cooling system in STMicroelectronics' plant Ang Mo Kio TechnoPark.

  SP Group also aims to address a critical gap in the adoption of electric vehicles by owning and operating Singapore's largest and fastest charging network. To expand this network, SP Group has entered into collaborations and partnerships with landlords, transportation companies such as taxi and car leasing companies, as well as petrol kiosks to deploy charging stations in different locations in Singapore.

  SDC, a wholly-owned subsidiary of SP, currently provides district cooling services to buildings in Singapore. In addition to providing district cooling services to developments within the service area designated by the District Cooling (Declaration of Service Area) Notification 2006 under the District Cooling Act, SDC also engages in the production and supply of chilled water for air-conditioning purposes to developments outside of the service area through its existing network. SDC is also able to provide consultancy services on the design, implementation and operation of chiller and heating/ventilation/air conditioning ("HVAC") systems globally as part of its "allowed" activities under the District Cooling Services Licence.

  Beyond Singapore, SP Group also provides sustainable energy solutions in China and Vietnam, including, but not limited to, renewable energy generation and district heating and cooling services.

[3] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Real Estate

In support of Singapore's national agenda to optimize land use, SP Group has embarked on the optimization of land use through the development of an underground transmission substation and building of commercial property above the underground substation. This real estate development project which comprises SPPA's underground transmission substation and operational support center, and a commercial office tower with ancillary retail space, is located along Pasir Panjang Road in Singapore. It is planned for completion by 2025.

Digital

SP Digital Pte. Ltd. ("SP Digital"), a wholly-owned subsidiary of SP, was incorporated to spearhead and drive SP Group's digital transformation and pursuit of new digital opportunities. With its mission of powering sustainability with energy technology, SP Digital aims to leverage on its strong in-house digital capabilities to support SP Group's regulated businesses as well as its unregulated businesses by equipping consumers and businesses with timely data to trigger change in behavior and using technology to enable sustainable actions and to make sustainability economical by reducing costs and consumption.

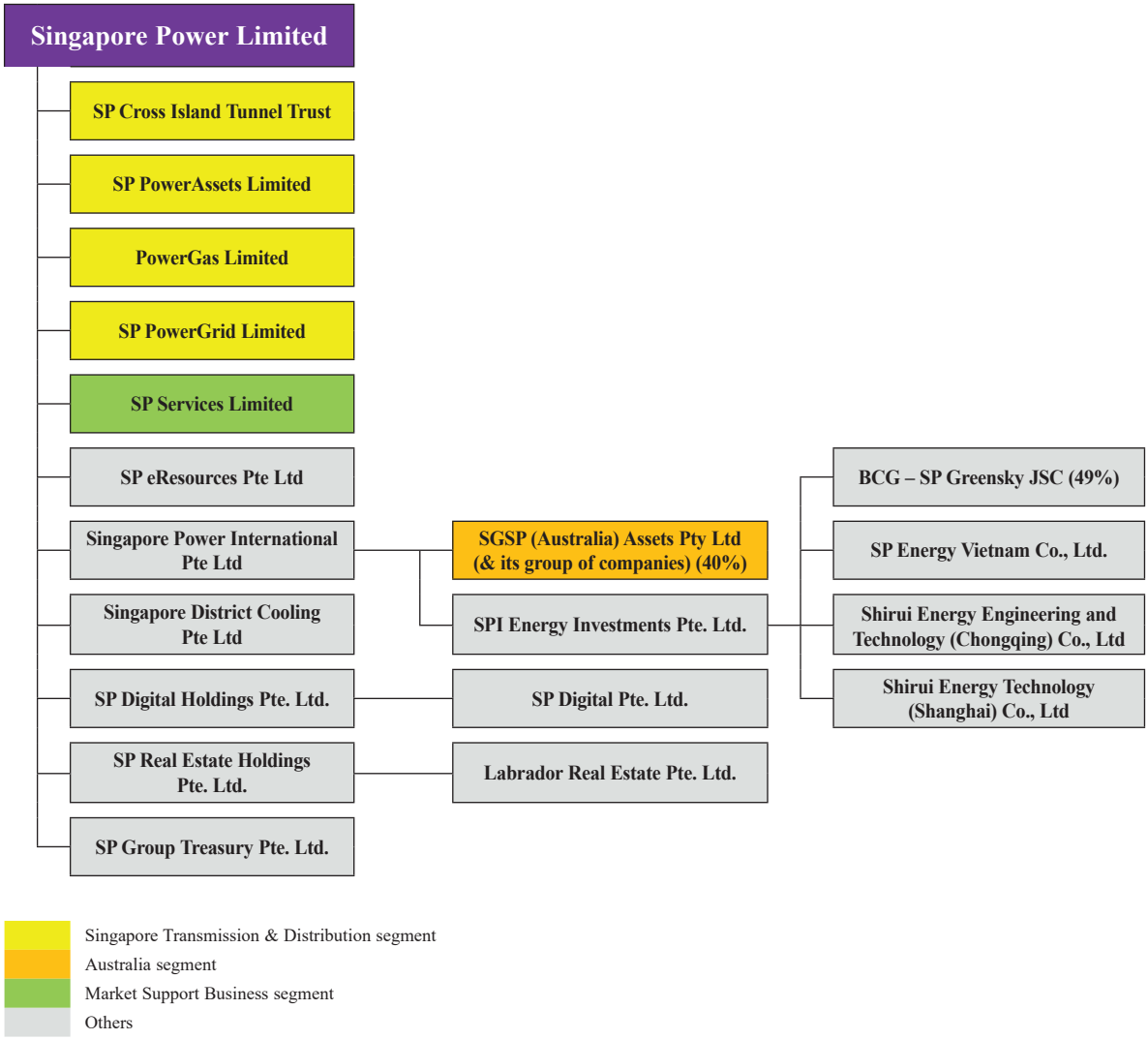
SP Group's net profit for the year from the "Others" segment accounted for 2%, 4% and 56% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, net profit for the year from this segment would have accounted for 7% of SP Group's total net profit for the year ended March 31, 2022.[4] Total assets and RDA debit balances of this segment accounted for 13%, 9% and 24% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

The Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's and "AA+" by S&P. The Program has been rated "(P)Aa1" by Moody's.

SP is wholly-owned by Temasek Holdings (Private) Limited ("Temasek"), an investment company headquartered in Singapore with a diversified investment portfolio.

[4] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

The following diagram sets out an overview of the corporate structure of SP Group, showing the key subsidiaries and associates as of June 30, 2022:



Business Strengths

SP Group believes that the following are its key business strengths that should establish a solid platform for SP Group to execute its business strategy:

- stable and predictable cash flows from the Electricity T&D Business and the Gas T&D Business and related services in Singapore;
- regulatory regime with incentives for efficiency gains;
- sole electricity and gas transmission and distribution licensees in Singapore;
- reliable networks, facilities and technical performance;
- an experienced management team;
- international experience with proven track records;
- robust credit and financial profile; and
- robust equipment, facilities and technologies used.

Strategy

SP Group's principal strategic objectives are to sustain earnings, to continue the improvement in its operational efficiencies and to be a leading sustainable energy solutions provider in Asia Pacific. Building on its business strengths, SP Group has developed the following principal plans and strategies to achieve these objectives:

- proactive regulatory management of the Electricity T&D Business and the Gas T&D Business to encourage the adoption of practical policies and an economically robust regulatory framework;
- pursue operational efficiencies in the use of its regulated asset base;
- maintain high network reliability and quality service;
- minimize financial risk through prudent financial management;
- embrace new technologies and innovations to stay ahead of potential technological disruptions to the industries in which SP Group operates and forge partnerships with complementary industry players; and
- leverage capabilities and experience in key roles as a grid operator and sustainable energy solutions provider to explore regional opportunities in core and adjacent business areas.

The Issuer was incorporated with limited liability under the laws of Singapore on March 27, 2018 and was assigned company registration number 201810357N. SP was incorporated with limited liability under the laws of Singapore on September 15, 1994 and was assigned company registration number 199406577N. The registered offices of the Issuer and SP are located at 2 Kallang Sector, Singapore 349277, +65 6916 8888.

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 the relevant Pricing Supplement. This summary is derived from and should be read in conjunction with the Indenture and, as the case may be, the Supplemental Trust Deed relating to the Notes. The terms and conditions of the Indenture and, as the case may be, the Supplemental Trust Deed prevail to the extent of any inconsistency with the terms set out in this summary. Words and expressions used in this Summary of the Program and not otherwise defined shall have the meanings ascribed to such words and expressions appearing elsewhere in this Offering Circular.

Issuer	SP Group Treasury Pte. Ltd.
Guarantor	Singapore Power Limited
Description	Global Medium Term Note Program
Arrangers	DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Morgan Stanley Asia (Singapore) Pte.
Dealers	BNP Paribas, Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, Mizuho Securities USA LLC, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited, The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited. The Issuer may issue Notes to persons other than Dealers and may terminate the appointment of any Dealer or appoint further Dealers for a particular series of Notes or for the Program.
Trustee and Exchange Agent	The Bank of New York Mellon
Issuing and Paying Agent (DTC)	The Bank of New York Mellon
Issuing and Paying Agent (Euroclear/Clearstream)	The Bank of New York Mellon, London Branch
Issuing and Paying Agent (CDP)	The Bank of New York Mellon, Singapore Branch
Note Registrar and Transfer Agent (DTC)	The Bank of New York Mellon
Note Registrar and Transfer Agent (Euroclear/Clearstream)	The Bank of New York Mellon SA/NV, Luxembourg Branch
Size	The maximum aggregate principal amount (or, in the case of Notes issued at a discount from the principal amount or Indexed Notes, the aggregate initial offering price, or in the case of Notes that may be paid in two or more installments, the aggregate initial offering price) of Notes outstanding at any time shall be S$10,000,000,000 (or the equivalent amount in another currency calculated on the date the Issuer agreed to issue the relevant Notes or in accordance with the applicable Pricing Supplement), which amount may be increased pursuant to the Program Agreement.

Distributions.....	The Notes are being offered on a continuous basis by the Issuer through the Dealers. The Issuer may also 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	Singapore 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 applicable 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 "Plan of Distribution".
Series.....	Notes will be issued in series, with all Notes in a series having the same maturity date and terms otherwise identical (except in relation to issue dates, interest commencement dates, issue prices and related matters). The Notes of each series will be interchangeable with all other Notes of that series.
Maturities	Unless otherwise specified in the applicable Pricing Supplement, each Note will mature on a date three months or more from its date of original issuance, 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.
Amortization	If specified in the applicable Pricing Supplement, the Notes will be redeemed in the Amortization Amounts and on the Amortization Dates set forth in the applicable Pricing Supplement.
Issue Price	Notes may be issued at an issue price which is at par or at a discount to, or at a premium over, par, and on a fully-paid or partly-paid basis.
Forms of the Notes	Notes may be issued in bearer or in registered form, as specified in the applicable Pricing Supplement. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes. Each series of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will 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, upon request as described therein, for interests in either a Permanent Global Note or Definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) upon certification of

	non-U.S. beneficial ownership as required by United States Treasury regulations ("U.S. Treasury Regulations"). A Permanent Global Note will be exchangeable, unless otherwise specified in the applicable Pricing Supplement, only in the limited circumstances described therein, in whole but not in part for Definitive Bearer Notes upon written notice to the Trustee. 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 Regulation §1.163-5(c)(2)(i)(D) or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code ("TEFRA D") unless otherwise stated in the relevant Pricing Supplement. Bearer Notes that are issued in compliance with rules in substantially the same form as TEFRA D must initially be represented by a Temporary Global Note. Each series of Registered Notes that are sold outside the United States to non-U.S. persons in reliance on Regulation S will, unless otherwise specified in the applicable 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 Clearstream, Euroclear, CDP or DTC for the accounts of Euroclear and Clearstream. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances more fully described herein. Any series of Registered Notes sold in private transactions to QIBs that are also QPs and subject to the transfer restrictions described in "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions" will, unless otherwise specified in the applicable Pricing Supplement, be represented by a 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 Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in the Indenture, to receive physical delivery of Definitive Registered Notes.The Notes have been accepted for clearing and settlement through the facilities of DTC and/or Euroclear and Clearstream, as appropriate. In addition, application may be made to have the Notes of any series accepted for clearing and settlement through CDP. See "Annex B — Global Clearance and Settlement".
Interest Rates.....	Interest bearing Notes may be issued either as Fixed Rate Notes, Floating Rate Notes or Variable 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, EURIBOR, LIBOR, SIBOR, the Swap Rate, the Treasury Rate, the CMT Rate or another interest rate basis, each as adjusted by the Spread and/or Spread Multiplier, if any, as set forth in the applicable Pricing Supplement. Any Floating Rate Note may also have a maximum and/or minimum interest rate limitation. See "Description of the Notes".
Withholding Tax.....	All payments in respect of the Notes and payments under the Guarantee denominated in currencies other than Singapore dollars will be payable by the Issuer and the Guarantor without withholding or deductions for, or on account of, taxes, except as otherwise required by law. If the Issuer or the Guarantor is required by Singapore or any other relevant taxing jurisdiction to deduct or withhold any such taxes, the Issuer or the Guarantor (as applicable) will, subject to certain exceptions, be required to pay such additional amounts as necessary to enable holders of Notes denominated in currencies other than Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. The Issuer and the Guarantor are not required to pay such additional amounts to holders of Singapore dollar denominated Notes. See "Description of the Notes — Payments of Additional Amounts". In making an investment decision, investors are strongly recommended to consult their own professional advisors in respect of the tax implications of holding Notes. See "Certain Tax Considerations".
Denominations.....	Notes will be issued in the denominations indicated in the applicable 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 sold pursuant to Rule 144A shall be issued in denominations of U.S.$250,000 (or its equivalent in any other currency) and higher integral multiples of U.S.$1,000 (or its equivalent as aforesaid) or the higher denomination or denominations specified in the applicable Pricing Supplement. Notes which are admitted to trading on a regulated market within the European Economic Area and/or the United Kingdom or offered to the public in a Member State of the European Economic Area and/or the United Kingdom in circumstances which would require the publication of a prospectus under the Prospectus Regulation, shall be issued in a minimum denomination of €100,000 (or its equivalent in any other currency as of the date of issue of the Notes). Notes denominated in Singapore dollars will have a minimum denomination of S$200,000. Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which either (a) the issue proceeds are to be accepted by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from

	an establishment maintained by the Issuer in the United Kingdom will: (i) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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; or (ii) be issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA.
Negative Pledge	For so long as any series of Notes is outstanding, the Issuer, the Guarantor and its Principal Subsidiaries (as defined in "Description of the Notes — Negative Pledge") are not allowed, save in limited circumstances, to create or permit to exist any liens on its properties or assets to secure certain types of indebtedness, as described in "Description of the Notes — Negative Pledge".
Change in Obligor.....	Each of the Issuer and the Guarantor is permitted to consolidate with or merge or amalgamate into, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of its assets to, or declare itself a trustee of all or substantially all of its assets for, any Person, so long as the conditions set forth in "Description of the Notes — Consolidation, Merger and Sale of Assets" are satisfied. The approval from the Noteholders is not required if the Issuer or the Guarantor (as the case may be) satisfies such conditions.
Cross Default	The terms of the Notes will contain cross-default provision to other indebtedness of the Issuer, the Guarantor and its Principal Subsidiaries.
Events of Default	The events of default applicable to the Notes are set out in "Description of the Notes — Events of Default".
Redemption	Unless previously redeemed or purchased and called 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 denominated in currencies other than Singapore dollars may also be redeemed at the option of the Issuer for certain taxation reasons set forth in "Description of the Notes — Optional Tax Redemption". With the exception of Variable Rate Notes that are governed by Singapore law, any Notes 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 Price 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 (as defined in "Description of the Notes — Optional Redemption") 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. With respect to Variable Rate Notes that are governed by Singapore law, unless otherwise provided in the Pricing Supplement, the Issuer shall have the option to purchase all or any of the Variable Rate Notes at their Redemption Price on any date on which interest is due to be paid on such Notes and the Holders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Holders of such Notes within the Issuer's Purchase Option Period specified in the Pricing Supplement. With respect to Notes of any series initially offered and sold in reliance on Rule 144A, if any U.S. person or any person located in the United States that is not both a QIB and a QP becomes the beneficial owner of any Notes, (each, a "Non-Permitted Holder"), the Issuer shall, promptly after discovery of any such Non-Permitted Holder, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer such Notes to a non-U.S. person in compliance with Regulation S within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer such Notes, the Issuer may, at its option, sell such Notes on behalf of such Non-Permitted Holder, or redeem such Notes at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the redemption date. See "Description of the Notes – Notes Beneficially Owned by Non-Permitted Holders".
Status of the Notes.....	The Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer which will rank *pari passu* among themselves, and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations preferred by statute or 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 SGX-ST for the listing of a particular series of Notes 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 minimum board lot size of at least S$200,000 (or its equivalent in other currencies).

	In relation to the Notes that are listed on the SGX-ST, the Issuer is required by the listing manual of the SGX-ST to immediately disclose to the SGX-ST via SGXNET any information which may have a material effect on the price or value of the Notes or on an investor's decision whether to trade in such Notes. 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	As specified in the applicable Pricing Supplement, Notes will be governed by, and construed in accordance with, either the laws of the State of New York or the laws of Singapore. The Indenture will be governed by the laws of the State of New York (to the extent to which it relates to Notes governed by the laws of the State of New York) and the Supplemental Trust Deed will be governed by the laws of Singapore (to the extent to which it relates to Notes governed by the laws of Singapore).
Submission to Jurisdiction.....	The Issuer and the Guarantor have submitted to the non-exclusive jurisdiction of any New York State or 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.
Selling Restrictions.....	The offer and sale of Notes and the delivery of this Offering Circular is restricted in certain jurisdictions. See "Plan of Distribution", "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions" and any additional selling and transfer restrictions set out in the applicable Pricing Supplement. Bearer Notes will be issued in compliance with TEFRA D unless (i) the relevant Pricing Supplement states that Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the Internal Revenue Code ("TEFRA C") or (ii) Bearer Notes are issued other than in compliance with TEFRA D or TEFRA C but only in circumstances in which the Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") is not applicable.
Ratings	The Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's and "AA+" by S&P. The Program has been rated "(P)Aa1" by Moody's. Whether or not a rating in relation to any issue of Notes (to the extent any such Notes will be rated) has been issued by a credit rating agency will be disclosed in the relevant Pricing Supplement.

Notes issued under the Program may be rated or unrated. Where an issue of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Guarantor or the Program. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

RISK FACTORS

An investment in the Notes involves a degree of risk. Investors should carefully consider all of the information in this Offering Circular, including the risks and uncertainties described below and on page 176 (See "Business of SP Group — Risk Management"), before making an investment in the Notes. The business, financial condition or results of operations of the Issuer, SP and SP Group could be adversely affected by any of these risks. In any such case, these risks could cause investors to lose all or part of their investment.

RISKS RELATED TO SP GROUP'S TRANSMISSION AND DISTRIBUTION BUSINESS IN SINGAPORE AND THE MARKET SUPPORT SERVICES BUSINESS

SP Group operates in a highly regulated environment, which may limit its ability to conduct its transmission and distribution business in Singapore and its Market Support Services Business as it desires

SP Group's transmission and distribution business in Singapore as well as its Market Support Services Business are subject to extensive regulation by an independent regulatory body, the EMA. SP Group is dependent on the retention of the Transmission Licence by SPPA and the Transmission Agent License by SPPG for the conduct of the Electricity Authorized Business, the Gas Transporter Licence by PowerGas and the Gas Transport Agent License by SPPG for the conduct of the Gas T&D Business, and the Market Support Services Licence by SP Services for the conduct of the Market Support Services Business. There can be no assurance that the EMA will not fundamentally alter SP Group's business environment or affect its business in the future. For example, the EMA has the power to:

- authorize a competing Transmission Licensee to operate other electricity transmission and distribution facilities in Singapore, a competing Gas Transporter Licensee to operate other gas transmission and distribution facilities in Singapore, or a competing MSSL to provide other market support services in Singapore;

- permit certain classes of consumers to bypass SPPA's electricity transmission and distribution network and obtain electricity supplies through direct connections to electricity generation plants or permit certain classes of market participants to take over certain roles of market support services; and

- make changes to the regulatory framework for the energy industry or the code of practices for licensees from time to time.

Should any of these actions be implemented, SP Group's revenues could be reduced and its business and results of operations could be adversely affected. Such actions could also adversely affect SP Group's network, system or manpower utilization rates and result in SP Group possessing overbuilt or underutilized network assets, systems, capacity or manpower.

Electricity consumers are permitted under the present regulatory regime to self-generate electricity for their own needs. Such self-generated electricity, known as "distributed generation" or "renewable generation" (such as solar energy), is not transported through SPPA's transmission and distribution network and does not generate use of system charges for SPPA, other than certain fixed and variable charges related to such consumers remaining connected to SPPA's transmission and distribution network for back-up electricity purposes.

Should sufficiently large numbers of SPPA's present consumers self-generate electricity for their own needs or should sufficiently large numbers of SPPA's consumers bypass its transmission and distribution network by connecting directly to electricity generation plants, there can be no assurance that such distributed generation or network bypass will not deprive SPPA of significant transmission revenues or have a material adverse effect on SP Group's business operations and financial performance.

In addition, failure to comply with all relevant laws and regulations governing SPPA, SPPG or the Electricity Authorized Business, PowerGas, SPPG or the Gas T&D Business, or SP Services or the Market Support Services Business, may result in severe financial penalties, administrative proceedings, or legal proceedings against SPPA, PowerGas, SPPG or SP Services including the revocation or suspension of the Transmission Licence, or Transmission Agent Licence pursuant to the Electricity Act, the Gas Transporter Licence, or Gas Transport Agent Licence pursuant to the Gas Act, or the Market Support Services Licence pursuant to the Electricity Act.

Each of the Electricity Act and the Gas Act provides for a range of penal sanctions which may be imposed against SPPA, PowerGas, SPPG or SP Services (as the case may be) if they fail to comply with all of the duties and obligations imposed on them under the applicable legislation. These sanctions include EMA requiring SPPA, PowerGas, SPPG or SP Services (as the case may be) to (i) provide security on such terms and conditions as the EMA may determine, and (ii) pay financial penalties (of up to the higher of 10.0% of the annual turnover of the Electricity Authorized Business, the Gas T&D Business or the Market Support Services Business (as the case may be), or S$1 million). The Transmission Licence and the Gas Transporter Licence, which otherwise may be terminated by the EMA upon 25 years' notice, and the Transmission Agent Licence and Gas Transport Agent Licence whose terms are tied to the above two licences respectively, and the Market Support Services Licence, which otherwise may be terminated by the EMA upon 10 years' notice, may be revoked earlier in certain circumstances in accordance with the Electricity Act or the Gas Act (as the case may be). For example, the EMA may revoke or suspend the Transmission Licence and Transmission Agent Licence under the Electricity Act, the Gas Transporter Licence and Gas Transport Agent Licence under the Gas Act or the Market Support Services Licence under the Electricity Act if SPPA, PowerGas, SPPG or SP Services (as the case may be) contravenes or fails to comply with any direction issued by the EMA under the Electricity Act or the Gas Act (as the case may be) or the EMA believes that such revocation or suspension is in the public interest or security of Singapore. The revocation or suspension of the Transmission Licence, the Gas Transporter Licence, the Transmission Agent Licence, the Gas Transport Agent Licence or the Market Support Services Licence may also constitute an event of default under various material agreements (including agreements with SP Group's customers), resulting in a right of termination arising under such agreements, which may have a material adverse effect on SP Group's business, revenues or results of operations.

Under each of the Electricity Act and the Gas Act, the Minister for Trade and Industry (the "Minister") and the EMA may in certain situations issue orders or directions to, or impose requirements on, SPPA, PowerGas, SPPG or SP Services (as the case may be) which they have to comply with. This may require SPPA, PowerGas, SPPG and/or SP Services to incur costs, which may impact SP Group's financial performance. Under each of the Electricity Act and the Gas Act, the Minister may also make a special administration order in relation to SPPA, PowerGas, SPPG or SP Services (as the case may be), whereby the EMA may directly or indirectly manage all or any of the affairs, business and property of SPPA, PowerGas, SPPG or SP Services (as the case may be). In such event, each of the Transmission Licence, the Gas Transporter Licence, the Transmission Agent Licence, the Gas Transport Agent Licence and the Market Support Services Licence requires SPPA, PowerGas, SPPG or SP Services (as the case may be) to allow the EMA such access to or control of their property as required to enable the EMA to meet its obligations under the special administration order.

The EMA may from time to time conduct consultations on matters which could result in regulatory changes that may affect SP Group's business, revenues and results of operations. No assurance can be given that any regulatory changes (if and when they come into effect) will not have a material adverse effect on SP Group's business, revenues or results of operations.

SP Group's business performance may be impacted by the regulator's revenue and price control determination and changes to the regulatory framework in which SP Group operates

A significant portion of SP Group's revenues is primarily derived from network charges for transmitting and distributing electricity across SPPA's electricity transmission and distribution network, and for transmitting and distributing gas across PowerGas' gas transmission and distribution networks, as well as from charges for the provision of market support services. These charges for use of the relevant networks and for the provision of market support services are subject to revenue and price controls established by the EMA in consultation with SP Group.

The revenue and price controls for the Electricity T&D Business, the Gas T&D Business and the Market Support Services Business are applicable for each regulatory period (which is currently set at five years) and are based on the weighted average cost of capital and the projected operating and capital expenditures in respect of the Electricity T&D Business, the Gas T&D Business and the Market Support Services Business during the current regulatory period. The current regulatory period for the Electricity T&D Business and the Gas T&D Business will end on March 31, 2025 while the current regulatory period for the Market Support Services Business will end on March 31, 2023. SP Group's ability to generate revenue from use of its electricity and gas transmission and distribution networks and the provision of market support services is governed by and subject to EMA's determination of these revenue and price controls, which have significant impact on SP Group's financial performance. See "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business — Tariff Regulatory Framework for the Electricity T&D Business", "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business" and "Business of SP Group — Market Support Services Business — Market Support Services Business Framework — Regulated Business".

If SP Group's actual operating and capital expenditures exceed the level projected in the setting of the regulatory price cap or its price controls are set too low, it may in certain instances be able to seek reimbursement or adjustment to such projected level (through a tariff adjustment) of all or a portion of such excess expenditure only if such expenditure is determined to be necessary, prudently incurred and to fall within the definition of exogenous cost (as defined in the relevant licence conditions) or the provisions of the regulatory framework. SP Group's financial performance in the current regulatory period would be adversely affected if it is not able to seek reimbursement of such expenditures. Further, SP Group is unable to unilaterally determine the future revenues and prices for its services, which could cause SP Group to be unprofitable if its costs increase without EMA authorizing a corresponding increase in SP Group's charges for the use of its electricity and gas transmission and distribution networks and the provision of market support services.

SP Group is currently shielded from severe fluctuations in electricity and gas demand by the regulatory framework in which it operates. Under the regulatory framework for the current five-year regulatory period as well as the previous regulatory periods, SP Group's exposure in a given year to increases or decreases in revenue associated with changes in the aggregate volume or amount of electricity and gas transmitted or distributed through its networks is limited to +/-2.0% deviation from the regulated revenue/volume forecast. Please refer to the more detailed discussions in "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business — Tariff Regulatory Framework for the Electricity T&D Business — Performance-Based Regulation and Price Controls set by the EMA" and "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA." In the event that there is a change in the regulatory framework such that the +/-2.0% range is widened or removed, this would have the effect of increasing SP Group's exposure to changes in electricity and gas demand and could result in increased volatility to SP Group's revenue.

There is no assurance that the regulatory framework applicable to SP Group will remain unchanged. The EMA may from time to time conduct consultations on matters which could result in regulatory changes that may affect SP Group's business, revenues and results of operations. No assurance can be given that such regulatory changes (if and when they come into effect) will not have a material adverse effect on SP Group's business, revenues or results of operations.

In addition, SP Group may engage in discussions with the EMA from time to time in the ordinary course with regards to the timing of tariff increases. There have been instances of deferral of tariff increases in recent years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting SP Group's Financial Condition and Results of Operations — Regulated Tariffs" for more information. SP Group is unable to predict the impact of future deferrals (if any) on its future cash flows and liquidity position.

SP Group's revenues are highly dependent on the strength of the Singapore economy and could be adversely affected if the Singapore economy weakens

SP Group is highly dependent on the Singapore economy. 100% of SP Group's revenue from the Electricity T&D Business and the Gas T&D Business was generated within Singapore. Singapore has an export-oriented economy and is a regional business, industrial, manufacturing and financial center. Factors that may adversely affect the Singapore economy include:

- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the region;
- devaluation of the Singapore dollar or other currencies in the region;
- a prolonged period of inflation or increase in regional interest rates;
- relative increases or decreases in business, manufacturing or industrial activity in Singapore or in the region;
- changes in taxation;
- political instability, terrorism or military conflict in countries in the region or globally;
- prevailing regional or global economic conditions;
- health epidemics, pandemics and other outbreaks of contagious diseases, including the ongoing global COVID-19 pandemic; and
- other regulatory or political or economic developments in or affecting Singapore.

Therefore, any economic recession or other deterioration in Singapore's economy, or decline in business, industrial, manufacturing or financial activity in Singapore, could have a material adverse impact on SP Group's operations.

Competition from alternative fuel sources and changes in technology may have an adverse effect on SP Group's business and financial position

Liquefied Petroleum Gas ("LPG") is the main competitor of town gas in the domestic segment. LPG is not transported through SP Group's transmission and distribution network and does not generate tariffs for SP Group.

Currently, about 95% of electricity in Singapore is generated using natural gas. Electricity generation can be augmented or replaced by other fuel sources including renewable energy sources such as solar. If electricity generation in Singapore is replaced by alternative sources as its main energy source in the foreseeable future, SP Group's revenue could be reduced and SP Group's business and results of operations could be adversely affected by the effect of energy substitution.

Further, alternative end-user generation made possible through current or future advances in technology, such as solar photovoltaic, fuel cells and microturbines, could provide alternative sources of electricity and permit customers to generate electricity for their own use. As these and other technologies are created, developed and improved, the volume of electricity usage through SPPA's transmission and distribution network by customers could decline, which could have an adverse effect on SP Group's business and financial position.

This would adversely affect SP Group's network utilization rate resulting in overbuilt, or "stranded" network assets and capacity.

SP Group's business performance may be adversely affected by various business challenges typical of companies in the same industry

SP Group faces a number of operating risks applicable to electricity transmission and distribution companies and gas transmission and distribution companies, including:

- service disruptions and variations in power or gas quality in SP Group's networks, which may result in revenue loss and potential liabilities to third parties and penalties by the EMA;
- fluctuations or a decline in aggregate consumer demand for electricity or aggregate end user demand for gas, which could result in decreased revenues;
- the inability of Generation Licensees to generate electricity for transmission and distribution by SP Group to its consumers, which would affect the availability of electricity supply through its network;
- the inability of Gas Shipper Licensees to provide gas for transmission and distribution by SP Group, which would affect the availability of gas supply through its network;
- information technology system failure, which could result in loss of critical data;
- undetermined environmental costs and liabilities arising from SP Group's operations and its network infrastructure, which could increase costs of SP Group;
- injuries to SP Group's employees or contractors or third parties, which may result in fines, claims, higher insurance costs for SP Group or denial of coverage; and
- SP Group's failure to successfully negotiate and enter into future collective bargaining agreements, which may result in work stoppages.

Based on an average taken from FY20 to FY22, 78% of SP Group's annual EBITDA was derived from its transmission and distribution business in Singapore. Therefore, SP Group's results of operations may also be exposed to a greater degree of fluctuation in comparison to companies that have more diversified operations.

SP Group's facilities and technology systems could be adversely affected by events that it has no control over

SP Group's facilities and technology systems may be exposed to the effects of equipment failures or malfunctions, natural disasters, cyberattacks, and potentially catastrophic external events such as a major incident at an electricity generation plant, gas pipeline, station, or information technology system of a third party to which SP Group's transmission and distribution networks are connected.

This risk is heightened by the geographical concentration of a significant portion of SP Group's assets in Singapore, and its increasing reliance on information technology that will expose its systems to cyber-attacks, data privacy breaches and other technology-related risks. The issue is further complicated by recent geo-political tensions and the increasing level of sophistication of cybersecurity threats.

Although SP Group's facilities and technology systems are designed, operated and maintained to withstand some of these events, SP Group is constantly focused on improving its operational resiliency. Efforts include putting in place multi-year programs to enhance cyber and physical security infrastructure and technologies, upskilling security staff, and conducting regular employee drills and business contingency preparedness exercises. Despite such measures, the risk to SP Group's facilities and technology systems and/or its transmission and distribution network assets cannot and will not be fully mitigated, given the constantly evolving threat landscape.

For example, terrorist attacks or major accidents could result in damage to SP Group's transmission and distribution network assets, adversely affecting SP Group's ability to provide electricity or gas transmission and distribution services, or could result in damage to an electricity generation plant, gas pipeline or station of a third party to which SP Group's transmission and distribution networks are connected, adversely affecting the supply of electricity or gas and SP Group's ability to transmit and distribute electricity or gas to consumers. Any repairs necessary to correct any resulting damage to SP Group's network assets could be costly and time-consuming, and may result in substantial lost revenues during the period of such repairs.

SP Group is exposed to risk associated with aging assets and failure to replace aging assets at all or in a timely manner could adversely affect SP Group's business

While SP Group endeavours to optimize the useful life of its assets and replace them when the performance of the assets is unsatisfactory, it may not be able to do so at all times and/or may not be able to replace its assets in a timely manner. The failure of the foregoing may result in service disruptions and affect the reliability of SP Group's network and services, thereby having a negative impact on SP Group's business and reputation. SP Group may further be subject to financial penalties imposed by the EMA for such failures. Consequently, SP Group's business and financial condition may be affected.

SP Group is exposed to risk associated with obsolete information technology systems and failure to upgrade its systems in a timely manner could adversely affect SP Group's business

While SP Group endeavours to optimize the useful life of its information technology systems and upgrade or replace them when the performance of the system is unsatisfactory, it may not be able to do so at all times and/or may not be able to replace its assets in a timely manner. This may result in service interruptions, which may have a negative impact on SP Group's business and reputation. SP Group may further be subject to financial penalties imposed by the EMA for such failures. Consequently, SP Group's business and financial condition may be affected.

RISKS RELATED TO SP GROUP'S INVESTMENTS IN AUSTRALIA

SP Group is exposed to political, economic, market, regulatory and legal risks in Australia

SP Group is exposed to political, economic, market, regulatory and legal risks and uncertainties in Australia. Any change in the political environment and the policies of the government which include, but are not limited to, restrictions on foreign investment, repatriation of distributions, requirement for approval by government authorities, changes in laws, regulations and taxation and changes to the way in which those laws and regulations are interpreted and applied by regulators, could adversely affect SP Group's investments in Australia and SP Group's financial condition and results of operations.

SP Group's investments in Australia are subject to extensive regulatory legislation and statutory requirements in Australia, with price controls set by the national energy regulator, the Australian Energy Regulator ("AER") on a five-year regulatory cycle. Any downward revisions in the revenues that SP Group's investee companies are entitled to earn may have an adverse effect on SP Group's financial condition and results of operations.

As the regulatory environment continues to evolve, SP Group's investee companies' operations may be subject to further reviews in areas relating to pricing and revenues earned, costs, safety, compliance and other matters.

SP Group may also be exposed to a variety of legal and regulatory risks relating to its investments in Australia, which if realized may have an adverse effect on SP Group's financial condition. These exposures can include, but are not limited to, commercial claims, contractual claims, customer claims, native title claims, tenure disputes, environmental claims, occupational health and safety claims, employee claims, regulatory disputes and tax disputes.

SP Group may also review its investments in Australia from time to time to optimize SP Group's portfolio allocation.

SP Group derives substantial earnings from its investments in Australia and is exposed to asset valuation risk

SP Group derives substantial earnings from its investments in Australia. These earnings are subject to many variables, including the operating performance, credit rating and distributions from the investments. SP Group may also be exposed to currency fluctuations when earnings are translated into Singapore dollars.

SP Group may seek to influence the operations and performance of its investments in Australia, but ultimately does not have majority control. The Australia entities may have economic or business interests that may not be consistent with the interests of SP Group, which could in turn have an adverse impact on SP Group's financial condition and results of operations. See "— General Risks Related to SP Group's Business and Industry — SP Group is subject to risks inherent in investments in its associates and joint ventures which it does not control*"* for more details regarding such risks.

SP Group annually reviews its investment portfolio to determine if there is any impairment to the value of its investments. The assessment, if unfavorable, could adversely impact the consolidated results of SP Group.

RISKS RELATED TO OTHER BUSINESSES

SP Group's venture into new business opportunities may not be successful and may expose SP Group to increased counterparty risks

SP Group is looking to capture new business opportunities across the energy value chain, with a vision to empower utilities and its customers to accelerate towards their efficiency and sustainability goals by providing comprehensive sustainable energy solutions which mainly comprises of energy efficiency projects, renewable energy projects and EaaS. These new ventures may require additional capital resources, new expertise and ongoing compliance monitoring with respect to legal and regulatory requirements. In addition, market acceptance for such solutions may not materialize as quickly as expected and there is no assurance that SP Group will achieve the objectives that it has set out to achieve in relation to its businesses. SP Group's venture into new business opportunities may also expose SP Group to increased counterparty risks (see "Risk Factors — General Risks Related to SP Group's Business and Industry — SP Group is exposed to counterparty risk" for more details regarding such risks).

SP Group's regulated district cooling services business operates within a limited mandated service area in Singapore, resulting in increased customer concentration risk and counterparty credit risks

The service area mandated by the Minister for district cooling services to be provided pursuant to the District Cooling Act is limited to certain parts of the Marina Bay area in Singapore. SDC, a wholly-owned subsidiary of SP, is currently the sole District Cooling Services Licensee in Singapore. However, due to the limited size of the mandated service area, SDC currently has a small customer base.

This limited mandated service area exposes SDC to an increased customer concentration risk. In FY22, revenue from SDC's top five customers accounted for more than 79% of SDC's revenue[5]. SDC's revenue in the district cooling services segment may fluctuate significantly in the event of a change in demand from SDC's major customers.

SDC is also exposed to increased counterparty credit risk due to its concentrated customer base. As a result, SDC's credit standing is directly affected by the credit profile of its customers. SDC's cash flows and financial stability may be adversely affected should its customers default on their payments or curtail their operations in Singapore. See "Risk Factors — General Risks Related to SP Group's Business and Industry — SP Group is exposed to counterparty risk".

[5] "Revenue" of SDC in this context has the meaning set out on pages vii-ix of this Offering Circular.

SP Group's construction and ownership of its first real estate development project exposes it to construction related risks and commercial real estate risks

There are construction related risks associated with SP Group's first real estate development project, comprising SPPA's underground transmission substation and operational support center, and a commercial office tower with ancillary retail space that is located along Pasir Panjang Road in Singapore. These construction related risks arise, in particular, from deep excavation due to the proximity to the mass rapid transit line and the waterfront. The occurrence of unforeseen ground conditions during construction may impact the construction timeline and costs. While the development of this project is led by an experienced project management and execution team, there is no assurance that SP Group would be able to satisfactorily deal with the wide range of construction risks which may arise. Delays in completing the project, including but not limited to delays and construction cost escalations due to the impact of the COVID-19 pandemic, may result in cost overruns, loss of rental revenue and increased financing costs, which may have an adverse effect on SP Group's business or results of operations.

The commercial office and ancillary retail businesses in this project will be subject to commercial real estate risks. This includes macro-economic factors during the development and launch of the commercial real estate project. While SP Group has planned the development based on its understanding and outlook regarding the property market and general economic situation, there exists risks that occupancy and rental rates secured may be lower than projected, which may have an adverse impact on SP Group's business or results of operations.

GENERAL RISKS RELATED TO SP GROUP'S BUSINESS AND INDUSTRY

Uncertainties in global financial markets and global economic conditions may negatively impact SP Group's access to credit and SP Group's ability to raise capital

There are a number of uncertainties in the global markets. Global markets experienced significant volatility in 2020 and 2021, in particular due to the COVID-19 pandemic which evolved into a worldwide healthcare crisis in 2020 and continues to adversely affect global economies. For discussion in connection with the risks associated with the COVID-19 pandemic, see "— SP Group's business, financial condition, and results of operations and prospects may be adversely affected by health epidemics, pandemics and other outbreaks of contagious diseases". Global growth is expected to slow meaningfully in 2022, in large part due to the military conflict between Russia and Ukraine, which has impacted global commodity prices and supply chains, in addition to humanitarian and financial spillovers. The resulting impact on supply chains and the global supply of oil and gas as well as agricultural products has resulted in shortages around the world and rising costs of goods. Mismatches in supply and demand caused by the impact of the COVID-19 pandemic have also continued to exert pressure on prices. In addition, some markets, including China, continue to grapple with COVID-19, which has also placed strains on supply chains. Against this backdrop, central banks around the world, including in the United States and several large emerging markets, have tightened monetary policy, and the International Monetary Fund ("IMF") expects global growth to slow to 3.6% in 2022. Reflecting tighter financial conditions and weaker growth prospects, global equities as measured by the MSCI AC World Index declined 13% over the first five months of 2022. Fixed income assets have also come under pressure as central banks raised interest rates and removed accommodative policies, while the U.S. dollar has strengthened.

A high degree of uncertainty over the global outlook remains. Heightened geopolitical uncertainties, increased risks of inflation and tighter monetary policy leave the global economy more vulnerable and raise the risk of a global recession. The conflict between Russia and Ukraine has highlighted already increasing global polarisation, bringing to the fore issues such as energy security concerns, security threats and competition between different trade and economic systems. Cross straits tensions between China and Taiwan have in the past affected and may in the future affect global financial markets. Although significant economic and cultural relations have been established in recent years between China and Taiwan, relations have often been strained and may become more strained in the future. Any potential imposition of trade barriers and import and export controls by the Chinese government on Taiwan may adversely impact the global economy. The IMF also warned in its April 2022 World Economic Outlook report that the conflict threatens the rules-based frameworks that have helped lift millions out of poverty over the past decades. Meanwhile, the COVID-19 pandemic persists, and the threat of new variants remains. Country-specific policies to contain

COVID-19 could also have meaningful spillovers to global activity and financial markets. Global supply chains have been upended as a consequence of both the pandemic and the geopolitical environment, and the transition time required to get around bottlenecks and add new capacity could mean that price levels remain elevated for longer.

Global trade tensions remain elevated among the largest trading partners in the world, and especially heightened tensions in economic relations between the U.S. and China have potential negative impacts on global trade and growth. Growth and financial performance in emerging markets, Asia and trade-exposed economies such as Singapore are particularly vulnerable to disruptions in global trade flows, capital flows, business investments and global supply chains in the event of an escalation in trade tensions or a protracted slowdown.

These developments, or the perception that any of them could occur or be protracted, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict SP Group's access to capital.

Uncertainties in global financial markets and global economic conditions, including concerns that the worldwide economy may enter into a prolonged recessionary period, may make it difficult for SP Group to raise additional capital or obtain additional credit, when needed, on acceptable terms or at all.

SP Group is exposed to liquidity risk

SP Group also uses credit lines with banks to cover liquidity needs. The ability of SP Group to access credit lines will depend on a number of factors, including the general credit and interest rate environment, the credit rating of SP Group and general banking sentiment to lending. No assurance can be given that SP Group will be able to obtain credit lines when needed or on terms favorable to it. Please refer to more detailed discussions in "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources".

In addition to bank credit facilities, SP Group intends to finance its activities and operations from time to time by the issuance of debt, principally in the capital markets. Therefore, SP Group will be dependent on broad access to these capital markets and investors. There can be no assurance that debt financing through the capital markets will be available, or if available, that such debt financings will be obtained on terms favorable to it. Changes in demand for debt instruments in capital markets could limit SP Group's ability to fund activities and operations.

SP Group's business, financial condition, and results of operations and prospects may be adversely affected by health epidemics, pandemics and other outbreaks of contagious diseases

SP Group's business, financial condition, results of operations and prospects could be adversely affected by epidemics, pandemics or other outbreaks of contagious diseases. An outbreak of contagious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets of Singapore and globally.

In particular, the COVID-19 pandemic has been one of the most significant global health crises in recent times. The COVID-19 pandemic and measures taken to mitigate the spread of COVID-19 (including restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses) severely impacted economic activity in Singapore and globally (including in Australia and China), and caused a global recession in 2020. The COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide. The emergence of new COVID-19 variants could lead to resurgence in infection rates, although with the world entering a third year of the COVID-19 pandemic in 2022, the risks of reimposition of tight border controls and restrictions on movement and economic activities is now lower as most parts of the world are moving from a pandemic into an endemic state of COVID-19. However, the continuation of zero-COVID strategies by China has also weighed on its economic recovery at a time when other major countries are easing their restrictions and learning to live with COVID-19. Such zero-COVID strategies could also result in a slow-down in GDP growth in China which may contribute to a global recession and may impact the economy of Singapore in general and SP's operations in China.

The COVID-19 pandemic and measures to mitigate the spread of COVID-19 in Singapore resulted in a decrease in the volume of electricity and gas transmitted and distributed on SP Group's network in FY21 as compared to FY20. The volume of electricity and natural gas transmitted and distributed on SP Group's network in FY22 has since recovered to pre-COVID-19 levels, although town gas consumption in FY22 has remained lower than pre-COVID-19 levels. SP Group is currently shielded from severe fluctuations in electricity and gas demand by the regulatory framework in which it operates. This limits the exposure in a given year to increases or decreases in revenue associated with changes in the aggregate volume or amount of electricity and gas transmitted or distributed on SP Group's network to a +/- 2.0% deviation from the original volume and/or revenue forecast. Furthermore, in view of the COVID-19 pandemic, EMA agreed to allow SPPA and PowerGas' town gas network to fully recover any revenue loss for FY21 including losses within the 2.0% range, and subsequently extended this arrangement for another two years for SPPA. Please refer to the more detailed discussions in "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business — Tariff Regulatory Framework for the Electricity T&D Business — Performance-Based Regulation and Price Controls set by the EMA" and "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA." However, the impact of COVID-19 could be prolonged. In the event that the COVID-19 pandemic continues to affect electricity and gas consumption, electricity and gas transmission and distribution volumes and SP Group's revenue beyond FY22, there is no assurance that EMA will continue to allow for measures to mitigate the impact of the COVID-19 pandemic, whether in the form of recovery of revenue losses or otherwise, which could in turn result in increased volatility in SP Group's revenue and/or adversely affect SP Group's results of operations and financial condition.

The COVID-19 pandemic's adverse impact on the availability of foreign workers in Singapore which caused certain of SP Group's planned capital expenditure projects to be delayed in FY21 has moderated with a slight recovery in the capital expenditure incurred for FY22 as compared with FY21. There remains a risk that the recovery in execution of these planned capital expenditure projects may be slower than expected or may even continue to be delayed in the foreseeable future. There is no assurance that SP Group is able to fully mitigate in a timely manner any delays in executing planned capital expenditure projects due to the COVID-19 pandemic. Such delays, depending on their length and extent, could have an adverse marginal impact on SP Group's revenue for FY23.

Additionally, there is a risk of disruption to the normal operations of SP Group's business if a significant number of SP Group's employees were to contract the COVID-19 virus concurrently as this may necessitate these employees to be quarantined and/or SP Group's offices or facilities to be temporarily shut down.

Given the uncertainties as to the development of the COVID-19 pandemic, including the emergence of new COVID-19 variants and the mitigating measures (if any) to curb the spread of such variants, the actual extent of the COVID-19 pandemic and its impact on the domestic, regional and global economy remain uncertain, and the actual extent of the impact on SP Group's business and operations will depend on many factors beyond its control including, among other things, the duration of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery. Consequently, SP Group is unable to predict the impact that the COVID-19 pandemic may have on its future results of operations or cash flows (including in relation to SP Group's investments in Australia and operations in China).

To the extent that the COVID-19 pandemic may adversely affect SP Group's business, results of operations or cash flows (including in relation to SP Group's investments in Australia and operations in China), it may have also the effect of heightening other risks described in this "Risk Factors" section.

SP Group operates a business with large and uneven capital expenditure and any inability to obtain financing on favorable terms or at all could adversely affect SP Group's business

SP Group may from time to time be required to expand, upgrade and maintain its networks and other assets. SP Group's capital expenditure can be large and uneven while the returns on such capital expenditure may be received over a period of time. In this regard, SP Group may require substantial financing to fund or support such capital expenditure and future growth of its business. SP Group's ability to obtain financing

could be affected by economic and market conditions which could adversely affect liquidity, cost of funding and availability of funding sources. There can be no assurance that financing will be made available or, if available, that such financing will be obtained on terms favorable to SP Group. SP Group's business and growth could be adversely affected by insufficient financing or unfavorable financing terms.

SP Group has a holding company structure, and it is possible that the Guarantor may not have the financial resources or liquidity to pay amounts under the Guarantee

Most of the Guarantor's assets are shareholdings in its subsidiaries and associated companies (both listed and unlisted). The ability of the Guarantor to continue to satisfy its payment obligations, including obligations under the Guarantee, is therefore subject to the up-streaming of dividends, distributions and other payments received from the Guarantor's subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends and distributions are limited by applicable laws and subject to the performance of these subsidiaries and associated companies (which could be affected by the risks described herein with respect to SP Group's business) and may be limited by conditions contained in a certain number of their agreements.

As a result of the holding company structure of SP Group, the Guarantee is structurally subordinated to any and all existing and future liabilities and obligations of the Guarantor's subsidiaries and associated companies. Generally, claims of creditors, including trade creditors, and claims of preferred shareholders (if any) of any such subsidiaries and associated companies will have priority with respect to the assets and earnings of such subsidiaries and associated companies over the claims of SP and its creditors, including Noteholders seeking to enforce the Guarantee.

SP Group is subject to risks inherent in investments in its associates and joint ventures which it does not control

A significant portion of SP Group's earnings is generated by its associates and joint ventures which are not subsidiaries, and in which SP Group has a significant stake but does not have majority control. The performance of SP Group's associates and joint ventures (and its share of their results) are dependent on various factors, including (without limitation) the general conditions in the economy of Australia, and applicable laws and regulations (including any applicable tariffs), and are subject to risks similar to those which affect SP Group as described herein.

Disagreements may occur between SP Group, its associates or third party investors in such associates and/or its joint venture partners, as the case may be, regarding the business, strategy and operations of such associates or joint ventures which may not be resolved amicably, or may take time to resolve, or may not result in a positive outcome for SP Group. In addition, SP Group's associates or third party investors in such associates and/or its joint venture partners may:

(i) have economic or business interests or goals that are inconsistent with that of SP Group;

(ii) take actions contrary to SP Group's instructions, requests, policies and/or objectives;

(iii) be unable or unwilling to fulfil their obligations;

(iv) have financial difficulties; or

(v) have disputes with SP Group as to the scope of their responsibilities and obligations.

The occurrence of any of these events may materially and adversely affect the performance of SP Group's associates and/or joint ventures and result in impairment of such investments, and/or may result in SP Group making additional funding or capital contributions (where applicable) to SP Group's associates or joint ventures, which in turn may materially and adversely affect SP Group's financial condition and results of operations.

Any acquisitions or joint ventures which SP Group engages in may not be successful and may require additional funding which could affect SP Group's level of leverage

SP Group may from time to time engage in selective acquisitions or joint ventures in order to grow its capabilities and/or diversify its revenue streams. Such acquisitions or joint ventures involve risks and uncertainties, including (without limitation) failure to complete acquisitions or joint ventures under commercially acceptable terms, difficulties in managing a larger and growing business and optimizing the allocation of resources and operational efficiency, and failure to effectively integrate various operating functions. In addition, SP Group may require additional financing to fund acquisitions or joint ventures. There can be no assurance that financing will be available or, if available, that such financing will be obtained on terms favorable to SP Group. Such financing would also increase SP Group's level of leverage. Failure to service SP Group's indebtedness could lead to termination of one or more of its financing agreements or trigger cross-default provisions, penalties or acceleration of amounts due under such financing agreements. In any of these events, SP Group's business and financial condition could be materially and adversely affected.

SP Group's business operations are subject to SP Group's ability to attract and retain skilled professional and technical employees

SP Group's employees are a key part of its business. While SP Group recognizes the importance of human capital to its operations and growth, its future performance depends on its ability to attract and retain high quality personnel with the relevant expertise. If SP Group is unable to attract and retain a sufficient number of personnel with the relevant experience, SP Group's business, revenues and results of operations could be adversely affected.

Occupational health and safety is a key risk area in SP Group's operations

SP Group is subject to legislation concerning health and safety of employees and contractors. SP Group will incur compliance costs and any failure in SP Group's compliance with the health and safety regimes to which it is subject may result in SP Group being subject to fines, damages and criminal or civil sanctions. In addition, actual or alleged violations arising under any health and safety laws may cause interruptions to SP Group's operations and adversely affect SP Group's reputation.

The shares of the Issuer and SP are not listed on any stock exchange and as such the corporate governance and information disclosure requirements that apply to the Issuer and SP may differ significantly from those required of companies whose shares are listed on stock exchanges in Singapore, the United States or other jurisdictions

As the shares of the Issuer and SP are not listed on any stock exchange, the corporate affairs of the Issuer and SP are governed principally by the respective constitutions and internal policies. Some of the protections and safeguards that investors may expect to find in relation to a company whose shares are listed on a stock exchange in Singapore, the United States or other jurisdictions do not apply to the Issuer and SP. For example, each of the Issuer and SP prepares and publishes only annual financial statements, neither the Issuer nor SP is required to regularly rotate its audit firm and neither the Issuer nor SP is required to maintain an independent audit committee. Accordingly, investors should not assume that the corporate governance and information disclosure requirements that apply to the Issuer and SP are equivalent to those that apply to a company whose shares are listed on a stock exchange.

The entities that control SP may have interests that differ from the interests of SP Group

SP is wholly-owned by Temasek, an investment company headquartered in Singapore with a diversified investment portfolio. Temasek's sole beneficial owner is the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959 of Singapore. Temasek owns, controls or holds interests in various other entities that hold licenses to operate in the electricity and gas industry in Singapore and which may have interests that differ from the interests of SP Group. No assurance can be given that the objectives of Temasek will not conflict with SP Group's business goals and objectives or that any such conflict will not have an adverse effect on SP Group's financial condition and results of operations.

SP Group is exposed to counterparty risk

SP Group enters into transactions from time to time in the course of its business which are dependent on the credit of its counterparties and their ability to satisfy the terms of such contracts. Such transactions include payment and collection arrangements with customers. For example, SP Group contracts with counterparties of varying credit standing in its deployment of sustainable energy solutions to provide district cooling and solar energy generation services. This exposes SP Group to the risk that the customer or counterparty may default on its obligations to make payment or otherwise perform under the relevant contract, which may have a material adverse effect on SP Group's business, revenues or results of operations.

SP Group may also enter into transactions in relation to its financing and/or treasury activities such as swap arrangements and derivative transactions and investment of surplus funds in interest-bearing deposits with financial institutions. In the event a counterparty is declared bankrupt or becomes insolvent, SP Group could experience delays in obtaining its funds or liquidating the position and this could lead to losses. There is also a possibility that ongoing derivative transactions, or payment or collection arrangements may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relevant to those transactions or arrangements at the time the agreement was originated.

SP Group's insurance coverage may not be adequate and any uncovered losses could adversely affect its business

The insurance coverage that SP Group maintains may be inadequate to cover all insurable liabilities and losses. While SP Group believes that its insurance policies are appropriate to protect against major operating and other risks, certain types of risks are uninsurable. There is no certainty that adequate insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. Risks which are commercially unviable to cover include, among others, loss or damage to transmission and distribution assets, losses arising from wars or invasions, nuclear radiation or radioactive contamination, and damage directly occasioned through normal wear and tear. If SP Group experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties.

A downgrade of the Guarantor's credit rating could have a material adverse effect on SP Group and on the price of the Notes

As of the date of this Offering Circular, the Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's and "AA+" by S&P. In addition, the Program has been rated "(P)Aa1" by Moody's.

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 derive credit ratings. No assurances can be given that a credit rating will remain for any 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 derive that credit rating.

Any downgrade could impact SP Group's ability to obtain financing or increase its financing costs and could have an adverse effect on the market price of the Notes.

Movements in interest rates may affect SP Group's cost of servicing borrowings

SP Group finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates) and cash from operations. Changes in interest rates will affect borrowings which bear interest at floating rates. Any increase in interest rates will affect SP Group's cost of servicing these borrowings which may adversely affect SP Group's profit and financial position.

RISKS RELATED TO THE NOTES

The Notes and the Guarantee are unsecured obligations, except as may be otherwise expressly stated in the relevant Pricing Supplement, and SP Group's assets may be insufficient to pay amounts due on the Notes and the Guarantee

The Notes and the Guarantee will be unsecured obligations and will rank after secured debt, if any. SP Group may incur other debt, which may be substantial in amount, and which may in certain limited circumstances be secured. See "Description of the Notes — Negative Pledge". Because the Notes and the Guarantee will be unsecured obligations, Noteholders' right of repayment may be compromised in the following situations: (i) the Issuer and/or the Guarantor enters into bankruptcy, liquidation, reorganization or other winding-up; (ii) there is a default in payment under any of SP Group's secured debt; or (iii) there is an acceleration of any of SP Group's secured debt. If any of these events occurs, the secured lenders could foreclose on SP Group's assets in which they have been granted a security interest, in each case to the exclusion of Noteholders, even if an event of default exists under the Indenture or the Supplemental Trust Deed relating to the Notes at such time. As a result, upon the occurrence of any of these events, there may not be sufficient funds to pay amounts due on the Notes and the Guarantee. See "— Noteholders' ability under Singapore law to bring proceedings or enforce judgments against certain entities in SP Group is subject to certain restrictions".

The Indenture, the Supplemental Trust Deed and the Notes contain only limited restrictions on the ability of the Issuer, the Guarantor and its Principal Subsidiaries to incur additional debt or take other actions that could negatively impact holders of the Notes

Although the Issuer, the Guarantor and its Principal Subsidiaries (as defined in "Description of the Notes — Negative Pledge") are limited under the negative pledge provisions in the Indenture and the Supplemental Trust Deed in their ability to secure certain types of indebtedness, SP Group entities may engage in a number of activities that could negatively impact holders of Notes, including issuing new debt, repurchasing outstanding securities, selling or otherwise disposing of substantially all of its assets, or paying dividends on its shares of common stock. See "Description of the Notes — Negative Pledge". These or other actions by SP Group entities could adversely affect the Issuer's ability to pay amounts due on the Notes and/or the Guarantor's ability to satisfy its payment obligations under the Guarantee. In addition, the Indenture, the Supplemental Trust Deed and the Notes do not contain any covenants requiring SP Group to achieve or maintain any minimum financial results relating to its financial condition or results of operations or other provisions that afford more than limited protection to holders of the Notes.

SP Group is exposed to risks associated with exchange rate fluctuations and modifications to exchange controls

An investment in any Notes denominated in a Specified Currency may entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the Specified Currency relative to foreign currencies because of economic, political and other factors over which SP Group has no control. If an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency, an appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. In addition, currency exchange movements may affect the market prices of Notes. Further, governments and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors may not be able to sell or transfer their Notes

The Notes will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. The Notes are being offered, and may be resold, only:

- outside of the United States to non-U.S. persons within the meaning of and in compliance with Regulation S under the Securities Act;

- within the United States to institutional investors that qualify as "qualified institutional buyers" within the meaning of and in compliance with Rule 144A under the Securities Act that are also "qualified purchasers" as defined in the Investment Company Act and the rules and regulations promulgated thereunder; or

- pursuant to another exemption from the registration requirements of the Securities Act.

Consequently, the Notes are subject to restrictions on transfer and resale.

Any Notes to be issued will constitute a new class of securities with no established market or prior trading history. While certain of the Notes issued under the Program, including the Notes sold pursuant to Rule 144A, may be listed on the SGX-ST, there can be no assurance that 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, SP Group's operating results, the market for similar securities, the ability and interest of securities dealers in making a market in the Notes and general macroeconomic and market conditions in Singapore.

SP Group has been advised by the Arrangers and certain Dealers that following an issuance of Notes they may make a market in such Notes. However, they are not obligated to do so and any market-making activities with respect to such Notes may be discontinued at any time without notice.

An active secondary market in respect of the Notes may not be established or may be illiquid and this would adversely affect the value at which investors could sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

The Notes may not be rated and, if rated, their ratings could be lowered

One or more independent credit rating agencies may assign credit ratings to the Notes. A rating is not a recommendation to buy, sell or hold the Notes, and there is no assurance that any rating will apply for any given period of time or that a rating may not be adjusted or withdrawn. A downgrade or potential downgrade in these ratings, the assignment of a new rating that is lower than existing ratings, or a downgrade or potential downgrade in ratings assigned to the Guarantor could adversely affect the trading price and liquidity of the Notes. Neither the Issuer, SP nor any dealer undertakes any obligation to obtain a rating, maintain the ratings once issued or to advise holders of Notes of any change in ratings. A failure to obtain a rating or a negative change in ratings once issued could have an adverse effect on the market price or liquidity of the Notes.

Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in those Notes

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

Investors may experience difficulties in enforcing civil liabilities under U.S. federal securities laws against the Issuer, SP, and their respective directors and executive officers and certain of the parties named in this Offering Circular

Each of the Issuer and SP is a company incorporated in Singapore and all of the Issuer's and SP's directors and executive officers and certain of the parties named in this Offering Circular reside outside or are incorporated outside the United States. All or a substantial portion of the assets of the Issuer and SP, and all or a substantial portion of the assets of such persons are located outside or are organized outside the United States. As a result, it may not be possible for investors to enforce against the Issuer, SP or such persons in U.S. courts judgments predicated upon the civil liability provisions of U.S. federal securities laws. In particular, investors should be aware that judgments of United States courts based upon the civil liability provisions of the federal securities laws of the United States 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 the federal securities laws of the United States.

Noteholders' ability under Singapore law to bring proceedings or enforce judgments against certain entities in SP Group is subject to certain restrictions

There are certain restrictions under Singapore law on the rights of third parties to bring certain proceedings against any of the subsidiaries within SP Group which are Electricity Licensees, Gas Transporter Licensees or District Cooling Services Licensees ("Relevant SP Licensee"), such as SPPA, PowerGas, SP PowerGrid, SP Services or SDC. In particular, no judicial manager may be appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 (the "IRD Act") (which relate to the judicial management of companies) in relation to any Relevant SP Licensee without the consent of the EMA. Further, no application for a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore (the "Companies Act") or Section 71 of the IRD Act may be made by any person in relation to a Relevant SP Licensee, and no action may be taken by any person to enforce any security over the property of a Relevant SP Licensee or to enforce a judgment or order of court obtained against a Relevant SP Licensee which holds an electricity licence or a Gas Transporter Licence, unless that person has served on the EMA 14 days' notice of his intention to take such action. The EMA must also be made a party to any proceedings under the IRD Act relating to the winding up of a Relevant SP Licensee or any proceedings relating to an order approving any scheme of arrangement under Section 210 of the Companies Act or Section 71 of the IRD Act in relation to a Relevant SP Licensee. A Relevant SP Licensee cannot be wound up voluntarily without the consent of the EMA.

Judgments of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States 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 the federal securities laws of the United States.

Application of Singapore insolvency and related laws to the Issuer and the Guarantor may result in a material adverse effect on the Noteholders

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

Where the Issuer or the Guarantor is insolvent or close to insolvent and the Issuer or, as the case may be, the Guarantor undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer or, as the case may be, the Guarantor. It may also be possible that if a company related to the Issuer or, as the case may be, the Guarantor proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer or, as the case may be, the Guarantor may also seek a moratorium even if the Issuer or, as the case may be, the Guarantor is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, with the consent of

the judicial manager or with court permission. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer or, as the case may be, the Guarantor, the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme and who were present and voting (either in person or by proxy) at the relevant meeting have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Notes. However, it may apply to related contracts that are not found to be directly connected with the Notes.

Notes may not continue to enjoy tax concessions under Singapore tax laws

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, 2023 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore subject to the fulfilment of certain conditions more particularly described in the section "Certain Tax Considerations — Singapore Taxation". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Issuer, the Guarantor and the Noteholders may face certain risks associated with any change in the laws of the Republic of Singapore, the laws of the State of New York or administrative practice after the date of issue of the relevant Notes

The terms and conditions of the Notes set forth in "Description of the Notes" are based on laws of the Republic of Singapore or the laws of the State of New York, as specified in the applicable Pricing Supplement in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practice after the date of issue of the relevant Notes.

Notes may not be a suitable investment for all investors

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

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

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

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

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation" including as it forms part of UK domestic law by virtue of the EUWA) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it: (i) requires benchmark administrators to be authorized or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognized or endorsed); and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to or referencing benchmarks, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On May 11, 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

On March 5, 2021, the United Kingdom Financial Conduct Authority (the "FCA") announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) would cease immediately after December 31, 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after June 30, 2023, (iii) immediately after December 31, 2021, the 1-month, 3-month and 6-month sterling LIBOR settings would no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the "IBA") to continue to publish these settings on a synthetic basis, which would no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after June 30, 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

On August 30, 2019, the MAS announced that it had established a steering committee to oversee an industry-wide interest rate benchmark transition to SORA. In addition, the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC") and the SC-STS (together, the "Committees") laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR is expected to be discontinued by end-June 2023, the issuance of SOR-linked loans and securities that mature after end-2021 ceased in mid-2021, and financial institutions and their customers ceased usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) in late 2021. Similarly, SIBOR is expected to be discontinued by end 2024, with financial institutions and their customers having ceased usage of SIBOR in new contracts beginning in late 2021.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to or referencing the relevant benchmark.

Investors should consult their own independent advisers, be aware of market developments which may impact the value of their Notes and accordingly make their own assessment about the potential risks imposed by any international benchmark reforms in making any investment decision with respect to any Notes linked to or referencing the relevant benchmark.

Notes issued as green bonds may not be a suitable investment for all investors seeking exposure to green assets

SP Group has developed the SP Group green financing framework (as may be updated or amended from time to time, the "SP Group Green Financing Framework"), which is published on SP Group's website and sets out the criteria, governance and processes under which SP Group intends to issue green financing instruments to finance and/or refinance projects which contribute to positive environmental impacts. In respect of any Notes issued under the Program where the use of proceeds is specified in the applicable Pricing Supplement to be for financing and/or refinancing of Eligible Projects (as defined in the SP Group Green Financing Framework) in accordance with prescribed eligibility criteria as described under the SP Group Green Financing Framework (any Notes which have such a specified use of proceeds being referred to herein as "Green Bonds"), no assurance is given by the Issuer, SP or SP Group that such use of proceeds will satisfy, whether in whole or in part, investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply with, whether by any present or future applicable law or regulations, by its own by-laws, other governing rules or investment portfolio mandates.

At the request of SP Group, Sustainalytics has reviewed the SP Group Green Financing Framework and has issued a second party opinion report dated March 20, 2021 (the "Report") to confirm the alignment of the SP Group Green Financing Framework to the Green Bond Principles 2018 issued by the International Capital Markets Association, the ASEAN Green Bond Standards 2018 issued by the ASEAN Capital Markets Forum, and the Green Loan Principles 2020 issued by the Loan Market Association, the Loan Syndications and Trading Association and the Asia Pacific Loan Market Association (collectively the "Green Finance Principles").

The Report is not incorporated into and does not form part of this Offering Circular or the relevant Pricing Supplement. None of the Issuer, SP or SP Group makes any representation as to the suitability of the Report or whether any Green Bonds will meet investor criteria and expectations regarding environmental or sustainability performance. Prospective investors should have regard to the factors described in this Offering Circular and the relevant Pricing Statement regarding the use of proceeds. Each potential purchaser of Green Bonds should determine for itself the relevance of the information contained in this Offering Circular and the relevant Pricing Supplement regarding the use of proceeds, and its purchase of Green Bonds should be based upon such investigation as it deems necessary.

The Report and any further assurance statement or third party opinion that may be issued (collectively the "Assurance Reports") may not reflect the potential impact of all risks related to the structure, market and other factors that may affect the value of any Green Bonds. The Assurance Reports are not a recommendation to buy, sell or hold securities and are only current as of the date that they were initially issued. The Assurance Reports are for information purposes only and neither the Issuer, SP, SP Group nor the person issuing the Assurance Reports accepts any form of liability for the substance of such Assurance Reports and/or any liability for loss arising from the use of such Assurance Reports and/or the information provided therein.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds for Eligible Projects in accordance with prescribed eligibility criteria as described under the SP Group Green Financing Framework and to report on the use of proceeds for such Eligible Projects, there is no contractual obligation to do so. It would not be an event of default under the Green Bonds if (i) the Issuer were to fail to comply with the intended use of proceeds in respect of any series of Green Bonds issued as green bonds and/or (ii) the Report issued in connection with the SP Group Green Financing Framework were to be withdrawn. A withdrawal of the Report or any failure by SP Group to use the net proceeds from the Green Bonds on Eligible Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value of the Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

There is no current market consensus on what constitutes a "green" or "sustainable" project

There is no current market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable" and therefore the Eligible Projects may not meet the criteria and expectations of all investors regarding environmental impact and sustainability performance. Although the underlying projects have been selected in accordance with the categories recognised by the Green Finance Principles and will be developed in accordance with relevant legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where negative impacts are insufficiently mitigated, the projects may become controversial, and/or may be criticised by activist groups or other stakeholders. In respect of any Green Bonds, SP Group may not meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Green Bonds, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Green Bonds should determine for itself the relevance of the information contained in this Offering Circular and the relevant Pricing Supplement regarding the use of proceeds of the Green Bonds.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds for Eligible Projects in accordance with prescribed eligibility criteria as described under the SP Group Green Financing Framework and to report on the use of proceeds for such Eligible Projects, there can be no assurance that any such Eligible Projects will be available or capable of being implemented in, or substantially in, the manner anticipated and/or in accordance with any timing schedule and that accordingly the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental or otherwise) originally expected or anticipated.

An investment in the Notes is subject to inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual real returns, as the principal repayment and interest payments on the Notes may not keep pace with inflation.

An investment in the Notes is subject to interest rate risk

Noteholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. In particular, fixed rate Notes may see their price fluctuate due to fluctuations in interest rates. Generally, following a rise in interest rates, prospective purchasers of the Notes in the trading market may have opportunities to instead invest in newly issued notes bearing higher interest rates, which in turn may cause a decrease in demand for the Notes and a fall in the prices of the Notes. The market value of the Notes may be similarly affected which may result in a capital loss for Noteholders. There is no assurance that Noteholders will be able to sell their Notes at a price which is attractive to them, or be able to sell their Notes at all. Consequently, a prospective Noteholder must be prepared to hold the Notes until the maturity date. Conversely, when interest rates fall, the prices of the Notes and the prices at which the Notes trade may rise. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

USE OF PROCEEDS

Unless otherwise disclosed in the relevant Pricing Supplement, the net proceeds arising from the issue of Notes under the Program (after deduction of underwriting fees, discounts and commissions and other expenses incurred by SP Group associated with the issuance) will be used:

(i) to finance SP Group's capital and operating expenditures, to finance SP Group's indebtedness and borrowings, to finance or refinance acquisitions and/or investments by any member of SP Group and for general corporate purposes; and

(ii) in the case of Notes which are issued as Green Bonds, to finance and/or refinance, in whole or in part, Eligible Projects undertaken by SP Group in accordance with the SP Group Green Financing Framework, and pending the full allocation of such proceeds, the balance of unallocated proceeds shall be invested, at SP Group's discretion, in cash and/or cash equivalents and/or other liquid marketable instrument.

TOTAL DEBT AND EQUITY

The following table sets out the consolidated total debt and equity of SP Group as of March 31, 2022. The information has been extracted from the audited consolidated financial statements of SP Group for FY22. The financial effects of transactions subsequent to March 31, 2022 have not been taken into account.

	As of March 31, 2022
	(S$ million)
Short-term debt	
Debt obligations	908.2
Total short-term debt	**908.2**
Long-term debt	
Debt obligations	3,377.9
Total long-term debt	**3,377.9**
Total debt	**4,286.1**
Equity	
Share capital	2,911.9
Reserves	(97.2)
Accumulated profits	11,143.9
Total equity	**13,958.6**
Total debt and equity	**18,244.7**

SELECTED FINANCIAL AND OTHER DATA

The selected financial data as of and for the years ended March 31, 2020, 2021 and 2022 set forth below have been derived from and should be read in conjunction with the audited consolidated financial statements of SP Group and the related notes thereto which are included elsewhere in this Offering Circular.

Information regarding the adoption of new standards that are effective for the financial periods beginning on or after April 1, 2019, April 1, 2020 and April 1, 2021 that has material effect on the financial performance or position of SP Group is provided in Note 2.5 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular.

Due to the one-off gain from the AusNet Divestment (as defined herein) which was recognised in the year ended March 31, 2022, the financial statements for the year ended March 31, 2022 may not be comparable to the financial statements of the two prior years in this regard. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — AusNet Divestment" for more information.

Income Statement Data

	For the financial year ended March 31,		
	2020	**2021**	**2022**
		(S$ million)	
Revenue	3,993.5	3,574.1	5,213.5
Other income	157.3	188.9	1,683.7[1]
Expenses			
Purchased power	(1,786.0)	(1,473.1)	(2,806.7)
Depreciation of property, plant and equipment	(711.8)	(757.4)	(790.3)
Amortization of intangible assets	(57.2)	(56.1)	(55.7)
Maintenance	(114.3)	(126.4)	(141.1)
Staff costs	(309.2)	(319.9)	(324.7)
Property taxes	(81.3)	(99.2)	(93.9)
Other operating expenses[2]	(168.0)	(145.3)	(191.4)
Operating profit	**923.0**	**785.6**	**2,493.4**
Finance income	71.8	45.3	58.6
Finance costs	(175.3)	(79.7)	(85.0)
Share of profits of associates, net of tax	150.8	180.0	164.0
Share of losses of joint ventures, net of tax	(1.9)	(6.0)	(5.7)
Profit before taxation	**968.4**	**925.2**	**2,625.3**
Tax expense	(164.0)	(197.8)	(660.3)[3]
Profit for the year attributable to owner of Singapore Power Limited	**804.4**	**727.4**	**1,965.0**
Net movement in RDA balances related to profit or loss and the related deferred tax movement	212.0	249.3	37.9
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit"[4])	**1,016.4**	**976.7**	**2,002.9[5]**

Notes:

(1) "Other income" for the year ended March 31, 2022 included (among other things) gain on disposal of interest in an associate of S$1,532 million arising from the AusNet Divestment.

(2) Other operating expenses exclude purchased power and consist primarily of expenditure relating to rental, agency services, licencing, advertising, administration, consultancy, utilities, contract services, transportation, insurance, provision for obsolescence and trade receivables, foreign exchange losses and loss on disposals of plant, property and equipment.

(3) "Tax expense" for the year ended March 31, 2022 included (among other things) a capital gain tax assessed to be payable on the gains from the AusNet Divestment as per the notices of assessment issued by the relevant local tax authority. SP Group intends to dispute such assessments. SP Group has provided for a capital gain tax of S$470.3 million in its financial statements for the year ended March 31, 2022.

(4) Net profit refers to the line item "profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited" in SP Group's income statement.

(5) Net profit for the financial year ended March 31, 2022 increased significantly compared to net profit for the financial year ended March 31, 2021 primarily due to the increase in "Other income" as described in note (1) above, partially offset by an increase in tax expense as described in note (3) above.

Balance Sheet Data

	As of March 31,		
	2020	**2021**	**2022**
		(S$ million)	
Non-current assets			
Property, plant and equipment	13,522.7	13,693.2	13,828.7
Intangible assets	167.6	150.9	111.3
Investment property under development	721.6	728.2	765.0
Associates and joint ventures	2,302.3	2,907.2	1,622.3
Other non-current assets	291.1	337.9	343.7
Deferred tax assets	34.3	100.5	21.7
Derivative assets	558.9	256.2	133.6
Investments in debt and equity securities	11.5	29.7	56.0
Total non-current assets	**17,610.0**	**18,203.8**	**16,882.3**
Current assets			
Inventories	49.5	46.7	47.4
Trade and other receivables	544.2	462.2	795.7
Derivative assets	5.2	3.5	113.6
Cash and cash equivalents	1,673.4	1,187.2	4,207.8[(1)]
Investments in debt and equity securities	5.0	–	413.9
Total current assets	**2,277.3**	**1,699.6**	**5,578.4**
Total assets	**19,887.3**	**19,903.4**	**22,460.7**
Regulatory deferral accounts ("RDA") debit balances and related deferred tax assets	156.6	454.7	499.5
Total assets and RDA debit balances	**20,043.9**	**20,358.1**	**22,960.2**
Equity			
Share capital	2,911.9	2,911.9	2,911.9
Reserves	(1,073.2)	(424.3)	(97.2)
Accumulated profits	8,920.7	9,491.4	11,143.9
Total equity, attributable to owner of Singapore Power Limited	**10,759.4**	**11,979.0**	**13,958.6**
Non-current liabilities			
Debt obligations	4,785.2	4,369.7	3,377.9
Derivative liabilities	72.7	101.3	160.5
Deferred tax liabilities	1,547.0	1,748.4	1,699.7
Other non-current liabilities	538.1	498.8	479.7
Lease liabilities	39.5	34.9	32.2
Total non-current liabilities	**6,982.5**	**6,753.1**	**5,750.0**

	As of March 31,		
	2020	2021	2022
		(S$ million)	
Current liabilities			
Debt obligations	795.9	173.6	908.2
Derivative liabilities	36.6	7.6	143.0
Current tax payable	85.6	67.0	645.6
Trade and other payables	1,369.7	1,314.4	1,484.6
Lease liabilities	5.5	5.9	5.8
Total current liabilities	**2,293.3**	**1,568.5**	**3,187.2**
Total liabilities	**9,275.8**	**8,321.6**	**8,937.2**
Total equity and liabilities	**20,035.2**	**20,300.6**	**22,895.8**
RDA credit balances and related deferred tax liabilities	8.7	57.5	64.4
Total equity, liabilities and RDA credit balances	**20,043.9**	**20,358.1**	**22,960.2**

Note:

(1) "Cash and cash equivalents" as of March 31, 2022 increased compared to the position as of March 31, 2021 primarily due to a cash consideration of S$3,154.1 million received by SP Group from the AusNet Divestment.

Selected Cash Flow Data

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit"[(1)])	1,016.4	976.7	2,002.9
Cash generated from operations	1,641.9	1,591.2	1,737.9
Net cash generated from operating activities	1,604.4	1,592.5	1,742.2
Net cash (used in)/generated from investing activities	(950.0)	(933.4)	1,747.5[(2)]
Net cash used in financing activities	(721.4)	(1,163.4)	(554.4)
Net (decrease)/increase in cash and cash equivalents	(67.0)	(504.3)	2,935.3[(2)]
Cash and cash equivalents at beginning of the year	1,720.5	1,673.4	1,187.2[(2)]
Effect of exchange rate changes on balance held in foreign currencies	19.9	18.1	85.3
Cash and cash equivalents at end of the year	1,673.4	1,187.2	4,207.8[(2)]

Notes:

(1) Net profit refers to the line item "profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited" in SP Group's income statement.

(2) Included in "Net cash generated from investing activities" for the year ended March 31, 2022 was S$3,154.1 million from disposal of interest in an associate (representing cash consideration of that amount received by SP Group from the AusNet Divestment), which in turn contributed to "Cash and cash equivalents" as of March 31, 2022.

Non-SFRS(I) Financial Measures and Other Financial Data[6]

	For the financial year ended March 31,		
	2020	2021	2022
Net revenue[(1)] (S$ million)	2,463.9	2,384.0	2,452.6
EBITDA[(2)] (S$ million)	1,948.4	1,882.1	3,385.2
EBITDA margin[(2)(3)] (%)	44.2	46.5	48.8
EBITDA[(2)]/finance costs[(4)] (x)	11.1	23.6	39.8
Total debt[(5)] (at period end) (S$ million)	5,581.1	4,543.3	4,286.1
Debt service coverage ratio[(6)] (x)	5.7	2.1	11.2
Interest coverage ratio[(7)] (x)	11.2	23.5	34.5
Total debt[(5)]/EBITDA[(2)(8)] (at period end) (x)	2.9	2.4	1.3
Total debt[(5)]/(total debt and equity)[(9)] (at period end) (%)	34.2	27.5	23.5
FFO/net debt[(10)] (%)	42.1	48.5	2,435.2

Notes:

(1) Net revenue (a non-SFRS(I) financial measure) is calculated by subtracting purchased power expense from the aggregate of revenue (a SFRS(I) financial measure) and net movement in RDA balances related to profit or loss. For further details regarding the amount stated as "net movement in RDA balances related to profit or loss", see Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular.

Net revenue (non-SFRS(I)) is presented because SP Group believes that some investors find it to be a useful tool for assessing SP Group's financial performance. Net revenue (non-SFRS(I)) is not determined in accordance with SFRS(I) and should not be considered in isolation or as an alternative to revenue as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. SP Group's net revenue (non-SFRS(I)) is not comparable to that of other companies that may determine net revenue (non-SFRS(I)) differently.

(2) EBITDA (a non-SFRS(I) financial measure) represents net profit (A) plus (1) finance (income) costs, net, (2) tax expense, (3) RDA related deferred tax movements, (4) depreciation of property, plant and equipment, (5) amortization of intangible assets and (B) less/(plus) share of profit/(loss) from associates and joint ventures, net of tax. The following table reconciles SP Group's net profit to EBITDA.

Net profit and EBITDA for the financial year ended March 31, 2022 increased significantly compared to net profit and EBITDA for the financial year ended March 31, 2021 primarily due to a gain on disposal of interest in an associate of S$1,532 million arising from the AusNet Divestment.

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Net profit	1,016.4	976.7	2,002.9[(a)]
(Less)/Add:			
Share of profit of associates, net of tax	(150.8)	(180.0)	(164.0)
Share of losses of joint ventures , net of tax	1.9	6.0	5.7
Finance costs, net	103.5	34.4	26.4
Tax expense	164.0	197.8	660.3[(b)]
RDA related deferred tax movement[(c)]	44.4	33.7	7.9
Depreciation of property, plant and equipment	711.8	757.4	790.3
Amortization of intangible assets	57.2	56.1	55.7
EBITDA	1,948.4	1,882.1	3,385.2
Gain on disposal of interest in an associate	–	–	1,532.0[(d)]
EBITDA excluding gain on disposal of interest in an associate	1,948.4	1,882.1	1,853.2

EBITDA is presented because SP Group believes that some investors find it to be a useful tool for measuring a company's ability to fund capital expenditures or to service debt obligations. EBITDA is not determined in accordance with SFRS(I) 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 SP Group is not comparable to that of other companies that may determine EBITDA differently. In particular, SP Group's computation of EBITDA also adjusts for SP Group's share of profit/(loss) of associates and joint ventures, net of tax (in addition to (1) finance (income) costs, net, (2) tax expense, (3) RDA related deferred tax movements, (4) depreciation of property, plant and equipment and (5) amortization of intangible assets) as SP Group believes excluding the share of profit/(loss) of associates and joint ventures, net of tax, in its presentation of EBITDA facilitates comparisons of the financial performance of SP Group's business segments that are managed and operated by SP Group from period to period.

[6] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

(a) "Net profit" for the year ended March 31, 2022 included (among other things) an one-off gain of S$1,532 million partially offset by provision for capital gain tax of S$470.3 million from the AusNet Divestment.

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Net profit	1,016.4	976.7	2,002.9[(a)]
(Less)/Add:			
Gain on disposal of interest in an associate	–	–	(1,532.0)
Provision of capital gain tax from AusNet Divestment	–	–	470.3
Net profit excluding gain on disposal of interest in an associate and provision of capital gain tax from AusNet Divestment (a non-SFRS(I) financial measure)	**1,016.4**	**976.7**	**941.2**

(b) "Tax expense" for the year ended March 31, 2022 included (among other things) a capital gain tax assessed to be payable on the gains from the AusNet Divestment as per the notices of assessment issued by the relevant local tax authority. SP Group intends to dispute such assessments. SP Group has provided for a capital gain tax of S$470.3 million in its financial statements for the year ended March 31, 2022.

(c) For further details of SP Group's RDA related deferred tax movements, see Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular.

(d) SP Group recognised a gain on disposal of interest in an associate of S$1,532 million for the year ended March 31, 2022 arising from the AusNet Divestment.

(3) The following table sets out the computation of SP Group's EBITDA margin (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
EBITDA	1,948.4	1,882.1	3,385.2
Divided by total revenue[(a)]	4,407.2	4,046.0	6,943.0
EBITDA margin (%)	44.2	46.5	48.8[(b)]

(a) Total revenue (a non-SFRS(I) financial measure) represents the summation of revenue, other income and net movement in RDA balances related to profit or loss, as set out below:

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Revenue	3,993.5	3,574.1	5,213.5
Other income	157.3	188.9	1,683.7
Net movement in RDA balances related to profit or loss[(*)]	256.4	283.0	45.8
Total revenue	4,407.2	4,046.0	6,943.0
Gain on disposal of interest in an associate	–	–	1,532.0[(**)]
Total revenue excluding gain on disposal of interest in an associate	4,407.2	4,046.0	5,411.0

(*) For further details of SP Group's RDA balances related to profit or loss, see Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular.

(**) SP Group recognised a gain on disposal of interest in an associate of S$1,532 million for the year ended March 31, 2022 arising from the AusNet Divestment.

(b) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, EBITDA margin for the year ended March 31, 2022 would have been 34.2%.

(4) The following table sets out the computation of SP Group's EBITDA/finance costs (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
EBITDA	1,948.4	1,882.1	3,385.2
Divided by finance costs	175.3	79.7	85.0
EBITDA/finance costs (x)	11.1	23.6	39.8[(a)]

(a) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, EBITDA/finance costs for the year ended March 31, 2022 would have been 21.8x.

(5) Total debt comprises current and non current portions of debt obligations.

(6) The following table sets out the computation of SP Group's debt service coverage ratio (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Net profit	1,016.4	976.7	2,002.9
Add:			
Depreciation	711.8	757.4	790.3
Amortization	57.2	56.1	55.7
Finance costs	175.3	79.7	85.0
	1,960.7	1,869.9	2,933.9
Divided by:			
Debt service obligations[(a)]	345.8	876.8	261.5
Debt service coverage ratio (x)	5.7	2.1	11.2[(b)]

(a) Debt service obligations represents the summation of finance costs and loan repayment for long term debt including current portion, as set out below:

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Finance costs	175.3	79.7	85.0
Loan repayment for long term debt including current portion	170.5	797.1	176.5
Debt service obligations	345.8	876.8	261.5

(b) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, the debt service coverage ratio for the year ended March 31, 2022 would have been 7.2x.

(7) The following table sets out the computation of SP Group's interest coverage ratio (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Net profit	1,016.4	976.7	2,002.9
Add:			
Depreciation	711.8	757.4	790.3
Amortization	57.2	56.1	55.7
Finance costs	175.3	79.7	85.0
	1,960.7	1,869.9	2,933.9
Divided by:			
Finance costs	175.3	79.7	85.0
Interest coverage ratio (x)	11.2	23.5	34.5[(a)]

(a) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, the interest coverage ratio for the year ended March 31, 2022 would have been 22.0x.

(8) The following table sets out the computation of SP Group's total debt/EBITDA (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Total debt[(5)]	5,581.1	4,543.3	4,286.1
Divided by EBITDA	1,948.4	1,882.1	3,385.2
Total debt/EBITDA (at period end) (x)	2.9	2.4	1.3[(a)]

(a) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, total debt/EBITDA as at March 31, 2022 would have been 2.3x.

(9) Total debt and equity comprises total debt (as defined in footnote (5) above) and total equity attributable to owner of Singapore Power Limited.

(10) Funds from operations ("FFO") represents net cash from operating activities plus (1) changes in working capital and (2) dividends received from associates and joint ventures, and less interest paid.

The following table reconciles SP Group's net cash from operating activities to FFO (a non-SFRS(I) financial measure).

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Net cash from operating activities	1,604.4	1,592.5	1,742.2
Add: Changes in working capital	55.0	(1.9)	92.6
Less: Interest paid	(153.4)	(108.9)	(81.8)
Add: Dividends received from associates and joint venture	141.0	146.9	153.8
FFO	1,647.0	1,628.6	1,906.8

Net debt represents total debt (at period end) less cash and cash equivalents.

FFO/net debt is presented because SP Group believes that some investors find it to be a useful tool for measuring a company's ability to service debt obligations. FFO/net debt is not determined in accordance with SFRS(I) and should not be considered in isolation or as an alternative to cash flow as a measure of liquidity. SP Group's FFO/net debt is not comparable to that of other companies that may determine FFO/net debt differently.

Net revenue (non-SFRS(I)) breakdown by business segment[7]

The following table sets out the breakdown of SP Group's net revenue (non-SFRS(I)) by business segments, by amount and as a percentage of SP Group's total net revenue (non-SFRS(I)), for FY20, FY21 and FY22.

	For the financial year ended March 31,					
	2020		2021		2022	
	(S$ million)	(%)	(S$ million)	(%)	(S$ million)	(%)
Net revenue (non-SFRS(I))[(1)] of:						
Transmission and Distribution Business in Singapore	2,169.9	88.1	2,071.4	86.9	2,104.9	85.9
Market Support Services Business	265.7	10.8	286.6	12.0	304.9	12.4
Others	28.3	1.1	26.0	1.1	42.8	1.7
Total	**2,463.9**	**100.0**	**2,384.0**	**100.0**	**2,452.6**	**100.0**

Note:

(1) Net revenue (a non-SFRS(I) financial measure) is calculated by subtracting purchased power expense from the aggregate of revenue (a SFRS(I) financial measure) and net movement in RDA balances related to profit or loss. Net revenue (non-SFRS(I)) is presented because SP Group believes that some investors find it to be a useful tool for assessing SP Group's financial performance. Net revenue (non-SFRS(I)) is not determined in accordance with SFRS(I) and should not be considered in isolation or as an alternative to revenue as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. SP Group's net revenue (non-SFRS(I)) is not comparable to that of other companies that may determine net revenue (non-SFRS(I)) differently.

[7] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

The following table reconciles each business segment's external revenue to net revenue (non-SFRS(I)) for the years indicated.

	Transmission and Distribution Business in Singapore	Investments in Australia[(a)]	Market Support Services Business	Others	Total
			(S$ million)		
FY22					
External revenue[(b)]	1,709.3	–	3,419.9	84.3	5,213.5
Add: Net movement in RDA balances related to profit of loss[(c)]	18.3	–	(0.7)	28.2	45.8
Revenue	1,727.6	–	3,419.2	112.5	5,259.3
Less: purchased power expense	–	–	(2,764.5)	(42.2)	(2,806.7)
Inter-segment elimination[(d)]	377.3	–	(349.8)	(27.5)	–
Net revenue (non-SFRS(I))	**2,104.9**	**–**	**304.9**	**42.8**	**2,452.6**
FY21					
External revenue[(b)]	1,530.5	–	1,974.1	69.5	3,574.1
Add: Net movement in RDA balances related to profit of loss[(c)]	197.6	–	84.7	0.7	283.0
Revenue	1,728.1	–	2,058.8	70.2	3,857.1
Less: purchased power expense	–	–	(1,455.1)	(18.0)	(1,473.1)
Inter-segment elimination[(d)]	343.3	–	(317.1)	(26.2)	–
– **Net revenue (non-SFRS(I))**	**2,071.4**	**–**	**286.6**	**26.0**	**2,384.0**
FY20					
External revenue[(b)]	1,493.5	–	2,420.5	79.5	3,993.5
Add: Net movement in RDA balances related to profit of loss[(c)]	265.3	–	(4.8)	(4.1)	256.4
Revenue	1,758.8	–	2,415.7	75.4	4,249.9
Less: purchased power expense	–	–	(1,763.8)	(22.2)	(1,786.0)
Inter-segment elimination[(d)]	411.1	–	(386.2)	(24.9)	–
Net revenue (non-SFRS(I))	**2,169.9**	**–**	**265.7**	**28.3**	**2,463.9**

Notes:

(a) While SP Group's investments in its Australian associates, namely SGSPAA and (prior to the AusNet Divestment) AusNet Services, do not contribute to SP Group's revenue, SP Group recognises a share of profit or loss attributable to such investments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview of Revenue and Expenses — Share of profit of associates, net of tax" for more details.

(b) For further details of SP Group's external revenue by business segments, see Note 30 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, included elsewhere in this Offering Circular.

(c) For further details of net movements in RDA balances related to profit or loss, see Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, included elsewhere in this Offering Circular.

(d) Inter-segment elimination relates to the use of system charge billed by Electricity T&D Business to Market Support Services Business, as well as sale of electricity and market support services billed by Market Support Services Business to other segments within SP Group. For further details of SP Group's inter-segment revenue by business segments, see Note 30 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021, and March 31, 2022, included elsewhere in this Offering Circular.

EBITDA breakdown by business segment[8]

The following table sets out the breakdown of EBITDA of SP Group by business segments, by amount and as a percentage of total EBITDA of SP Group, for FY20, FY21 and FY22.

	For the financial year ended March 31,					
	2020		2021		2022	
	(S$ million)	(%)	(S$ million)	(%)	(S$ million)	(%)
EBITDA[(1)] of:						
Transmission and Distribution Business in Singapore	1,821.6	93.5	1,689.5	89.8	1,670.1	49.4[(3)]
Market Support Services Business	156.1	8.0	176.7	9.4	177.4	5.2[(3)]
Others	(29.3)	(1.5)	15.9	0.8	1,537.7[(2)]	45.4[(3)]
Total	**1,948.4**	**100.0**	**1,882.1**	**100.0**	**3,385.2**	**100.0**

Notes:

(1) EBITDA represents net profit (A) plus (1) finance (income) costs, net, (2) tax expense, (3) RDA related deferred tax movements, (4) depreciation of property, plant and equipment, (5) amortization of intangible assets and (B) less/(add) share of profit/(loss) from associates and joint ventures, net of tax. EBITDA is presented because SP Group believes that some investors find it to be a useful tool for measuring a company's ability to fund capital expenditures or to service debt obligations. EBITDA is not determined in accordance with SFRS(I) 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 SP Group is not comparable to that of other companies that may determine EBITDA differently. In particular, SP Group's computation of EBITDA also adjusts for SP Group's share of profit/(loss) of associates and joint ventures, net of tax (in addition to (1) finance (income) costs, net, (2) tax expense, (3) RDA related deferred tax movements, (4) depreciation of property, plant and equipment and (5) amortization of intangible assets) as SP Group believes excluding the share of profit/(loss) of associates and joint ventures, net of tax, in its presentation of EBITDA facilitates comparisons of the financial performance of SP Group's business segments that are managed and operated by SP Group from period to period.

(2) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, the EBITDA contribution from the "Others" business segment would have been S$5.7 million for the year ended March 31, 2022.

(3) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, EBITDA for the year from the "Transmission and Distribution Business in Singapore", "Market Support Services Business" and "Others" business segments would have accounted for 90.1%, 9.6% and 0.3% respectively of SP Group's total EBITDA for the year ended March 31, 2022.

[8] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

The following table reconciles SP Group's net profit for the year to EBITDA.

	Transmission and Distribution business in Singapore	Investments in Australia[a]	Market Support Services Business	Others	Total
			(S$ million)		
FY22					
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit")[b]	607.1	165.5	101.3	1,129[d]	2,002.9[e]
(Less)/Add:					
Share of profit/loss of associates	–	(165.5)	–	1.5	(164.0)
Plus:					
RDA related deferred tax movement[c]	3.1	–	–	4.8	7.9
Share of losses of joint ventures	–	–	–	5.7	5.7
Finance costs, net	175.5	–	(0.9)	(148.2)	26.4
Tax expense	140.3	–	20.4	499.6	660.3[f]
Depreciation of property, plant and equipment	740.7	–	14.6	35.0	790.3
Amortization of intangible assets	3.4	–	42.0	10.3	55.7
EBITDA	**1,670.1**	**–**	**177.4**	**1,537.7[g]**	**3,385.2[h]**
FY21					
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit")[b]	649.7	180.0	106.4	40.6	976.7
Less:					
Share of profit of associates	–	(180.0)	–	–	(180.0)
Plus:					
RDA related deferred tax movement[c]	33.6	–	–	0.1	33.7
Share of losses of joint ventures	–	–		6.0	6.0
Finance costs, net	172.7	–	(5.6)	(132.7)	34.4
Tax expense	115.0	–	23.2	59.6	197.8
Depreciation of property, plant and equipment	708.8	–	14.8	33.8	757.4
Amortization of intangible assets	9.7	–	37.9	8.5	56.1
EBITDA	**1,689.5**	**–**	**176.7**	**15.9**	**1,882.1**

	Transmission and Distribution business in Singapore	Investments in Australia[a]	Market Support Services Business	Others	Total
			(S$ million)		
FY20					
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit[b]")	756.4	150.8	90.4	18.8	1,016.4
Less:					
Share of profit of associates	–	(150.8)	–	–	(150.8)
Plus:		–	–	–	
RDA related deferred tax movement[c]	45.1	–	–	(0.7)	44.4
Share of losses of joint ventures		–	–	1.9	1.9
Finance costs, net	219.3	–	(7.8)	(108.0)	103.5
Tax expense	122.4	–	19.0	22.6	164.0
Depreciation of property, plant and equipment	665.3	–	16.9	29.6	711.8
Amortization of intangible assets	13.1	–	37.6	6.5	57.2
EBITDA	**1,821.6**	**–**	**156.1**	**(29.3)**	**1,948.4**

Notes:

(a) While SP Group's investments in its Australian associates, namely SGSPAA and (prior to the AusNet Divestment) AusNet Services, do not contribute to SP Group's revenue, SP Group recognises a share of profit or loss attributable to such investments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview of Revenue and Expenses — Share of profit of associates, net of tax" for more details.

(b) Net profit refers to the line item "profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited" in SP Group's income statement.

(c) For further details of SP Group's RDA related deferred tax movements, see Note 17 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular.

(d) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, the net profit contribution from the "Others" business segment would have been S$67.3 million for the year ended March 31, 2022

(e) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, SP Group's net profit would have been S$941.2 million for the year ended March 31, 2022.

(f) Tax expense for the year ended March 31, 2022 included (among other things) a capital gain tax assessed to be payable on the gains from the AusNet Divestment as per the notices of assessment issued by the relevant local tax authority. SP Group intends to dispute such assessments. SP Group has provided for a capital gain tax of S$470.3 million in its financial statements for the year ended March 31, 2022.

(g) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, the EBITDA contribution from the "Others" business segment would have been S$5.7 million for the year ended March 31, 2022.

(h) Excluding the one-off gain of S$1,532 million from the AusNet Divestment, SP Group's EBITDA would have been S$1,853.2 million for the year ended March 31, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based upon information contained in the audited financial statements of SP Group for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, including the notes thereto, appearing elsewhere in this Offering Circular. The following discussion and analysis should be read in conjunction with the consolidated financial statements of SP Group, including the notes thereto. This discussion contains forward-looking statements that reflect SP Group's current views with respect to future events and financial performance. SP Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Risk Factors" and elsewhere in this Offering Circular.

Overview

SP Group is a leading energy utility company in Asia Pacific, with total assets and RDA debit balances of S$23.0 billion as of March 31, 2022 and S$2.0 billion of net profit for the financial year ended March 31, 2022.

SP Group owns and operates electricity and gas transmission and distribution businesses and a market-support services business in Singapore, and holds a 40% interest in SGSPAA, an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. SP Group also owns and operates one of the world's largest underground district cooling network that is located in Singapore. SP Group is also deploying sustainable energy solutions regionally, including but not limited to energy efficiency projects such as district cooling and heating operations in China, renewable projects such as solar energy generation projects in China and Vietnam, and provision of EaaS via a host of energy solutions to enable different customer segments to achieve their sustainability objectives. As of March 31, 2022, SP Group's Electricity T&D Business, Gas T&D Business and Market Support Services Business serve more than 1.69 million industrial, commercial and residential customers in Singapore. SP Group's electricity and gas transmission and distribution networks are amongst the most reliable and cost-effective worldwide.

SP Group's core business comprises the following segments:

- **Transmission and distribution business in Singapore**

  SP Group's transmission and distribution business in Singapore is substantially driven by the Electricity T&D Business and also includes the Gas T&D Business. SPPA, a wholly-owned subsidiary of SP, is the sole Transmission Licensee in Singapore, and owns and maintains the electricity transmission and distribution network that delivers power to substantially all electricity consumers in Singapore. PowerGas, a wholly-owned subsidiary of SP, is the sole Gas Transporter Licensee and gas system operator in Singapore, and owns, operates and maintains the gas transmission and distribution network that delivers both natural gas and town gas to substantially all gas end users in Singapore.

  Net profit for the year from this segment accounted for 74%, 67% and 30% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 64% of SP Group's total net profit for the year ended March 31, 2022.[9] Total assets and RDA debit balances of this segment accounted for 70%, 70% and 63% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

[9] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

- **Investments in Australia**

  SP Group holds an interest in SGSPAA, an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. As of June 30, 2022, SP Group owns a 40% interest in SGSPAA**.** SP Group previously owned an interest in AusNet Services, a company engaged in the transmission and distribution of electricity and gas in Australia, which was listed on the ASX. SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022, and AusNet Services has since been delisted from the ASX.

  SP Group seeks to create and optimize risk-adjusted returns of its investments over the long term. SP Group aims to add value to its investee companies through board representations, exercising governance and oversight at the board level and providing inputs on the strategic direction of its investee companies.

  SP Group's net profit for the year from its investments in Australia accounted for 15%, 18% and 8% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 18% of SP Group's total net profit for the year ended March 31, 2022.[10] Total assets and RDA debit balances of this segment accounted for 11%, 14% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Market Support Services Business**

  SP Services, a wholly-owned subsidiary of SP, is the only MSSL in Singapore. SP Services also facilitates competition in the retail electricity market by enabling consumers to switch seamlessly between buying electricity from Retail Licensees and at wholesale market prices, and by acting as a Retailer of Last Resort. SP Services also acts as a billing agent to certain Retail Licensees and other utility principals. These principals include PUB, City Energy and various refuse vendors, to whom SP Services provides billing, meter reading (where applicable) and other customer services for gas, water and refuse utilities.

  SP Group's net profit for the year from this segment accounted for 9%, 11% and 5% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 11% of SP Group's total net profit for the year ended March 31, 2022.[11] Total assets and RDA debit balances of this segment accounted for 6%, 7% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Others**

  The "Others" segment comprises certain other activities, including (without limitation) investment holding services and the businesses described below. The financial impact of the AusNet Divestment was reflected in the "Others" business segment (as resulting from the activity of investment holding services).

[10] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

[11] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Sustainable Energy Solutions

SP Group aims to capture new opportunities across the energy value chain, with a vision to empower utilities and its customers to accelerate towards their efficiency and sustainability goals by providing comprehensive sustainable energy solutions which mainly comprises three key categories, namely: 1) energy efficiency projects such as district cooling and heating, microgrids and energy storage, 2) renewable energy including but not limited to solar and wind energy, and 3) EaaS where SP will leverage on its deep engineering capabilities and strong in-house capabilities to design and develop solutions for its customers such as renewable energy certificates, carbon credits and grid monitoring solutions, integrated energy solutions, smart energy network and other power grid applications.

Notable projects include providing the Singapore Institute of Technology with a multi-energy urban microgrid at the university's upcoming Punggol campus as well as SP Group's partnership with Sembcorp Marine to install renewable energy and energy storage systems. In addition, SP Group is working with the HDB to develop a smart energy town at HDB Tengah housing estate. This will entail the provision of energy efficient cooling services to the Tengah residents and is Singapore's first residential cooling project. SP Group also aims to deploy its district cooling solutions to the commercial and industrial sectors and has been appointed in April 2022 to retrofit seven buildings in Tampines town centre with an interconnected, sustainable cooling solution designed in-house. SP Group, via a 70:30 joint venture with Daikin Singapore (with SP Group holding a shareholding interest of 70.0% and Daikin Singapore holding a shareholding interest of 30.0% respectively), will also design, build, own and operate Singapore's largest industrial district cooling system in STMicroelectronics' plant Ang Mo Kio TechnoPark.

SP Group also aims to address a critical gap in the adoption of electric vehicles by owning and operating Singapore's largest and fastest charging network. To expand this network, SP Group has entered into collaborations and partnerships with landlords, transportation companies such as taxi and car leasing companies, as well as petrol kiosks to deploy charging stations in different locations in Singapore.

SDC, a wholly-owned subsidiary of SP, currently provides district cooling services to buildings in Singapore. In addition to providing district cooling services to developments within the service area designated by the District Cooling (Declaration of Service Area) Notification 2006 under the District Cooling Act, SDC also engages in the production and supply of chilled water for air-conditioning purposes to developments outside of the service area through its existing network. SDC is also able to provide consultancy services on the design, implementation and operation of chiller and HVAC systems globally as part of its "allowed" activities under the District Cooling Services Licence.

Beyond Singapore, SP Group also provides sustainable energy solutions in China and Vietnam, including, but not limited to, renewable energy generation and district heating and cooling services.

Real Estate

In support of Singapore's national agenda to optimize land use, SP Group has embarked on the optimization of land use through the development of an underground transmission substation and building of commercial property above the underground substation. This real estate development project which comprises SPPA's underground transmission substation and operational support center, and a commercial office tower with ancillary retail space, is located along Pasir Panjang Road in Singapore. It is planned for completion by 2025.

Digital

SP Digital, a wholly-owned subsidiary of SP, was incorporated to spearhead and drive SP Group's digital transformation and pursuit of new digital opportunities. With its mission of powering sustainability with energy technology, SP Digital aims to leverage on its strong in-house digital capabilities to support SP Group's regulated businesses as well as its unregulated businesses by equipping consumers and businesses with timely data to trigger change in behavior and using technology to enable sustainable actions and to make sustainability economical by reducing costs and consumption.

SP Group's net profit for the year from the "Others" segment accounted for 2%, 4% and 56% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, net profit for the year from this segment would have accounted for 7% of SP Group's total net profit for the year ended March 31, 2022.[12] Total assets and RDA debit balances of this segment accounted for 13%, 9% and 24% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

Significant Factors Affecting SP Group's Financial Condition and Results of Operations

A number of general factors affected SP Group's financial performance during the three years ended March 31, 2020, 2021 and 2022 and continue to affect SP Group's financial performance. The principal factors are discussed below.

Revenue and Purchased Power

A significant portion of SP Group's revenue is derived from the sale of electricity by SP Services. SP Services acts as the principal in the sale of electricity to all non-contestable consumers and contestable consumers who purchase electricity through SP Services, whether directly or indirectly. Excluding market support services fees, SP Group sells electricity at a price equal to the cost price at which it purchases such electricity ("purchased power expense"), without any profit margin. SP Group recovers such purchased power expense via the energy cost component of the regulated tariff. Differences between revenue recognised from such energy cost component of the regulated tariffs and the actual purchased power expense incurred in a particular quarter period may arise due to differences in expected versus actual electricity consumption and vesting contract prices versus wholesale spot market prices ("Previous Net Shortfall"). As such differences will be recovered/returned to consumers via future adjustments to the regulated tariffs and is recognised as part of the net movement in RDA balances related to profit or loss, it is not expected to have a significant impact on SP Group's net revenue (non-SFRS(I)).

Accordingly, SP Group evaluates the financial performance of its business based on SP Group's revenue and net movement in RDA balances related to profit or loss less purchased power expense, or "net revenue", which is a non-SFRS(I) financial measure. SP Group believes that net revenue (non-SFRS(I)) reflects more meaningfully the financial performance of SP Group's business. Accordingly, an analysis of net revenue (non-SFRS(I)) (calculated by subtracting purchased power expense from revenue and net movement in RDA balances related to profit or loss) has been included in order to provide an indicative measure of SP Group's financial performance. The net revenue (non-SFRS(I)) derived reflects the revenue earned (allowed revenue) from the provision of market support services to non- contestable and contestable consumers at the EMA-approved rates for market support services. Please see "— Overview of Revenue and Expenses — Sale of electricity, market support and agency services" for further information.

On April 1, 2018, the EMA commenced the soft launch of Open Electricity Market ("OEM") where households and businesses in the Jurong area in Singapore can choose to buy electricity from a Retail Licensee, the wholesale electricity market through SP Services or remain at the regulated tariff from SP Services. From November 1, 2018 to May 1, 2019, OEM was progressively extended to the rest of Singapore by zones, allowing the remaining 1.5 million accounts (mainly households) to choose who they wish to buy electricity from. Those who prefer to buy electricity at the regulated tariff from SP Services can continue to do so.

[12] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Please see "Industry and Regulation — Electricity Industry in Singapore — Summary of the Restructured Electricity Industry in Singapore — Contestability" for further information regarding the OEM.

The extension of OEM to the rest of Singapore may result in a reduction in SP Group's revenue, offset by a reduction in the amount of purchased power, but is not expected to have a significant impact on SP Group's net revenue (non-SFRS(I)).

Regulated Tariffs

SP Group's revenues are primarily derived from network charges for transmitting and distributing electricity and gas across its transmission and distribution networks. These charges for use of SP Group's networks which SP Group may charge its consumers via the regulated tariffs are subject to regulatory approval by the EMA.

SP Group's revenue for the Electricity T&D Business, which is regulated by the EMA, is computed as the value of its regulated asset base for the Electricity T&D Business multiplied by its regulatory WACC for the Electricity T&D Business, to which operating expenses, depreciation and taxes are added. The WACC for the Electricity T&D Business was retained at 5.76% (nominal after tax) for the first year of the current five-year regulatory period which commenced on April 1, 2020, and subsequently adjusted to 5.38% (nominal after tax) for the second to fifth year. The regulated asset base for the Electricity T&D Business was S$11.9 billion.[13]

SP Group's revenue for the Gas T&D Business, which is regulated by the EMA, is computed as the value of the regulated asset base for the Gas T&D Business multiplied by the regulatory WACC for the Gas T&D Business, to which operating expenses, depreciation and taxes are added. The WACC for the Gas T&D Business was retained at 6.00% (nominal after tax) for the first year of the current five-year regulatory period which commenced on April 1, 2020, and subsequently adjusted to 5.38% (nominal after tax) for the second to fifth year. The regulated asset base for the Gas T&D Business was S$969 million.[14]

SP Group's ability to generate revenue from use of its electricity and gas transmission and distribution networks is governed by these price controls, which have significant impact on its financial performance. The EMA may from time to time conduct consultations on matters, such as the parameters relating to application of SP Group's building block calculation, which could result in regulatory changes that may affect SP Group's business, revenues and results of operations. No assurance can be given that any regulatory changes (if and when they come into effect) will not have a material adverse effect on SP Group's business, revenues or results of operations.

SP Group may engage in discussions with the EMA from time to time in the ordinary course with regards to the timing of tariff increases. For example, considering the adverse economic impact on consumers due to the COVID-19 pandemic, the tariff increase for the electricity network and town gas network charges including but not limited to the year FY21 was deferred. In FY22, to partially alleviate the inflationary pressures on consumers' cost of living, the tariff increase on the electricity network for the recovery of the Previous Net Shortfall (see "— Revenue and Purchased Power") for the quarters ended December 31, 2021 and March 31, 2022 was deferred too. The aggregate of outstanding tariff deferrals as at March 31, 2022 is S$578 million, part of which the timing for recovery is still under discussion with the EMA. Such deferrals of tariff increases as at March 31, 2022 have led to corresponding deferrals of part of SP Group's cash flows, but are not expected to have a material adverse effect on SP Group's current liquidity position. SP Group is unable to predict the impact of future deferrals (if any) on its future cash flows and liquidity position, as this is dependent on the quantum and timing of any such further deferrals (and their recovery). See "Risk Factors — Risks Related to SP Group's Transmission and Distribution Business in Singapore and the Market Support Services Business — SP Group's business performance may be impacted by the regulator's revenue and price control determination and changes to the regulatory framework in which SP Group operates".

[13] The regulated asset base used for tariff computation excludes customer contributions.

[14] The regulated asset base used for tariff computation excludes customer contributions.

Demand for and Usage of Electricity and Gas by Consumers

The actual volume of electricity and gas transmitted and distributed across SP Group's transmission and distribution networks, in combination with the network charges charged by SP Group, significantly determines the amount of revenues that it can earn from the Electricity T&D Business and the Gas T&D Business. However, the volume of electricity and gas transmitted and distributed over SP Group's networks is essentially dependent on demand from electricity and gas consumers, and SP Group's ability to affect such demand is quite limited. Changes in demand for electricity and gas are driven largely by general factors outside SP Group's control, including the retail price of electricity or gas, increases in energy efficiency, increases in self generation by electricity consumers, cooler weather, changes in the mix of industries in Singapore and the ongoing COVID-19 pandemic. Network utilization, and therefore, the revenue which SP Group derives from its networks, varies from period to period in response to these and other factors affecting demand for electricity and gas in Singapore.

Under the regulatory framework for the current five-year regulatory period as well as the previous regulatory periods, SP Group absorbs any revenue deviations caused by fluctuations in total volume or amount of electricity and gas transmitted or distributed each year within a +/-2.0% deviation from the original volume and/or revenue forecast for the respective network incorporated into the building block forecast. If the deviation is outside this 2.0% range, the EMA will adjust its price controls within the current regulatory period to compensate for such variance beyond 2.0%. Therefore, SP Group's exposure in a given year to increases or decreases in revenue associated with changes in the aggregate volume or amount of electricity and gas transmitted or distributed through its networks is limited to +/-2.0% deviation from the regulated revenue/ volume forecast. However, in the case where the +/- 2.0% deviation applies to the volume instead of revenue forecast, SP Group is also exposed to the risk of changes in demand mix between particular consumer segments regardless of the total volume deviation from the total volume assumed in the regulatory volume forecast. See "— Overview of Revenue and Expenses — Revenue" and "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business — Tariff Regulatory Framework for the Electricity T&D Business" and "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business".

In view of the COVID-19 pandemic, EMA agreed on an exceptional basis to suspend the +/-2.0% deviation band and allow for full recovery of revenue loss for FY21, FY22 and FY23 in respect of certain aspects of SP Group's regulated business, as described below in the section "— COVID-19 Impact and Response".

General Economic Conditions in Singapore and Australia

SP Group's financial performance is dependent on general conditions in the economy of Singapore as all of its assets for the Electricity T&D Business and the Gas T&D Business are located in Singapore and 100% of its revenue from the Electricity T&D Business and the Gas T&D Business is generated from business activities in Singapore.

SP Group's financial performance is also dependent on general conditions in the economy of Australia, as SP Group derives substantial earnings from its investments in Australia.

Performance of Australian Associates

The financial performance of Australian associates of SP Group, SGSPAA and (prior to its disposal by SP Group with effect from February 16, 2022) AusNet Services, has an impact on SP Group's financial performance, as SP Group derives substantial earnings from its investments in Australia. The financial performance of SGSPAA and AusNet Services were, and in the case of SGSPAA, continues to be, dependent on various factors, including (without limitation) the general conditions in the economy of Australia, and applicable laws and regulations (including any applicable tariffs). SP Group does not have control over the day-to-day operations of SGSPAA and AusNet Services, which were, and in the case of SGSPAA, continues to be, managed by local management.

Capital Expenditure

SP Group's business is capital-intensive. SP Group may be required to expand, upgrade and maintain its networks from time to time. Owing to the regulated nature of SP Group's transmission and distribution business in Singapore, capital expenditure can be large and uneven while the regulated returns on such capital expenditure are received over a period of time. SP Group's capital expenditure (relating to property, plant and equipment, intangible assets and investment property) was S$1,218.9 million, S$984.8 million and S$998 million for FY20, FY21 and FY22, respectively. The major capital expenditure projects over the last three years that had constituted a significant portion of SP Group's capital expenditures are as follows:

- the ongoing renewals of 230kV network circuits in the northern supply blocks which would be installed in the North-South cable tunnel and East-West cable tunnel to ensure network reliability;

- the development of an underground 230kV substation and operational support center at Pasir Panjang (as part of the development project located along Pasir Panjang in Singapore, as described in the section "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business");

- the ongoing renewals of ductile iron town gas mains;

- the renewal of Paya Lebar 230kV substation as part of the asset renewal program to ensure network reliability; and

- the replacement of Senoko to Tampines 230kV circuit as part of the asset renewal program to ensure network reliability.

For expected total capital expenditure for FY23, please see " — Capital Expenditure".

Capital Structure

SP Group aims to strike a balance between optimizing its capital structure and achieving a prudent level of leverage. As of March 31, 2020, March 31, 2021 and March 31, 2022, SP Group's total debt/(total debt and equity) ratios were 34.2%, 27.5%, and 23.5% respectively.

Foreign Exchange Fluctuations

The reporting currency for the consolidated financial statements of SP Group is Singapore dollars. SP Group derives substantial earnings from its investments in Australia. SP Group may be exposed to currency fluctuations between Singapore dollars and Australian dollars when earnings from its investments in Australia are translated into Singapore dollars.

AusNet Divestment

In February 2022, SP Group divested its entire 32.74% equity interest in AusNet Services, a company engaged in the transmission and distribution of electricity and gas in Australia, which was listed on the ASX.

In November 2021, AusNet Services entered into a Scheme Implementation Deed with Brookfield Asset Management, Inc ("Brookfield") pursuant to which Brookfield acquired 100% of interest in AusNet Services. The relevant scheme of arrangement was approved by eligible shareholders on January 28, 2022 and implemented on February 16, 2022. As a result, SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022 (the "AusNet Divestment"), and AusNet Services has since been delisted from the ASX. SP Group received a cash consideration of S$3,154.1 million from the AusNet Divestment and recognised a gain on disposal of interest in an associate of S$1,532 million (presented as part of "Other income" in SP Group's income statement for the year ended March 31, 2022).

While SP Group's investments in its Australian associates, namely SGSPAA and (prior to the AusNet Divestment) AusNet Services, do not contribute to SP Group's revenue, SP Group recognises a share of profit or loss attributable to such investments, which is reflected under the business segment described as "Investments in Australia". However, SP Group's recognised gain on disposal of interest in an associate of S$1,532 million arising from the AusNet Divestment was reflected in the business segment described as "Others" in line with the reportable business segments in SP Group's financial statements. As this one-off gain from the AusNet Divestment is recognised in the year ended March 31, 2022, the financial statements for the year ended March 31, 2022 may not be comparable to the financial statements of the two prior years in this regard.

The relevant local tax authority had issued notices of assessment assessing that a capital gain tax of S$470.3 million is payable on the gains from the AusNet Divestment. SP Group intends to dispute such assessments. A provision of S$470.3 million has been made in respect of such capital gain tax in SP Group's financial statements for the year ended March 31, 2022.

In view of the gains from the AusNet Divestment, a special dividend of S$2.0 billion for the year ended March 31, 2022 (in addition to ordinary dividend of S$470 million for the year ended March 31, 2022) was paid by Singapore Power Limited in August 2022.

COVID-19 Impact and Response

The COVID-19 pandemic has been one of the most significant global health crises in recent times. The COVID-19 pandemic and measures taken to mitigate the spread of COVID-19 (including restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses) severely impacted economic activity in Singapore and globally (including in Australia and China) and caused a global recession in 2020. The COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide. The emergence of new COVID-19 variants could lead to resurgence in infection rates, although with the world entering a third year of the COVID-19 pandemic in 2022, the risks of reimposition of tight border controls and restrictions on movement and economic activities is now lower as most parts of the world are moving from a pandemic into an endemic state of COVID-19. However, the continuation of zero-COVID strategies by China has also weighed on its economic recovery at a time when other major countries are easing their restrictions and learning to live with COVID-19. Such zero-COVID strategies could also result in a slow-down in GDP growth in China which may contribute to a global recession and may impact the economy of Singapore in general and SP's operations in China.

Business Continuity

As the COVID-19 pandemic progresses, SP Group continues to monitor the situation closely and business continuity plans have been implemented to minimize disruptions to operations and continue the provision of reliable electricity and gas transmission and distribution services to consumers in Singapore, while prioritizing the health and safety of SP Group's workforce.

In line with the measures implemented by the Government, SP Group continues to enforce appropriate business travel and safe distancing protocols to ensure the well-being of SP Group's staff is not compromised as SP Group strives to continue delivering its services to the Singapore community and customers.

Financial Impact

The COVID-19 pandemic and measures to mitigate the spread of COVID-19 in Singapore resulted in a decrease in the volume of electricity and gas transmitted and distributed on SP Group's network in FY21 as compared to FY20. The volume of electricity and natural gas transmitted and distributed on SP Group's network in FY22 has since recovered to pre-COVID-19 levels, although town gas consumption in FY22 has remained lower than pre-COVID-19 levels. SP Group is currently shielded from severe fluctuations in electricity and gas demand by the regulatory framework in which it operates. This limits the exposure in a given year to increases or decreases in revenue associated with changes in the aggregate volume or amount of electricity and gas transmitted or distributed on SP Group's network to a +/- 2.0% deviation from the original volume and/or revenue forecast. Furthermore, in view of the COVID-19 pandemic, EMA had agreed on an

exceptional basis to allow SPPA and PowerGas' town gas network to fully recover any revenue loss for FY21 including losses within the 2.0% range, and subsequently extended this arrangement for another two years for SPPA. Such revenue recovery is implemented via an adjustment in tariffs in the following year(s) of the current five-year regulatory period which commenced on April 1, 2020.

SP Group has not witnessed any significant delays or defaults in customer payments or increase in receivables since the COVID-19 pandemic started. SP Group's customers are spread across diverse industries and ongoing credit evaluation is performed on the financial condition of receivables to ensure minimal exposure to bad debts. In response to the COVID-19 pandemic, SP Group has also been performing more frequent review of its credit risk exposure and closely monitors for credit deterioration.

SP Group has cash and cash equivalents of approximately S$4,207.8 million as of March 31, 2022, and has in place measures to avail itself of funding through bank credit lines and the issuance of notes under the Program. Please refer to the more detailed discussions in "— Liquidity and Capital Resources". SP Group does not believe that its liquidity or access to capital has been significantly impacted as a result of the pandemic.

The COVID-19 pandemic's adverse impact on the availability of foreign workers in Singapore which caused certain of SP Group's planned capital expenditure projects to be delayed in FY21 has moderated with a slight recovery in the capital expenditure incurred for FY22 as compared with FY21. There remains a risk that the recovery in execution of these planned capital expenditure projects may be slower than expected or may even continue to be delayed in the foreseeable future. There is no assurance that SP Group is able to fully mitigate in a timely manner any delays in executing planned capital expenditure projects due to the COVID-19 pandemic. While such delays could have a positive impact on SP Group's cash flows, they could, depending on their length and extent, have an adverse marginal impact on SP Group's revenue for FY23. See "Risk Factors — General Risks Related to SP Group's Business and Industry — SP Group's business, financial condition, and results of operations and prospects may be adversely affected by health epidemics, pandemics and other outbreaks of contagious diseases".

Given the uncertainties as to the development of the COVID-19 pandemic, including the emergence of new COVID-19 variants and the measures (if any) which may be taken to mitigate the spread of such variants, the actual extent of the pandemic and its impact on the domestic, regional and global economy remain uncertain, and the actual extent of the impact on SP Group's business and operations will depend on many factors beyond its control including, among other things, the duration of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery. Consequently, SP Group is unable to predict the impact that the COVID-19 pandemic may have on its future results of operations or cash flows (including in relation to SP Group's investments in Australia and operations in China).

Basis of Preparation of SP Group's Consolidated Financial Statements

Basis of Preparation

In December 2017, the ASC issued SFRS(I) effective January 1, 2018. SFRS(I) is equivalent to IFRS. SP Group adopted SFRS(I) for the financial year that began on April 1, 2018.

SP Group's financial statements as of and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular have been prepared in accordance with SFRS(I). During the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022, SP Group also adopted new and revised SFRS(I) and interpretations to SFRS(I) that are effective for each financial year respectively.

Information regarding the adoption of new standards that are effective for the financial periods beginning on or after April 1, 2019, April 1, 2020 and April 1, 2021 that have material effect on the financial performance or position of SP Group is provided in Note 2.5 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, in each case included elsewhere in this Offering Circular.

Key accounting policies adopted in the last three financial years

Adoption of SFRS(I) 16

On April 1, 2019, SP Group adopted SFRS(I) 16 *Leases* which is effective for annual periods beginning on or after January 1, 2019.

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where SP Group is the lessor.

As a lessee, SP Group leases certain assets including land and offices. SP Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to SP Group. Following the adoption of SFRS(I) 16 for annual periods beginning on or after January 1, 2019, leases in respect of which SP Group is a lessee which were previously classified as operating leases and held off balance sheet are now on balance sheet, and accordingly SP Group recognizes right-of-use assets (under the line item "Property, plant and equipment") and lease liabilities for such leases – in other words, such leases are on-balance sheet. See Note 2.5 of SP Group's audited financial statements for the year ended March 31, 2020 included elsewhere in this Offering Circular for more details regarding SP Group's adoption and application of SFRS(I) 16.

See "Critical Accounting Policies" below for other significant accounting policies which SP Group adopts in the preparation of its consolidated financial statements.

Critical Accounting Policies

The preparation of the consolidated financial statements of SP Group requires the making of difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in such financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on SP Group's historical experience, its observance of trends in the industry, information with respect to its consumers, terms of existing contracts, and information available from other outside sources, as appropriate. There can be no assurance that SP Group's judgments will prove correct or that actual results reported in future periods will not differ from its expectations reflected in its accounting treatment of certain items.

The following is not intended to be a comprehensive list of all SP Group's significant accounting policies or management's use of judgments, estimates and assumptions relating to accounting policies. For a full description of SP Group's significant accounting policies, please see Note 3 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 respectively, which are included elsewhere in this Offering Circular. For a discussion of management's use of estimates and judgments affecting the application of accounting policies, please see Note 2.4 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 respectively, which are included elsewhere in this Offering Circular.

Revenue recognition

Revenue for financial reporting purposes is measured based on the consideration to which SP Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue for financial reporting purposes is recognized when SP Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Sale of electricity

Revenue from the sale of electricity is recognized over time when electricity is delivered to consumers.

Use of system charges and transportation of gas

Revenue from use of system charges and transportation of gas is recognized over time based on tariff billings to customers when the volume of electricity and gas is delivered. Revenue from take-or-pay arrangements relating to the transportation of gas is recognized when it is probable that such revenue is receivable.

Accrued revenue

Revenue accrual estimates are made to account for the unbilled period between the end-user's last billing date and the end of the accounting period. The accrual relies on detailed analysis of customers' historical consumption patterns. The results of this analysis are applied for the number of days over the unbilled period.

Price regulation and licence

SP Group's operations in Singapore are regulated under the Transmission Licence, Transmission Agent Licence, Market Support Services Licence, Gas Transporter Licence, Gas Transport Agent Licence and the District Cooling Services Licence issued by the EMA.

Allowed revenue to be earned from the supply and transmission of electricity, transportation of gas and the provision of market support services is regulated based on certain formulae and parameters set out in those licences, relevant acts and codes.

Allowed revenue for district cooling corresponds to the quantum which SP Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services Licence issued by the EMA.

Revenue recognized for financial reporting purposes may differ from revenue earned for regulatory purposes due to revenue or volume variances. This may result in adjustments that may increase or decrease tariffs in succeeding periods. Amounts to be recovered or refunded are brought to account as adjustments to net movement in RDA debit or credit balances in the income statement in the period in which SP Group becomes entitled to the recovery or liable for the refund.

SP Group's capital expenditure may vary from its regulatory plan and is subject to a review by the EMA. The results of the variances in capital expenditure may be translated into price adjustments, if any, in the following reset period.

The use of system charges, transportation of gas charges and allowed revenue to be recovered from market support services fees are approved by the EMA for a 5-year regulatory period in accordance with the price regulation framework.

RDA debit or credit balances

Use of system charges, transportation of gas, district cooling services and market support services fees

RDA debit or credit balances represent timing differences between revenue recognized for financial reporting purposes and revenue earned for regulatory purposes.

Movements in the RDA debit or credit balances are recognized in profit or loss over the periods necessary to adjust revenue recognized for financial reporting purposes to revenue earned for regulatory purposes based on services rendered.

At the end of each regulatory period, adjustments for amounts to be recovered or refunded are taken to profit or loss as net movement in RDA balances.

Property, plant and equipment

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 cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Capitalization of borrowing costs will cease when the asset is ready for its intended use. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalized 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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other operating expenses in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to SP Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that SP Group will obtain ownership by the end of the lease term. Freehold land and construction-in-progress are not depreciated.

Investments in associates

An associate is an entity over which SP Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. SP Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include SP Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of SP Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Impairment reviews in respect of associates are performed at least annually or when there is any indication that the investment in associates may be impaired. More regular reviews are performed if changes in circumstances or the occurrence of events indicate potential impairment. SP Group uses the present value of future cash flows to determine the recoverable amounts of the underlying cash generating units in the associates. In calculating the recoverable amounts, significant management judgement is required in forecasting cash flows of the cash generating units, in estimating the terminal growth values and in selecting an appropriate discount rate.

Financial instruments

Non-derivative financial assets

Financial assets are recognized when, and only when SP Group becomes party to the contractual provisions of the instruments. At initial recognition, SP Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which SP Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Investments in debt instruments: Subsequent measurement of debt instruments depends on SP Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortized cost: Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through the amortization process.

(ii) Fair value through other comprehensive income ("FVOCI"): Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized.

(iii) Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises.

Investments in equity instruments: On initial recognition of an investment in equity instrument that is not held for trading, SP Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognized in profit or loss when SP Group's right to receive payments is established.

SP Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which SP Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Non-derivative financial liabilities

Financial liabilities are recognized when, and only when, SP Group becomes a party to the contractual provisions of the financial instrument. SP Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are recognized in profit or loss incurred.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognized in profit or loss.

Financial assets and liabilities are offset and the net amount presented on the balance sheets when, and only when, SP Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The rights of offset must not be contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract.

Ordinary shares

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

Derivative financial instruments and hedge accounting

SP Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

SP Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, SP Group documents the risk management objective and strategy for undertaking the hedge. SP Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

SP Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or

- fair value hedges when hedging the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment.

Cash flow hedges: When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognized. In other cases, the amount accumulated in equity is reclassified to profit and loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognized in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

Fair value hedges: Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognized in profit or loss with an adjustment to the carrying amount of the hedged item.

Taxation

Tax expense comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

SP Group is subject to taxes mainly in Singapore and Australia. Significant judgement is required in determining provision for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. SP Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Overview of Revenue and Expenses

Revenue

SP Group's revenue can be broadly organized into the following categories. See "Selected Financial and Other Data – Net revenue (non-SFRS(I)) breakdown by business segment" for further information on SP Group's net revenue (non-SFRS(I)) by business segment.

Singapore transmission and distribution

Revenue from SP Group's transmission and distribution business in Singapore consists of revenue earned from transmission and distribution of electricity and transportation of gas. Revenue comprises use of system charges for the supply and transmission of electricity as well as gas transportation charges. The revenue earned (allowed revenue) is regulated by the EMA in accordance with the applicable legislation as well as the relevant regulatory licences and codes of practice issued by the EMA.

The allowed revenue for both use of system charges and transportation of gas charges are approved by the EMA for a five-year regulatory period, based on certain formulae and parameters as set out in the price regulatory framework, see "Business of SP Group — Transmission and Distribution Businesses in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA".

Sale of electricity, market support and agency services

SP Group earns revenue from providing market support services to the electricity industry. The services include the sale of electricity to non-contestable consumers at the EMA-approved regulated tariff and contestable consumers at wholesale electricity market prices, as well as provision of meter reading, meter data management, billing services and facilitation of consumer transfers and registration. The market support services fees earned from non-contestable and contestable consumers are reflected under "Sale of Electricity" and "Market Support Services revenue". The revenue earned (allowed revenue) is regulated by the EMA in accordance with the applicable legislation as well as the relevant regulatory licences and codes of practice issued by the EMA.

The allowed revenue is approved by the EMA for a five-year regulatory period, based on certain formulae and parameters as set out in the price regulatory framework. The market support services fees chargeable to consumers are set and reviewed by the EMA every five years or earlier at the EMA's discretion.

In addition, SP Group earns revenue from providing agency services such as meter reading, billing services, collection and customer service to consumers on behalf of utility suppliers and refuse vendors.

District cooling service income

District cooling service income relates to revenue earned from providing district cooling services to consumers. The allowed revenue earned corresponds to the amount of allowed revenue which SP Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services Licence issued by the EMA.

Other income

Other income consists primarily of income from projects to connect customer premises to SP Group's network for electricity supply or cable diversion jobs, sale of scrap, finance lease income relating to leasing of submarine pipelines, rental of premises, moveable substations and meters, exchange gain and gain on disposal of interest in an associate.

Expenses

Purchased power

Purchased power consists of cost of electricity purchased on behalf of all non-contestable consumers and contestable consumers who purchased electricity through SP Services, whether directly or indirectly.

Depreciation of property, plant and equipment

Depreciation consists primarily of straight-line depreciation for cables, transformers and switchgear, plant and machinery, motor vehicles, office and computer equipment as well as leasehold land and buildings used over the estimated useful life.

Amortization of intangible assets

Amortization consists primarily of straight line amortization of software and deferred expenditure. Deferred expenditure relates mainly to contributions paid by SP Group in accordance with regulatory requirements towards capital expenditure costs incurred by the electricity generating companies and onshore receiving facility operators.

Maintenance

Maintenance expense consists primarily of non-staff expenses related to the maintenance of plant and equipment, cables and buildings, computer equipment and software.

Staff costs

Staff costs relating to manpower costs in SP Group's operations, that are not capitalized as assets in the balance sheet, are expensed when the related service is provided. Capitalized staff costs relate to cost of employee benefits arising directly from the construction or acquisition of the item of property, plant and equipment, which is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property taxes

Property tax is a tax on immovable properties, which includes industrial and commercial properties, after taking into account any applicable property tax concessions. Property tax on SP Group's properties is currently computed by the Inland Revenue Authority of Singapore ("IRAS").

Other operating expenses

Other operating expenses consist primarily of expenditure relating to rental, agency services, licencing, advertising, administration, consultancy, utilities, contract services, transportation, insurance, provision for obsolescence and trade receivables, foreign exchange losses and loss on disposals of plant, property and equipment.

Finance income

Finance income consists primarily of interest income from bank deposits, fixed deposits, investments in bonds and convertible notes from associate.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value gains or losses on financial assets and liabilities at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables), gains or losses on hedging instruments that are recognized in profit or loss and amortization of transaction costs capitalized.

Share of profits of associates, net of tax

Share of profits of associates, net of tax consists of SP Group's share of the consolidated profit or loss and other comprehensive income of its associates, SGSPAA, (prior to its disposal by SP Group with effect from February 16, 2022) AusNet Services and Sino-Singapore Energy Services (Chongqing) Company Ltd.

Share of losses of joint ventures, net of tax

Share of losses of joint ventures, net of tax consists of SP Group's share of the profit or loss and other comprehensive income in respect of SPTel Pte. Ltd., Power Automation Pte Ltd. and BCG - SP Greensky JSC.

Tax expense

Tax expense consists of current taxation, deferred taxation and over/under provision of income taxes in respect of prior years. SP Group is subject to taxes mainly in Singapore and Australia.

Results of Operations

The following table sets forth SP Group's income statement information for the years indicated:

	For the financial year ended March 31,			
	2020	**2021**	**2022**	**2022**
	(S$)	**(S$)**	**(S$)**	**(U.S.$)[1]**
	(in millions)			
Revenue	3,993.5	3,574.1	5,213.5	3,850.7
Other income	157.3	188.9	1,683.7	1,243.6
Expenses				
Purchased power	(1,786.0)	(1,473.1)	(2,806.7)	(2,073.0)
Depreciation of property, plant and equipment	(711.8)	(757.4)	(790.3)	(583.7)
Amortization of intangible assets	(57.2)	(56.1)	(55.7)	(41.1)
Maintenance	(114.3)	(126.4)	(141.1)	(104.2)
Staff costs	(309.2)	(319.9)	(324.7)	(239.8)
Property taxes	(81.3)	(99.2)	(93.9)	(69.4)
Other operating expenses	(168.0)	(145.3)	(191.4)	(141.4)
Operating profit	**923.0**	**785.6**	**2,493.4**	**1,841.7**
Finance income	71.8	45.3	58.6	43.3
Finance cost	(175.3)	(79.7)	(85.0)	(62.8)
Share of profits of associates, net of tax	150.8	180.0	164.0	121.1
Share of losses of joint ventures, net of tax	(1.9)	(6.0)	(5.7)	(4.2)
Profit before taxation	**968.4**	**925.2**	**2,625.3**	**1,939.1**
Tax expense	(164.0)	(197.8)	(660.3)	(487.7)
Profit for the year attributable to owner of Singapore Power Limited	**804.4**	**727.4**	**1,965.0**	**1,451.4**
Net movement in RDA balances related to profit or loss and the related deferred tax movement	212.0	249.3	37.9	28.0
Profit for the year and net movement in RDA balances, attributable to owner of Singapore Power Limited ("Net profit"[2])	**1,016.4**	**976.7**	**2,002.9[3]**	**1,479.4[3]**

Notes:

(1) Converted at the Noon Buying Rate for Singapore dollars on March 31, 2022, which was S$1.3539 per U.S.$1.00.

(2) Net profit refers to the line item "profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited" in SP Group's income statement.

(3) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, net profit for the year ended March 31, 2022 would have been S$941.2 million or U.S.$695.2 million equivalent. See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Net profit for the year by business segment

The following table sets out the breakdown of SP Group's net profit for the year by business segments, by amount and as a percentage of SP Group's total net profit, for FY20, FY21 and FY22.

	For the financial year ended March 31,					
	2020		2021		2022	
	(S$ million)	(%)	(S$ million)	(%)	(S$ million)	(%)
Net profit for the year[(1)] of:						
Transmission and Distribution business in Singapore	756.4	74.4	649.7	66.5	607.1	30.3[(3)]
Investments in Australia	150.8	14.8	180.0	8.4	165.5	8.3[(3)]
Market Support Services Business	90.4	8.9	106.4	10.9	101.3	5.1[(3)]
Others	18.8	1.9	40.6	4.2	1,129.0[(2)]	56.3[(3)]
Total	**1,016.4**	**100.0**	**976.7**	**100.0**	**2,002.9**	**100.0**

Note:

(1) The breakdown of net profit for the year by business segment has been updated to eliminate inter-segment transactions in order to reflect the financial performance of each segment from an overall SP Group perspective, to the extent possible and reasonable.

(2) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), the net profit contribution for the year from the "Others" business segment would have been S$67.3 million for the year ended March 31, 2022. See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

(3) Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from the "Transmission and Distribution Business in Singapore", "Investments in Australia", "Market Support Services Business" and "Others" business segments would have accounted for 64%, 18%, 11% and 7% respectively of SP Group's total net profit for the year ended March 31, 2022. See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Comparison of FY22 and FY21

Revenue

For the financial year ended March 31, 2022, SP Group's revenue increased by S$1,639.4 million, or 45.9%, from S$3,574.1 million for FY21 to S$5,213.5 million for FY22. This increase is attributable primarily to higher sales of electricity because of the higher purchased power which is a passthrough cost as well as higher use of system revenue and gas transportation revenue. The higher use of system revenue and gas transportation revenue are from higher volumes of electricity and gas transmitted and distributed, as well as higher tariffs.

Net revenue (non-SFRS(I))[15]

For the financial year ended March 31, 2022, SP Group's net revenue (non-SFRS(I)) increased by S$68.6 million, or 2.9%, from S$2,384.0 million for FY21 to S$2,452.6 million for FY22. This increase is attributable primarily to higher use of system revenue and gas transportation revenue from higher volumes of electricity and gas transmitted and distributed.

[15] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular and "Selected Financial and Other Data – Non-SFRS(I) Financial Measures and Other Financial Data" for details on how net revenue is derived.

Other income

For the financial year ended March 31, 2022, SP Group's other income increased by S$1,494.8 million, or 791.3%, from S$188.9 million for FY21 to S$1,683.7 million for FY22. This increase is attributable primarily to a gain on disposal of interest in an associate of S$1,532 million arising from the AusNet Divestment.

Excluding the above-mentioned gain on disposal of interest in an associate, SP Group's other income decreased by S$37.2 million, or 19.7%, from S$188.9 million for FY21 to S$151.7 million for FY22. The decrease is attributable primarily to decrease in property tax rebates received as part of the Covid-19 support measures in FY21.

Expenses

Purchased Power

For the financial year ended March 31, 2022, SP Group's purchased power increased by S$1,333.6 million, or 90.5%, from S$1,473.1 million for FY21 to S$2,806.7 million for FY22. This increase is attributable primarily to increased wholesale electricity prices and volumes.

Depreciation of property, plant and equipment

For the financial year ended March 31, 2022, SP Group's depreciation of property, plant and equipment increased by S$32.9 million, or 4.3%, from S$757.4 million for FY21 to S$790.3 million for FY22. This increase is attributable primarily to full year depreciation charges from assets capitalized in FY21, as well as depreciation from new assets capitalized in FY22.

Amortization of intangible assets

For the financial year ended March 31, 2022, SP Group's amortization of intangible assets decreased by S$0.4 million, or 0.7%, from S$56.1 million for FY21 to S$55.7 million for FY22. This decrease is attributable primarily to certain software being fully amortised in FY21 and FY22, partially offset by full year amortisation charges from certain other software capitalized in FY21, as well as amortisation charges from new software capitalized in FY22.

Maintenance

For the financial year ended March 31, 2022, SP Group's maintenance costs increased by S$14.7 million, or 11.6%, from S$126.4 million for FY21 to S$141.1 million for FY22. This increase is attributable primarily to resumption of maintenance works in FY22 following a period of suspension and deferment during April to June 2020 due to the COVID-19 pandemic.

Staff costs

For the financial year ended March 31, 2022, SP Group's staff costs increased by S$4.8 million, or 1.5%, from S$319.9 million for FY21 to S$324.7 million for FY22.

Property taxes

For the financial year ended March 31, 2022, SP Group's property taxes decreased by S$5.3 million, or 5.3%, from S$99.2 million for FY21 to S$93.9 million for FY22. This decrease is attributable primarily to the lower annual values of properties, which is calculated based on the profits method using the profits of FY21.

Other operating expenses

For the financial year ended March 31, 2022, SP Group's other operating expenses increased by S$46.1 million, or 31.7%, from S$145.3 million for FY21 to S$191.4 million for FY22. This increase is attributable primarily to higher passthrough operating expenses which are recovered in net revenue and higher subcontractor costs.

Finance income

For the financial year ended March 31, 2022, SP Group's finance income increased by S$13.3 million, or 29.4%, from S$45.3 million for FY21 to S$58.6 million for FY22. This increase is attributable primarily to one-off gain on termination of derivatives.

Finance costs

For the financial year ended March 31, 2022, SP Group's finance costs increased by S$5.3 million, or 6.6%, from S$79.7 million for FY21 to S$85.0 million for FY22. This increase is attributable primarily to higher effective interest rates.

Share of profit of associates, net of tax

For the financial year ended March 31, 2022, SP Group's share of profit of associates, net of tax, decreased by S$16.0 million, or 8.9%, from S$180.0 million for FY21 to S$164.0 million for FY22. This decrease is attributable primarily to lower contribution from AusNet Services due to penalties for outages and emergency response costs for severe weather, SP Group's divestment of AusNet Services completed on February 16, 2022, as well as transaction costs related to the AusNet Divestment.

Share of losses of joint ventures, net of tax

For the financial year ended March 31, 2022, SP Group's share of losses of joint ventures, net of tax, decreased by S$0.3 million, or 5.0%, from a loss of S$6.0 million for FY21 to a loss of S$5.7 million for FY22. This decrease is attributable primarily to lower losses from SPTel Pte. Ltd from cost savings and deferment of expenses.

Tax expense

For the financial year ended March 31, 2022, SP Group's tax expense increased by S$462.2 million, or 233.8%, from S$197.8 million for FY21 to S$660.3 million for FY22. This increase is attributable primarily to a capital gain tax assessed to be payable on the gains from the disposal of interest in an associate (i.e. the AusNet Divestment) as per the notices of assessment issued by the relevant local tax authority. SP Group intends to dispute such assessments. A provision of S$470.3 million has been made in respect of such capital gain tax in SP Group's financial statements for the year ended March 31, 2022.

Net movement in RDA balances related to profit or loss and the related deferred tax movement

For the financial year ended March 31, 2022, SP Group's net movement in RDA balances related to profit or loss and the related deferred tax movement decreased by S$211.4 million, or 84.8%, from S$249.3 million for FY21 to S$37.9 million for FY22. This decrease is attributable primarily to the timing differences between revenue recognized for financial reporting purposes and revenue earned for regulatory purposes, based on services rendered, net of deferred tax.

Net profit

For the financial year ended March 31, 2022, SP Group's net profit increased by S$1,026.2 million, or 105.1%, from S$976.7 million for FY21 to S$2,002.9 million for FY22. This increase is due to the factors discussed above.

Comparison of FY21 and FY20

Revenue

For the financial year ended March 31, 2021, SP Group's revenue decreased by S$419.4 million, or 10.5%, from S$3,993.5 million for FY20 to S$3,574.1 million for FY21. This decrease is attributable primarily to lower sales of electricity because of the lower purchased power which is a passthrough cost and lower use of system revenue, partially offset by higher gas transportation revenue. The lower use of system revenue arises from lower volumes of electricity transmitted and distributed.

Net revenue (non-SFRS(I))[16]

For the financial year ended March 31, 2021, SP Group's net revenue (non-SFRS(I)) decreased by S$79.9 million, or 3.2%, from S$2,463.9 million for FY20 to S$2,384.0 million for FY21. This decrease is attributable primarily to true-up of taxes recognised in FY20 for the difference between allowed taxes and actual taxes paid for FY16 to FY19.

Other income

For the financial year ended March 31, 2021, SP Group's other income increased by S$31.6 million, or 20.1%, from S$157.3 million for FY20 to S$188.9 million for FY21. This increase is attributable primarily to government grant income relating to the Jobs Support Scheme and property tax rebates passed on by landlords as part of the COVID-19 support measures introduced in the Singapore Budget 2020 to assist enterprises with their cash flows and retention of local employees and foreign exchange gain arising mainly from fixed deposits and cash balances denominated in Australian dollar which have appreciated against the Singapore dollar, partially offset by a decrease in income from customer-initiated diversion projects.

Expenses

Purchased Power

For the financial year ended March 31, 2021, SP Group's purchased power decreased by S$312.9 million, or 17.5%, from S$1,786.0 million for FY20 to S$1,473.1 million for FY21. This decrease is attributable primarily to lower volumes of electricity purchased for non-contestable customers.

Depreciation of property, plant and equipment

For the financial year ended March 31, 2021, SP Group's depreciation of property, plant and equipment increased by S$45.6 million, or 6.4%, from S$711.8 million for FY20 to S$757.4 million for FY21. This increase is attributable primarily to full year depreciation charges from assets capitalized in FY20, as well as depreciation from new assets capitalized in FY21.

Amortization of intangible assets

For the financial year ended March 31, 2021, SP Group's amortization of intangible assets decreased by S$1.1 million, or 1.9%, from S$57.2 million for FY20 to S$56.1 million for FY21. This decrease is attributable primarily to certain software being fully amortised in FY20 and FY21, partially offset by full year amortisation charges from certain other software capitalized in FY20, as well as amortisation charges from new software capitalized in FY21.

Maintenance

For the financial year ended March 31, 2021, SP Group's maintenance costs increased by S$12.1 million, or 10.6%, from S$114.3 million for FY20 to S$126.4 million for FY21. This increase is attributable primarily to an increase in building and computer maintenance costs.

Staff costs

For the financial year ended March 31, 2021, SP Group's staff costs increased by S$10.7 million, or 3.5% from S$309.2 million for FY20 to S$319.9 million for FY21. This increase is attributable primarily to annual incremental salary increases and higher provision for accrued leave.

Property taxes

For the financial year ended March 31, 2021, SP Group's property taxes increased by S$17.9 million, or 22.0%, from S$81.3 million for FY20 to S$99.2 million for FY21. This increase is attributable primarily to the higher annual values of properties, which is calculated based on the profits method using SP Group's profits for FY20.

[16] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular and "Selected Financial and Other Data – Non-SFRS(I) Financial Measures and Other Financial Data" for details on how net revenue is derived.

Other operating expenses

For the financial year ended March 31, 2021, SP Group's other operating expenses decreased by S$22.7 million, or 13.5%, from S$168.0 million for FY20 to S$145.3 million for FY21. This decrease is attributable primarily to a foreign exchange gain in FY21 arising mainly from fixed deposits and cash balances denominated in Australian dollar which have appreciated against the Singapore dollar (please see "- Comparison of FY21 and FY20 – Other income"), as opposed to the foreign exchange loss in FY20, and lower research donations.

Finance income

For the financial year ended March 31, 2021, SP Group's finance income decreased by S$26.5 million, or 36.9%, from S$71.8 million for FY20 to S$45.3 million for FY21. This decrease is attributable primarily to lower interest income from lower fixed deposit interest rates and lower fixed deposit balances, partially offset by higher convertible notes interest from associates due to the appreciation of the Australian dollar against the Singapore dollar.

Finance costs

For the financial year ended March 31, 2021, SP Group's finance costs decreased by S$95.6 million, or 54.5%, from S$175.3 million for FY20 to S$79.7 million for FY21. This decrease is attributable primarily to lower debt balance and lower effective interest rates.

Share of profit of associates, net of tax

For the financial year ended March 31, 2021, SP Group's share of profit of associates, net of tax, increased by S$29.2 million, or 19.4%, from S$150.8 million for FY20 to S$180.0 million for FY21. This increase is attributable primarily to translation gain from the appreciation of the Australian dollar against the Singapore dollar and higher contribution from SGSPAA due to higher restructuring costs in FY20 and higher shareholdings in AusNet Services.

Share of losses of joint ventures, net of tax

For the financial year ended March 31, 2021, SP Group's share of losses of joint ventures, net of tax, increased by S$4.1 million, or 215.8%, from a loss of S$1.9 million for FY20 to a loss of S$6.0 million for FY21. This increase is attributable primarily to higher losses from SPTel Pte. Ltd.

Tax expense

For the financial year ended March 31, 2021, SP Group's tax expense increased by S$33.8 million, or 20.6%, from S$164.0 million for FY20 to S$197.8 million for FY21. This increase is attributable primarily to higher provision for deferred tax arising from higher percentage of unfranked dividends from Australia associates, partially offset by lower taxable profits for FY21.

Net movement in RDA balances related to profit or loss and the related deferred tax movement

For the financial year ended March 31, 2021, SP Group's net movement in RDA balances related to profit or loss and the related deferred tax movement increased by S$37.3 million, or 17.6%, from S$212.0 million for FY20 to S$249.3 million for FY21. This increase is attributable primarily to the timing differences between revenue recognized for financial reporting purposes and revenue earned for regulatory purposes, based on services rendered, net of deferred tax.

Net profit

For the financial year ended March 31, 2021, SP Group's net profit decreased by S$39.7 million, or 3.9%, from S$1,016.4 million for FY20 to S$976.7 million for FY21. This decrease is due to the factors discussed above.

Liquidity and Capital Resources

Overview

SP Group's primary sources of liquidity are its cash and cash equivalents, investments in short-dated debt securities, funds generated from operations and debt financing including but not limited to its undrawn bank facilities and access to the capital markets via issuance of debt under this Program. SP Group regularly evaluates its capital structure with a view to striking a balance between optimizing its capital structure and achieving a prudent level of leverage.

SP Group believes that its available sources of liquidity will be sufficient to meet its currently anticipated capital and operational requirements (including, for the avoidance of doubt, potential capital gain tax arising from the AusNet Divestment as well as upcoming debt repayments) for the next 12 months. See "— AusNet Divestment", "— Indebtedness", and "Risk Factors — General Risks Related to SP Group's Business and Industry — SP Group is exposed to liquidity risk".

Liquidity

Cash Flows

The following table sets forth certain information about SP Group's cash flows during FY20, FY21 and FY22:

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited ("Net profit"[(1)])	1,016.4	976.7	2,002.9
Cash generated from operations	1,641.9	1,591.2	1,738.7
Net cash generated from operating activities	1,604.4	1,592.5	1,742.2
Net cash (used in)/generated from investing activities	(950.0)	(933.4)	1,747.5[(2)]
Net cash used in financing activities	(721.4)	(1,163.4)	(554.4)
Net (decrease)/increase in cash and cash equivalents	(67.0)	(504.3)	2,935.3
Cash and cash equivalents at beginning of the year	1,720.5	1,673.4	1,187.2
Effect of exchange rate changes on balances held in foreign currencies	19.9	18.1	85.3
Cash and cash equivalents at end of the year	1,673.4	1,187.2	4,207.8

Notes:

(1) Net profit refers to the line item "profit for the year and net movements in RDA balances, attributable to owner of Singapore Power Limited" in SP Group's income statement.

(2) Included in "Net cash generated from investing activities" for the year ended March 31, 2022 was S$3,154.1 million from disposal of interest in an associate (representing cash consideration of that amount received by SP Group from the AusNet Divestment).

Financial Year Ended March 31, 2022

Net cash generated from operating activities for the financial year ended March 31, 2022 totaled S$1,742.2 million, mainly comprised S$5,152.2 million inflow of collection from customers and S$34.3 million of interest received, while outflows comprised S$3,414.3 million paid to suppliers and S$30.0 million of net tax paid.

Net cash generated from investing activities for the financial year ended March 31, 2022 totaled S$1,747.5 million, including S$3,154.1 million from disposal of interest in an associate (representing cash consideration of that amount received by SP Group from the AusNet Divestment), partly offset by S$1,006.2 million spent on the purchase of plant, property, and equipment such as cables, switchgears and transformers and S$413.4 million for investment in Treasury Bills.

Net cash used in financing activities for the financial year ended March 31, 2022 totaled S$554.4 million, resulting mainly from the payment of S$390.0 million of dividends to the owner of Singapore Power Limited, repayment of S$176.5 million of borrowings and interest payment of S$81.8 million.

Cash and cash equivalents in the balance sheet increased by S$2,935.3 million for the financial year ended March 31, 2022 compared to March 31, 2021, from S$1,187.2 million as of March 31, 2021 to S$4,207.8 million as of March 31, 2022 due to the factors discussed above. Cash and cash equivalents are denominated mainly in the functional currencies of the respective SP Group entities.

Financial Year Ended March 31, 2021

Net cash generated from operating activities for the financial year ended March 31, 2021 totaled S$1,592.5 million, mainly comprised S$3,795.0 million inflow of collection from customers and S$64.7 million of interest received, while outflows comprised S$2,203.8 million paid to suppliers and S$63.4 million of net tax paid.

Net cash used in investing activities for the financial year ended March 31, 2021 totaled S$933.4 million, including S$986.4 million spent on the purchase of plant, property, and equipment such as cables, switchgears and transformers.

Net cash used in financing activities for the financial year ended March 31, 2021 totaled S$1,163.4 million, resulting mainly from the repayment of S$797.1 million of borrowings (comprising mainly of redemption of notes issued under the SPPA Program), payment of S$406.0 million of dividends to the owner of Singapore Power Limited, and interest payment of S$108.9 million.

Cash and cash equivalents in the balance sheet decreased by S$486.2 million for the financial year ended March 31, 2021 compared to March 31, 2020, from S$1,673.4 million as of March 31, 2020 to S$1,187.2 million as of March 31, 2021. Cash and cash equivalents are denominated mainly in the functional currencies of the respective SP Group entities.

Financial Year Ended March 31, 2020

Net cash generated from operating activities for the financial year ended March 31, 2020 totaled S$1,604.4 million, mainly comprised S$4,129.7 million inflow of collection from customers and S$50.2 million of interest received, while outflows comprised S$2,487.8 million paid to suppliers and S$87.7 million of net tax paid.

Net cash used in investing activities for the financial year ended March 31, 2020 totaled S$950.0 million, including S$1,124.3 million spent on the purchase of plant, property, and equipment such as cables, switchgears and transformers.

Net cash used in financing activities for the financial year ended March 31, 2020 totaled S$721.4 million, resulting mainly from the payment of S$392.0 million of dividends to the owner of Singapore Power Limited, redemption of S$170.5 million of borrowings and interest payment of S$153.4 million.

Cash and cash equivalents in the balance sheet decreased by S$47.1 million for the financial year ended March 31, 2020 compared to March 31, 2019, from S$1,720.5 million as of March 31, 2019 to S$1,673.4 million as of March 31, 2020. Cash and cash equivalents are denominated mainly in the functional currencies of the respective SP Group entities.

Indebtedness

SP Group aims to strike a balance between optimizing its capital structure and achieving a prudent level of leverage. As of the date of this Offering Circular, SP Group has S$0.5 billion in undrawn committed credit facilities in total from three banks.

The following table sets forth SP Group's total debt at the dates indicated:

	As of March 31,			
	2020	2021	2022	2022
Total debt (million)[1]	S$5,581.1	S$4,543.3	S$4,286.1	U.S.$3,165.7[2]
Total debt/(total debt and equity) (%)	34.2	27.5	23.5	23.5

Notes:

(1) Total debt comprises current and non current portions of debt obligations. The amounts are stated at amortized cost.

(2) Converted at the Noon Buying Rate for Singapore dollars on March 31, 2022, which was S$1.3539 per U.S.$1.00.

Interest rates on external debt obligations denominated in Singapore dollars range from 0.50% to 5.07% per annum in 2022 (2021: 0.46% to 5.07%). Interest rates on external foreign currency debt obligations range from 1.95% to 3.38% per annum in 2022 (2021: 1.95% to 3.38%).

The Issuer may from time to time issue notes under the Program. As of March 31, 2022, the outstanding debt under the Program was U.S.$0.6 billion (being equivalent to S$0.8 billion, determined in accordance with the Program Agreement for purposes of calculating the amount of notes outstanding under the Program). SPPA, a wholly-owned subsidiary of SP, has an existing Global Medium Note Program (the "SPPA Program"). As of March 31, 2022, the outstanding debt under the SPPA Program was S$0.5 billion, U.S.$1.8 billion and Japanese Yen 22.0 billion (being equivalent to S$3.2 billion in aggregate, determined in accordance with the program agreement for purposes of calculating the amount of notes outstanding under the SPPA Program).

The following table indicates the maturity profile of SP Group's total debt (including interest payments) as of March 31, 2022:

	Payment due by periods				
	Within 1 year	After 1 year but within 2 years	After 2 years but within 5 years	More than 5 years	Total
			(S$ million)		
Total debt[1]	1,027.1	200.3	1,538.7	2,073.0	4,839.1

Note:

(1) In addition to total debt, SP Group has contractual obligations relating to (i) lease liabilities and trade and other payables, which are provided for in its consolidated financial statements, and (ii) capital commitments which are contracted but not provided for in its consolidated financial statements. For more information, see Notes 22, 31 and 33 of SP Group's audited financial statements for the year ended March 31, 2022 included elsewhere in this Offering Circular.

Capital Expenditure

Total capital expenditure incurred for FY20, FY21 and FY22 was S$1,218.9 million, S$984.8 million and S$998.0 million, respectively.

The amount that SP Group spends on capital expenditure is determined primarily by growth as well as renewal from transmission and distribution projects. Capital expenditures may fluctuate from year to year depending on when these projects are incurred. Transmission projects are driven by load growth from consumer and generation connections; as well as renewal of transmission equipment and circuits. Distribution projects are driven mainly by consumer demand.

The EMA has set price controls for the current five-year regulatory period based primarily on the weighted average cost of capital and the estimated operating and capital expenditures for the Electricity T&D Business, the Gas T&D Business and the Market Support Services Business over the next five years.

The following table sets forth SP Group's capital expenditure by business segment for the years indicated:

	For the financial year ended March 31,		
	2020	2021	2022
		(S$ million)	
Transmission and distribution business in Singapore segment[(1)]..	1,114.6	918.8	908.9
Market Support Services Business	28.2	31.4	8.5
Others.....	76.1[(2)]	34.6[(2)]	80.6[(2)]
Total.....	1,218.9	984.8	998.0

Notes:

(1) The Transmission and distribution business in Singapore segment includes the development of the underground substation and operational support center. The capital expenditure relating to this development was approximately S$81 million, S$40 million and S$53 million for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. See "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business" for more information regarding this development.

(2) The capital expenditure in respect of the "Others" segment for FY20, FY21 and FY22 includes the capital expenditure of S$8.5 million incurred in FY20, S$6.6 million incurred in FY21 and S$36.8 million incurred in FY22 for the development of a commercial building for leasing purposes. This is classified as "investment property under development" in the FY20, FY21 and FY22 balance sheet. See Note 7 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular and see "Business of SP Group — Other Businesses — Real Estate" for more information regarding this development.

Capital expenditure for each of the years indicated above was largely incurred in Singapore, with capital expenditure outside of Singapore comprising only S$13.7 million, S$1.4 million and S$17.1 million out of SP Group's total capital expenditure of S$1,218.9 million, S$984.8 million and S$998.0 million, respectively, for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

Capital expenditure for FY22 was higher than capital expenditure for FY21 driven by the recovery in execution of planned capital expenditure projects as the COVID-19 pandemic's adverse impact on the availability of foreign workers in Singapore to carry out capital expenditure projects moderated. Total capital expenditure for FY23 for Singapore is expected to be comparable to the total capital expenditure for FY22 for Singapore whereas capital expenditure outside of Singapore is dependent on the rate of recovery from the impact of the COVID-19 pandemic as well as the business opportunities available in the overseas markets. See "Risk Factors — General Risks Related to SP Group's Business and Industry — SP Group's business, financial condition, and results of operations and prospects may be adversely affected by health epidemics, pandemics and other outbreaks of contagious diseases".

The major capital expenditure projects planned for FY23 consist of:

- the development of an underground 230kV substation and operational support center at Pasir Panjang (as part of the development project, as described in the section "Business of SP Group — Transmission and Distribution Business in Singapore — Electricity T&D Business");
- the development of a commercial building with ancillary retail space for leasing purposes, as described in more detail in the section "Business of SP Group — Others — Real Estate";
- the ongoing renewals of ductile iron town gas mains;
- the expansion of SDC's district cooling services to five new and retrofit developments in the Marina Bay area; and
- the replacement of Buona Vista to Labrador 66kV circuits as part of the asset renewal program to ensure network reliability.

SP Group intends to fund capital expenditure through a combination of cash flows from operations and external borrowings.

Off-Balance Sheet Arrangements

Other than the capital commitments set forth below in "— Capital Commitments", SP Group does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to an investment in securities of SP Group.

Capital Commitments

SP Group's capital commitments which are contracted but not provided for in the consolidated financial statements of SP Group amount to S$1,039.4 million as of March 31, 2022, and comprise primarily property, plant and equipment and intangible assets.

SP Group intends to fund its capital commitments through a combination of cash flows from operations and external borrowings.

Risk Management

SP Group is exposed to specific risks in the conduct of its business and the environment in which it operates. These include foreign currency, interest rate, market price, credit, liquidity, regulatory and supply source failures risks which arise in the normal course of SP Group's business. Generally, SP Group's overall objective is to manage and minimize its exposure to such risks.

SP Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including spot and forward foreign exchange contracts, interest rate swaps and cross currency interest rate swaps. SP Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

SP Group's policies for managing each of these risks are as described below.

Foreign currency risk

SP Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, cash and cash equivalents and trade creditors which are denominated in currencies other than Singapore dollars (or in the case of SP Group's foreign subsidiaries, their respective functional currencies). SP Group mitigates its foreign exchange risk by utilizing various hedging instruments.

SP Group enters into cross-currency interest rate swaps to manage exposures arising from foreign currency borrowings, including U.S. dollars and Japanese Yen. Under cross currency interest rate swaps, SP 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 SP 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 dollars or the functional currency of the subsidiary concerned.

SP Group uses forward foreign exchange contracts to substantially hedge foreign currency risk attributable to purchase transactions. The maturities of the forward exchange contracts are intended to match the forecasted progress payments of the supply and installation contracts. Whenever necessary, forward exchange contracts are either rolled over at maturity or translated into foreign currency deposits whichever is more cost efficient.

Interest rate risk

SP Group manages its interest rate exposure for the current regulatory period by maintaining a significant portion of its debt at fixed interest rates for that regulatory period. This is done by the (i) issuance of fixed rate debt; (ii) use of interest rate swaps to convert floating rate debt to fixed rate debt; or (iii) 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.

SP Group mitigates the impact that the ongoing interest rate benchmark reform may have on the interest rate swaps and cross currency interest rate swaps used to manage its interest rate exposure by transitioning outstanding derivatives to reference alternative benchmarks and/or incorporate relevant fallback provisions where appropriate. As of March 31, 2022, SP has completed the transition for affected outstanding derivatives with respective counterparties.

Further, SP Group's excess funds are principally invested in bank deposits and short-dated debt maturities of varying maturities to match its cash flow needs.

Market price risk

Market price risk is the risk that the fair value or future cash flows of SP Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). SP Group is exposed to price risk arising from its investment in fixed income securities. These securities are mainly listed in Singapore and are classified as investment in debt securities.

Credit risk

SP Group is exposed to credit risk if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from SP Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

SP Group provides for lifetime expected credit losses for all trade receivables using a provision matrix as disclosed in the financial statements. SP Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Currently, there is no significant concentration of credit risk of trade receivables. In addition to customers' deposits, SP Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

Surplus funds are principally 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. SP Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk.

Counterparty risks on derivatives are generally restricted to any gain or loss when marked to market, and not on the notional amount transacted. As a prudent measure, SP Group enters into derivatives only with financial institutions with good credit ratings assigned by international credit rating agencies.

Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they fall due. SP Group has adopted prudent liquidity risk management by maintaining sufficient cash and liquid financial assets to meet its short term needs. SP Group has taken measures to facilitate availing itself of funding through bank credit lines and the establishment of this Program.

Regulatory risk

SP Group's charges for transmitting and distributing electricity and gas across its transmission and distribution networks, which are the most significant determinant in SP Group's operating results, are subject to price controls set by the EMA. The price controls for SP Group's transmission and distribution business in Singapore are applicable for each regulatory period (which is currently set at five years) from their date of issue and are based on the weighted average cost of capital and the projected operating and capital expenditures of the Electricity T&D Business and the Gas T&D Business. If the actual cost exceeds the projections or SP Group's price controls are set too low, SP Group's actual costs may exceed revenues permitted to be collected pursuant to the prevailing price controls, which may have a material adverse effect on SP Group's financial performance. The EMA may from time to time conduct consultations on matters, such as the parameters relating to application of SP Group's building block calculations, which could result in regulatory changes that may affect SP Group's business, revenues and results of operations. No assurance can be given that such regulatory changes (if and when they come into effect) will not have a material adverse effect on SP Group's business, revenues or results of operations.

SP Group seeks to minimize its regulatory risk by working with the Government and its regulators to ensure that the regulatory framework is economically robust. To achieve favorable regulatory outcomes, SP Group monitors international regulatory developments and best practices, as well as benchmark its costs and performance to promote efficiency and work closely with the regulator on pricing and consumer-related issues. SP Group also proactively manages its large industrial consumers and seek their feedback on its pricing and services.

SP Group meets with Government officials and regulators on a regular basis. The objective of this close working relationship is to encourage the adoption of practical policies as well as an economically robust regulatory framework. SP Group intends to continue to work in consultation with the EMA.

Supply source failure

SP Group adopts supplier diversification strategies for key services or equipment to mitigate against single supply source failures. Terms and conditions for each contract are specific to the nature of goods and services procured.

Defaults in customer payment

SP Group seeks to minimize its credit exposure from its customers by requiring security deposits, which may be in the form of a bank guarantee or cash or irrevocable letter of credit. The amount of security deposit which SP Group requires is calibrated based on a number of factors, including (amongst other things) the overall credit exposure to the particular customer, the payment history of particular customers or categories of customers as well as general market conditions.

Related Party Transactions

SP Group has entered into a range of transactions with entities owned or controlled by Temasek. SP Group expects to enter into similar transactions in the future. In its ordinary course of business, SP Group has dealt with and will from time to time deal with other companies owned or controlled by Temasek.

For a description of SP Group's significant related party transactions, see Note 29 of SP Group's audited financial statements for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 included elsewhere in this Offering Circular. For the purposes of such financial statements, parties are considered to be related to SP Group if SP Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where SP Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

SP's immediate holding company is Temasek, which is incorporated in the Republic of Singapore. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. Accordingly, all the subsidiaries of Temasek are related corporations and are subject to common control.

SP Group engages in a wide variety of transactions with related corporations in the normal course of business on terms similar to those available to other consumers. Such transactions include but are not limited to sales and purchases of power, provision of consultancy and engineering services, leasing of cables and ducts, agency services and financial and banking services. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

All transactions with companies in the Temasek group are related party transactions. The Temasek group has extensive interests in a large number of companies and it is not practical to compile data on the value of transactions with the Temasek group. As SP Group's rates for use of system charges, transportation of gas, sales of electricity and market support services fees are based on posted tariffs approved by the EMA, it is not meaningful to present such information.

INDUSTRY AND REGULATION

Information in the section below not relating to the Issuer, SP or SP Group has been derived from publicly available sources (including, without limitation, the website of the EMA) and publications produced by third parties. Such information has not been independently verified by the Issuer, SP, the Arrangers, the Dealers or any of their respective affiliates or advisors. The Issuer and SP make no representation as to the correctness or accuracy of such information and, accordingly, such information should not be unduly relied upon.

The information contained in this Offering Circular (including, without limitation, in this section) includes references to, and summaries of, certain provisions of the laws and regulations of Singapore relating to the businesses of transmitting and distributing electricity, transporting and distributing gas and providing district cooling services in Singapore. Such information is included for general information only and does not purport to be a comprehensive description or exhaustive statement of the applicable laws and regulations.

ELECTRICITY INDUSTRY IN SINGAPORE

Overview of the Singapore Electricity Industry

The electricity industry in Singapore can be divided into the following principal businesses:

- generation, which is the production of electricity at electricity generation plants using fossil fuels and other sources of energy;
- transmission (which is the transfer of electricity from electricity generation plants either to a distribution network or directly to large industrial electricity consumers using a network of high-voltage power cables) and distribution (which is the delivery of electricity to homes and businesses using a network of high-voltage and low-voltage power cables);
- retailing, which is the purchase of electricity by, and its sale to, individual electricity consumers; and
- the provision of various services and activities relating to the electricity industry, including market support services, and the operation of and trading in the wholesale electricity market.

Electricity transmission involves the transfer of electricity produced at electricity generation plants owned by third parties, which is boosted by transformers to extra high-voltages so that it can be economically and efficiently moved long distances over an electricity transmission network to major load centers with minimal power loss. The voltage is then reduced at transmission substations for supply to consumers by means of a low-voltage distribution network. Distribution network voltages and equipment capacity are determined by electricity consumer requirements and location.

The practicalities of transferring electricity are such that high-voltage transmission networks are used for the transfer of large amounts of electricity over longer distances with low-voltage distribution networks becoming more economic for the transfer of smaller amounts of electricity over shorter distances.

Because electricity currently cannot be economically stored in large quantities, the output of electricity generation plants must be continuously matched to the demand levels in various load centers in order to ensure the stability of the power system, including desired frequency and voltage levels.

Characteristics of the Singapore Electricity Industry

The commercial and industrial consumers together represent approximately 84% of total electricity consumption in Singapore each year, while residential consumers account for approximately the remaining 16%. The key commercial sector includes transport, community services and business services firms. The major industrial sector encompasses oil refineries, chemical industries and electronics firms.

The aggregate volume of electricity transmitted and distributed in Singapore is affected by the general economy of Singapore. The rate of increase in electricity consumption is also affected by additional factors such as the weather, retail price of electricity, improvements in energy efficiency and changes in the mix of industries in Singapore.

Electricity also competes with other energy sources, notably natural gas, for some industrial and commercial purposes. However, for many other purposes, including many industrial processes, there is often no practicable substitute for electricity. Demand for electricity and its transmission and distribution varies from day to day and throughout each day, according to the weather, time of year, time of day, the level of economic activity and consumer behavior. Electricity demand tends to be higher during daylight hours due to commercial and industrial activities and use of electrical appliances such as air conditioners during this period.

Electricity Sales and Consumption in Singapore

The following tables set forth, for the periods indicated, aggregate sales of electricity in Singapore and the percentage increase in aggregate sales of electricity, sales of electricity to residential electricity consumers, and sales of electricity to commercial and industrial electricity consumers:

	For the year ended December 31,		
	2018	**2019**	**2020**
Total electricity sales (in GWh)[(1)]	50,438	51,713	**50,761**
Percentage increase in total electricity sales	1.6	2.5	**(1.8)**
Percentage increase in residential electricity sales	(0.8)	6.2	**7.3**
Percentage increase in commercial and industrial electricity sales	2.1	1.9	**(3.4)**

Note:

(1) Total electricity sales refers to consumption by end users, including (embedded) consumption by autoproducers and consumption of output from solar generation.

Source: Singapore Department of Statistics as of July 2022

Regulatory History of the Singapore Electricity Industry

The following is a general summary of the laws and regulations of Singapore relating to the business of transmitting and distributing electricity in Singapore. It is for general information only and does not purport to be a comprehensive description or exhaustive statement of the applicable laws and regulations.

The electricity transmission and distribution network of Singapore is currently owned by a single entity, SP PowerAssets, and is essential to Singapore's national interest, economic development and security. Singapore's electricity industry was traditionally vertically integrated and Government-owned. In 1963, the Public Utilities Board (the "PUB"), a statutory board of the Government, was established as the sole electricity, water and gas supplier in Singapore. In 1995, the Government began to implement a number of changes to restructure the Singapore electricity industry.

On October 1, 1995, the PUB transferred certain of its operating businesses into seven successor companies, including a holding company, Singapore Power Limited, and the following companies:

- three Generation Licensees, PowerSeraya Limited (subsequently transferred its business to YTL PowerSeraya Pte Ltd) ("PowerSeraya"), Senoko Power Limited (subsequently named Senoko Energy Pte Ltd) ("Senoko Energy") and Tuas Power Limited (subsequently transferred its business to Tuas Power Generation Pte Ltd) ("Tuas Power");

- an electricity transmission and distribution company, PowerGrid Limited ("PowerGrid"). Further to the restructuring of PowerGrid in 2003, PowerGrid transferred its business to SP PowerAssets;

- a retail electricity supply company, Power Supply Limited (subsequently named SP Services); and

- a vertically integrated gas supply company, PowerGas.

Each of these successor companies, except for Tuas Power (which became directly owned by Temasek until its divestment to SinoSing Power Pte Ltd (which was then wholly-owned by the China Huaneng Group) in 2008), became subsidiaries of Singapore Power Limited. The PUB assumed the role of regulating the electricity industry in Singapore.

On April 1, 1998, the Singapore Electricity Pool (the "SEP") commenced operations as a wholesale electricity market to facilitate the trading of electricity between Generation Licensees and Power Supply Limited (now known as SP Services Limited), then the sole supplier of electricity in Singapore. The Singapore electricity market is a mandatory electricity spot market while Generation Licensees and Power Supply Limited (now known as SP Services Limited) are allowed to enter into voluntary contracts to hedge against the volatility of pool prices. PowerGrid was given the responsibility of operating the SEP as system and market operator, providing for pooling and settlement and maintaining system security and stability for the electricity transmission and distribution network.

On March 11, 2000, the Government announced that Singapore's electricity industry would be further liberalized, with the objective of creating a regulatory framework and market structure designed to promote competition while ensuring reliability and security of electricity supply. The Government enacted legislation that created a competitive market framework for the electricity industry in Singapore in March 2001, consisting, among others, of the Electricity Act and the Energy Market Authority of Singapore Act 2001 of Singapore (the "EMA Act"). The regulatory regime for the electricity industry established by the Electricity Act is largely based on regulatory regimes implemented in Australia and the United Kingdom which are relatively well developed.

The Electricity Market in Singapore

On April 1, 2001 the Government established a body corporate, the EMA, under the Ministry of Trade and Industry, to regulate, among others, the electricity industry as well as the piped gas industry. As part of the electricity industry restructuring, effective April 1, 2001, PowerGrid transferred its former system operator function to the EMA and former market operator and pooling and settlement responsibilities to the EMC, which was formed as a subsidiary of the EMA to operate the SEP and subsequently the wholesale electricity market in Singapore. As part of this transfer, PowerGrid transferred certain personnel and assets to the EMA and EMC. The EMC was established in 2001 as a joint venture between the EMA and M-co (The Marketplace Company) Pte Ltd ("M-co"). The EMA owns 51% and M-co used to hold 49% of EMC. Singapore Exchange ("SGX"), through its wholly-owned subsidiary Asian Gateway Investment ("AGI"), acquired the 49% stake of EMC from M-co on August 6, 2012. SGX further acquired through AGI the EMA's 51% share on October 1, 2014, making EMC a wholly-owned subsidiary of AGI.

In addition, as part of the Government's policy of separating ownership of electricity generation assets from ownership of the transmission and distribution network, on April 1, 2001 Singapore Power Limited fully divested its interests in Generation Licensees Senoko Power and PowerSeraya to Temasek. In 2008, Temasek divested all its interest in Senoko Power (now known as Senoko Energy Pte Ltd) to Lion Power Holdings Pte Ltd, which was then owned by a consortium comprising Marubeni Corporation, GDF Suez S.A. (now known as Engie Group), The Kansai Electric Power Co., Inc, Kyushu Electric Power Co., Inc. and Japan Bank for International Cooperation; and in 2009, Temasek divested all its interest in PowerSeraya to Sabre Energy Industries Private Limited (which was then wholly-owned by YTL Power International Berhad). New market rules for the wholesale electricity market took effect on January 1, 2003, and the SEP was terminated and replaced by a new wholesale electricity market.

The EMA was established in April 2001 pursuant to the EMA Act as an independent regulator overseeing, among others, the electricity industry. The functions and duties of the EMA (as set out in the Electricity Act) include:

- protecting the interests of consumers with regard to the prices charged and other terms for the supply of electricity, the reliability, availability and continuity of supply of electricity, and the quality of electricity services provided, and in connection with any of the foregoing purposes, to construct, acquire (whether by purchase, lease or otherwise), develop, manage (including by leasing out for use) or operate any generating unit (including any energy storage system), any generating station or any part of a generating station, or for or in connection with the import of electricity to, or the export of electricity from, Singapore, any electrical installation or any part of an electrical installation, any electric line or any part of an electric line, any generating unit (including any energy storage system), or any generating station or any part of a generating station (in each case, whether in or outside Singapore);

- promoting the efficient use of electricity by consumers and economic efficiency and the maintenance of such efficiency in the electricity industry;

- performing the function of economic and technical regulator of the electricity industry, including the exercise of licensing and regulatory functions in respect of, the generation, transmission, import, export, trading and retail of electricity, the provision of market support services, the operation of any wholesale electricity market, and the establishment of standards of performance and codes of practice relating to any matter connected with the activities regulated by the EMA;

- implementing (whether through regulation or otherwise) policies, strategies, measures, standards or any other requirements on any matter for or connected with the reduction in emission of any greenhouse gas in the generation, transmission, import, export or supply of electricity;

- securing that Electricity Licencees whose prices are controlled by the EMA are able to provide an efficient service and maintain financial viability;

- ensuring security of supply of electricity to consumers and arranging for the secure operation of the transmission system of a Transmission Licensee in accordance with the Electricity Market Rules or other codes of practice;

- protecting the public from dangers arising from the generation, transmission, supply or use of electricity;

- cooperating and collaborating with the Land Transport Authority of Singapore in the discharge of its functions under the Land Transport Authority of Singapore Act 1995 of Singapore or other written law insofar as those functions relate to promoting and regulating the safe use of electric vehicle chargers in Singapore, setting of standards for devices and equipment that are electrical installations and used in the charging of an electric vehicle, and undertaking or facilitating the development and maintenance in Singapore of accessible charging points in public and common areas and other ancillary facilities that allow for the safe transfer of electricity to an electric vehicle;

- creating an economic regulatory framework in respect of the generation, transmission, import, export, trading and retail of electricity, the provision of market support services and the operation of any wholesale electricity market which promotes and safeguards competition and fair and efficient market conduct, and prevents the misuse of monopoly or market power, and which provides non-discriminatory access to any wholesale electricity market and to transmission services and market support services;

- advising the Government on all matters relating to the generation, transmission, trading, retail and use of electricity, the provision of market support services and the operation of any wholesale electricity market; and

- doing such other things as may be required under the Electricity Act and taking such steps as are necessary or expedient for the effective discharge of its functions and duties under the Electricity Act.

Summary of the Restructured Electricity Industry in Singapore

SPPA is currently the sole Transmission Licensee in Singapore. SPPA offers open and non-discriminatory access to its transmission and distribution network. The charges for network utilization applicable to the electricity transmission and distribution network are subject to regulation by the EMA. SPPA plans, develops, owns and maintains the electricity transmission and distribution network that delivers electricity to substantially all electricity consumers in the electricity market in Singapore. SPPA operates its distribution network while a division of the EMA, the Power System Operator (the "PSO"), operates its transmission network to ensure system stability and security.

Participants in the electricity market in Singapore include:

- the EMA, which serves as the regulator of the electricity industry in Singapore;
- the EMC, which as market operator operates and administers the wholesale electricity market, schedules electricity generation units, loads and SPPA's transmission network, facilitates planning and augmentation of the transmission network and provides information and other services to facilitate decisions for investment;
- the PSO, a division of the EMA, which controls the dispatch of electricity generation units and dispatchable demands in the electricity market, operates and directs the operation of SPPA's transmission network, co-ordinates outage and emergency planning, and is responsible for the management of operations and security of the power system;
- Generation Licensees, which generate and sell electricity in the wholesale electricity market;
- SPPA, currently the sole Transmission Licensee in the electricity market, plans, develops, own and maintains the electricity transmission and distribution network that delivers electricity to substantially all electricity consumers;
- electricity wholesaler licensees, which trade electricity in the wholesale electricity market;
- Retail Licensees, who either buy electricity directly from the wholesale electricity market or through SP Services to sell to contestable consumers;
- consumers, who are either contestable consumers (who may choose their Retail Licensee, buy electricity directly from the wholesale electricity market or buy electricity from the wholesale electricity market via MSSL) or non-contestable consumers (who choose to pay at regulated tariffs), (see "— Summary of the Restructured Electricity Industry in Singapore — Contestability"); and
- SP Services, which in its capacity as the only MSSL at present in Singapore, provides services such as meter reading, supplying electricity to non-contestable consumers, preparing bills for non-contestable consumers, and preparing settlement-ready meter data for Retail Licensees for contestable consumers, and consumer registration and transfer services between Retail Licensees.

The electricity market in Singapore consists of a wholesale electricity market and a retail market.

The Wholesale Electricity Market

The wholesale electricity market consists of a "real-time" market or spot market for energy, regulation and reserve administered by the EMC, and a procurement market for ancillary services required to maintain the secure operation of the power system.

At every half-hour, the spot market determines:

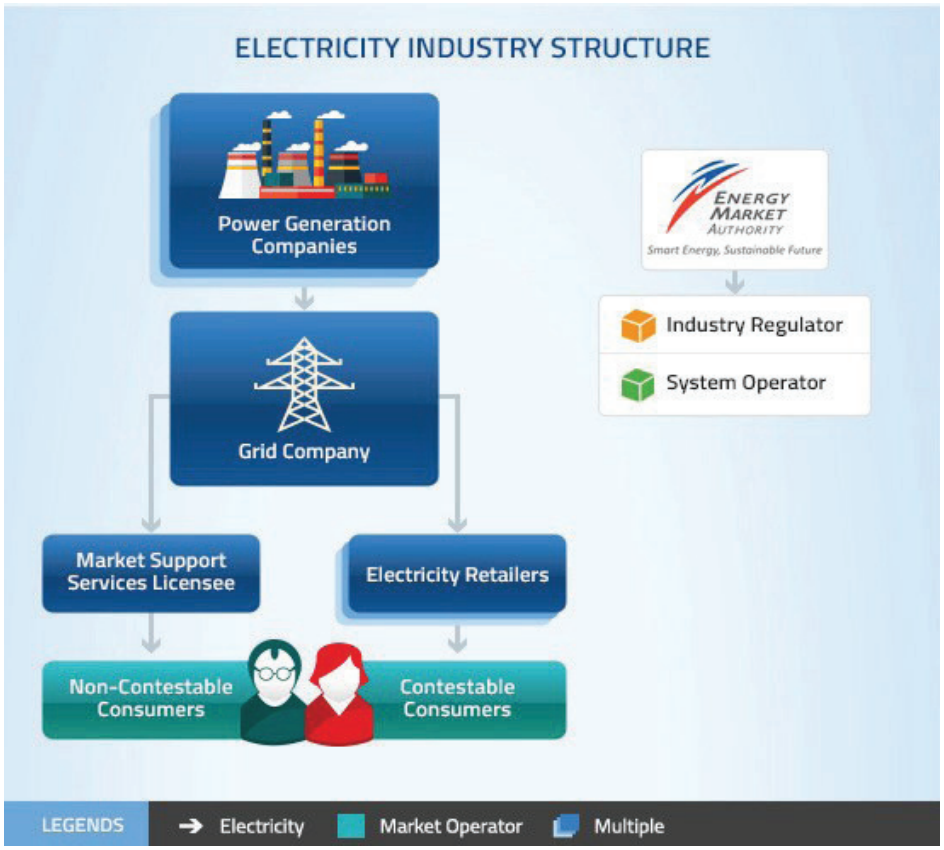
- the quantity that each electricity generation facility is to produce;
- the reserve and regulation capacity to be maintained by each electricity generation facility; and
- the corresponding wholesale spot market price for energy, regulation and reserve.

The quantities and prices in the wholesale electricity market are based on price-quantity offers made by Generation Licensees on a half-hourly basis and demand forecasts prepared by the PSO. The overall least-cost dispatch schedule and market prices are determined half-hourly. The price offered in the market for the most expensive generation needed to meet the forecast demand in each half-hour period sets the system marginal price.

The Retail Market

The retail market has been progressively opened up by the EMA for competition since 2001. This is to allow consumers more options to manage their electricity bills. Eligible consumers can choose to buy electricity from Retail Licensees under customized price plans or from the wholesale electricity market at prices that fluctuate every half hour. Contestability for electricity consumers in the retail market has been introduced in phases. For a discussion on the liberalization of the retail market, please see " — Summary of the Restructured Electricity Industry in Singapore — Contestability".

The figure below illustrates in detail the structure of the electricity industry in Singapore after its restructuring:



Source: Energy Market Authority

Note: In this diagram, SPPA is represented by the Grid Company, whereas SP Services is represented by the Market Support Services Licensee.

Electricity Generation and Electricity Retailing

Generation Licensees may produce and sell electricity in the wholesale electricity market, which is administered by the EMC. Such electricity may be purchased by SP Services, Retail Licensees and any person which is presently registered as a market participant in the electricity market in Singapore.

Vesting contracts were introduced on January 1, 2004. Vesting contracts are financial contracts between Generation Licensees and SP Services. These contracts commit Generation Licensees to selling specified quantities of electricity for various periods at prices stipulated by the EMA, and are designed to control the market power of such Generation Licensees.

Retail Licensees may buy electricity from the wholesale electricity market and sell electricity to contestable consumers.

Contestability

Contestability is the ability of an electricity consumer to choose the entity from whom it purchases its electricity requirements. Consumers who are contestable may purchase electricity from a Retail Licensee under a bilateral contract or purchase electricity directly from the wholesale electricity market or indirectly through a MSSL. The aim of contestability is to enable consumers to exercise choice and therefore benefit from competition.

Prior to April 1, 2001, SP Services was the sole supplier of electricity to electricity consumers in Singapore. On April 1, 2001, competition in the market for electricity supply in Singapore began to be phased in and Ultra High Tension consumers (those connected to SPPA's network at 230kV and above), Extra High Tension consumers (those connected to SPPA's network at 66kV) and High Tension consumers (those connected to SPPA's network at 22kV or 6.6kV) with electricity demand greater than 2MW were allowed to choose their Retail Licensee. On January 1, 2003, High Tension consumers with electricity demand equal to 2MW became contestable. On June 1, 2003, High Tension consumers with electricity demand of less than 2MW became contestable. Low Tension non-residential consumers (those connected to SPPA's network at 400V or 230V) with monthly consumption of greater than 20MWh became contestable on August 24, 2003. Low Tension non-residential consumers with monthly electricity consumption between 10MWh and 20MWh became contestable on December 21, 2003.

To allow more consumers to be contestable, the EMA lowered the monthly electricity consumption contestability threshold, from 10MWh to 8MWh on April 1, 2014, and further to 4MWh on October 1, 2014. The monthly contestability threshold was further lowered to 2MWh on July 1, 2015. This allowed more non-residential consumers to be eligible for retail contestability. In addition, for a non-residential consumer who has multiple electricity accounts at different locations in Singapore, he can choose to become contestable in respect of any of the locations if his aggregated demand meets the prevailing contestability threshold.

On April 1, 2018, the EMA commenced the soft launch of OEM where households and businesses in the Jurong area in Singapore can choose to buy electricity from a Retail Licensee, the wholesale electricity market through SP Services or remain at the regulated tariff from SP Services. From November 1, 2018 to May 1, 2019, OEM was progressively extended to the rest of Singapore by zones, allowing the remaining 1.5 million accounts (mainly households) to choose who they wish to buy electricity from. Those who prefer to buy electricity at the regulated tariff from SP Services can continue to do so. The extension of OEM to the rest of Singapore is not expected to have a significant impact on SP Group's net revenue (non-SFRS(I)). For more details, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting SP Group's Financial Condition and Results of Operations — Revenue and Purchased Power".

Schedule of Electricity Retail Market Liberalization

Effective Date	Customer Segment	Eligibility Threshold
April 2001	Businesses	Contracted capacity of more than 2 MW
August 2003		At least 20 MWh/month
February 2006		At least 10 MWh/month
April 2014		At least 8 MWh/month
October 2014		At least 4 MWh/month
July 2015		At least 2 MWh/month
April 2018 (Pilot phase)	All consumers, including residential	All eligible consumers
November 2018 – May 2019 (Nationwide roll out in phases)		

Contestable consumers who purchase electricity from Retail Licensees generally receive bills from their Retail Licensees which itemize charges for electricity provided by Retail Licensees separately from charges for transmission and distribution services. Non-contestable consumers receive bills from SP Services acting in its capacity as MSSL, which do not separately itemize charges for electricity supply and for transmission and distribution services.

Consumers with main meters, to which sub-meters are connected at multi-unit premises such as offices and industrial buildings, can be contestable either under the En-Bloc Contestability Scheme or Demand Aggregation Scheme.

Under the En-Bloc Contestability Scheme, a master meter consumer can become contestable if all its sub-meter consumers give consent to aggregate their consumption using the main meter and purchase electricity as a group. Under the Demand Aggregation Scheme, a master meter consumer can carve out part of his common services load and the load of one or more consenting sub-meter consumers for contestability under a sub-metered account. The remaining tenants can continue to buy electricity from SP Services at the regulated tariff, or from Retail Licensees if they meet the contestability criteria.

Pooling and Settlement

In general, Generation Licensees and Retail Licensees are required to trade electricity through the wholesale electricity market and must register as market participants ("Market Participants") with the EMC. They each must also comply with the Electricity Market Rules, which have binding contractual force between Market Participants. The Electricity Market Rules stipulate how the electricity market in Singapore is operated and the responsibilities and liabilities of each class of Market Participant. In addition to the Generation Licensees and Retail Licensees, SPPA, SP Services and the EMC are Market Participants. Under the Electricity Market Rules, there exist various panels with competency to (i) monitor the adherence to the Electricity Market Rules by the participants of the electricity market in Singapore; (ii) resolve disputes relating to payments; (iii) propose and enact amendments to the Electricity Market Rules, subject to the EMA's approval; (iv) oversee the operations of the EMC; and (v) review the EMC's budgets. The EMA has the right to veto and the power to propose resolutions at meetings of these panels although it does not have other voting rights.

Market Participants have the choice of trading electricity either on the spot market or through bilateral contracts. The wholesale spot market, which is administered by the EMC, operates as follows: each Generation Licensee must submit to the EMC in advance its half-hourly bid prices for electricity to be generated by each of its generating units. The EMC ranks the bid prices of all the Generation Licensees for each half-hourly settlement period in ascending order. The generating unit with the lowest bid price is selected to produce electricity for sale until the cumulative capacity of all the selected electricity generating units is adequate to meet electricity demand. The bid price of the last, or marginal, generating unit needed to meet demand is the price at which all the Generation Licensees are paid for the sale of electricity in that settlement period irrespective of their bid prices. Thus, the price offered in the market for the most expensive generation needed to meet the forecast demand in each half-hour period sets the system wide marginal price.

From April 1, 2001 to December 31, 2002, the EMC provided pooling and settlement services to Generation Licensees and Retail Licensees participating in the SEP, and since January 1, 2003, the EMC provides such pooling and settlement services to Market Participants in the wholesale electricity market. The EMC computes the amount payable by electricity purchasers, including Retail Licensees, contestable electricity consumers who purchase electricity directly from the wholesale electricity market and SP Services, to Generation Licensees for the purchase of electricity. The EMC then collects payment from these electricity purchasers and makes payments to the Generation Licensees. The EMC acts as a clearing house for the collection of payments due from electricity purchasers participating in the wholesale electricity market and makes on-payments due to Generation Licensees.

Licensing Regime

The Electricity Act provides that no person may, among others, engage in the transmission of electricity, or transmit electricity for or on behalf of a Transmission Licensee, or provide any market support services or carry on such other activity relating to electricity as the Minister, by order in the *Gazette*, may specify, unless he is authorized to do so by an electricity licence granted under the Electricity Act, or is exempted under the Electricity Act. The definition of the word "transmit" in the Electricity Act encompasses the distribution (as this word is used herein) of electricity. In determining whether to grant an electricity licence for a licensable activity, the EMA is required to consider, the ability of that person to finance the carrying on of the particular activity; the experience of that person in carrying on the activity, and its ability to perform the duties which would be imposed on that person under the Electricity Act and the electricity licence, if granted; whether the person is related to any Gas Transporter under the Gas Act; whether or not that person is related to any Electricity Licensee or any person granted an exemption under the Electricity Act; and the functions and duties of the EMA under the Electricity Act.

No Transmission Licensee, Transmission Agent Licensee or MSSL may be granted an electricity licence to carry out any activity other than the transmission of electricity, the transmitting of electricity for or on behalf of a Transmission Licensee or the provision of market support services, respectively. No Electricity Licensee who is authorized by his licence to operate any wholesale electricity market may be granted an electricity licence to carry out any activity other than the operation of that market.

An electricity licence may include any restriction or condition (whether or not relating to the activities authorized by the electricity licence) which appears to the EMA to be requisite or expedient having regard to the functions and duties of the EMA under the Electricity Act. Such conditions may include, among others, requiring the Electricity Licensee to:

- pay to the EMA a fee on the grant of the electricity licence or to pay to the EMA periodic fees during the currency of the licence or both, of such amount as may be determined by or under the licence;

- enter into any agreement or arrangement on specified terms or on terms of a specified type relating to the Electricity Licensee's trading or operation or for the connection to or use of any electric line or plant owned or operated by the Electricity Licensee or the other party to the agreement or arrangement;

- observe, with such modification or exemption as may be approved by the EMA, specified codes of practice and the Electricity Market Rules;

- maintain specified financial accounting records and prepare financial accounts according to specified principles;

- appoint, at such intervals and on such terms as the EMA may direct, an independent technical auditor for the purposes specified in the condition;

- prepare for approval by the EMA guidelines regarding the procedures the Electricity Licensee must follow in the event of any public emergency;

- do or not to do such things as are specified in the electricity licence or are of a description so specified; and

- in relation to SPPA as a Transmission Licensee, carry out any work related to the development of the transmission system or the supply of electricity to any premises.

The electricity licence may also include conditions for:

- controlling or fixing prices to be charged for the services provided by a Transmission Licensee, MSSL or an Electricity Licensee authorized to operate any wholesale electricity market including the fixing of prices or the rate of increase or decrease in prices; the fixing of a maximum price or maximum rate of increase or minimum rate of decrease in the maximum price; the fixing of an average price or an average rate of increase or decrease in the average price; the setting of pricing policies or principles; the setting of prices with reference to a general price index, the cost of production, a rate of return on assets employed or any specified factor; and the setting of prices with reference to the quantity, location, period or other specified factors relevant to the activities authorized by the licence;

- in the case of a Transmission Licensee, MSSL or an Electricity Licensee authorized to operate any wholesale electricity market, imposing controls and restrictions, directly or indirectly, on the creation, holding or disposal of shares in the Electricity Licensee or its shareholders or of interests in the undertaking of the Electricity Licensee or any part thereof, and imposing restrictions on the carrying on by the Electricity Licensee of any trade or business which is not related to the activity which the Electricity Licensee is authorized by its electricity licence to carry on; and

- providing for any one or more of the conditions specified in the electricity licence to cease to have effect at such times and in such manner and circumstances as may be specified in or determined by or under the condition.

An electricity licence granted to any person is not transferable to any other person without the written approval of the EMA and any purported transfer is void. The EMA may modify the conditions of any electricity licence in accordance with the Electricity Act if the EMA is satisfied that the modification is requisite or expedient having regard to the functions and duties of the EMA under the Electricity Act.

Powers of the EMA to Control Electricity Licensees

The Minister may, on an application by the EMA, make an order under Section 29 of the Electricity Act in relation to any Electricity Licensee if such Electricity Licensee is unable (or likely to be unable) to pay its debts, a public emergency has occurred or where the Minister considers it in the public interest or in the interest of the security and reliability of electricity supply to the public. The orders which may be made by the Minister under Section 29 of the Electricity Act are (i) a special administration order; (ii) an order requiring the relevant Electricity Licensee to take any action or to do or not to do any act or thing as the Minister considers necessary; and/or (iii) an order appointing a person to advise the relevant Electricity Licensee in the proper conduct of such licensee's business. The decision of the Minister is final. A special administration order is an order which allows the EMA to directly or indirectly manage all or any of the relevant Electricity Licensee's affairs, business and property for the period during which the order is in force to secure one or more of the objectives stated in Section 28(2) of the Electricity Act, including the security and reliability of the supply of electricity to the public (and in a manner which protects the respective interests of the shareholders and creditors of the Electricity Licensee).

Where a special administration order has been made, the EMA may, at any time, whether or not the order is still in force, fix the remuneration and expenses to be paid by the relevant Electricity Licensee to the EMA. The EMA may also at any time (whether or not the appointment of the person has terminated) fix the remuneration and expenses to be paid by the relevant Electricity Licensee to any person appointed by the Minister under Section 29 of the Electricity Act to advise such Electricity Licensee in the proper conduct of such Electricity Licensee's business or undertaking.

The Minister may also make regulations for giving effect to Sections 28 and 29 of the Electricity Act, including regulations governing the transfer of the Electricity Licensee's business or undertaking; and where a special administration order is made, for applying, omitting or modifying the provisions of Parts 7 and 9 of the IRD Act.

The EMA has the power to issue directions to any person to ensure the reliability of the supply of electricity to the public or the security of the electricity system; to maintain the voltage or reactive flow of power through a transmission system of a Transmission Licensee; in the interests of public safety; or as may be necessary to enable the EMA to perform its functions and duties. Any failure to comply with such directions may be punished on conviction by a fine not exceeding S$10,000 or by imprisonment for a term not exceeding 12 months or both, and in the case of a continuing offence, to a further fine not exceeding S$250 for every day or part thereof that the offence continues. In addition, the Electricity Act provides that the duty to comply with any direction by the EMA is a duty owed to any person who may be affected by a contravention of the direction, the breach of which is actionable at the suit or instance of any person if that person sustained any loss or damage caused by a breach of the duty.

In addition, the EMA has the power to direct any Electricity Licensee to allow a Transmission Licensee to connect any electrical plant or electric line of the Transmission Licensee to any of such Electricity Licensee's electrical plants, if the EMA considers the connection necessary in the public interest, or to ensure the security and reliability of the supply of electricity to the public. Such direction may require the Electricity Licensee to allow the Transmission Licensee to enter the premises of the Electricity Licensee for the purposes of making and maintaining the connection, and not to do or suffer to be done anything which may prevent the Transmission Licensee from making and maintaining the connection, and require the Electricity Licensee and the Transmission Licensee to enter into an agreement after such connection has been made, within the time specified in the direction, for the purpose of maintaining the connection and reasonably compensating the Electricity Licensee for any loss suffered as a result of the connection. The Electricity Licensee and the Transmission Licensee must comply with such a direction to the extent that it relates to either of them.

Section 14 of the Electricity Act provides that if the EMA is satisfied that an Electricity Licensee is contravening or has contravened or is likely to contravene any condition of its electricity licence, any code of practice or other standard of performance applicable to it, any provision of the Electricity Act (which would include its statutory duties under the Electricity Act) or any direction issued by the EMA to or applicable to the Electricity Licensee, the EMA may direct the relevant Electricity Licensee to do or not do such things as may be specified by the EMA; require the relevant Electricity Licensee to provide a performance bond, guarantee or any other form of security on such terms and conditions as the EMA may determine; and/or require the relevant Electricity Licensee to pay a financial penalty of an amount not exceeding 10.0% of the annual turnover of that part of its business in respect of which it holds the relevant electricity licence (as determined from the relevant Electricity Licensee's latest audited accounts) or an amount not exceeding S$1 million, whichever is higher.

In addition to the various powers of the EMA described above, Section 13 of the Electricity Act allows the EMA to, if certain conditions are fulfilled, revoke or suspend the relevant Electricity Licensee's electricity licence for such period as the EMA thinks fit without compensation to such Electricity Licensee. The situations are if the EMA is satisfied that (a) the relevant Electricity Licensee has entered into liquidation (other than for the purpose of amalgamation or reconstruction); (b) any circumstance specified in the relevant Electricity Licensee's electricity licence which entitles the EMA to revoke or suspend such licence exists; (c) the relevant Electricity Licensee has not complied with any direction or requirement issued by the EMA pursuant to Section 14 of the Electricity Act; (d) the relevant Electricity Licensee is no longer in a position to operate in conformity with the Electricity Act or the terms and conditions of its electricity licence; or (e) the public interest or security of Singapore so requires. In addition to the revocation or suspension of the relevant electricity licence, in the case of items (b) or (c) above, Section 13 of the Electricity Act also allows the EMA to require the relevant Electricity Licensee to pay a financial penalty of an amount not exceeding 10.0% of the annual turnover of that part of its business in respect of which it holds the relevant electricity licence (as determined from the relevant Electricity Licensee's latest audited accounts) or an amount not exceeding S$1 million, whichever is higher.

From a competition perspective, the EMA has various powers under Section 59 of the Electricity Act to enforce the prohibitions set out in Part 7 of the Electricity Act (as described below). Section 50 of the Electricity Act prohibits any agreements, decisions or concerted practices which have as their object or effect the prevention, restriction or distortion of competition in any wholesale electricity market or the retail electricity market in Singapore. Section 50 (4) of provides that any such agreement or decision will be void. The EMA may also impose such directions upon any person as it considers appropriate to bring any infringement to an end where it makes the decision that Section 50 has been infringed. Similarly, Section 51 of the Electricity Act prohibits any conduct on the part of one or more persons which amounts to an abuse of a dominant position in any wholesale electricity market or retail electricity market in Singapore if it may affect trade within Singapore. Where the EMA makes a decision to the effect that any person has infringed Section 51 of the Electricity Act, it may direct such person to modify or cease any such conduct. In addition, under Section 53A of the Electricity Act, the EMA may issue guidelines with a view to providing practical guidance or certainty in respect of any one or more of the provisions in Part 7 of the Electricity Act. The compliance with such guidelines, or a contravention of or failure to comply with, whether by act of omission, such guidelines, may be relied upon by any party to an administrative proceeding commenced under Part 7 of the Electricity Act as tending to negative or establish the contravention of any provision under Part 7 of the Electricity Act which is in question in such a proceeding. Where a decision is made to the effect that either prohibition under Section 50 or 51 of the Electricity Act has been infringed, Section 59 of the Electricity Act further allows the EMA to require the relevant person to pay a financial penalty of an amount not exceeding 10.0% of the annual turnover of such person's business in Singapore (as determined from such person's latest audited accounts) or an amount not exceeding S$1 million, whichever is higher, in addition to requiring the provision of a performance bond, guarantee or any other form of security on such terms and conditions as the EMA may determine.

Under Section 30B of the Electricity Act, each of SPPA and SPPG is required to notify the EMA in writing if any person acquires equity interest in SPPA or SPPG respectively, whether through a series of transactions over a period of time or otherwise, that would result in that person holding 5% or more but less than 12% of the total equity interest in SPPA or SPPG respectively. Such notice must be given within five days after SPPA or SPPG (as the case may be) becomes aware of such acquisition.

Further, pursuant to Section 30B of the Electricity Act, no person may, whether through a series of transactions over a period of time or otherwise, and whether alone or together with his associates (as defined in the Electricity Act), (a) hold 12% or more of the total equity interest in SPPA or SPPG or be in a position to control 12% or more of the voting power in SPPA or SPPG, or (b) hold 30% or more of the total equity interest in SPPA or SPPG or be in a position to control 30% or more of the voting power in SPPA or SPPG, in each case except with the prior written approval of the EMA.

No person may, whether through a series of transactions over a period of time or otherwise, become an indirect controller (as defined in the Electricity Act) of SPPA or SPPG, except with the prior written approval of the EMA.

The EMA may grant its approval to the control or acquisition of an equity interest in SPPA or SPPG at or above the prescribed threshold if the EMA is satisfied that (a) the person is a fit and proper person; (b) having regard to the person's likely influence, SPPA or SPPG (as the case may be) will continue to conduct its business prudently and comply with the provisions of the Electricity Act; and (c) it is in the public interest to do so.

No person may acquire the business, or any part of the business, of SPPA or SPPG conducted pursuant to their respective electricity licences as a going concern except with the EMA's prior written approval. The EMA may grant its approval to such acquisition if the EMA is satisfied that (a) the person acquiring the relevant business is a fit and proper person; (b) the acquisition will not affect the security and reliability of the supply of electricity to the public; and (c) it is in the public interest to do so.

Any approval by the EMA may be granted subject to such conditions as the EMA may determine, including but not limited to any condition restricting the disposal or further acquisition of equity interests or voting power in SPPA or SPPG, or restricting the exercise of voting power in SPPA or SPPG. Any such conditions imposed by the EMA has effect despite the provisions of any written law or anything contained in SPPA's constitution or SPPG's constitution, and the EMA may at any time add to, vary or revoke any such conditions.

In addition, the EMA may, by order in the *Gazette*, exempt any person or class of persons, or any class or description of equity interests, from the notification and/or approval requirements under Section 30B of the Electricity Act, subject to such conditions as may be specified in the order.

No person may be appointed as the chief executive officer, director or chairman of the board of directors of SPPA or SPPG except with the EMA's prior written approval. If any person is appointed without the EMA's approval, the EMA may direct SPPA or SPPG (as the case may be) to remove such person as its chief executive officer, director or chairman of its board of directors, as the case may be, despite the provisions of any other written law or anything contained in SPPA's constitution or SPPG's constitution.

Under Section 16(1) of the Electricity Act, the EMA may issue or approve codes of practice for the regulation of activities and conduct in the electricity industry. Currently, such codes of practice issued by the EMA include the Transmission Code, the Market Support Services Code, the Regulated Supply Service Code and the Metering Code.

SPPA's Transmission Licence and Tariff Regulatory Framework for the Electricity T&D Business

For a discussion of SPPA's Transmission Licence and SPPA's role as a Transmission Licensee in the electricity market in Singapore, see "Business of SP Group — Transmission and Distribution Business in Singapore — SPPA's Electricity Licenses — Electricity Transmission Licence". For a description of SPPA's current use of system charges and a detailed discussion of the manner in which SPPA's use of system charges are regulated by the EMA, see "Business of SP Group — Transmission and Distribution Business in Singapore— Electricity T&D Business — Tariff Regulatory Framework for the Electricity T&D Business".

Market Support Services Licence and SP Services' Tariff Regulatory Framework

For a discussion of SP Services' Market and Support Services Licence and its role in the electricity market in Singapore, see "Business of SP Group — Market and Support Services Licence". For a description of SP Services' current tariffs and a detailed discussion of the manner in which SP Services' tariffs are regulated by the EMA, see "Business of SP Group — Market Support Services Business — Market Support Services Business Framework — Regulated Business".

GAS INDUSTRY IN SINGAPORE

Overview of the Singapore Gas Industry

The piped gas industry had traditionally been vertically-integrated and owned by the Government. The PUB was formed in 1963 to undertake the functions of supplying water, electricity and piped gas to the population of Singapore.

On October 1, 1995, the Government incorporated the electricity and piped gas undertakings of the PUB into Singapore Power Limited. This marked the first reform of the vertically-integrated electricity and gas industries to facilitate competition. The Government's intention was to gradually introduce competition so that Singapore would have a competitive electricity and gas market with investment, production and pricing decisions determined by market forces rather than through central planning.

In 2000, the Government decided to restructure the gas industry to put in place a market framework that separates the competitive functions of production and retail of town gas as well as the importation and retail of natural gas, from the monopolistic function of gas transportation. Under this market framework, the individual Gas Shipper Licensees entered into bilateral contracts (known as Onshore Transportation Agreement) with Gas Transporter to ship gas.

The EMA was established in April 1, 2001 pursuant to the EMA Act as an independent regulator overseeing, among others, the gas industry. The functions and duties of the EMA (as set out in the Gas Act) include:

- to protect the interests of consumers with regard to the prices and other terms for the supply of gas, the reliability, availability and continuity of the supply of gas, and the quality of gas supply services provided;
- to protect the public from dangers (including to health) arising from the import, production, processing, storage, conveyance, shipping, supply or use of gas;
- to secure that Gas Licensees whose prices are controlled by the EMA are able to provide an efficient service and maintain financial viability;
- to promote the efficient use of gas by consumers;
- to promote competition in the supply of natural gas;
- to perform the functions of economic, technical and safety regulator for the gas industry in Singapore;
- to ensure security of supply of gas to consumers and to arrange for the secure operation of the gas transmission network in accordance with the Gas Network Code or other codes of practice;
- to advise the Government on all matters relating to the production, processing, storage, conveyance, shipping, supply or use of gas; and
- to do such other things as are required under the Gas Act and to take such steps as are necessary or expedient for the effective discharge of its functions and duties under the Gas Act.

Gas Sales and Consumption in Singapore

The following table sets forth the aggregate amount of town gas transmitted and distributed for the different end user segments for the periods indicated:

Town Gas transmitted and distributed (bbtu)	**Calendar Year**		
End User segment	**2019**	**2020**	**2021**
Domestic	2,575	3,074	2,931
Non-Domestic	3,430	2,784	2,758
Total	6,005	5,859	5,690

Source: Singapore Department of Statistics

The following table sets forth the aggregate amount of natural gas transmitted and distributed for PowerGas' gas transmission and distribution network:

	Calendar Year		
Natural Gas transmitted and distributed (bbtu)	**2019**	**2020**	**2021**
Transmission Network	452,930	453,767	461,516
Distribution Network	9,376	8,957	9,619

The Restructured Gas Market

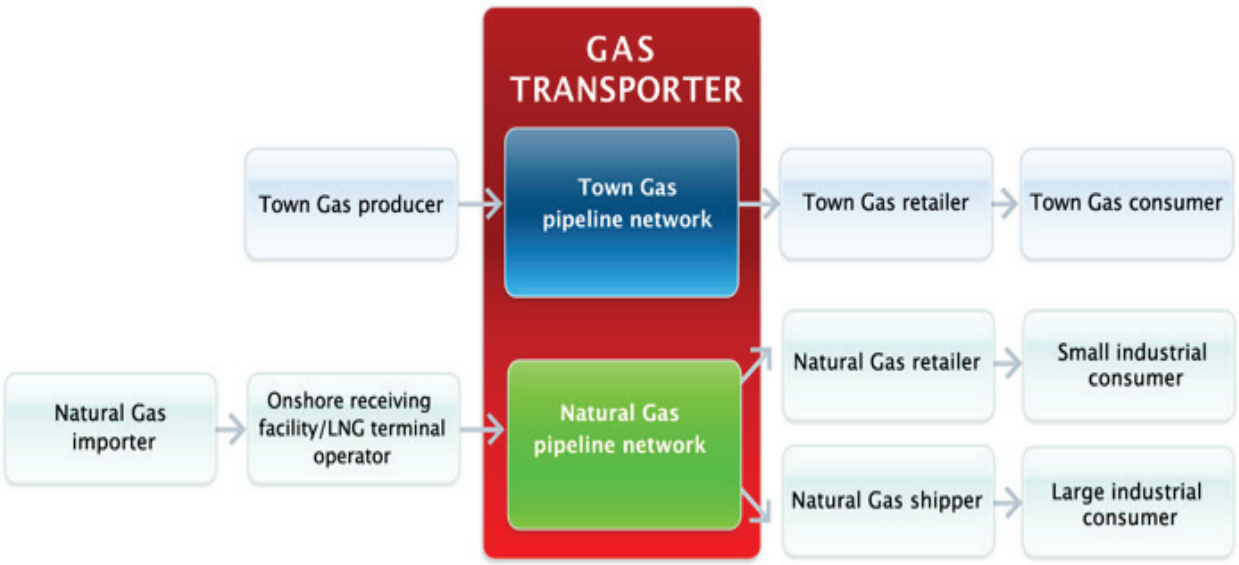
Following the restructuring in 2000, with natural gas becoming the dominant fuel for electricity generation in Singapore, the gas industry underwent further restructuring to support the electricity industry. A set of rules called the Gas Network Code or GNC was established in September 15, 2008 for the restructured gas market to govern the activities of gas transportation and providing open and non-discriminatory access to the onshore gas pipeline network.

The following licences are required for entities to participate in the restructured gas market:

- Licence to convey gas (granted under Section 7(3)(a) of the Gas Act)
- Licence to convey gas for or on behalf of a Gas Transporter Licensee (granted under Section 7(3)(b) of the Gas Act)
- Licence to ship gas (granted under Section 7(3)(c) of the Gas Act)
- Licence to retail gas (granted under Section 7(3)(d) of the Gas Act)
- Licence to manage or operate an onshore receiving facility (granted under Section 7(3)(e) of the Gas Act)
- Licence to manage or operate an LNG terminal (granted under Section 7(3)(f) of the Gas Act)
- Licence to produce town gas (granted under Section 7(3)(g) of the Gas Act)
- Licence to import gas (granted under Section 7(3)(h) of the Gas Act)

PowerGas became the sole Gas Transporter Licensee in Singapore that owns and manages the gas pipeline network for conveying natural gas and town gas. As the Gas Transporter Licensee, it provides open and non-discriminatory access to the gas pipeline network. The Gas Transporter Licensee is not allowed to participate in the gas import and retail businesses, see "Business of SP Group — Gas T&D Business — Power Gas' Gas Licences — Gas Transport Agent Licence" for details.

The bilateral Onshore Transportation Agreements previously signed between the Gas Shipper Licensees and the Gas Transporter Licensee ceased when the GNC regime came into effect. As the gas transport business was separated from the competitive business of gas import and retail, SembCorp Gas Pte Ltd, which had diversified interests in gas transport, import and retail businesses, exited the gas transport business and transferred its gas pipelines to PowerGas via a statutory transfer under Section 98 of the Gas Act on September 15, 2008. The structure of the restructured gas market is shown in the following diagram.



Source: Energy Market Authority

Note: In this diagram, PowerGas is represented by the Gas Transporter.

At present, the gas network in Singapore consists of two separate gas pipeline networks namely, the town gas pipeline network and the natural gas pipeline network. Town gas is used mainly for cooking and heating by domestic and commercial customers. Natural gas is mainly used for electricity generation and industrial feedstock. Town gas is produced by City Energy whilst natural gas is imported via licensed Gas Importer Licensees. Traditionally, most of the natural gas is imported into Singapore from Malaysia and Indonesia via offshore pipelines.

Since May 2013, Singapore's first liquefied natural gas ("LNG") terminal developed by Singapore LNG Corporation Pte Ltd started operation and Singapore began importing LNG to diversify and secure its energy sources. The LNG terminal had two storage tanks and an initial Throughput Capacity of 3.5 million tonnes per annum ("Mtpa"). To enhance Singapore's energy supply security, the Government decided to expand the peak Throughput Capacity of the LNG terminal. A third tank and additional regasification facilities were completed in January 2014, increasing the Throughput Capacity of the terminal to 6 Mtpa, and a secondary jetty was added to the operations in March 2014. The fourth storage tank was completed in 2018 and brought the terminal's Throughput Capacity from the current 6 Mtpa to around 11 Mtpa. Singapore plans to become a key trading hub for LNG in the region. A valid LNG terminal operator licence from EMA is required to operate an LNG terminal.

The additional Throughput Capacity beyond Operating Capacity ("Strategic Capacity") provides system wide benefits to all gas users i.e. both LNG and piped natural gas ("PNG") users in terms of greater security, reliability and optionality of gas supply. EMA has therefore introduced a policy paper on September 30, 2019 to the industry to recover the cost associated with the Strategic Capacity from all gas users via a Gas System Charge ("GSC"). Subsequently, EMA issued a directive to PowerGas on October 1, 2019 to charge this GSC to all Shippers via an uplift in the Gas Transportation Tariff and requiring the collections of such uplift by PowerGas to be remitted to the Singapore LNG Corporation Pte Ltd ("SLNG").

The gas pipeline network consists of more than 200 km of high-pressure transmission pipelines for the transportation of natural gas and more than 3,000 km of distribution pipelines, primarily for the distribution of town gas.

Under the natural gas pipeline network, there are currently two distinct gas transmission networks, namely Transmission Network 1 and Transmission Network 2. Transmission Network 1, operating at a maximum pressure of 40 barg, receives gas from Indonesia. The receiving station on this network is operated by SembCorp Gas Pte Ltd who owns the Onshore Receiving Facility ("ORF"). Transmission Network 2 is subdivided into two segments. The higher pressure segment is designed to operate at maximum pressure of 40 barg and takes gas delivered from Indonesia at Sakra ORF and LNG Terminal. The lower pressure segment of Transmission Network 2 operates at a maximum pressure of 28 barg and receives gas from Indonesia at the Sakra ORF in the south of the network, gas from Malaysia at Attap Valley ORF in the north of the network and the LNG Terminal. Both the ORFs on Transmission Network 2 are owned and operated by PowerGas (refer to "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Gas Transmission and Distribution Network Assets — Natural Gas Transmission and Distribution Network" for details). The ORF operator owns and manages the receiving and control of natural gas in the ORF prior to injection into the gas pipeline network for conveyance into Singapore. These entities must have a valid ORF operator licence issued by EMA before engaging in such activities. Currently, the operation of ORFs owned by PowerGas is licensed under the Gas Transporter Licence.

Currently, some 68% of natural gas supply is imported in gaseous form into Singapore via offshore pipelines from Malaysia and Indonesia and the remaining supply is in liquid form via tankers from diversified sources such as Australia, the U.S. and Qatar. Gas Importer Licensees are entities that are permitted to import natural gas into Singapore. They must have a valid licence to import gas issued by EMA (under Section 7(3)(h) of the Gas Act) before engaging in gas import activities.

Gas Retailer Licensees are entities that supply gas to retail end users. A Gas Retailer Licensee can either arrange for the conveyance of gas directly with a Gas Transporter Licensee as a Gas Shipper Licensee or engage a Gas Shipper Licensee to arrange for the conveyance of gas to its retail end users. These entities must have a valid licence to retail gas issued by EMA (under Section 7(3)(d) of the Gas Act) before engaging in gas retailing activities.

Gas Shipper Licensees are entities that enter into a contract with the Gas Transporter Licensees to convey gas through the gas pipeline network. These entities must have a valid licence to ship gas issued by EMA (under Section 7(3)(c) of the Gas Act) before engaging in gas shipping activities.

The table below provides details of the sources of natural gas, as well as the EMA-licensed Gas Importer Licensees, Gas Shipper Licensees and Gas Retailer Licensees.

Source Country/ Location	Gas Importer Licensee	Gas Shipper Licensee	Gas Retailer Licensee
Malaysia	Senoko Energy Pte Ltd	1. City Energy Pte Ltd	1. Sembcorp Gas Pte Ltd
	Keppel Gas Pte Ltd	2. Gas Supply Pte Ltd	2. City Energy Pte Ltd
Indonesia, West Natuna	Sembcorp Gas Pte Ltd	3. Keppel Gas Pte Ltd	3. City – OG Gas Energy Services Pte Ltd
Indonesia, South Sumatra	Gas Supply Pte Ltd	4. YTL PowerSeraya Pte Ltd	4. Pavilion Energy Singapore Pte Ltd
Australia, USA and Qatar (LNG)	1. Pavilion Energy Singapore Pte Ltd	5. Senoko Gas Supply Pte Ltd	5. Keppel Gas Pte Ltd
	2. Shell Eastern Trading (Pte) Ltd.	6. Sembcorp Gas Pte Ltd	6. Tuas Power Supply Pte Ltd
	3. Shell Gas Marketing Pte. Ltd.	7. PacificLight Power Pte Ltd	7. Union Gas Pte Ltd
	4. Sembcorp Fuels (Singapore) Pte. Ltd.	8. Tuas Power Generation Pte Ltd	
	5. ExxonMobil Asia Pacific Pte Ltd	9. Tuaspring Pte Ltd	
		10. Pavilion Energy Singapore Pte Ltd	
		11. Shell Eastern Trading Pte Ltd	

Source: Energy Market Authority

City Energy is currently the sole producer and retailer of town gas in Singapore.

The end users of gas are classified into the following two categories depending on the arrangement for conveyance of gas to them:

- Large end users are typically electricity generation companies and large industrial users of natural gas that take gas from the gas transmission network. They will make arrangements with either the Gas Transporter Licensee or a Gas Shipper Licensee for the conveyance of gas to their premises; and

- Retail end users are gas users who purchase gas from Gas Retailer Licensees of natural gas or town gas. The retail market comprises the residential segment and commercial and industrial segments. The Gas Retailer Licensees will arrange with the Gas Transporter Licensee for the conveyance of gas to the retail end users. Retail end users typically take gas from the gas mains network and use the gas for cooking and heating purposes, e.g. households and small non-domestic users of gas.

The Gas Act

PowerGas' Duty to connect

Pursuant to the Gas Act, PowerGas is required to, upon the request of the owner or occupier of any premises, provide and install a gas service isolation valve, provide and lay a gas service pipe from the relevant gas main to the gas service isolation valve and connect such premises to the relevant gas main. PowerGas may recover the costs of providing and laying the gas isolation valve, providing and laying the gas service pipe and making the connection from the owner or occupier of the premises, as the case may be, to the extent that the costs have not been previously recovered from any other person. Where any premises have been connected to a relevant gas main under the Gas Act, any written law which has been repealed or any arrangement entered into by the owner or occupier of the premises prior to 11 June 2007, PowerGas is required to maintain the connection until such time as it is no longer required by the owner or occupier.

PowerGas is not required to connect, or maintain a connection of, a relevant gas main to any premises if it is unable to do so by circumstances beyond its control or if there exist circumstances, which by reason of PowerGas' doing so, would involve a danger to the public. If the connection, or the maintenance of the connection, will result in a new or increased supply of gas which cannot be made without the laying of a new, or the enlargement of an existing, gas main or the undertaking of other works related to the conveyance of gas to those premises, PowerGas may refuse to make or maintain the connection until such time as the owner or occupier enters into an agreement with PowerGas for the payment of a reasonable amount having regard to be costs to be incurred by PowerGas in laying or enlarging the relevant gas main or undertaking such other works and the extent to which such costs can be recovered from other persons.

Licensing Regime

The Gas Act provides that no person may, among others, convey gas, or convey gas for or on behalf of a Gas Transporter Licensee, unless he is authorized to do so by a gas licence granted under the Gas Act, or is exempted under the Gas Act. The definition of the word "convey" in the Gas Act encompasses the distribution (as this word is used herein) of gas. In determining whether to grant a gas licence for a licensable activity, the EMA is required to consider, among others, the ability of that person to finance the carrying on of the particular activity; the experience of that person in carrying on the activity, and its ability to perform the duties which would be imposed on that person under the Gas Act and the gas licence, if granted; whether or not that person is related to any Gas Licensee or any person granted an exemption under the Gas Act; and the functions and duties of the EMA under the Gas Act.

A licence to transport gas (granted under Section 7(3)(a) of the Gas Act) must not be granted to a Gas Retailer Licensee, Gas Shipper Licensee or town gas producer, or an Electricity Licensee that is authorized to generate, retail, import or export electricity or trade in any wholesale electricity market. A Gas Transport Agent Licensee's licence must not be granted to a Gas Retailer Licensee, Gas Shipper Licensee or town gas producer. A Gas Shipper Licensee's licence must not be granted to a Gas Transporter Licensee or Gas Transport Agent Licensee. A Gas Retailer Licensee's licence must not be granted to a Gas Transporter Licensee or Gas Transport Agent Licensee.

A gas licence may include any restriction or condition (whether or not relating to the activities authorized by the gas licence) which appears to the EMA to be requisite or expedient having regard to the functions and duties of the EMA under the Gas Act. Such conditions may include, among others:

- restricting the activities which the Gas Licensee is permitted to carry out;
- requiring payments to be made to the EMA on the grant, or during the currency, of a gas licence or both, of such amount as may be determined by or under the gas licence;
- requiring the Gas Licensee to furnish specified persons or the EMA in such manner and at such times as may be specified with such information as appears to the EMA to be requisite or expedient for the purpose of facilitating the exercise by those persons or the EMA of the functions or duties assigned to them or as may be reasonably required for that purpose;

- requiring the Gas Licensee to furnish to the EMA financial information including regulatory accounts in respect of such period and on such basis as may be specified;

- controlling, limiting or restricting the ownership or control, directly or indirectly, of the Gas Licensee; the creation, holding or disposal of any interest in shares in the Gas Licensee or in any person holding shares in the Gas Licensee; or any other interest in the licensed gas business or undertaking of the Gas Licensee or any part thereof;

- requiring the Gas Licensee to comply with any direction, determination, order or decision of the EMA as to such matters specified in its gas licence or are of a description so specified;

- requiring the Gas Licensee to do or not to do such things as are specified in its gas licence or are of a description so specified, except in so far as the EMA consents to its doing or not doing them, as the case may be;

- requiring the Gas Licensee to comply with any code of practice and standard of performance applicable to the Gas Licensee;

- providing for the determination by the EMA of such questions arising under the gas licence, or under any document specified or described in the gas licence;

- imposing requirements by reference to designation, acceptance or approval by the EMA;

- providing for references in the conditions of the gas licence to any document specified or described in the gas licence to operate as references to that document as revised or re-issued from time to time;

- providing that the conditions of the gas licence have effect or cease to have effect at such times and in such circumstances as may be determined by or under the conditions;

- requiring the Gas Licensee to provide a performance bond, guarantee or any other form of security on such terms and conditions as the EMA may determine; and

- where the Gas Licensee is not incorporated or does not have a place of business in Singapore, requiring the Gas Licensee to appoint, and notify the EMA of, a person who has a residential address or a place of business in Singapore to accept service on behalf of the Gas Licensee of any notice, order or document required or authorized by the Gas Act to be given or served on the Gas Licensee.

A gas licence granted to any person may not be transferred to any other person without the written approval of the EMA and any purported transfer is void. The EMA may modify the conditions of any gas licence in accordance with the Gas Act if the EMA is satisfied that the modification is requisite or expedient having regard to the functions and duties of the EMA under the Gas Act.

Powers of the EMA to Control Gas Licensees

The Minister may, on an application by the EMA, make an order under Section 34 of the Gas Act if PowerGas or SPPG is unable (or likely to be unable) to pay its debts, a public emergency has occurred or where the Minister considers it in the public interest or in the interest of the security and reliability of the supply of gas to the public. The orders which may be made by the Minister under Section 34 of the Gas Act are (i) a special administration order; (ii) an order requiring PowerGas or SPPG to take any action or to do or not to do any act or thing in relation to that part of its business or undertaking to which its gas licence relates as the Minister considers necessary; and/or (iii) an order appointing a person to advise PowerGas or SPPG in the proper conduct of that part of its business or undertaking to which its gas licence relates. The decision of

the Minister is final. A special administration order is an order which allows the EMA to directly or indirectly manage all or any of PowerGas' or SPPG's affairs, business and property for the period during which the order is in force to secure one or more of the following purposes (and in a manner which protects the respective interests of the shareholders and creditors of PowerGas or SPPG (as the case may be)):

- the security of reliability of the supply of gas to the public;
- PowerGas' or SPPG's survival, or the survival of the whole or part of PowerGas' or SPPG's business or undertaking for which PowerGas or SPPG (as the case may be) is authorized by its gas licence to carry on, as a going concern;
- the transfer to another company or (with respect to different parts of the area to which PowerGas' or SPPG's gas licence relates, or different parts of its business or undertaking) to two or more different companies, as a going concern, of such of PowerGas' or SPPG's undertakings as is necessary to transfer in order to ensure that the functions and duties which have been vested in PowerGas or SPPG (as the case may be) by virtue of its gas licence may be properly carried out; or
- the carrying out of the functions and duties which have been vested in PowerGas or SPPG pending the making of the transfer and the vesting of those functions and duties in other company or companies.

Where a special administration order has been made, the EMA may, at any time, whether or not the order is still in force, fix the remuneration and expenses to be paid by PowerGas or SPPG to the EMA. The EMA may also at any time (whether or not the appointment of the person has terminated) fix the remuneration and expenses to be paid by PowerGas or SPPG to any person appointed by the Minister under Section 34 of the Gas Act to advise PowerGas or SPPG on the proper conduct of PowerGas' or SPPG's business or undertaking.

The Minister may also make regulations for giving effect to Sections 33 and 34 of the Gas Act, including regulations governing the transfer of the Gas Licensee's business or undertaking; and where a special administration order is made, for applying, omitting or modifying the provisions of Parts 7 and 9 of the IRD Act.

The EMA has the power to issue directions to any Gas Licensee or person for the purpose of ensuring the security or reliability of the conveyance of gas to consumers' premises; in the interests of public safety; or as may be necessary to enable the EMA to perform its functions and duties under Section 3 of the Gas Act. Any failure to comply with such directions may be punished on conviction by a fine not exceeding S$10,000 or by imprisonment for a term not exceeding 12 months or both, and in the case of a continuing offence, to a further fine not exceeding S$250 for every day or part thereof that the offence continues after conviction. In addition, the Gas Act provides that the duty to comply with any direction by the EMA is a duty owed to any person who may be affected by a contravention of the direction, the breach of which is actionable at the suit or instance of that person if that person sustained any loss or damage caused by a breach of the duty.

Section 19 of the Gas Act provides that if the EMA is satisfied that any Gas Licensee is contravening, has contravened or is likely to contravene any condition of its gas licence, any code of practice or other standard of performance applicable to such Gas Licensee, any provision of the Gas Act (which would include its statutory duties under the Gas Act) or any direction issued by the Minister of the EMA to, or applicable to, such Gas Licensee, the EMA may direct the relevant Gas Licensee to do or not do such things as may be specified by the EMA; require the relevant Gas Licensee to provide a performance bond, guarantee or other form of security on such terms and conditions as the EMA may determine; and/or require the relevant Gas Licensee to pay a financial penalty of an amount not exceeding 10.0% of the Gas Licensee's licensed gas business (as determined from the relevant Gas Licensee's latest audited accounts), or an amount not exceeding S$1 million, whichever is higher.

In addition to the various powers of the EMA described above, Section 18 of the Gas Act allows the EMA to, if certain conditions are fulfilled, revoke the relevant Gas Licensee's gas licence or suspend its gas licence for such period as the EMA thinks fit without any compensation to the relevant Gas Licensee. The situations are if the EMA is satisfied that (a) the relevant Gas Licensee has entered into liquidation (other than for the purpose of amalgamation or reconstruction); (b) the relevant Gas Licensee has made any arrangement, compromise or composition with any of its creditors; (c) any circumstance specified in the relevant Gas Licensee's gas licence which entitles the EMA to revoke or suspend such licence exists; (d) the relevant Gas Licensee has not complied with any direction or requirement issued by the EMA pursuant to Section 19 of the Gas Act; or (e) the public interest or security of Singapore so requires. In addition to the revocation or suspension of the relevant Gas Licensee's gas licence, in the case of items (c) or (d) above, Section 18 of the Gas Act also allows the EMA to require the relevant Gas Licensee to pay a financial penalty of an amount not exceeding 10.0% of the annual turnover of the Gas Licensee's licensed gas business (as determined from the relevant Gas Licensee's latest audited accounts), or an amount not exceeding S$1 million, whichever is higher, in addition to any sanction which may have already been imposed on it pursuant to Section 19 of the Gas Act.

From a competition perspective, the EMA has various powers under Section 78 of the Gas Act to enforce the prohibitions set out in Part 9 of the Gas Act (as described below). Section 69 of the Gas Act prohibits any agreements, decisions or concerted practices which have as their object or effect the prevention, restriction or distortion of competition in any gas market in Singapore. Subsection 69(4) provides that any such agreement or decision will be void. The EMA may also impose such directions upon any person as it considers appropriate to bring any infringement to an end where it makes a decision that Section 69 has been infringed. Similarly, Section 70 of the Gas Act prohibits any conduct on the part of one or more persons which amounts to an abuse of a dominant position in any gas market in Singapore if it may affect trade within Singapore. Where the EMA makes a decision to the effect that any person has infringed Section 70 of the Gas Act it may direct such person to modify or cease such conduct. In addition, under Section 72A of the Gas Act, the EMA may issue guidelines with a view to providing practical guidance or certainty in respect of any one or more of the provisions in Part 9 of the Gas Act. The compliance with such guidelines, or a contravention of or failure to comply with, whether by act of omission, such guidelines, may be relied upon by any party to an administrative proceeding commenced under Part 9 of the Gas Act as tending to negative or establish the contravention of any provision under Part 9 of the Gas Act which is in question in such a proceeding. Where a decision is made to the effect that either prohibition under Section 69 or 70 of the Gas Act has been infringed, Section 78 of the Gas Act further allows the EMA to require the relevant person to pay a financial penalty of an amount not exceeding 10.0% of the annual turnover of such person's business in Singapore (as determined from its latest audited accounts) or an amount not exceeding S$1 million, whichever is higher, in addition to requiring the provision of a performance bond, guarantee or other form of security on such terms and conditions as the EMA may determine.

Under Section 63B of the Gas Act, each of PowerGas and SPPG is required to notify the EMA in writing if any person acquires equity interest in PowerGas or SPPG respectively, whether through a series of transactions over a period of time or otherwise, that would result in that person holding 5% or more but less than 12% of the total equity interest in PowerGas or SPPG respectively. Such notice must be given within five days after PowerGas or SPPG (as the case may be) becomes aware of such acquisition.

Further, pursuant to Section 63B of the Gas Act, no person may, whether through a series of transactions over a period of time or otherwise, and whether alone or together with his associates (as defined in the Gas Act), (a) hold 12% or more of the total equity interest in PowerGas or SPPG, or be in a position to control 12% or more of the voting power in PowerGas or SPPG, or (b) hold 30% or more of the total equity interest in PowerGas or SPPG or be in a position to control 30% or more of the voting power in PowerGas or SPPG, in each case except with the prior written approval of the EMA.

No person may, whether through a series of transactions over a period of time or otherwise, become an indirect controller (as defined in the Gas Act) of PowerGas or SPPG, except with the prior written approval of the EMA.

The EMA may grant its approval to the acquisition of an equity interest or voting power in PowerGas, or SPPG at or above the prescribed threshold if the EMA is satisfied that (a) the person is a fit and proper person; (b) having regard to the person's likely influence, PowerGas or SPPG (as the case may be) will continue to conduct its business prudently and comply with the provisions of the Gas Act; and (c) it is in the public interest to do so.

No person may acquire the business (or any part thereof) of PowerGas or SPPG conducted pursuant to their respective gas licences as a going concern except with the EMA's prior written approval. The EMA may grant its approval to such acquisition if the EMA is satisfied that (a) the person acquiring the relevant business is a fit and proper person; (b) the acquisition will not affect the security or reliability of the conveyance of gas to consumers' premises; and (c) it is in the public interest to do so.

Any approval granted by the EMA may be made subject to such conditions as the EMA may determine, including but not limited to any condition restricting the disposal or further acquisition of equity interests or voting power in PowerGas or SPPG, or restricting the exercise of voting power in PowerGas or SPPG. Any such conditions imposed by the EMA has effect despite the provisions of any written law or anything contained in PowerGas' constitution or SPPG's constitution, and the EMA may at any time add to, vary or revoke any such conditions.

In addition, the EMA may, by order in the *Gazette*, exempt any person or class of persons, or any class or description of equity interests, from the notification and/or approval requirements under section 63B of the Gas Act, subject to such conditions as may be specified in the order.

No person may be appointed as the chief executive officer, director or chairman of the board of directors of PowerGas or SPPG except with the EMA's prior written approval. If any person is appointed without the EMA's approval, the EMA may issue a direction to PowerGas or SPPG (as the case may be) to remove such person as its chief executive officer, director or chairman of its board of directors, as the case may be, despite the Companies Act or anything contained in PowerGas' constitution or SPPG's constitution.

The Gas Network Code

The EMA has, pursuant to Section 61B of the Gas Act, issued the GNC for the use and operation of a gas pipeline network. Pursuant to Section 61D of the Gas Act, the GNC is deemed to be, and operates as, a binding contract between PowerGas and each relevant Gas Shipper Licensee. PowerGas and each relevant Gas Shipper Licensee are deemed to have agreed to observe and perform the provisions of the GNC as far as they are applicable.

PowerGas and all relevant Gas Shipper Licensees are required to not do anything which, or not omit to do anything the omission of which, has or is likely to have an adverse effect on or compromise the safety or efficiency (including economic efficiency) of a gas pipeline network or any of its operations or the security or reliability of the conveyance of gas by means of a gas pipeline network.

Key Areas of the GNC

The following is a general summary of the key areas of the GNC. It is for general information only and does not purport to be a comprehensive description or exhaustive statement of the applicable provisions of the GNC. Capitalized terms used below shall, unless otherwise stated in this Offering Circular, have the meanings attributed to them in the GNC.

The GNC sets out the rules and procedures for the transportation of gas through PowerGas' gas pipeline network.

A Shipper will have to apply for and be registered as holding capacity rights from PowerGas to be entitled to have gas transported through the gas pipeline network. Such capacity right may be in the form of either a Firm Capacity Right or a Non-Firm Capacity Right. Shippers with Firm Capacity Rights must pay both capacity charges and usage charges, but PowerGas is required to convey gas in accordance with such Shipper's accepted nominations pursuant to such Firm Capacity Rights. In respect of Non-Firm Capacity Rights, there are no capacity charges, the usage charges are higher and PowerGas need only convey gas to the

extent that PowerGas is of the opinion that it can make capacity available. The duration for each firm capacity right shall be no shorter than one year. Firm Capacity Rights may be traded and are also subject to reduction by PowerGas if not utilized and such capacity is required to satisfy an application for Firm Capacity Rights by another Shipper.

Where there is insufficient available uncontracted capacity to accommodate the Shippers' demands, the Shippers may request that PowerGas initiate the Open Season process. In an Open Season process, which can also be initiated by PowerGas under certain circumstances, PowerGas will invite Shippers to submit applications for new Firm Capacity Rights and/or offer to surrender their existing Firm Capacity Rights. PowerGas will then allocate Registered Firm Capacity Rights and where there is insufficient capacity, will do so on a first come first serve basis. Where there is insufficient capacity, PowerGas can, in accordance with the procedure set out in the GNC, notify the relevant Shippers that it proposes to enhance the transmission network to provide for new capacity together with other information including the conditions required in order for PowerGas to make the proposed new capacity available. Following acceptance by the relevant Shippers, PowerGas will issue to such Shippers proposed capacity certificates. These proposed capacity certificates will be replaced with firm capacity certificates once all conditions specified by PowerGas in order to make the proposed new capacity available have been satisfied.

Shippers inform PowerGas of the volumes of gas they intend to inject into the system and the volumes of gas that their consumers require to consume through the submission of initial nominations by 10am on a day-ahead basis. Shippers may also submit standing nominations and renominations may be permitted under certain circumstances.

At injection or offtake points where more than one Shipper is responsible for gas flows, the Shippers at the same injection or offtake points can appoint allocation agents pursuant to an allocation agreement to determine the allocation of the quantities of gas injected or offtaken. In the event that there is no allocation agreement in place, the GNC provides for default allocation mechanisms.

It is the responsibility of Shippers to ensure that enough gas is injected at the relevant injection points to deliver to their consumers at the relevant offtake points. The GNC provides for variance payments to be made if there is a variance between a Shipper's injection and offtake quantities, after adjusting for the shrinkage factor. The shrinkage factor accounts for transportation losses over the gas pipeline network. Currently, the administered commodity price for the purposes of determining variance payments is set at 110% of the Base Price (which is based on the corresponding monthly price of High Sulfur Fuel Oil quoted in Platt's Oilgram Price Report). In order to minimize Shippers' financial exposure, commodity variances are aggregated on a daily basis and commodity variance quantities may be traded between shippers. The GNC also levies a nomination divergence charge to penalize shippers if the actual quantity of their offtaken gas differs from their scheduled quantity.

PowerGas is also entitled to incentive payments, or may be required to pay the Shippers rebate payments, in certain circumstances as set out in the GNC.

Shippers are required under the GNC to provide sufficient security deposits to PowerGas to cover their Outstanding Balancing Indebtedness. The security deposits can be in the form of banker's guarantee, cash deposits or any combination of both.

PowerGas' liability under the GNC in respect of any claim or a series of related claims is capped at S$500,000.00 for any one shipper and capped at S$5,000,000.00 for all shippers. The liability of a shipper to PowerGas under the GNC is uncapped.

The GNC also contains sections dealing with procedures for metering and the calculation of quantities, invoicing, title and risk, injection and offtake requirements, maintenance and system stress and the establishment and use of the GTSS (the electronic information exchange system operated by PowerGas for the purposes of the GNC).

The GNC also provides for the establishment of a Code Modification Panel comprising, among others, the PowerGas representative, Shipper representatives, New Entrant representative, End User representative, Independent Representative (appointed by EMA) and panel chairman (appointed by EMA). Any Shipper or representative, including PowerGas, may make a request to modify the GNC by submitting a code modification proposal to the Code Modification Panel for review (subject to the approval of the EMA).

Gas Transporter Licence and Tariff Regulatory Framework for the Gas T&D Business

For a discussion of the Gas Transporter Licence and PowerGas' role as a Gas Transporter Licensee, see "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — PowerGas' Gas Licences — Gas Transporter Licence". For a description of PowerGas' current tariffs and a detailed discussion of the manner in which its tariffs are regulated by the EMA, see "Business of SP Group — Transmission and Distribution Business in Singapore — Gas T&D Business — Tariff Regulatory Framework for the Gas T&D Business."

DISTRICT COOLING INDUSTRY IN SINGAPORE

In mid 1990's, Urban Redevelopment Authority ("URA"), the town planning authority in Singapore, conducted feasibility study and planning for the construction of common service tunnels in the new business district for accommodating utilities lines. As part of the feasibility study, district cooling was identified as an urban utility for the new business district. Provision was made in the design of the common services tunnels for accommodating chilled water pipes.

Singapore Power and Dalkia conducted a feasibility study and confirmed viability of the new utility service. They went on to form SDC as a joint venture to implement the pilot system. The first district cooling plant was completed and commercial operation commenced in May 2006. SDC became a wholly-owned subsidiary of SP in 2015.

To provide district cooling services in the Marina Bay area, a licence from EMA is required. Currently, SDC is the only company that EMA has granted a district cooling licence.

The commercial customers served by SDC are largely regulated, but a number of businesses subscribe on an unregulated basis to SDC's service outside the mandated regulated area. All customers (whether regulated or unregulated) are required to sign a supply agreement before services are carried out to acknowledge and agree upon the terms and conditions of services provided by SDC. Customers are invoiced monthly with a relatively short billing cycle of 30 days. SDC ensures a GIRO Collection arrangement with the majority of its customers.

Revenue computation is the same for regulated and unregulated businesses. The economic efficiency contribution is finalized through the annual regulatory licence audit.

Declaration of Service Areas

The Minister may, in accordance with the District Cooling Act, declare an area to be a service area where district cooling services are to be provided to the area, on any terms and conditions that the Minister thinks fit. The Minister may also revoke any such declaration, or modify any term or condition imposed under any such declaration, in accordance with the District Cooling Act.

Unless exempted, the occupier of every premises within a service area requiring air conditioning must use the district cooling services provided by a District Cooling Services Licensee if such services are available within the service area. Further, a District Cooling Services Licensee must not refuse to provide district cooling services to any premises within his service area.

Licensing Regime

The District Cooling Act provides that a person must not provide district cooling services to any service area unless he is authorized to do so by a district cooling licence granted under the District Cooling Act.

A district cooling licence may contain such terms and conditions as the EMA may determine. Such conditions may include, among others:

- conditions requiring the licensee to:

  (a) prepare itself to deal with any public emergency;

  (b) pay to the EMA a fee for the grant of the district cooling licence or to pay to the EMA periodic fees for the duration of such licence, or both, of such amount as may be determined by or under the regulations or licence;

  (c) appoint technical and financial auditors approved by the EMA;

  (d) comply with any direction given by the EMA;

  (e) comply with the standards and requirements stipulated in any code of practice and any other standard of performance applicable to the licensee; and

  (f) do or not do such things as are specified in the licence or are of a description so specified;

- provisions for the conditions to cease to have effect or be modified at such times, in any manner and in any circumstances that may be specified in or determined by or under the conditions;

- provisions regulating the prices to be charged by the licensee including:

  (a) the fixing of prices or the rate of increase or decrease in prices;

  (b) the fixing of a maximum price or maximum rate of increase or minimum rate of decrease in the maximum price;

  (c) the fixing of an average price or an average rate of increase or decrease in the average price;

  (d) the setting of price policies or principles;

  (e) the setting of prices with reference to a general price index, the cost of production, a rate of return on assets employed or any other specified factors; and

  (f) the setting of prices with reference to the quantity, location, period, temperature of coolant, or other specified factors relevant to the provision of district cooling services;

- provisions for the periodic disclosure of information, by way of an information memorandum, including:

  (a) reports on the management of the district cooling services;

  (b) reports on asset management of the district cooling system;

  (c) reports on price comparison of the district cooling service with the conventional air-conditioning systems;

(d) reports on performance comparison of the district cooling services with the conventional air-conditioning systems;

(e) security measures; and

(f) reports on financial matters and accounts of the licensee; and

- provisions requiring the licensee to provide a sinking fund for asset management.

A district cooling licence is not transferable and any purported transfer is void. The EMA may modify the conditions of any district cooling licence in accordance with the District Cooling Act.

Powers of the EMA to Control District Cooling Services Licensees

The Minister may, on an application by the EMA, make an order under Section 22 of the District Cooling Act in relation to SDC if SDC fails to discharge (or does not discharge to the Minister's satisfaction) the obligations imposed by the EMA on SDC, SDC's District Cooling Services Licence is suspended or cancelled under Section 13 of the District Cooling Act, or where it is in the public interest. The orders which may be made by the Minister under Section 22 of the District Cooling Act are (i) a special administration order; and/or (ii) an order requiring SDC to take any action or to do or not to do any act or thing as the Minister considers necessary. The decision of the Minister is final.

A special administration order is an order which allows any person appointed by the Minister to manage SDC's affairs, business and property for the period during which the order is in force to achieve the security and reliability of the provision of district cooling services.

Where a special administration order has been made, the Minister may, at any time, whether or not the order is still in force, fix the remuneration and expenses to be paid by SDC to the person appointed by the Minister to manage SDC's affairs, business and property.

The Minister may also make regulations for giving effect to Sections 21 to 23 of the District Cooling Act, including regulations making provision for applying, omitting or modifying the provisions of Parts 7 and 9 of the IRD Act.

The EMA has the power to issue directions to any District Cooling Services Licensee or person for the purposes of the continuity and reliability of the provision of district cooling services to consumers, the security of the provision of district cooling services to consumers, and the interests of public safety.

Section 13 of the District Cooling Act provides EMA with the right to take certain enforcement measures against SDC if the EMA is satisfied that (a) SDC is contravening, has contravened or is likely to contravene any condition of the District Cooling Services Licence, any code of practice or other standard of performance applicable to it, any provision of the District Cooling Act (which would include its statutory duties under the District Cooling Act) or any direction issued by the EMA or otherwise applicable to it, (b) SDC has entered into liquidation (other than for the purpose of amalgamation or reconstruction), (c) SDC has made any assignment to, or composition with, its creditors, or (d) the public interest of Singapore so requires. The EMA's enforcement measures include: (i) suspending or cancelling SDC's licence for any period that the EMA thinks fit, (ii) requiring SDC to replace its management with appointees approved by the EMA, (iii) requiring SDC to comply with any direction given by the EMA relating to or in connection with the district cooling system, (iv) requiring SDC to furnish performance bonds, banker's guarantees and any other securities for such amounts and on such terms as the EMA sees fit, and (v) imposing a financial penalty of an amount not exceeding 10.0% of the annual turnover derived from SDC's provision of district cooling services in Singapore (as determined from SDC's latest audited accounts).

Under section 47 of the District Cooling Act, the EMA may issue advisory guidelines for the purposes of providing practical guidance or certainty in respect of any one or more requirements imposed by or under the District Cooling Act. Such advisory guidelines do not have any legislative effect, and may be of general or specific application or specify that different provisions of the advisory guidelines apply to different circumstances, or are applicable to different persons or classes of persons. The compliance with such advisory guidelines, or a contravention of or failure to comply with, whether by act of omission, such advisory guidelines, may be relied upon by any party to an administrative proceeding commenced in connection with the District Cooling Act where any provision in the District Cooling Act (to which such advisory guidelines relate) is alleged to have been contravened, as tending to negative or establish the contravention which is in question in such a proceeding.

District Cooling Services Supply Code

Pursuant to Section 14 of the District Cooling Act, the EMA may issue codes of practice in connection with the provision of district cooling services. To-date, the EMA has issued the District Cooling Services Supply Code ("District Cooling Code") for the regulation of activities and conduct in the provision of district cooling services. The District Cooling Code sets out the (i) minimum standards of performance in accordance with which SDC is required to supply district cooling services, (ii) rights and obligations of SDC and the consumers of district cooling services, and (iii) technical requirements and arrangements for supply connection.

BUSINESS OF SP GROUP

OVERVIEW

SP Group is a leading energy utility company in Asia Pacific, with total assets and RDA debit balances of S$23.0 billion as of March 31, 2022 and S$2.0 billion of net profit for the financial year ended March 31, 2022.

SP Group owns and operates electricity and gas transmission and distribution businesses and a market-support services business in Singapore, and holds a 40% interest in SGSPAA, an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. SP Group also owns and operates one of the world's largest underground district cooling network that is located in Singapore. SP Group is also deploying sustainable energy solutions regionally, including but not limited to energy efficiency projects such as district cooling and heating operations in China, renewable projects such as solar energy generation projects in China and Vietnam, and provision of EaaS via a host of energy solutions to enable different customer segments to achieve their sustainability objectives. As of March 31, 2022, SP Group's Electricity T&D Business, Gas T&D Business and Market Support Services Business serve more than 1.69 million industrial, commercial and residential customers in Singapore. SP Group's electricity and gas transmission and distribution networks are amongst the most reliable and cost-effective worldwide.

SP Group's core business comprises the following segments:

- **Transmission and distribution business in Singapore**

  SP Group's transmission and distribution business in Singapore is substantially driven by the Electricity T&D Business and also includes the Gas T&D Business. SPPA, a wholly-owned subsidiary of SP, is the sole Transmission Licensee in Singapore, and owns and maintains the electricity transmission and distribution network that delivers power to substantially all electricity consumers in Singapore. PowerGas, a wholly-owned subsidiary of SP, is the sole Gas Transporter Licensee and gas system operator in Singapore, and owns, operates and maintains the gas transmission and distribution network that delivers both natural gas and town gas to substantially all gas end users in Singapore.

  Net profit for the year from this segment accounted for 74%, 67% and 30% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 64% of SP Group's total net profit for the year ended March 31, 2022.[17] Total assets and RDA debit balances of this segment accounted for 70%, 70% and 63% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Investments in Australia**

  SP Group holds an interest in SGSPAA, an Australian company which is engaged in the transmission and distribution of electricity and gas in Australia. As of June 30, 2022, SP Group owns a 40% interest in SGSPAA. SP Group previously owned an interest in AusNet Services, a company engaged in the transmission and distribution of electricity and gas in Australia, which was listed on the ASX. SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022, and AusNet Services has since been delisted from the ASX.

  SP Group seeks to create and optimize risk-adjusted returns of its investments over the long term. SP Group aims to add value to its investee companies through board representations, exercising governance and oversight at the board level and providing inputs on the strategic direction of its investee companies.

[17] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

SP Group's net profit for the year from its investments in Australia accounted for 15%, 18% and 8% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 18% of SP Group's total net profit for the year ended March 31, 2022.[18] Total assets and RDA debit balances of this segment accounted for 11%, 14% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Market Support Services Business**

  SP Services, a wholly-owned subsidiary of SP, is the only MSSL in Singapore. SP Services also facilitates competition in the retail electricity market by enabling consumers to switch seamlessly between buying electricity from Retail Licensees and at wholesale market prices, and by acting as a Retailer of Last Resort. SP Services also acts as a billing agent to certain Retail Licensees and other utility principals. These principals include PUB, City Energy and various refuse vendors, to whom SP Services provides billing, meter reading (where applicable) and other customer services for gas, water and refuse utilities.

  SP Group's net profit for the year from this segment accounted for 9%, 11% and 5% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment which is reflected in the "Others" business segment (as resulting from the activity of investment holding services), net profit for the year from this segment would have accounted for 11% of SP Group's total net profit for the year ended March 31, 2022.[19] Total assets and RDA debit balances of this segment accounted for 6%, 7% and 7% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

- **Others**

  The "Others" segment comprises certain other activities, including (without limitation) investment holding services and the businesses described below. The financial impact of the AusNet Divestment was reflected in the "Others" business segment (as resulting from the activity of investment holding services).

  Sustainable Energy Solutions

  SP Group aims to capture new opportunities across the energy value chain, with a vision to empower utilities and its customers to accelerate towards their efficiency and sustainability goals by providing comprehensive sustainable energy solutions which mainly comprises three key categories, namely: 1) energy efficiency projects such as district cooling and heating, microgrids and energy storage, 2) renewable energy including but not limited to solar and wind energy, and 3) EaaS where SP will leverage on its deep engineering capabilities and strong in-house capabilities to design and develop solutions for its customers such as renewable energy certificates, carbon credits and grid monitoring solutions, integrated energy solutions, smart energy network and other power grid applications.

  Notable projects include providing the Singapore Institute of Technology with a multi-energy urban microgrid at the university's upcoming Punggol campus as well as SP Group's partnership with Sembcorp Marine to install renewable energy and energy storage systems. In addition, SP Group is working with the HDB to develop a smart energy town at HDB Tengah housing estate. This will entail the provision of energy efficient cooling services to the Tengah residents and is

[18] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.
[19] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

Singapore's first residential cooling project. SP Group also aims to deploy its district cooling solutions to the commercial and industrial sectors and has been appointed in April 2022 to retrofit seven buildings in Tampines town centre with an interconnected, sustainable cooling solution designed in-house. SP Group, via a 70:30 joint venture with Daikin Singapore (with SP Group holding a shareholding interest of 70.0% and Daikin Singapore holding a shareholding interest of 30.0% respectively), will also design, build, own and operate Singapore's largest industrial district cooling system in STMicroelectronics' plant Ang Mo Kio TechnoPark.

SP Group also aims to address a critical gap in the adoption of electric vehicles by owning and operating Singapore's largest and fastest charging network. To expand this network, SP Group has entered into collaborations and partnerships with landlords, transportation companies such as taxi and car leasing companies, as well as petrol kiosks to deploy charging stations in different locations in Singapore.

SDC, a wholly-owned subsidiary of SP, currently provides district cooling services to buildings in Singapore. In addition to providing district cooling services to developments within the service area designated by the District Cooling (Declaration of Service Area) Notification 2006 under the District Cooling Act, SDC also engages in the production and supply of chilled water for air-conditioning purposes to developments outside of the service area through its existing network. SDC is also able to provide consultancy services on the design, implementation and operation of chiller and HVAC systems globally as part of its "allowed" activities under the District Cooling Services Licence.

Beyond Singapore, SP Group also provides sustainable energy solutions in China and Vietnam, including, but not limited to, renewable energy generation and district heating and cooling services.

Real Estate

In support of Singapore's national agenda to optimize land use, SP Group has embarked on the optimization of land use through the development of an underground transmission substation and building of commercial property above the underground substation. This real estate development project which comprises SPPA's underground transmission substation and operational support center, and a commercial office tower with ancillary retail space, is located along Pasir Panjang Road in Singapore. It is planned for completion by 2025.

Digital

SP Digital, a wholly-owned subsidiary of SP, was incorporated to spearhead and drive SP Group's digital transformation and pursuit of new digital opportunities. With its mission of powering sustainability with energy technology, SP Digital aims to leverage on its strong in-house digital capabilities to support SP Group's regulated businesses as well as its unregulated businesses by equipping consumers and businesses with timely data to trigger change in behavior and using technology to enable sustainable actions and to make sustainability economical by reducing costs and consumption.

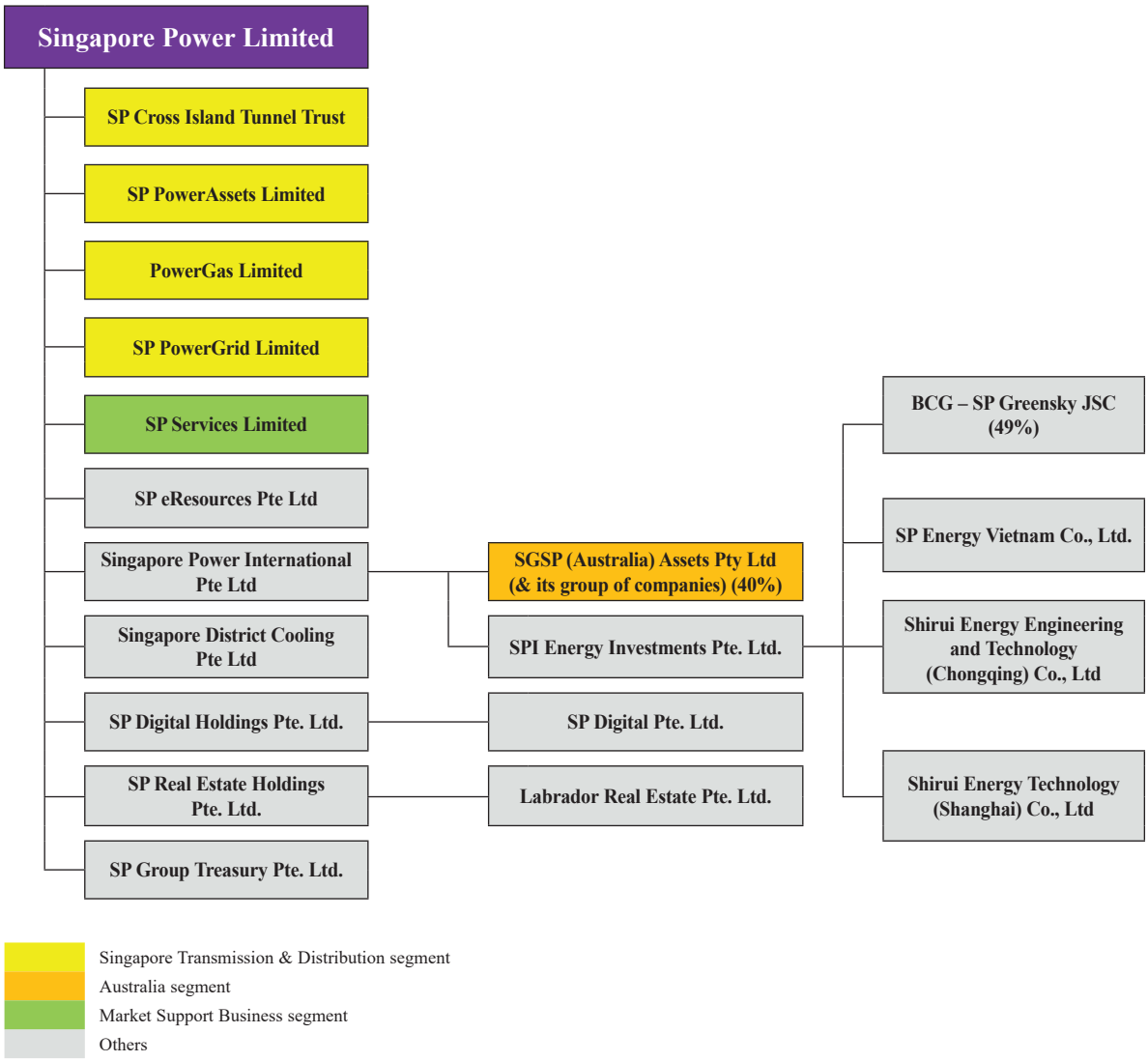
SP Group's net profit for the year from the "Others" segment accounted for 2%, 4% and 56% of SP Group's total net profit for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively. Excluding the one-off gain of S$1,532 million and provision for capital gain tax of S$470.3 million from the AusNet Divestment, net profit for the year from this segment would have accounted for 7% of SP Group's total net profit for the year ended March 31, 2022.[20] Total assets and RDA debit balances of this segment accounted for 13%, 9% and 24% of SP Group's total assets and RDA debit balances for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, respectively.

[20] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular.

The Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's and "AA+" by S&P. The Program has been rated "(P)Aa1" by Moody's.

SP is wholly-owned by Temasek, an investment company headquartered in Singapore with a diversified investment portfolio.

The following diagram sets out an overview of the corporate structure of SP Group, showing the key subsidiaries and associates as of June 30, 2022:



BUSINESS STRENGTHS

SP Group believes that the following are its key business strengths that should establish a solid platform for SP Group to execute its business strategy:

Stable and predictable cash flows from the Electricity T&D Business and the Gas T&D Business and related services in Singapore

Given SP Group's exclusive market position in Singapore in relation to the transmission and distribution of electricity and gas (see " — Sole electricity and gas transmission and distribution licensees in Singapore" below for further details), the Electricity T&D Business and the Gas T&D Business generate stable and predictable cash flows and earnings. SP Group's electricity and gas customers include a diverse mix of customers, comprising industrial, commercial, residential consumers and end users. This helps to shield SP Group from severe fluctuations in electricity and gas demand resulting from downturns in specific industries. In addition, as part of SP Group's regulatory framework, SP Group's exposure in a given year to

increases or decreases in revenue associated with changes in the aggregate volume or amount of electricity and gas transmitted or distributed on SP Group's network is limited to a +/- 2.0% deviation from the original volume and/or revenue forecast for the respective network incorporated into the price control regulation. If the deviation is outside this 2.0% range, the present regulatory framework is such that the EMA will effect price changes in the subsequent FY to compensate for such variance beyond 2.0%. Based on an average taken from FY20 to FY22, 86.9% of SP Group's net revenue (non-SFRS(I))[21] was derived from its regulated electricity and gas T&D revenue. Please refer to the more detailed discussions in " — Tariff Regulatory Framework for the Electricity T&D Business — Performance-Based Regulation and Price Controls set by the EMA" and " — Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/ Price Controls set by the EMA."

SP Group believes that the substantial cash flows resulting from its regulated revenue (together with the cash flows from its other non-regulated businesses) will allow SP Group to maintain a strong interest coverage ratio.

Regulatory regime with incentives for efficiency gains

SP Group operates within a clear regulatory framework in respect of its transmission and distribution, as well as market support services businesses in Singapore and maintains a close working relationship with the EMA. SP Group's charges for use of its electricity and gas transmission and distribution networks and its market support services fees are subject to price controls based on a performance-based regulatory framework that offers SP Group incentives to earn higher profits through operating and capital expenditure efficiencies. SP Group's price controls are subject to regulatory reset and the approval of the EMA. This performance based regulatory framework allows SP Group to retain the operating efficiency gains achieved during the current five-year regulatory period and it is intended that SP Group subsequently shares between itself and its customers these efficiency gains in the following regulatory period. In addition, SP Group is allowed to retain as an incentive, or is required to bear as a penalty an amount equivalent to, the revenue attributed to capital expenditure underspend/overspend. The calculation of such revenue to be retained/borne as an incentive/ penalty is based on a simplifying assumption that the capital expenditure underspend/overspend occurred uniformly across the five-year regulatory period. The capital expenditure underspend/overspend used to determine the incentive/penalty is capped at 5% of the approved capital expenditure budget during the reset. The incentive or penalty will be added to or deducted from SP Group's allowed revenue for the subsequent five-year regulatory period.

Sole electricity and gas transmission and distribution licensees in Singapore

SPPA, a wholly-owned subsidiary of SP, is currently the sole electricity transmission and distribution company in Singapore, and PowerGas, a wholly-owned subsidiary of SP, is currently the sole gas transmission and distribution company in Singapore.

The EMA may not terminate SPPA's Transmission Licence or PowerGas' Gas Transporter Licence except by giving 25 years' notice, or otherwise revoking the Transmission Licence or the Gas Transporter Licence in accordance with the Electricity Act or the Gas Act, respectively (including where the EMA is satisfied that SPPA or PowerGas (as the case may be) has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires). SP Group believes that the proper functioning of its assets and its business operations is considered strategic to Singapore's economic development and security. Please refer to the more detailed discussions in " — Tariff Regulatory Framework for the Electricity T&D Business — Performance-Based Regulation and Price Controls set by the EMA" and " — Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA."

[21] See "Presentation of Financial and Other Information" for information regarding the presentation of non-SFRS(I) financial measures in this Offering Circular and "Selected Financial and Other Data – Non-SFRS(I) Financial Measures and Other Financial Data" for details on how net revenue is derived.

Reliable networks, facilities and technical performance

SP Group believes that the technical performance of its electricity transmission and distribution networks (as measured by reliability indices such as SAIDI, SAIFI and 22kV SARF190) generally exceeds those of its comparable peers in other developed countries. With the technical and engineering expertise of the highly skilled workforce of the Manager and SP Group's established maintenance and operating policies and procedures, SP Group has consistently achieved high levels of technical performance with respect to its transmission and distribution assets. SP Group regularly monitors and assesses its electricity and gas transmission and distribution network assets and implements effective maintenance policies to ensure a high level of network performance and optimal asset service lives. SP Group's key asset management initiatives include condition-based maintenance and timely replacement of its electricity and gas transmission and distribution network assets.

An experienced management team

SP Group has a highly experienced management team which comprises reputable and experienced industry executives. The team is supported by highly skilled middle management with strong technical backgrounds and high levels of qualification and training. The middle management team has extensive experience in the day-to-day operations of the core Electricity T&D Business and Gas T&D Business and other businesses such as the Market Support Services Business and District Cooling Services Business.

SP Group's experienced management team has developed strong working relationships with the Government and business partners, and has accumulated extensive experience in, and substantial understanding of, the markets in which SP Group operates. The capability of the management team has been demonstrated by the strong track record of SP Group's operational and financial performance. SP Group's management team has helped SP Group achieve prudent growth. For the financial years ended March 31, 2020, 2021 and 2022, SP Group recorded cash generated from operations of S$1,641.9 million, S$1,591.2 million and S$1,737.9 million, respectively.

SP Group believes that SP Group management's expertise, market knowledge, and strong performance track record gives it a significant competitive advantage over SP Group's existing and potential competitors.

International experience with proven track records

SP Group has significant experience in operations and investments overseas, including in relation to SGSPAA and AusNet Services in Australia since 2000 and the district cooling services business in China since 2015. SGSPAA Group operates an assets business which owns or has an interest in a portfolio of network businesses in Australia's energy sector and a services businesses which delivers engineering, design and construction, field based maintenance and operational services, whilst the AusNet Services, and its subsidiaries (together, the "AusNet Services Group") is a diversified energy infrastructure business that owns and operates the regulated electricity transmission and distribution networks and gas distribution network in Victoria, Australia. The AusNet Services Group also has an unregulated business which provides services and technology for essential infrastructures in the energy, water and transport sectors. SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022. In China, SP Group provides energy-efficient technology and engineering services, in particular through the provision of end-to-end chilled water and hot water services. SP Group's international experience equips it with operational and managerial experience beyond Singapore, and serves as a platform for future international expansion.

Robust credit and financial profile

SP Group believes that its prudent financial policy and capital management structure in financing its operations and investment in its projects have led to SP Group's success. SP Group's substantial cash flows resulting from its regulated revenue (together with the cash flows from its other non-regulated businesses) have allowed SP Group to maintain strong financial ratios. For the financial years ended March 31, 2020, 2021 and 2022, both interest coverage ratios and FFO to net debt had improved with interest coverage ratios at 11.2x, 23.5x and 34.5x respectively while FFO to net debt remained robust at 42.1%, 48.5%, and 2,435.2% respectively due to higher profits and lower debt. As of the end of financial years 2020, 2021 and 2022, SP Group's gearing as measured by debt obligations to total debt and equity ratio was at healthy level of 34.2%, 27.5%, and 23.5% respectively. FFO and net debt are non-SFRS(I) financial measures. For a discussion and computation of these non-SFRS(I) financial measures and SP Group's interest coverage ratios and gearing, see "Selected Financial and Other Data — Non-SFRS(I) Financial Measures and Other Financial Data".

The Guarantor's credit rating was upgraded from "AA" to "AA+" by S&P in July 2021 and upgraded from "Aa2" to "Aa1" by Moody's in September 2021. SP Group believes that its robust credit and financial profile will position it to continue to maintain healthy financial metrics and stable margins and achieve growth going forward.

Robust equipment, facilities and technologies used

SP Group leverages on robust IT systems with a view to ensuring the reliability of its operation processes and the delivery of excellent services to its customers.

In particular, SP Services' IT system provides the billing and market settlement functions for the Singapore electricity market, and is a core infrastructure backbone for the industry. SP Services' IT system manages the meter readings and electricity consumption for all electricity consumers in Singapore. It also manages the contestability switch by consumers between the MSSL and Retail Licensees. SP Services' billing system also provides consolidated utilities billing, including water, gas and refuse billing, enabling all Singapore consumers to enjoy the convenience of one-bill for their utility needs.

STRATEGY

SP Group's principal strategic objectives are to sustain earnings, to continue the improvement in its operational efficiencies and to be a leading sustainable energy solutions provider in Asia Pacific. Building on its business strengths, SP Group has developed the following principal plans and strategies to achieve these objectives:

Proactive regulatory management of the Electricity T&D Business and the Gas T&D Business to encourage the adoption of practical policies and an economically robust regulatory framework

SP Group proactively engages Government officials and regulators on a regular basis. This close working relationship is to encourage the adoption of practical policies and an economically robust regulatory framework. SP Group intends to continue to work in consultation with the EMA. SP Group monitors international regulatory developments and best practices as well as benchmarks SP Group's costs and performance to promote efficiency.

SP Group proactively engages its large industrial customers and seeks their feedback on its pricing and services. SP Group holds regular meetings at both senior management as well as operational levels with its key customers to better understand how it can meet their business and electricity and gas service needs. SP Group also works closely with retail electricity licensees to obtain feedback on its pricing and services regarding contestable consumers, and works closely with its customers on potential new gas end users. SP Group believes that maintaining superior customer services will improve its partnership with the EMA and the Government and the regulatory treatment of its business.

Pursue operational efficiencies in the use of its regulated asset base

SP Group has established and implemented best practice procedures to increase the productivity and the level of utilization of its transmission and distribution assets. SP Group plans to achieve this through its ongoing asset management initiatives, the introduction of advanced technology and the proactive review of its current construction, maintenance and refurbishment activities to improve its efficiencies. Moreover, SP Group regularly considers various opportunities for the continued identification and progressive realization of synergies in its business operations.

Maintain high network reliability and quality service

In order to maintain its strong network performance, SP Group takes significant measures to prevent major system failures from occurring. SP Group has adopted a condition-based maintenance regime, which together with its technical and engineering expertise, the highly skilled workforce of the Manager and SP Group's comprehensive maintenance and operating procedures enables it to achieve high network reliability and service quality.

SP Group believes in proactive risk mitigation controls to effectively safeguard the security and stability of the network.

Minimize financial risk through prudent financial management

SP Group intends to preserve an optimal capital structure and maintain its financial strength through management of key measures, such as capital expenditures, cash flows, leverage and coverage ratios. Specifically, SP Group aims to strike a balance between optimizing its capital structure and achieving a prudent level of leverage.

Embrace new technologies and innovations to stay ahead of potential technological disruptions to the industries in which SP Group operates and forge partnerships with complementary industry players

SP Group actively identifies new technological trends and invests in innovations that improve operational efficiencies and customer experience by developing and applying new technologies such as mobile applications and online platforms. For example, SP Group seeks to digitize its systems to improve the quality of its services and to closely monitor its networks with the view to improving or maintaining its reliability at a potentially lower cost. SP Group adopts a three-pronged strategy to build up its sustainable capabilities: to be exposed to the latest technologies and ideas in the industry; to test promising ideas; and to have the capability to handle proven technologies. In preparation for the global trends around decentralization, decarbonization and digitalization, SP Group is actively building up capabilities in the latest technologies and innovations such as blockchain, digital transformation, cybersecurity, renewable energy, battery storage, microgrids, energy efficiency and mobility.

In addition, SP Group plans to work closely with other relevant stakeholders in the energy industry (including but not limited to technology providers and energy network companies) who may provide complementary products, solutions or resources to expand its presence in the region.

Leverage capabilities and experience in key roles as a grid operator and sustainable energy solutions provider to explore opportunities in core and adjacent business areas

SP Group has a strong track record of developing, operating, and maintaining electricity and gas transmission and distribution networks which provides it with a deep repository of technical know-how and operational experience. SP Group intends to apply these competitive advantages to explore opportunities in the core Electricity T&D Business and Gas T&D Business, as well as district cooling networks, in Singapore and overseas. SP Group also intends to leverage on its proprietary knowledge to explore regional opportunities in adjacent business areas, including but not limited to energy efficiency projects, renewable energy and EaaS. SP Group intends to explore these opportunities organically or via strategic mergers and acquisitions.

TRANSMISSION AND DISTRIBUTION BUSINESS IN SINGAPORE

Electricity T&D Business

SPPA, a wholly-owned subsidiary of SP, is the sole provider of electricity transmission and distribution services in Singapore, and owns and maintains the electricity transmission and distribution network that delivers power to substantially all electricity consumers in Singapore. As of March 31, 2022, SPPA recorded total assets and RDA debit balances of S$13.6 billion, and served approximately 182,000 industrial and commercial electricity consumers and approximately 1.51 million domestic electricity consumers in Singapore. SPPA transmits electricity generated by third parties through its high-voltage, wholly-underground transmission network and distributes that electricity through its lower-voltage, predominantly-underground distribution network to its consumers.

SPPA was issued a Transmission Licence by the EMA to engage in the transmission of electricity. The EMA may terminate SPPA's Transmission Licence by giving it 25 years' notice, or otherwise in accordance with the Electricity Act (including where the EMA is satisfied that SPPA has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires).

As of March 31, 2022, SPPA's electricity transmission and distribution network within Singapore comprised:

- more than 22,700 km of cable circuits which are primarily underground;
- a network of 400kV, 230kV and 66kV transmission facilities, which include substations, switchgear and transformers; and
- a network of 22kV, 6.6kV, 400V and 230V distribution facilities, which include substations, switchgear and transformers.

The reliability of SPPA's electricity transmission and distribution network has been fundamental to its success. SPPA achieved reliability benchmarks (comprising SAIDI and SAIFI) which compare favorably with other underground transmission and distribution networks. SAIDI represents the average unplanned outage duration experienced per consumer per annum and SAIFI represents the average number of unplanned interruptions per consumer per annum.

The Electricity Authorized Business is subject to extensive regulation. The price controls which limit the use of system charges which SPPA may charge its consumers are subject to regulatory approval by the EMA. In addition, the EMA imposed the SOP Scheme in August 2004. The SOP Scheme is an incident-based penalty only performance scheme. Please refer to a detailed discussion in " — Tariff Regulatory Framework for the Electricity T&D Business — Electricity Transmission and Distribution Network Performance Scheme" and " — Tariff Regulatory Framework for the Electricity T&D Business — Performance-Based Regulations and Price Controls set by the EMA".

Electricity Transmission and Distribution Operations

SPPA owns an electricity transmission and distribution network. SPPA transmits and distributes electricity from Generation Licensees to substantially all electricity consumers in Singapore. In operating the Electricity Authorized Business, focus is placed on three core areas of activities: network management, network planning and development and regulatory affairs. Through these core activities, SPPA maintains a secure and reliable electricity transmission and distribution network that enables transportation of electricity from electricity generation plants to consumers in an economical, efficient, safe and timely manner while meeting the EMA's performance standards.

SPPA serves approximately 1.69 million electricity consumers in Singapore through its high-voltage, wholly- underground transmission network comprising 400kV, 230kV and 66kV cables and its lower-voltage, predominantly underground distribution network comprising 22kV, 6.6kV, 400V and 230V cables.

SPPA's electricity consumers are grouped into the following segments:

- Ultra High Tension electricity consumers (electricity consumers receiving electricity supply at 230kV, such as petrochemical companies and oil refineries). These are contestable consumers;
- Extra High Tension electricity consumers (electricity consumers receiving electricity supply at 66kV, such as wafer fabrication plants). These are mostly contestable consumers;
- High Tension — Large electricity consumers (electricity consumers receiving electricity supply at 22kV or 6.6kV with a Contracted Capacity of at least 1,700kW, such as manufacturing companies and commercial complexes). These are mostly contestable consumers;
- High Tension — Small electricity consumers (electricity consumers receiving electricity supply at 22kV or 6.6kV with a Contracted Capacity of less than 1,700kW, such as manufacturing companies and commercial complexes). These are mostly contestable consumers;

- Low Tension — Large electricity consumers (electricity consumers receiving electricity supply at 400V or 230V, which include residential consumers, large industrial and commercial consumers). These are contestable consumers with Time-of-Day ("TOD") metering (see "Electricity Transmission and Distribution Network Assets — Meters" for further information on TOD meters); and

- Low Tension — Small electricity consumers (electricity consumers receiving electricity supply at 400V or 230V, which include residential consumers and commercial consumers such as small businesses). These non-contestable consumers are metered on a monthly basis and choose to buy electricity from SP Group at regulated tariffs.

Reliability of Electricity Transmission and Distribution Network

SP Group believes that the reliability of SPPA's electricity transmission and distribution network has been fundamental to its success. SPPA's adoption of industry best practice in asset management has enabled it to deliver electricity to its consumers with fewer interruptions. SPPA's electricity transmission and distribution network also allows electricity supply to be delivered to high technology manufacturers with special needs relating to system stability.

SPPA's operation and control systems are designed to identify, assess and respond promptly and effectively to supply interruptions. SPPA's electricity transmission and distribution network is designed with adequate capacity so that alternative networks are available to deliver electricity when a single circuit is taken out of service for maintenance or due to a fault. SPPA has adopted a range of measures to prevent power failures and to minimize the impact of any network service interruption to customers. In the event of a failure, its network protection and contingency systems swiftly isolate faults and the "N minus 1" transmission network architecture provides alternative pathways for electricity to reach consumers, thereby preventing certain network faults from having any or widespread effect on the services which SPPA provides to its consumers. SP Group believes that these are effective measures in safeguarding the security and stability of SPPA's electricity transmission and distribution network as well as the reliability and quality of SPPA's electricity transmission and distribution services.

The design life of SPPA's electricity transmission and distribution equipment and cables is 30 years. While the Electricity T&D Group optimizes the life of its assets through best practices in condition monitoring and maintenance, aging equipment that have an adverse impact on network reliability will be timely replaced.

SPPA's network reliability performance generally exceeds that of its peers in other countries with comparable networks. SAIDI and SAIFI are currently the primary indices for network reliability.

SPPA's SAIDI, SAIFI and 22kV SARFI90 for FY20 to FY22 are set forth in the table below:

	For the financial year ended March 31,		
	2020	**2021**	**2022**
Measure			
SAIDI[(1)] (minutes)	0.56	0.15	0.11
SAIFI[(2)] (interruptions)	0.0366	0.0073	0.0043
22kV SARFI90[(3)]	2.72	1.76	2.99

Notes:

(1) SAIDI represents the average unplanned outage duration experienced per consumer per annum.

(2) SAIFI represents the average number of unplanned interruptions per consumer per annum.

(3) 22kV SARFI90 represents the average number of voltage dips per year that a consumer experiences where the remaining voltage is less than 90.0% of nominal voltage 22kV.

SPPA operates a 24-hour Electricity Service Center to help consumers during electricity supply emergencies. While their main responsibility is with regard to faults in SPPA's electricity transmission and distribution network, the Electricity Service Center's customer service officers also offer advice to consumers who experience faults within their own premises.

Power Quality

Power quality is of particular importance to SPPA's high technology manufacturing consumers, which require uninterrupted supplies of high quality electricity with stable technical characteristics, including stable voltage, to perform certain manufacturing functions. Examples of consumers with voltage-sensitive equipment include makers of microchips, wafers and semi-conductors. As voltage dip is an inherent phenomenon in the power network, it is the responsibility of such consumers to put measures in place to protect their equipment against voltage dips.

In early 2000, SPPA successfully split its 230kV network into two blocks (northern and southern) to enhance the fault-handling capability of its network as a whole. This also effectively improved power quality in Singapore by minimizing the impact on consumers sited in one supply block when voltage dips caused by transmission faults occur in the other supply block. With the further splitting of 230kV network into four supply blocks in early 2007, the impact of voltage dips on consumers was further contained. SPPA's comprehensive condition monitoring program for its network assets reduces the equipment and cable failures that could result in voltage dips. The information gathered from this program is also used to help SPPA to plan, develop and maintain an efficient and reliable network and maintain power quality. See " — Maintenance of Electricity Transmission and Distribution Network".

Despite the above efforts, equipment failures and hence voltage dips cannot be totally eliminated. Voltage sensitive consumers are advised to install their own power quality mitigation devices to safeguard against voltage dips. SPPA regularly engages its key customers from industries such as Semiconductor & Electronics, Pharmaceutical, Chemical & Petrochemical, Banking, Essential Services, Tourism & Hospitality and Data Centers to share knowledge and experiences in power quality management to better support these industries.

System Loss

Due to the physical and technological limitations on electrical conduction, systemic loss of electricity is inherent to any electricity transmission and distribution network. Electrical losses for any period are measured by reference to the difference between the number of units entering the electricity transmission and distribution network during the period (as metered or estimated) and the number of units of electricity supplied to electricity consumers for the period.

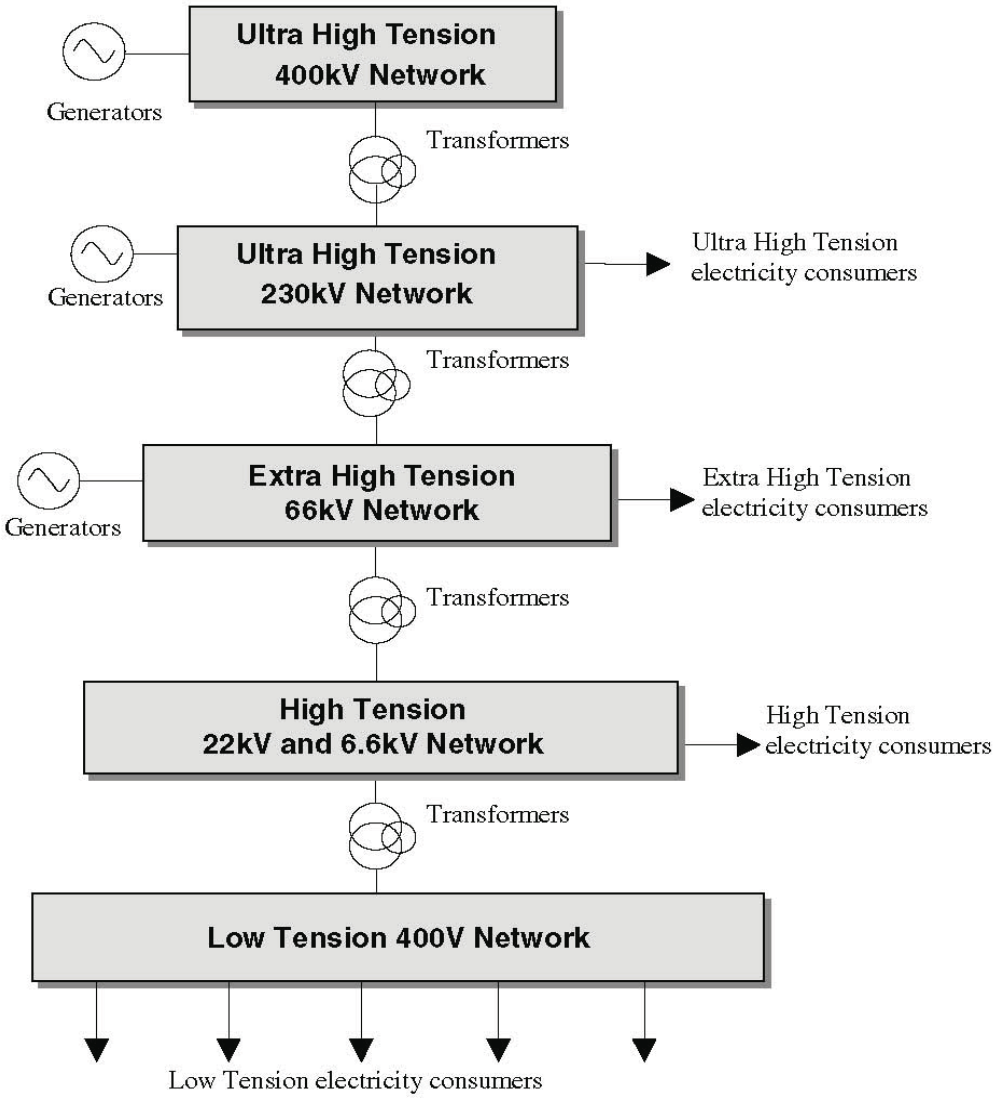
Electricity Transmission and Distribution Network Assets

The primary components of SPPA's electricity transmission and distribution network assets include:

- cables;
- interconnectors;
- substations, switchgear and transformers; and
- meters.

Electricity generation plants are connected with SPPA's transmission substations at 400kV, 230kV and 66kV, with electricity consumers being supplied electricity by SPPA at 230kV, 66kV, 22kV, 6.6kV, 400V and 230V.

The following diagram illustrates the basic structure of SPPA's electricity transmission and distribution network:



Each of the primary components of SPPA's electricity transmission and distribution network is described below:

Cables

SPPA's primary network assets are electricity transmission and distribution cables. SPPA's electricity transmission network is wholly-underground, and substantially all of its electricity distribution cables are also located underground. In addition, a relatively small amount of SPPA's transmission cables are laid in cable tunnels, which are special purpose underground conduits constructed at depths of 30 to 80 meters, which may be constructed under land or under bodies of water. Cable tunnels are an alternative to the direct burial of transmission cables. Cable tunnels, once constructed, permit for future system expansion with reduced need for disruptive road openings, as they may be accessed without the need for excavation and generally allow, due to their diameter, for the laying of additional cables within each cable tunnel as network demand increases. The Electricity T&D Group's existing cable tunnels include undersea tunnels through which ultra-high-voltage transmission cables are routed. For a discussion of the Electricity T&D Group's cable tunnel expansion plans, please see "— Enhancement of Electricity Transmission and Distribution Network — Transmission Cable Tunnels".

Interconnectors

With the aim of facilitating mutual energy transfers between Singapore and Malaysia, in 1983 the PUB and TNB, a Malaysian electric utility, brought into service high-voltage electricity transmission cables and related facilities for the transmission of electricity between Singapore and Malaysia (the "Interconnectors"). Pursuant to an agreement dated August 29, 1983 with respect to the Interconnectors which was eventually novated to SPPA on August 29, 2003, SPPA has a 50.0% stake in the Interconnectors and share equally the maintenance of the Interconnectors with TNB. Transfers of electricity between Singapore and Malaysia are netted-off on a regular basis such that net transfers of electricity and net revenues (non-SFRS(I)) do not arise from the operation of the Interconnectors.

The Interconnectors enable SPPA to transmit electricity in times of need between Singapore and Malaysia to preserve system stability and in order for reserve generating capacity to be available on a shared basis across Singapore and Malaysia in the event that electricity generation plants in Singapore or Malaysia suddenly fail. Renewal of the Interconnectors has been completed in 2020.

Singapore is also exploring ways to tap on regional power grids to access energy that is cost-competitive and this could be realised through bilateral cooperation or regional initiatives, such as the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) to import up to 100 MW of power from Lao PDR to Singapore via Thailand and Malaysia via the Interconnectors. SPPA has signed an Importer Connection Agreement with Keppel Electric and the electricity import from Lao PDR has commenced in June 2022.

Substations, Switchgear and Transformers

Substations are facilities that step-down electricity voltage between the transmission network and the distribution networks. At substations, various circuits of the electricity transmission and distribution network are marshalled together by high-voltage switchgear that automatically disconnect faulty transmission or distribution equipment in order to isolate and minimize damage to network assets. The high-voltage switchgear found at substations also permits the division of the electricity transmission and distribution network into small sections enabling maintenance to be carried out or supply to be restored locally following a fault. As of March 31, 2022, SPPA had approximately 12,000 electricity transmission and distribution substations in SPPA's electricity transmission and distribution network.

A transformer is a device to change electrical voltage from one voltage to another voltage for electricity transmission and distribution purposes as well as to suit consumers' requested supply voltage. SPPA has approximately 18,800 transformers in its distribution network.

Meters

SPPA owns all the meters used to measure the volume of electricity consumed by its consumers for revenue billing. Most of SPPA's meters are manually read except for those meters used for contestable consumers where the meters are remotely read via communication links such as telephone lines, Radio Frequency Mesh Network or GSM networks. SPPA installs and maintains meters at consumer premises. Under the Electricity Market Rules, SP Services performs meter reading services in its capacity as MSSL. For a meter that must be read manually, meter data is collected by a meter reader employed by SP Services.

For consumers who become contestable after the implementation of the OEM, SPPA may be required to install TOD meters to measure their electricity consumption. TOD meters allow consumers' electricity consumption to be captured on a half-hourly basis in line with the market's half-hourly spot prices. TOD meters are capable of storing up to at least two months' worth of such data.

For the purpose of wholesale electricity market settlement, contestable consumers have their TOD meters read remotely on a daily basis. For non-contestable consumers, the billing settlement will be based on manual meter readings.

Protection of Electricity Transmission and Distribution Network Assets

In the event of a network fault, automatic safeguards are in place to contain the effect of the fault and protect the network assets from serious damage or disruption. In the event of generator outage causing a sudden shortage of electricity supply and a decrease in system frequency, automatic load shed schemes are in place to disconnect load in selected areas, thereby regaining the balance of supply and demand and maintaining system stability.

In addition, SP Group has taken a number of preventive measures to protect its key network installations from terrorist attacks. In addition to the deployment of guards at key transmission installations, technological security measures such as fence intrusion detection systems, CCTV and access control systems have been enhanced at key installations, which are all under 24-hour surveillance. Physical protection measures including anti-intrusion fences, anti-crash perimeter bollards/walls and barriers, and structural hardening measures have also been implemented at key transmission substations to mitigate intrusion attempts and the possible impact of any blast attacks. SP Group's transmission cable routes are also patrolled regularly by its Earthworks Surveillance and Patrolling field enforcement officers. SP Group believes that the underground transmission cables offer comparatively greater protection from acts of terrorism or sabotage than overhead lines due to their comparatively greater difficulty of access and reduced prominence.

SP Group has relocated its security command center to its new headquarters in 2017 for greater operational efficiency. The new center continues to provide round-the-clock monitoring of all its facilities, including substations, cable bridges and district offices. An alternate security command center was also established in 2014 to ensure the continuity of such function. While mitigating measures have been put in place, there can be no assurance that such measures will fully address the risk of terrorist attacks on its infrastructure. Terrorism insurance coverage has also been procured for its key network assets.

See " — Insurance" for a discussion of SP Group's insurance policies.

SP Group work closely with the Energy Market Authority, Ministry of Home Affairs and the Police Force to ensure timely sharing of security related information and fast response by the state police in time of any emergency.

Operation and Control of Electricity Transmission and Distribution Network

SPPA's electricity transmission network is monitored, controlled and directed 24 hours a day, seven days a week from a Power System Control Center ("PSCC") which is owned and operated by the EMA. SPPA's electricity distribution network is monitored, controlled and directed 24 hours a day, seven days a week from a Distribution Control Center ("DCC"), which SPPA owns and operates. From the PSCC and the DCC, experienced system operators monitor, control and direct the electricity transmission and distribution of electricity throughout Singapore from electricity generating plants to electricity consumers through its electricity transmission and distribution network. In the event of a total failure at the PSCC or DCC, their respective back-up control centers elsewhere in Singapore can take over the operation, control and monitoring responsibilities of the PSCC and DCC. In addition, any of SPPA's regional control centers can also take over the operation (except remote switching) and monitoring responsibilities of SPPA's DCC.

Transmission

The PSCC balances the supply and demand of electricity in the network. Control signals are sent to electricity generation plants and transmission stations to raise or lower their output in accord with prevailing supply and demand conditions. The PSCC also closely monitors the total on-line electricity generation capacity to ensure that there is sufficient reserve on-line to cater for any unexpected loss of generation and so that such loss may be quickly replaced. Supply from electricity generation plants is dispatched according to a schedule produced daily by the EMC. This schedule is produced by matching the system load forecasted by the system operator against offers from Generation Licensees.

Distribution

SPPA's DCC is equipped with control systems, including a real-time information board showing the status of the distribution network. Information on its distribution substations and distribution cables is captured and monitored by monitoring equipment installed throughout its distribution network by means of its Supervisory Control and Data Acquisition ("SCADA") system. Any abnormal condition or failure of equipment in the distribution network detected by this equipment is transmitted back to the DCC for analysis and action. The DCC also maintains voice communications with its highly-skilled engineers in the field.

The SCADA system remotely monitors and controls the entire 22kV and 6.6kV distribution network comprising more than 11,900 substations. It enables electricity loads to be monitored and controlled centrally from the DCC without requiring personnel being dispatched to the sites. The SCADA system utilizes fiber optic cables, wireless technology and pilot cables to transmit data to the DCC.

Linked to SPPA's SCADA system, SPPA's Artificial Intelligence System serves as an operator support system, providing information to the operator to formulate contingency plans and/or to assist the operator in carrying out quick supply restoration.

SPPA's Operations Information Technology ("OIT") System comprises a Network Management and Customer Service ("NMACS"), an Outage Management System ("OMS"), Enterprise Asset Management System ("EAM") and a Gas and Electricity Mapping System ("GEMS"). NMACS keeps records of substations and equipment and their maintenance records for asset management and maintenance planning. OMS supports the operation of the Electricity Service Center and monitors progress of supply restorations. GEMS provides graphical information of network assets for network maintenance, cable fault location, outage management and network planning.

Maintenance of Electricity Transmission and Distribution Network

The Electricity T&D Group carries out comprehensive maintenance programs to maintain its electricity transmission and distribution assets in good condition, including a condition-based maintenance regime and various condition monitoring programs.

Network maintenance is performed by SP Group's employees, external service providers, or a combination of both. SP Group regularly monitors the performance and quality of its external contractors. Refurbishment may be required as an asset approaches the end of its useful life span. Refurbishment usually involves the replacement of parts of assets of the electricity transmission and distribution network.

The condition-based maintenance strategy employs diagnostic techniques to monitor the condition and performance of network equipment and cables to help prevent failures that could lead to outages and voltage dips. SP Group believes that the Electricity T&D Group's comprehensive condition monitoring program enables incipient faults to be detected early and corrective action to be taken before full-blown failures occur. When failures do occur, they are attended to and repair work is carried out promptly to maintain a high level of network operational readiness. Thorough investigations are also carried out on network incidents for identification of root causes, allowing the formulation of both general and specific remedies to prevent recurrences.

Enhancement of Electricity Transmission and Distribution Network

SPPA is required to plan and develop its electricity transmission and distribution network to ensure that the reliability of electricity supply meets the standards prescribed by the EMA. Area load forecasting is carried out, taking into consideration new loads and existing loads on SPPA's electricity transmission and distribution network, to identify areas where network reinforcement, reconfiguration or upgrading is necessary.

SPPA carries out development and upgrades to its electricity transmission and distribution network in line with planning criteria set forth in the Transmission Code administered by the EMA. In addition, all electricity transmission network expansion and renewal projects are subject to prior endorsement by the PSO and approval by the EMA.

In order to meet the increase in demand for electricity in Singapore forecasted by the EMA, SP Group has invested heavily in advanced technology and equipment for the upgrading and expansion of SPPA's electricity transmission and distribution network (see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditure").

SPPA will, on an ongoing basis, be replacing its aging transmission and distribution network assets.

Jurong Island and Tuas are major industrial hubs with a concentration of petroleum, petrochemical and supporting industries as well as major generation companies. There are substantial developments in these areas with generation capacities and load demand expected to increase. SPPA has commissioned new network infrastructure, including 400kV, 230kV and 66kV substations and associated network circuits to meet these developments.

As part of the national agenda to develop underground space, URA and SPPA have identified a pilot project at the Pasir Panjang area in Singapore for the development of a 230kV underground substation. This 230kV underground substation is being developed as part of a development project comprising an underground transmission substation, SPPA's operational support center and a commercial office tower with ancillary retail space to be built above the underground substation.

The utility components, the underground substation and the operational support center, will be owned by SPPA (the commercial office tower and ancillary retail space will be owned by Labrador Real Estate Pte Ltd ("LRE"), a wholly-owned subsidiary of SP, and operated as part of the real estate business, as described in more detail in the section " — Others — Real Estate").

The underground substation that is planned to replace the existing above ground 230kV substation is expected to service the Labrador, West Coast, Pasir Panjang and Keppel areas in Singapore. The operational support center is planned to provide space to house SPPA's emergency response units in charge of responding to power outages and of carrying out maintenance work to support its network.

Construction is underway and the substation is expected to be operational in 2025. When completed, the underground substation is expected to enhance the long-term reliability and efficiency of electricity supply to meet future needs, while supporting Singapore's masterplan which includes the undergrounding of utility buildings.

400kV Transmission Network

Work on the installation of an ultra-high-voltage 400kV transmission system commenced in 1995 in order to add new transmission capacity to meet the rising demand for electricity in Singapore, provide for more economic electricity transmission and enhance the fault-handling capability of SPPA's transmission network. Four 400kV substations and their associated 400kV circuits were progressively commissioned between 1998 and 2014 to transport bulk electricity from western Singapore to load centers in central and eastern regions of Singapore.

The latest West Jurong Island 400kV substation was commissioned in 2019 to meet the upcoming developments in Jurong Island.

230kV Transmission Network

SPPA's 230kV transmission network supplies 23 supply zones. When load increases in a specific zone, this increase can be met by transferring load to adjacent 230kV supply zones, increasing capacity of existing substation or developing a new 230kV substation in that supply zone.

66kV Transmission Network

SPPA's 66kV transmission network is used for the distribution of power from 230kV primary sources to the area load centers to meet regional load growth. New 66kV substations have been commissioned in various parts of Singapore to serve industrial, commercial and residential projects.

Other Network Enhancement Projects

Other network enhancement projects include the upgrading of SPPA's SCADA system, which remotely controls and monitors its entire 22kV and 6.6kV distribution network to ensure reliable electricity supply.

Transmission Cable Tunnels

Due to land scarcity, it has become increasingly difficult to secure a transmission corridor in Singapore for cable installation. In order to provide a long-term solution to secure the cable corridors for future bulk power transmission to meet the ongoing renewal and growth needs, an optimal solution is to build cable tunnels. The Electricity T&D Group has planned to progressively develop a cable tunnel network infrastructure in Singapore to secure underground space for the installation of 400kV and 230kV cables to support network development and renewal plans. Cable tunnels at Seraya, Tuas, Senoko and Harbour Drive had been built. In addition, the construction of the Jurong Island-Pioneer cable tunnel which houses the circuits from Jurong Island to mainland Singapore has been completed.

Tunnels owned under the SPCIT Trust

In addition to the projects described, a trust (known as the "SP Cross Island Tunnel Trust" or "SPCIT Trust") has been established to undertake the construction and development of two tunnels in Singapore, a 16.5km East to West tunnel and a 18.5km North to South tunnel with a typical depth of 40m to 60m each (each, a "Tunnel", and collectively, "Tunnels") for the installation of cables for renewal and extension of the 400kV and 230kV transmission networks. The physical construction of these two tunnels has been completed. The cost of this project is approximately S$2 billion. SPPA is the trustee-manager of the SPCIT Trust (the "Trustee-Manager") and all of the units in the SPCIT Trust are held by Singapore Power Limited. See " — SPPA's Electricity Licenses — Electricity Transmission Licence — Conditions of the Electricity Transmission Licence — Additional Activities".

SPPA (in its personal capacity) (the "Tunnel User") entered into a Tunnel Services Agreement with SPPA (in its capacity as the Trustee-Manager of the SPCIT Trust) on June 7, 2013 (the "Tunnel Services Agreement").

The term of the Tunnel Services Agreement commenced from June 7, 2013 and ends on the 40th anniversary of the date on which the Tunnels are completed (as determined in accordance with the terms of the Tunnel Services Agreement) (both dates inclusive), unless terminated earlier in accordance with the terms of the Tunnel Services Agreement ("Term").

The Tunnel Services Agreement provides that, during the period commencing from the date on which the Tunnels are completed until the termination of the Term, the Tunnel User shall be provided with, among others:

(i) the right to use, occupy and physically access the Tunnels and such structures and/or buildings comprising part of the Tunnels (or such spaces within such structures and buildings); and

(ii) services relating to the maintenance and repair of the Tunnels.

SPPA collects the total use of system charges chargeable or charged by SPPA to consumers, including the tariff for the use of the Tunnels (the "Tunnel Tariff"), and pays the Tunnel Tariff to the SPCIT Trust under the Tunnel Services Agreement.

SPPA's Electricity Licences

Overview

Under the Electricity Act, an electricity licence is required by any person to, among others, engage in the transmission of electricity, transmit electricity for and on behalf of a Transmission Licensee or provide any market support services. This section sets out a brief summary of the conditions of the electricity licences held by subsidiaries within SP Group to carry out such activities.

Electricity Transmission Licence

The word "transmit" is defined in the Electricity Act as conveying electricity by means of a transmission system from an electrical plant to a substation; from one electrical plant to another or from one substation to another; or from a substation or electrical plant to the electrical installation serving the premises of a consumer or, where such premises are not served by an electrical installation, from a substation or electrical plant directly to such premises. The Electricity Act makes it an offense to transmit electricity unless authorized to do so by an electricity licence granted by the EMA.

SPPA, through the Transmission Licence, is currently the sole entity licensed to engage in the transmission of electricity in Singapore.

The Electricity Act provides that it is SPPA's duty, as a Transmission Licensee to (a) develop and maintain a reliable, efficient, coordinated and economical electricity transmission system in accordance with such applicable codes of practice and other standards of performance as may be issued or approved by the EMA under the Electricity Act; (b) facilitate competition in the generation and sale of electricity by making SPPA's transmission system available to persons authorized to generate, trade or retail electricity or to provide market support services on terms which neither prevent nor restrict such competition; and (c) provide non-discriminatory access to SPPA's transmission system for the supply and use of electricity in accordance with the Electricity Act, the Transmission Licence and the Electricity Market Rules. Additionally, it is SPPA's duty as an Electricity Licensee to ensure that it will not do or not omit to do any act which will adversely affect, directly or indirectly, the security and stability of the electricity supplied by it or any other person to consumers.

The EMA may not terminate SPPA's Transmission Licence except by giving SPPA 25 years' notice or otherwise revoking the Transmission Licence in accordance with the Electricity Act (including where the EMA is satisfied that SPPA has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires). See "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees". Any request by SPPA to terminate the Transmission Licence is subject to the approval of the EMA and SPPA continues to be bound by the terms of the Transmission Licence until such time as the EMA notifies SPPA in writing of such approval. Under the Electricity Act, the Transmission Licence is not transferable to any other person without the approval in writing from the EMA and any purported transfer of the Transmission Licence is void.

Conditions of the Electricity Transmission Licence

The main conditions contained in the Transmission Licence include those set out below.

Authorized Activities

SPPA is licensed to conduct the Electricity Authorized Business, and may, upon the EMA's approval in writing and subject to such conditions as the EMA may impose at the time of approval or any time thereafter, engage in allowed activities that (a) use an existing competency of SPPA; and (b) provide synergies with the activities comprised in the Electricity Authorized Business. Save as aforesaid, SPPA is not permitted to engage directly or indirectly in any other business activity or voluntarily commit to any liability in relation to such other business activity. SPPA must also procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the EMA an electricity licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.

Dealings with Subsidiaries/Related Enterprises

In any event, SPPA is not permitted to provide or receive any cross-subsidies between the Electricity Authorized Business and any other business or allowed activity of SPPA, or any of SPPA's subsidiaries or related enterprises, except as the EMA may otherwise approve in writing. SPPA is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises and, except with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Compliance with Electricity Market Rules

SPPA has to, at all times, comply with the provisions of the Electricity Market Rules applicable to SPPA. In addition, SPPA shall be required to apply to EMC for registration (i) as a market participant, and (ii) of the facilities and assets comprised within SPPA's transmission system, and shall notify the EMA of such registration.

Separate Accounts for Electricity Authorized Business

SPPA has to prepare separate accounts for the Electricity Authorized Business and provide the EMA with its accounting statements, and procure, in respect of its accounting statements, a report by SPPA's auditor addressed to the EMA, stating its opinion as to whether SPPA's accounting statements have been properly prepared in accordance with the Transmission Licence and whether they give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Electricity Authorized Business. SPPA is required to deliver to the EMA, a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by SPPA in the course of or in relation to the Electricity Authorized Business (other than information which is already publicly available) is confidential and SPPA has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by SPPA except in certain specified circumstances, (ii) is not used by SPPA for any purpose other than that for which such information was provided or for a purpose permitted by the Transmission Licence, any applicable code of practice, the Electricity Market Rules any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by SPPA for any commercial advantage in the provision of any service other than a service comprised in the Electricity Authorized Business. If requested by the EMA, SPPA is required to procure from its auditors a certificate to confirm that SPPA is in compliance with its confidentiality obligations under the Transmission Licence.

Investigation of Offences

If SPPA becomes aware that it may not have complied with any of the conditions of the Transmission Licence, or suspects that any other Electricity Licensee has breached its electricity licence or any applicable legislation, SPPA is required to report the same to the EMA and provide the EMA with such assistance and cooperation in connection with any prosecution proceedings arising therewith.

Licence Fee

SPPA pays the EMA an annual licence fee in respect of the Transmission Licence. The amount of the fee is determined by the EMA (in accordance with the terms and conditions as set out in the Transmission Licence) on or before April 1 of each year, and is to be paid by SPPA by April 30 of each year. If SPPA fails to pay the licence fee in full when due, the EMA may require SPPA to pay late payment interest on the unpaid amount.

Governance

None of SPPA's directors may be employed by or hold any office or engagement with any person authorized by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in the generation, retail, import or export of electricity or trade in any wholesale electricity market. None of SPPA's directors may be employed by or hold any office or engagement with any person authorized by a gas licence or exempted from the obligation to hold a gas licence, or to engage in the shipping or retail of gas, production of town gas or the import of natural gas or liquefied natural gas. The EMA may, on such terms as it may specify in writing and notify to SPPA, waive or vary any of such requirements.

SPPA is also not permitted to directly or indirectly through its related enterprises acquire or hold any shares in any person authorized by an electricity licence or a gas licence, or exempted from the obligation to hold an electricity licence or a gas licence, to engage in any such activities. The EMA may, on such terms as it may specify in writing and notify to SPPA, waive or vary any of such requirements.

Notification of Change in Shareholding

As a Transmission Licensee, SPPA is required to comply with Section 30B of the Electricity Act in respect of changes in its shareholding structure. See "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees".

Access to the Electricity Transmission and Distribution Network

SPPA must provide non-discriminatory access to persons similarly situated for services comprised within the Electricity Authorized Business and connect any person who wishes to connect to its transmission system. SPPA is also obliged to provide services as may be required to allow connection, disconnection and reconnection to or from its transmission system, and install, maintain and verify the accuracy of meter installations, all in accordance with the Electricity Act, the Transmission Licence, the Electricity Market Rules and the relevant codes, as applicable.

Purchase of Electricity

SPPA is not permitted to procure or purchase electricity except to the extent required to conduct the Electricity Authorized Business or any allowed activity. The EMA may, on such terms as it may specify in writing and notify to SPPA, waive or vary any of such requirements.

Purchase of Goods and Services

SPPA is required to, in the conduct of the activities comprised in the Electricity Authorized Business, purchase such goods and/or services as may be reasonably required by SPPA upon the most economically advantageous terms reasonably obtainable by SPPA at the relevant time having regard to all relevant business criteria, and is not permitted to unduly discriminate between suppliers of the goods and/or services. This does not apply to the purchase of any goods and/or services in respect of which the terms and conditions of purchase are prescribed or imposed by the Transmission Licence, the Electricity Market Rules, any applicable code of practice or arrangement approved by the EMA.

Prices for SPPA's Electricity Transmission Services

SPPA's charges for the provision of electricity transmission services are set annually based on a cost recovery methodology, which is developed by SPPA and approved by the EMA, and is subject to a regulated price cap. The EMA's approval must also be obtained for any revisions to the charging structures and charges. SPPA is required to publish the approved charges with such detail as shall be necessary to enable any person to ascertain the fees and charges to which he would become liable for the provision of SPPA's electricity transmission services.

Developmental Work/Development of Codes of Practice

The EMA may from time to time require SPPA to perform or participate in research and development activities, and to co-operate with other Electricity Licensees to perform research and development activities in relation to the conduct of the Electricity Authorized Business. SPPA is also required to participate in the development of any code of practice and standard of performance to be issued by the EMA if such code of practice or standard of performance will directly or indirectly affect the Electricity Authorized Business.

SPPA may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the EMA in writing of the proposed modification. The EMA may review the proposed modification and determine whether the proposed modification should be made.

With the anticipated proliferation of intermittent generation, SP Group is test bedding various ESS and new technologies to understand its functionalities and applications to safeguard the stability and reliability of the electricity network grid. SP Group is also exploring to collaborate with industry members and institutions to deploy microgrid solutions to understand evolving trends and their resulting implications.

Dealing(s) with SP PowerGrid

SPPA is required under the Transmission Licence to appoint only SP PowerGrid, who is licensed by the EMA, to meet SPPA's requirements for management services of the Electricity Authorized Business and allowed activities, and for the operation and maintenance of its assets. The SPPA Management Services Agreement sets out the working and operational requirements between SPPA and SP PowerGrid in relation to the Electricity Authorized Business. The EMA may, on such terms as it may specify in writing and notify to SPPA, waive or vary any of such requirements.

Additional Activities

SPPA has been authorized to carry out various ancillary activities under the Transmission Licence, including establishing a business trust (the "SPCIT Trust"), carrying on the business of acting as a trustee-manager of the SPCIT Trust, and performing the role of the trustee-manager of the SPCIT Trust. Such role includes carrying on (in SPPA's capacity as trustee-manager of the SPCIT Trust) the business of constructing, developing, owning, operating, maintaining and managing a North-South cable tunnel, East-West cable tunnel and the related infrastructure, equipment and properties (collectively, the "Tunnels"). Pursuant to such authorized activity, SPPA is required to, among others, comply with any directions or instructions relating to the Tunnels which may be issued by the EMA and obtain the EMA's prior written approval for the terms and conditions of the Tunnel Services Agreement governing the use of the Tunnels and the agreement governing the appointment of the Manager to provide services to SPPA (in SPPA's capacity as trustee-manager of the SPCIT Trust) in relation to, among others, the carrying on of the business of constructing, developing, owning, operating, maintaining and managing the Tunnels ("TM Management Services Agreement").

In addition, SPPA has been approved to engage in the leasing of its surplus space and equipment (being space and equipment which is for the time being not required by SPPA in or for the conduct of its authorized business) ("Surplus Space and Equipment") as stipulated in Notification 12 of its Transmission Licence, including surplus space in various cable pipes, cable tunnels, district offices, warehouses and substations and equipment being the spare optical fibre cables in the Jurong Island to Pioneer transmission cable tunnel (the "Leasing Business"), as well as the provision of services that are incidental to the Leasing Business ("Incidental Business"), pursuant to which, SPPA is required to, among others, ensure that its conduct of the Leasing Business and Incidental Business with any party shall at all times be on an arm's length basis, and not show undue preference in favor of, or undue discrimination against, any person or class of persons for or in relation to any grant of lease of Surplus Space and Equipment, any rate or fee charged by SPPA under the lease, or any term or condition thereof.

SPPA has also been approved to engage in the leasing of only the following parts of its Advanced Metering Infrastructure network, as stipulated in Notification 14 of its Transmission Licence, being ("Subject Assets"): (i) Access Points and its related network equipment assets; (ii) Non-Critical Information Infrastructure Metropolitan Area Network ("Non-CII MAN"); and (iii) Associated network to the Non-CII MAN as permitted by EMA (collectively referred to as the "AMI Leasing Business"), pursuant to which, SPPA is required to, among others, ensure that its conduct of the AMI Leasing Business with SPConnect Pte Ltd (the "Lessee") shall at all times be on an arm's length basis, and not show undue preference in favor of, or undue discrimination against, the Lessee for or in relation to any grant of lease of the Subject Assets, any rate or fee charged by SPPA under the lease, or any term or condition thereof.

Electricity Transmission Agent Licence

SP PowerGrid, through the Transmission Agent Licence, is licensed to transmit electricity for and on behalf of SPPA.

The Transmission Agent Licence shall terminate upon the expiry or earlier termination of the Transmission Licence granted to SPPA, unless revoked by the EMA in accordance with the Electricity Act (including where the EMA is satisfied that SP PowerGrid has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore so requires), see "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees". Any request by SP PowerGrid to terminate the Transmission Agent Licence is subject to the approval of the EMA and SP PowerGrid shall continue to be bound by the terms

of the Transmission Agent Licence until such time as the EMA notifies SP PowerGrid in writing of such approval. Under the Electricity Act, the Transmission Agent Licence is not transferable without the approval in writing of the EMA and any purported transfer of the Transmission Agent Licence shall be void.

Conditions of Transmission Agent Licence

The main conditions contained in the Transmission Agent Licence include those set out below.

Authorized Activities

SP PowerGrid is licensed to conduct the Transmission Agent Business and may, upon the EMA's approval in writing and subject to such conditions as the EMA may impose at the time of approval or any time thereafter, engage in allowed activities that (a) use an existing competency of SP PowerGrid; and (b) provide synergies with the activities comprised in the Transmission Agent Business. Save as aforesaid, SP PowerGrid is not permitted to engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities. SP PowerGrid must also procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the EMA an electricity licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.

Dealings with Subsidiaries/Related Enterprises

In any event, SP PowerGrid is not permitted to provide or receive any cross-subsidies between the Transmission Agent Business and any other business or allowed activity of SP PowerGrid, or any of SP PowerGrid's subsidiaries or related enterprises except as the EMA may otherwise approve in writing. SP PowerGrid is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises and, except for the SPPA Management Services Agreement or with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Compliance with Electricity Market Rules

SP PowerGrid has to, at all times, when acting for or on behalf of SPPA, conduct the Transmission Agent Business in a manner consistent with the provisions of the Electricity Market Rules applicable to SPPA. SP PowerGrid is not required to register as a market participant under the Electricity Market Rules.

Separate Accounts for Transmission Agent Business

SP PowerGrid has to prepare separate accounts for the Transmission Agent Business and provide the EMA with its accounting statements, and procure, in respect of its accounting statements, a report by SP PowerGrid's auditors addressed to the EMA, stating its opinion as to whether SP PowerGrid's accounting statements have been properly prepared in accordance with the Transmission Agent Licence and whether they give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Transmission Agent Business. SP PowerGrid is required to deliver to EMA a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by SP PowerGrid in the course of or in relation to the Transmission Agent Business (other than information which is already publicly available) is confidential and SP PowerGrid has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by SP PowerGrid except in certain specified circumstances, (ii) is not used by SP PowerGrid for any purpose other than that for which such information was provided or for a purpose permitted by the Transmission Agent Licence, any applicable code of practice, the Electricity Market Rules, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by SP PowerGrid for any commercial advantage in the provision of any service other than a service comprised in the Transmission Agent Business. If requested by the EMA, SP PowerGrid is required to procure from its auditors a certificate to confirm that SP PowerGrid is in compliance with its confidentiality obligations under the Transmission Agent Licence.

Investigation of Offences

If SP PowerGrid becomes aware that it may not have complied with any of the conditions of the Transmission Agent Licence, or suspects that any other Electricity Licensee has breached its electricity licence or any applicable legislation, SP PowerGrid is required to report the same to the EMA and provide the EMA with such assistance and co-operation in connection with any prosecution proceedings arising therewith.

Licence Fee

SP PowerGrid pays the EMA an annual fee in respect of the Transmission Agent Licence. The amount of this fee is determined by the EMA (in accordance with the terms and conditions as set out in the Transmission Agent Licence) on or before April 1 of each year, and is to be paid by April 30 of each year. If SP PowerGrid fails to pay the licence fee in full when due, the EMA may require SP PowerGrid to pay late payment interest on the unpaid amount.

Governance

None of SP PowerGrid's directors may be employed by or hold any office or engagement with any person authorized by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in the generation, retail, import or export of electricity or trade in any wholesale electricity market. None of SP PowerGrid's directors may be employed by or hold any office or engagement with any person authorized by a gas licence or exempted from the obligation to hold a gas licence, to engage in the shipping or retailing of gas, production of town gas or the import of natural gas or liquefied natural gas. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

SP PowerGrid is also not permitted to directly or indirectly through its related enterprises acquire or hold any shares in any person authorized by an electricity licence or a gas licence or exempted from the obligation to hold an electricity licence or a gas licence, to engage in any such activities. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

Notification of Change in Shareholding

SP PowerGrid is required to inform the EMA of changes in its shareholding structure as required pursuant to Section 30B of the Electricity Act. See "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees".

Performance Monitoring

SP PowerGrid is required to submit to EMA, at EMA's request and in accordance with any process or principles EMA may issue, a proposal in respect of the performance measures against which SP PowerGrid's performance in conducting the Transmission Agent Business and of SPPA in conducting the Electricity Authorized Business may be measured. SP PowerGrid is also required to collect and report statistics of other performance measures as may be requested by EMA in writing and submit to EMA, within 90 days after the end of each financial year, a report indicating the performance of SP PowerGrid in respect of its Transmission Agent Business and of SPPA in conducting the Electricity Authorized Business during the previous financial year against the agreed performance measures.

Purchase of Electricity

SP PowerGrid is not permitted to procure or purchase electricity except to the extent required to conduct the Transmission Agent Business or any allowed activity. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

Purchase of Goods and Services

SP PowerGrid is required to, in the conduct of the activities comprised in the Transmission Agent Business, purchase such goods and/or services as may be reasonably required by SP PowerGrid upon the most economically advantageous terms reasonably obtainable by SP PowerGrid at the relevant time having regard to all relevant business criteria, and is not permitted to unduly discriminate between suppliers of the goods and/or services. This does not apply to the purchase of any goods and/or services in respect of which the terms and conditions of purchase are prescribed or imposed by the Transmission Agent Licence, the Electricity Market Rules, any applicable code of practice or arrangement approved by the EMA.

Developmental Work/Development of Codes of Practice

The EMA may from time to time require SP PowerGrid to perform or participate in research and development activities and co-operate with other Electricity Licensees to perform research and development activities in relation to the conduct of the Transmission Agent Business. SP PowerGrid has to participate in the development of any code of practice or standard of performance if it will directly or indirectly affect the Transmission Agent Business of SP PowerGrid or the Electricity Authorized Business of SPPA.

SP PowerGrid may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the EMA in writing of the proposed modification. The EMA may review the proposed modification and determine whether the proposed modification should be made.

Dealing(s) with SPPA

SP PowerGrid is required to ensure that the SPPA Management Services Agreement and any modifications thereto do not affect the ability of SP PowerGrid to discharge its responsibilities under the Transmission Agent Licence. SP PowerGrid has to give the EMA no less than 30 days' prior written notice of any modification to the terms and conditions of the SPPA Management Services Agreement and shall not terminate such agreement without EMA's prior written consent. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

Additional Activities

SP PowerGrid has been authorized to carry out various ancillary activities under the Transmission Agent Licence, including (a) providing services to SPPA for SPPA's (i) establishment of the SPCIT Trust and for (ii) carrying on of the business of acting as trustee-manager of the SPCIT Trust, and (b) carrying on, for SPPA (in its capacity as trustee-manager of the SPCIT Trust), the business of constructing, developing, operating, maintaining and managing the Tunnels. Pursuant to such authorized activity, SP PowerGrid is required to, among others, comply with any directions or instructions relating to the Tunnels which may be issued by the EMA and obtain the EMA's prior written approval for the terms and conditions of the TM Management Services Agreement.

Agreements with Market Participants

Pursuant to SPPA's Transmission Licence, SPPA has entered into various agreements with other participants in the Singapore electricity market. With respect to the terms and conditions of its services and network access, SPPA has entered into (amongst other things):

- an operating agreement with the PSO to allow the latter to direct the operations of SPPA's transmission network system at voltage levels of 66kV and above. Agreed procedures also exist between SPPA and the PSO with respect to the connection and disconnection of network equipment;

- a connection agreement with individual Generation Licensees to provide terms and conditions applicable to the construction and maintenance of connections between electricity generation plants and SPPA's transmission network;

- a use of system agreement with any Retail Licensee who choose to have retailer consolidated billing for the payment of the transmission charges on behalf of the contestable consumers; and

- a connection agreement with any consumer whose facilities are to be connected to SPPA's transmission network. The form of the agreement with consumer depends upon the nature of the installation to be connected and the voltage level at which it is connected.

Competition

The Electricity Authorized Business is subject to extensive regulation by the EMA. SPPA is dependent on the retention of its Transmission Licence for the conduct of its business. SPPA currently holds the sole Transmission Licence in Singapore granted by the EMA, and is therefore effectively the only choice for electricity transmission and distribution services for electricity consumers in Singapore.

No assurance can be given that the EMA will not fundamentally alter SPPA's business environment or affect its business in the future. For example, the EMA has the power to:

- authorize a competing Transmission Licensee to operate other electricity transmission and distribution facilities in Singapore;
- permit certain classes of consumers to bypass SPPA's electricity transmission and distribution network and obtain electricity supplies through direct connections to electricity generation plants; and
- make changes to the regulatory framework for the energy industry or the code of practices for Electricity Licensees from time to time.

Should any of these actions be implemented, SPPA's revenues could be reduced and its business and results of operations could be adversely affected. Such actions could also adversely affect SPPA's network utilization rate and result in it possessing overbuilt or underutilized network assets and capacity.

Electricity consumers are permitted under the present regulatory regime to self-generate electricity for their own needs. Such self-generated electricity, known as "distributed generation" or "renewable generation" (such as solar energy) is not transported through SPPA's electricity transmission and distribution network and does not generate use of system charges for SPPA, other than certain fixed and variable charges related to such consumers remaining connected to its network for back-up electricity purposes.

Electricity consumers are also permitted in certain circumstances and subject to certain conditions (in each case as set out in EMA's prevailing policies and guidelines) to bypass SPPA's electricity transmission and distribution network by receiving electricity supplies through direct connections to electricity generation plants. In such cases, electricity obtained by consumers through bypass is not transported through SPPA's electricity transmission and distribution network and does not generate use of system charges for SPPA other than certain fixed and variable charges related to such consumers remaining connected to its network for back-up electricity purposes.

Should sufficiently large numbers of SPPA's present consumers self-generate electricity for their own needs or should sufficiently large numbers of its consumers bypass its electricity transmission and distribution network by connecting directly to electricity generation plants, there can be no assurance that such distributed generation or network bypass will not deprive SPPA of significant transmission revenues or have a material adverse effect on SP Group's business operations and financial performance.

Consumers, Billing and Collection

The electricity consumers served by SPPA's electricity transmission and distribution network comprise a diverse mix of industrial, commercial and residential consumers. Diversity in the consumer base helps to shield SPPA from severe fluctuations in electricity demand resulting from downturns in specific industries. No single consumer represents a significant percentage of SP Group's revenues or capacity. For the categorization of SPPA's consumers, see "— Electricity Transmission and Distribution Operations".

SPPA does not provide billing or settlement services for SPPA's use of system charges or other charges. Since January 1, 2003, SP Services, a wholly-owned subsidiary of SP, has been the sole MSSL in the Singapore electricity market. SPPA delegates its billing and collection functions to SP Services, as currently required by the terms of its Transmission Licence. The calculation, billing and collection of the use of system charges and connection application processing services is performed by SP Services. This billing and

collection arrangement is currently mandated as a condition of SPPA's Transmission Licence and will continue for such period as the EMA considers fit, after which SPPA shall be entitled to continue with such arrangement or make any alternative arrangements as may be permitted by its Transmission Licence. In addition, SP Services reads SPPA's meters in its capacity as MSSL.

Contestable consumers which are designated as "retailer consolidated billing" consumers and which purchase electricity from Retail Licensees generally receive bills from their Retail Licensees which itemize charges for electricity provided by the Retail Licensees separately from charges for electricity transmission and distribution services provided by SPPA. Contestable consumers, which are either designated as "retailer split billing" consumers or direct market participants, are responsible for settling charges for electricity transmission and distribution services provided by SPPA and receive bills issued by SP Services on SPPA's behalf. Non-contestable consumers receive bills from SP Services, acting in its capacity as MSSL, which do not separately itemize charges for electricity supply and for electricity transmission and distribution services.

Tariff Regulatory Framework for the Electricity T&D Business

Performance-Based Regulation and Price Controls set by the EMA

The Electricity Authorized Business is subject to extensive legislation. SPPA's use of system charges for the transmission and distribution of electricity are regulated and approved by the EMA pursuant to regulatory price controls. Based on an average taken from FY20 to FY22, substantially all of the Electricity Authorized Business' annual revenue[22] and other income was derived from its regulated electricity transmission revenue. Revenue for the Electricity Authorized Business, which is regulated by the EMA using a building block calculation which has been adopted since 2003, is computed as the value of the regulated asset base for the Electricity Authorized Business multiplied by the regulatory WACC for the Electricity Authorized Business, to which operating expenses, depreciation and taxes are added. The WACC for the Electricity Authorized Business was retained at 5.76% (nominal after tax) for the first year of the current five-year regulatory period which commenced on April 1, 2020, and subsequently adjusted to 5.38% (nominal after tax) for the second to fifth year. The regulated asset base for the Electricity Authorized Business was S$11.9 billion. Such regulated asset base used for use of system charges computation excludes customer contributions. The methodology in the building block calculations used by the EMA to regulate the revenue for the Electricity Authorized Business in respect of the current five-year regulatory period which commenced on April 1, 2020 will also apply to the subsequent five-year regulatory period commencing April 1, 2025. However, the WACC for the subsequent and future five-year regulatory periods may be higher or lower depending on the actual parameters used to determine the WACC for the relevant period.

The regulatory framework is performance-based, which allows the Electricity T&D Group to retain, during each regulatory period, the benefits of operating efficiency gains achieved in such regulatory period and earn incentives from savings in operating and capital expenditure. These benefits are in the subsequent regulatory period enjoyed by consumers.

The opening regulated asset base for the Electricity Authorized Business was determined by subtracting the deferred revenue balance from the net book value of fixed assets for the Electricity Authorized Business, where the deferred revenue balance represents SPPA's cumulative customer contributions. SPPA is incentivized to reduce its cost of capital by increasing leverage and achieving an optimal capital structure.

SPPA's five-year building block revenue requirement forecast is translated into the five-year price control formula based on five-year forecasts of electricity transmitted and distributed.

SPPA's average use of system charges are capped pursuant to the five-year price control formula set by the EMA. In setting the annual price caps, the key objective is to ensure that the final resulting use of system charges deliver a competitive and efficient outcome to its consumers.

[22] "Revenue" of the Electricity Authorized Business in this context has the meaning set out on pages vii-ix of this Offering Circular.

SPPA has flexibility (subject to regulatory approval) to set the use of system charges with respect to its various consumer segments, and to vary the structure of its use of system charges between such consumer segments, as long as the average use of system charges is consistent with the price controls established by the EMA.

Under the regulatory framework, SPPA is exposed to certain volume risk. If the volume of electricity that SPPA transmits or distributes is materially different from the level assumed in the building block calculation, SPPA's revenues will be affected. SPPA absorbs any revenue deviations caused by fluctuations in total volume transmitted or distributed each year within a +/-2.0% deviation from the original volume forecast incorporated into the building block forecast. If the volume deviation is outside this 2.0% range, the EMA will adjust SPPA's price controls within the current regulatory period to compensate for such variance in volume. In view of the COVID-19 pandemic, EMA agreed on an exceptional basis to suspend the +/-2.0% deviation band and allow for full recovery of revenue loss for SPPA in FY21, FY22 and FY23, as described in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations — COVID-19 Impact and Response".

SPPA also takes the risk that the electricity demand projected with respect to particular consumer segments will be different from that assumed in the annual regulatory price cap. The EMA does not apply any limit to the risk arising from changes in demand mix between SPPA's customer segments, regardless of the total volume deviation from the total volume assumed in the regulatory volume forecast.

Regulated Asset Base [1]	x	WACC	+	Depreciation	+	Operating Expenditure [2]	+	Tax	=	Targeted Revenue

$$\frac{\text{Targeted Revenue}}{\text{Forecast Volumes}} \times \text{Actual Volumes}^{[3]} = \text{Collected Revenue}$$

Note 1: This may include an efficiency carry-over to reward capital expenditure savings achieved in the previous period.

Note 2: This may include an efficiency carry-over to reward operational expenditure savings achieved in the previous period.

Note 3: If the Actual Volume deviates more than +/- 2.0% from the Forecast Volume, the EMA will adjust SPPA's price controls within the current regulatory period to compensate for such variance in Actual Volume.

The EMA may from time to time conduct consultations on matters, such as the parameters relating to application of the Electricity T&D Group's building block calculation, which could result in regulatory changes that may affect SP Group's business, revenues and results of operations. No assurance can be given that any regulatory changes (if and when they come into effect) will not have a material adverse effect on the Electricity T&D Group's business, revenues or results of operations.

Revenue from the Electricity T&D Business

Revenue consists of use of system charges. Revenue is recognized when electricity is delivered to consumers. Allowed revenue is calculated by multiplying the units of electricity transmitted or distributed for each consumer segment over a given period by the use of system charges for the respective consumer segment in accordance with the price regulation framework approved by EMA. Revenue allowed by the EMA (in accordance with the price regulation framework) is adjusted based on the services rendered and deferred over the regulatory period. At the end of each regulatory period, any outstanding balance is taken to profit or loss as revenue. The EMA approves the use of system charges to be charged to consumers in respect of any period of time. These use of system chargers are determined by the Electricity T&D Group's projected capital and operating expenditures. SPPA collects the total use of system charges chargeable or charged by SPPA to consumers, including the Tunnel Tariff, and pays the Tunnel Tariff to the SPCIT Trust under the Tunnel Services Agreement.

SPPA has flexibility (subject to regulatory approval) to set the use of system charges with respect to the various consumer segments, and to vary the use of system charges between such consumer segments, as long as the average use of system charge is consistent with the price controls established by the EMA.

Use of System Charges

Use of system charges generate a substantial portion of the Electricity T&D Group's total revenues, and generally include a number of variable components which are usage-sensitive as well as fixed components which are not usage-sensitive. The EMA has approved SPPA's implementation of different applicable use of system charges by voltage, with different charges in effect with respect to Ultra High Tension, Extra High Tension, High Tension — Large, High Tension — Small, Low Tension — Large and Low Tension — Small electricity consumers, reflecting SPPA's different cost of providing electricity transmission and distribution services to such classes of electricity consumers.

Ultra High Tension consumers are connected to SPPA's network at 230kV. These consumers are billed primarily for their Contracted Capacity by means of a Contracted Capacity Charge, which is a fixed charge based on the capacity that the consumer has requested. Ultra High Tension consumers are also billed for units of electricity consumed during peak hours and off-peak hours, and for other, relatively minor, charges such as the Uncontracted Capacity Charges and Reactive Power Charges.

Extra High Tension consumers are connected to SPPA's network at 66kV. Extra High Tension consumers pay charges similar to those of Ultra High Tension consumers, with the total use of system charges comprising primarily of fixed charges.

High Tension consumers are connected to SPPA's network at 22kV or 6.6kV. Such consumers pay charges similar to those of Ultra High and Extra High Tension consumers, with the total use of system charges comprising primarily of fixed charges.

Low Tension consumers are connected to SPPA's network at 400V or 230V. SPPA's current use of system charges further distinguish between Low Tension — Large and Low Tension — Small consumers.

Low Tension — Large consumers are Low Tension consumers that are contestable and have TOD meters. These consumers are billed separately on the units they consume during the peak and off-peak hours, with a different rate applicable for peak and off-peak hours.

Low Tension — Small consumers are Low Tension consumers that are not contestable. Their metering does not distinguish between peak and off-peak consumption and they are charged a flat rate for all consumption. Unlike Ultra High, Extra High and High Tension consumers, Low Tension consumers do not pay Contracted Capacity, Uncontracted Capacity or Reactive Power Charges.

On March 14, 2020, SPPA received the regulatory price determination from the EMA for the regulatory period from April 1, 2020 to March 31, 2025. This was subsequently updated on April 5, 2021, following EMA's determination of the WACC for the second to fifth year of the regulatory period to be 5.38% (nominal after tax).

The following table sets forth SPPA's use of system charges for the period from July 1, 2022 to March 31, 2023, by consumer class. The use of system charges indicated exclude goods and services tax.

Use of System Charges effective from July 1, 2022[1]

Consumer Class	Contracted Capacity Charge (S$ per kW per month)[1]	Peak Period Charge (7.00 A.M. to 11.00 P.M.) (S¢ per kWh)	Off Peak Period Charge (11.00 P.M. to 7.00 A.M.) (S¢ per kWh)	Reactive Power Charge (S¢ per kVArh)[2]	Uncontracted Capacity Charge (S$ per kW per month)[3]	Uncontracted Standby Capacity Charge (S$ per kW per month ECCS)[5]		
						CCS[4]	Tier 1	Tier 2
Ultra High Tension Consumers	8.19	0.06	0.02	0.44	12.29	40.95	40.95	98.28
Extra High Tension Consumers	10.09	0.08	0.03	0.48	15.14	50.45	50.45	121.08
High Tension-Large Consumers	11.95	0.74	0.08	0.59	17.93	59.75	59.75	143.40
High Tension-Small Consumers	11.95	0.96	0.09	0.59	17.93	59.75	59.75	143.40
Low Tension-Large Consumers	–	5.94	4.62	–	–	–	–	–
Low Tension-Small Consumers	–	5.94	5.94	–	–	–	–	–

Notes:

(1) Applicable to the monthly total supply capacity (in kW) requested by the consumer at a metered intake supply point.

(2) Applicable to the amount of kVArh in excess of 62.0% of the consumer's total monthly consumption.

(3) Applicable to the monthly maximum electricity demand (in kW) in excess of the consumer's indicated Contracted Capacity. The excess demand is limited to 20.0% of the Contracted Capacity for consumers who choose to cap their electricity demand on the network.

(4) Applicable to consumers who choose to cap their demand on the network, in the event that the monthly electricity demand capacity (in kW) exceeds 120.0% of the consumer's indicated Contracted Capacity for more than 10 seconds continuously, due to the failure of the consumer's means of capping demand.

(5) Applicable to consumers who choose to cap their demand on the network, 2-tier Uncontracted Standby Capacity Charge applies as follows:

Tier 1: in the event that the demand (in kW) drawn from the network is between 120.0% and 200.0% of the contracted capacity for a duration of more than 100 seconds continuously.

Tier 2: in the event that the demand (in kW) drawn from the network exceeds 200.0% of the contracted capacity for a duration of more than 10 seconds continuously.

For more details on the use of system charges, please refer to "Industry and Regulation — Electricity Industry in Singapore — Electricity Sales and Consumption in Singapore" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview of Revenue and Expenses — Revenue".

Electricity Transmission and Distribution Network Performance Scheme

The EMA has imposed a network performance scheme, the Standards of Performance (the "SOP Scheme"), on SPPA since August 2004. This is an incident-based performance scheme with financial penalties for not meeting the set performance targets. The SOP Scheme applies to power failure incidents, supply restoration and quality of supply. The SOP Scheme with effect from July 1, 2012 is summarized in the table below. No material financial penalties have been paid by SPPA over the course of the last three financial years.

Service Dimension	Service Indicator	Performance Standard
Reliability of supply	Power failure incidents* caused by failure of, damage to, or operation of Transmission Licensee's equipment or cables	No power failure incidents*
Quality of supply	Voltage dip incidents* due to failure of, damage to, or operation of Transmission Licensee's equipment or cables	No voltage dip incidents*
Restoration of supply	Time taken to restore electricity supply for each power failure due to failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 22kV and below	Not exceeding 3 hours Not exceeding 2 hours in 90% of power failure incidents in each calendar month

* Only incidents where the Transmission Licensee is determined by the EMA to be at fault, would be counted.

Source: EMA, June 29, 2012

Dimension	Description	Financial Penalty
Reliability of supply	Power failure caused by the failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 66kV and above	(i) First incident in the last 365 days - up to **S$1 million** (ii) Second incident in the last 365 days - up to **S$1.5 million** (iii) Third and subsequent incident in the last 365 days – up to **S$2 million**
	Power failure caused by the failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 22kV except for power transformers	(i) First incident in the last 180 days - up to **S$500,000** (ii) Second incident in the last 180 days - up to **S$750,000** (iii) Third and subsequent incident in the last 180 days – up to **S$1 million**
	Power failure caused by the failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 6.6kV and power transformers rated at 22kV	(i) First incident in the last 30 days - up to **S$50,000** (ii) Second and subsequent incidents in the last 30 days – up to **S$100,000**
Quality of supply	Voltage dip due to failure of, damage to, or operation of transmission licensee's equipment/cables rated at 66kV or above	(i) First incident in the last 180 days - **S$50,000** (ii) Second and subsequent incidents in the last 180 days - **S$100,000**

Dimension	Description	Financial Penalty
	Voltage dip due to failure of, damage to, or operation of Transmission Licensee's equipment/cables rated at 22kV	(i) First incident in the last 90 days - **S$10,000** (ii) Second and subsequent incidents in the last 90 days – **S$20,000**
Restoration of supply	Time taken to restore electricity supply for each power failure due to failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 22kV and below	(i) Each and every incident where the restoration time exceeds 3 hours - up to **S$50,000**
	Time taken to restore electricity supply for each power failure due to failure of, damage to, or operation of Transmission Licensee's equipment or cables rated at 22kV and below	(i) More than 10% of the power failure incidents in each calendar month where the restoration time exceeds 2 hours but does not exceed 3 hours - up to **S$50,000**

Source: EMA, June 29, 2012

Electricity Transmission and Distribution Technical Performance Standards

Technical performance standards are currently in effect with respect to five areas of the Transmission Licensee's performance: availability of electricity supply, quality of electricity supply, provision of service, consumer responsiveness and metering services. These technical performance standards are intended to ensure that electricity consumers continue to receive quality services from the Transmission Licensee.

The following sets forth the technical performance standards currently in effect with respect to the Electricity Authorized Business:

Service Dimension	Service Indicator	Service Standard	Performance Target (%)
Availability of supply	Minimum duration of notice of interruption of supply	7 calendar days	95
Quality of supply	Time taken to rectify voltage complaint or limit violation	2 calendar days	95
	Time taken to correct a voltage complaint which requires network reinforcement	6 months	99
Providing supply	Time taken to implement electrification scheme requiring new substations after takeover of substation (up to 22kV)	10 weeks	90
	Time taken to implement service connection requiring cable installation work after premises to be supplied is ready to receive cable	6 weeks	90
Customer Contact	Time taken to reply to written complaint	7 working days	95
Metering services	Time taken to attend to meter problem upon notification	8 calendar days	95

Source: PUB Regulation Department (now taken over by the EMA), December 29, 1995

Gas T&D Business

PowerGas, a wholly-owned subsidiary of SP, is the sole entity licensed to convey gas in Singapore, and was issued with a Gas Transporter Licence by the EMA. As a Gas Transporter licensee, PowerGas is tasked by the EMA to develop, maintain and operate a reliable and efficient gas transmission and distribution network, and facilities such as the ORF and offtake stations that delivers both natural gas and town gas to substantially all gas end users in Singapore.

As of March 31, 2022, PowerGas recorded total assets and RDA debit balances of S$1.155 billion and PowerGas' gas network served approximately 884,000 residential, industrial and commercial gas end users. PowerGas owns the gas transmission and distribution networks in Singapore which include offshore pipelines and two onshore receiving facilities for natural gas from Indonesia and Malaysia, and about 3,600 km of pipelines. PowerGas continues to enhance its network infrastructure to support Singapore's future gas needs and economic growth.

PowerGas was issued with a Gas Transporter Licence by the EMA to convey gas. SP PowerGrid has been granted a Gas Licence as a Gas Transport Agent under the Gas Act to convey gas on behalf of PowerGas, and the Manager is itself regulated by the EMA under the Gas Act.

As of March 31, 2022, PowerGas' gas transmission and distribution network within Singapore comprised:

- 10 km of offshore pipelines;
- about 300 km of high pressure transmission pipelines;
- about 3,300 km of distribution pipelines;
- two onshore receiving facilities for natural gas from Indonesia and Malaysia;
- 30 offtake stations; and
- one gasholder station storing up to 150,000 cubic meters of town gas for daily peak load shaving and emergency use.

The quality and reliability of PowerGas' gas transmission and distribution network has been fundamental to its success. PowerGas achieved SAIDI (System Average Interruption Duration Index) of 0.1979 minute per consumer per year and SAIFI (System Average Interruption Frequency Index) of 0.0024 interruption per consumer per year, as well as 0.028 leaks per km in FY22.

The Gas T&D Business is subject to extensive regulation. The revenue and price controls which limit the tariffs PowerGas may charge its customers are subject to regulatory approval by the EMA. Please refer to a detailed discussion in "— Tariff Regulatory Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA."

Gas Transmission and Distribution Operations

In operating the Gas T&D Business, PowerGas' core areas of activities include network management, network planning and development, gas market operation and administration, and regulatory management. Through these core activities, PowerGas maintains a secure and reliable transmission and distribution network that enables transportation of gas to end users in an economical, efficient, safe and timely manner while meeting the EMA's performance standards.

PowerGas' gas transmission and distribution network serves approximately 884,000 residential, industrial and commercial gas end users as of March 31, 2022.

Reliability of Gas Transmission and Distribution Network

SP Group believes that the reliability of PowerGas' gas transmission and distribution network has been fundamental to its success. The adoption of industry best practice in asset management and preventive maintenance has enabled PowerGas to deliver gas to the end users with fewer interruptions. The quality of gas transmission network also allows delivery of natural gas to the power stations that requires continuous high pressure natural gas supply.

All gas transmission and distribution pipelines are designed and constructed in accordance with industry codes. Prior to commissioning, all newly constructed gas transmission and distribution pipelines are pressure tested to ensure their integrity.

PowerGas' gas transmission pipelines are protected by the Impressed Current Cathodic Protection System and undergo pipeline integrity inspection. The equipment in the ORF and offtake stations are also designed with redundancies where required.

PowerGas conducts regular leak surveys on its gas distribution pipelines and implement a mains renewal program for ageing distribution pipelines.

SP Group believes that these measures have been effective in safeguarding the reliability and quality of PowerGas' gas transmission and distribution services. The average age of PowerGas' existing gas transmission and distribution pipelines is generally less than 25 years.

SP Group believes that PowerGas has a high network reliability performance. SAIDI, SAIFI and leaks per km are currently the primary indices for network reliability.

PowerGas' SAIDI, SAIFI and leaks per km for FY20 to FY22 are set forth in the table below:

	For the financial year ended March 31,		
Measure	**2020**	**2021**	**2022**
SAIDI[(1)] (minutes)	0.2637	0.4223	0.1979
SAIFI[(2)]	0.001877	0.002403	0.002405
Leaks/km[(3)]	0.03	0.02	0.03

Notes:

(1) SAIDI represents the average unplanned outage duration experienced per consumer per annum.

(2) SAIFI represents the average number of unplanned interruptions per consumer per annum.

(3) Leaks/km represents.

Gas Transmission and Distribution Network Assets

PowerGas operates a network of about 3,600 km pipelines that facilitates the transmission and distribution of piped gas. The entire network is mainly underground except where the pipes cross over canals or enter into buildings. The network operates at the following pressure regimes:

- High-pressure natural gas transmission at 28 / 40 barg
- Medium-pressure natural gas distribution at 3 / 5.5 barg
- Town gas transmission at 3 barg
- Low-pressure town gas distribution at 0.5 / 0.02 barg

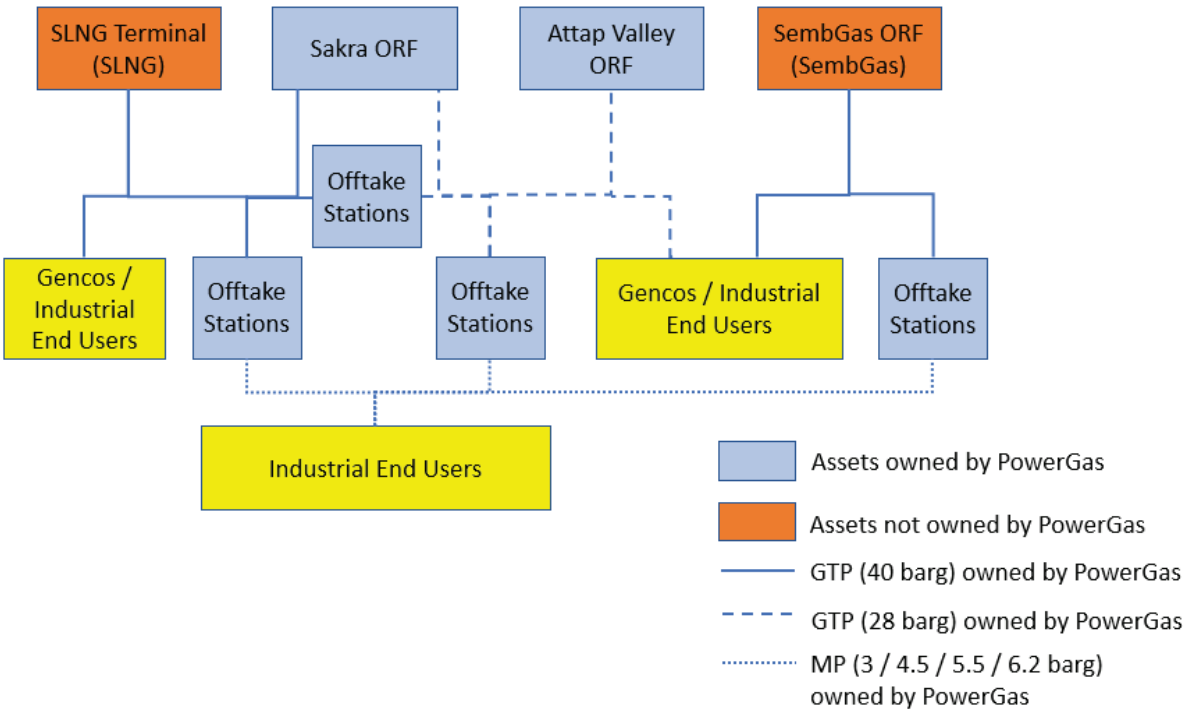
PowerGas' gas transmission pipeline is designed to carry gas at high pressure. While all the joints of the pipeline are welded, the pipeline is protected against corrosion with high density polyethylene external coating and cathodic protection system. The pipeline is generally embedded 1.6 meters in the ground. Above-ground warning markers are erected in the vicinity of the pipeline to indicate its existence and to inform third parties working in the area to contact PowerGas prior to any excavation near the high-pressure pipelines.

The primary components of PowerGas' transmission and distribution network assets include:

- High pressure offshore pipelines from the international deemed border to Singapore conveying natural gas from Indonesia and Malaysia;
- Onshore transmission and distribution pipelines;
- Onshore Receiving Facilities receiving natural gas from Indonesia and Malaysia; and
- Gasholder station.

Natural Gas Transmission and Distribution Network

The following diagram illustrates the basic structure of PowerGas' natural gas transmission and distribution network:



High Pressure Offshore Pipelines

PowerGas currently operates two submarine pipelines, a 9 km submarine pipeline from Singapore-Indonesia deemed border to Sakra ORF at Jurong Island transporting natural gas from South Sumatra to Singapore; and another 1 km submarine pipeline from Singapore-Malaysia deemed border to Attap Valley ORF at Attap Valley Road transporting natural gas from Malaysia to Singapore. Both the submarine pipelines are protected by rock armour. The offshore pipelines are terminated at the ORF and injected into the gas transmission networks.

Natural Gas Transmission and Distribution Pipelines

The primary network assets are the underground gas transmission and distribution pipelines. There are about 200 km of natural gas transmission pipelines operating at high pressures of 40 barg and 28 barg within Jurong Island and Singapore's mainland.

The gas transmission pipelines are made of carbon steel with sizes ranging from 100mm to 700mm in diameters and they serve the various power stations and some industrial customers with co-generation / tri-generation plants. The high pressures are also stepped down at the offtake stations located strategically around the island to 3 barg or 5.5 barg and injected into the gas distribution networks.

The natural gas distribution pipelines are made of polyethylene with sizes ranging from 125mm to 315mm in diameters. The gas distribution networks serve the small and medium industrial and commercial customers.

ORF

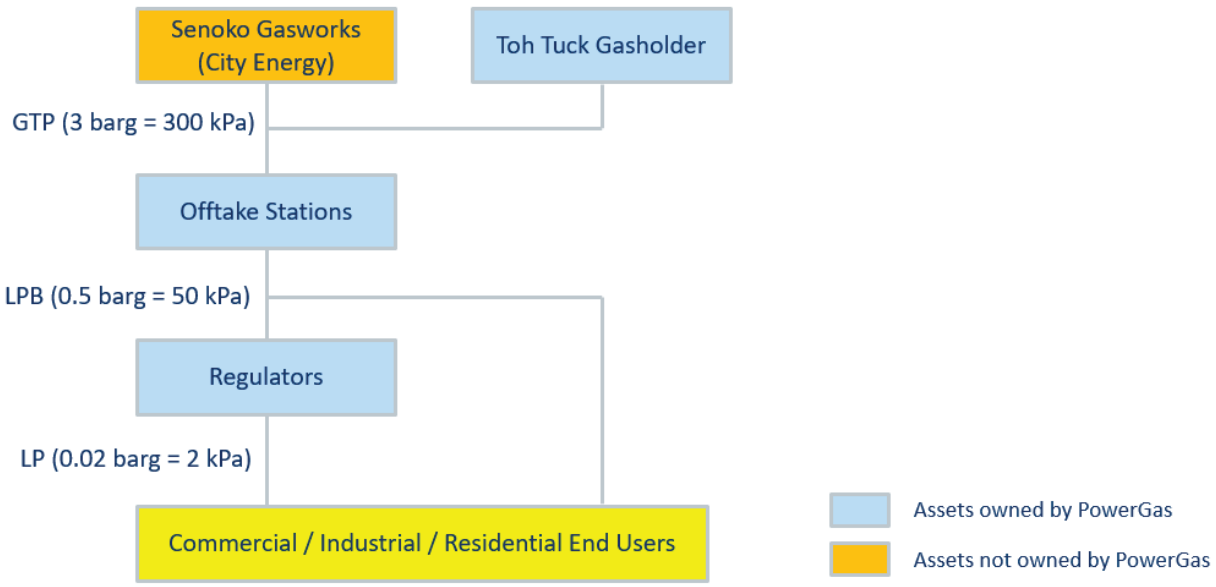
PowerGas owns and operates two ORFs that receive natural gas from South Sumatra (Indonesia) and Plentong (Malaysia). The ORFs have equipment such as gas filters that provides filtration of the incoming natural gas, gas chromatography and analyzers to measure the quality of gas, ultrasonic gas meters for billing purposes, water bath heaters to heat up the gas temperature, pressure regulators to step down and maintain a stable injection pressure before injecting into the gas transmission networks etc. Gas transported through the offshore pipelines will flow through the ORF before entering the onshore gas pipeline network.

Offtake Stations

The offtake stations are facilities that contain pressure regulators to step down the gas pressure between the gas transmission and distribution networks.

Town Gas Transmission and Distribution Network

The following diagram illustrates the basic structure of PowerGas' town gas transmission and distribution network:



Town Gas Transmission and Distribution Pipelines

There are approximately 80 km of town gas transmission pipelines operating at pressures of 3 barg within Singapore's mainland. The town gas transmission pipelines are mainly carbon steel pipes with sizes ranging from 400mm to 600mm in diameters. The 3 barg gas pressure is stepped down at the offtake stations located strategically around the island to 0.5 barg and injected into the town gas distribution networks.

The town gas distribution network comprised about 50% of ductile / iron pipelines and 50% of polyethylene pipelines with sizes ranging from 25mm to 600mm in diameters. There is a mains renewal/ replacement program to renew or replace the iron pipelines with polyethylene pipelines. The town gas distribution networks serve the small and medium industrial and commercial customers, as well as residential customers.

Toh Tuck Gasholder

The spherical Toh Tuck Gasholder Station provides town gas storage for daily peak shaving and emergency use. It is designed to store up to about 150,000 standard cubic meters of gas at a pressure of 8 barg.

Protection System

In the event of a serious network fault such as a major gas leak at the transmission pipeline, there are remote controlled valves that can isolate the affected section of the pipeline to contain the impact and effect of the fault. In the event of a supply disruption, a set of procedures called "Implementation of Curtailment Procedures", approved by EMA, will curtail the offtaking of gas to end users based on the principles laid out in the Gas Network Code until the balance of supply and demand has been regained and system stability resumed.

In addition, a number of preventive measures are in place to protect the key network installations from terrorist attack and intrusion. Physical protection measures such as fence intrusion detection systems, closed circuit TV systems, anti-crash vehicle barriers and access control systems have been enhanced at key installations, which are also under 24-hour surveillance.

PowerGas' gas transmission pipeline routes are patrolled regularly by SP Group's Earthworks Surveillance and Patrolling field enforcement officers. A CCTV system has been installed to allow remote monitoring on the majority of the natural gas transmission pipeline routes. SP Group believes that the underground gas transmission pipelines offer protection from acts of terrorism or sabotage due to their comparatively greater difficulty of access and reduced prominence.

SP Group has established a 24/7 security command center to monitor the gas facilities and has also procured terrorism insurance coverage for the key network assets. There can be no assurance that such measures will be successful in mitigating the effects of any terrorist acts in Singapore.

See "— Insurance" for a discussion of SP Group's insurance policies.

Operation and Control of Gas Transmission and Distribution Network

System Operation

As a gas system operator, PowerGas is responsible for maintaining the overall system security and monitoring the quality of gas introduced into the gas network. To ensure the efficient management of the gas transportation network, PowerGas uses the SCADA systems to operate its network system. These systems provide real-time monitoring and control of the gas network, ensuring the quality and safety of the transmission and distribution operations.

Supervisory Control and Data Acquisition

SCADA is an online computerised system that monitors and controls the gas network, to ensure a reliable and uninterrupted gas supply to customers. It regulates gas flow and pressure remotely.

The system also monitors and controls gas facilities such as offtake stations, line valve stations, distribution regulator stations and provides advance warning of any abnormal conditions. Faults can then be isolated and corrective action taken to maintain the integrity and security of the gas network.

Gas Transportation IT System Solution ("GTSS")

GTSS is an IT application system designed in accordance with the requirements of the Gas Network Code. This system is essential in supporting the operation of the gas market round the clock. It facilitates the operations and transactions carried out by market participants such as Gas Shipper Licensees and the Gas Transporter Licensees. Some of the system functions include market settlement, commodity variance, trading, nomination of gas injection and offtake for the network and meter reading management.

Gas and Electric Mapping System

GEMS is a geographic information system that maps the location of gas pipelines and facilities in Singapore. This information is used facilitate the operations and maintenance of the gas transmission and distribution networks. The information is also used for planning of new connections to customers. It is mandatory for contractors who are carrying out excavation or other earthworks to purchase services plans to ascertain locations of the gas pipes. This is to prevent accidental damage to the gas pipes.

Gas Leak Survey Program

Gas leak surveys are conducted to ensure the safety and integrity of PowerGas' gas distribution network. Every year, over 3,000 km of gas mains are surveyed to preemptively detect gas leaks. In the city, gas leak surveys are carried out more intensively on a monthly basis.

Gas leak surveys are conducted with the aid of highly sensitive gas detectors, which can pick up presence of combustible gas in very low concentrations. During the gas leak surveys, PowerGas also checks on the conditions of exposed gas pipes, pipe supports crossing over drains and construction activities in the vicinity of the pipelines.

PowerGas' Gas Licences

Overview

Under the Gas Act, a gas licence is required by any person who wishes to, among others, convey gas or to convey gas for and on behalf of a Gas Transporter. This section sets out a brief summary of the conditions of the gas licences held by subsidiaries within SP Group to carry out such activities.

Gas Transporter Licence

The word "convey" is defined in the Gas Act as the transmission or distribution of gas by means of gas pipes. The Gas Act makes it an offence to convey gas unless authorized to do so by a gas licence or pursuant to an exemption granted by the EMA.

PowerGas, through the Gas Transporter Licence, is currently the sole entity licensed to convey gas in Singapore.

The Gas Act provides that it is PowerGas' duty as a Gas Transporter Licensee to (a) develop and maintain a safe, efficient, reliable and economical gas pipeline or gas pipeline network for the conveyance of gas; (b) subject to paragraph (a), comply, so far as it is economical to do so, with any reasonable request to connect to that gas pipeline or gas pipeline network, and convey gas by means of that gas pipeline or gas pipeline network to, any premises; and (c) carry on its licensed gas business at all times in such a manner so as not to prevent, restrict or otherwise hinder the development of competition in any gas market in Singapore. Additionally, it is PowerGas' duty as a Gas Licensee to avoid undue preference or undue discrimination in the terms on which it undertakes the conveyance of gas by any gas pipeline or gas pipeline network owned by, or under the management or control of, PowerGas, or in the connection of premises to such a gas pipeline or gas pipeline network.

The EMA may not terminate PowerGas' Gas Transporter Licence except by giving PowerGas 25 years' notice, or otherwise revoking the Gas Transporter Licence in accordance with the Gas Act (including where the EMA is satisfied that PowerGas has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore so requires). See "Industry and Regulation — Gas Industry in Singapore — Powers of the EMA to Control Gas Licensees". Any request by PowerGas to terminate the Gas Transporter Licence is subject to the approval of the EMA and PowerGas continues to be bound by the terms of the Gas Transporter Licence until such time as the EMA notifies PowerGas in writing of such approval. Under the Gas Act, the Gas Transporter Licence is not transferable to any other person without the approval in writing from the EMA and any purported transfer of the Gas Transporter Licence shall be void.

Conditions of the Gas Transporter Licence

The main conditions contained in the Gas Transporter Licence include those set out below.

Authorized Activities

PowerGas is licensed to conduct the Gas T&D Business, and may, upon EMA's approval in writing and subject to such conditions as EMA may impose at the time of approval or any time thereafter, engage in allowed activities that (a) PowerGas is already competent in; and (b) provide synergies with the activities comprised in the Gas T&D Business. Save as aforesaid, PowerGas is not permitted to engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities. PowerGas must also procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the EMA a gas licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.

Dealings with Subsidiaries/ Related Enterprises

In any event, PowerGas is not permitted to provide or receive any cross-subsidies between its regulated Gas T&D Business and any other business or allowed activity of PowerGas or of PowerGas' subsidiaries or related enterprises, except as the EMA may otherwise approve in writing. PowerGas is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises, and, except with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Separate Accounts for Gas T&D Business

PowerGas has to prepare separate accounts for the Gas T&D Business and provide the EMA with PowerGas' accounting statements, and procure, in respect of its accounting statements, a report by PowerGas' auditor addressed to the EMA, stating its opinion as to whether PowerGas' accounting statements have been properly prepared in accordance with the Gas Transporter Licence and whether they give a true and fair view of revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Gas T&D Business. PowerGas is required to deliver to the EMA a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by PowerGas in the course of or in relation to the Gas T&D Business (other than information which is already publicly available) is confidential and PowerGas has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by PowerGas except in certain specified circumstances, (ii) is not used by PowerGas for any purpose other than that for which such information was provided or for a purpose permitted by the Gas Transporter Licence, any applicable code of practice, the Gas Network Code, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by PowerGas for any commercial advantage in the provision of any service other than a service comprised in the Gas T&D Business. If requested by the EMA, PowerGas is required to procure from its auditors a certificate to confirm that PowerGas is in compliance with its confidentiality obligations under the Gas Transporter Licence.

Investigation of Offences

If PowerGas becomes aware that it may not have complied with any of the conditions of the Gas Transporter Licence, or suspect that any other Gas Licensee has breached its gas licence or any applicable legislation, PowerGas is required to report the same to the EMA and provide the EMA with such assistance and co-operation in connection with any prosecution proceedings arising therewith.

Licence Fee

PowerGas pays the EMA an annual licence fee in respect of the Gas Transporter Licence. The amount of the fee is determined by the EMA (in accordance with the terms and conditions as set out in the Gas Transporter Licence) on or before April 1 of each year, and is to be paid by PowerGas by April 30 of each year. If PowerGas fails to pay the licence fee in full when due, the EMA may require PowerGas to pay late payment interest on the unpaid amount.

Governance

None of PowerGas' directors may be employed by or hold any office or engagement with any person authorized by a gas licence or exempted from the obligation to hold a gas licence, to engage in the shipping or retailing of gas, production of town gas or the import of natural gas or liquefied natural gas. None of PowerGas' directors may be employed by or hold any office or engagement with any person authorized by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in the generation, retail, import or export of electricity or trade in any wholesale electricity market. The EMA may, on such terms as it may specify in writing and notify to PowerGas, waive or vary any of such requirements.

PowerGas is required to notify the EMA of changes in its shareholding structure, as required pursuant to Section 63B of the Gas Act. See "Industry and Regulation — Gas Industry in Singapore — Powers of the EMA to Control Gas Licensees".

PowerGas is also not permitted to, directly or indirectly through its related enterprises acquire or hold any shares in any person authorized by an electricity licence or gas licence, or exempted from the obligation to hold a gas licence or an electricity licence, to engage in any such activities. The EMA may, on such terms as it may specify in writing and notify to PowerGas, waive or vary any of such requirements.

Prices for PowerGas' Gas Transmission Services

PowerGas' charges for the provision of transmission services are set annually based on a cost recovery methodology, which is developed by PowerGas and approved by the EMA, and is subject to a regulated price cap. The EMA's approval must also be obtained for any revisions to the charging structures and charges. PowerGas is required to publish the approved charges with such detail as shall be necessary to provide an indication of the cost likely to arise in respect of work done and materials used in connecting any premises to PowerGas's gas mains network.

Developmental Work / Development of Codes of Practice

The EMA may from time to time require PowerGas to perform or participate in research and development activities, and to co-operate with other gas licenses to perform research and development activities in relation to the conduct of the Gas T&D Business. PowerGas has to participate in the development of any code of practice and standard of performance if such code of practice or standard of performance will directly or indirectly affect the Gas T&D Business.

Special Conditions of Gas Transporter Licence

The Gas Transporter Licence also requires PowerGas to comply with certain special conditions applicable to the conveyance of gas, the conveyance of natural gas, the conveyance of town gas and conversion of PowerGas' town gas system and the operating and management of PowerGas' onshore receiving facilities.

Gas Transport Agent Licence

SP PowerGrid, through the Gas Transport Agent Licence, is licensed to convey gas for and on behalf of PowerGas.

The Gas Transport Agent Licence shall terminate upon the expiry or earlier termination of the Gas Transporter's licence granted to PowerGas, unless revoked by the EMA in accordance with the Gas Act (including where the EMA is satisfied that SP PowerGrid has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore so requires). See "Industry and Regulation — Gas Industry in Singapore — Powers of the EMA to Control Gas Licensees". Any request by SP PowerGrid to terminate the Gas Transport Agent Licence is subject to the approval of the EMA and SP PowerGrid shall continue to be bound by the terms of the Gas Transport Agent Licence until such time as the EMA notifies SP PowerGrid in writing of such approval. Under the Gas Act, the Gas Transport Agent Licence is not transferable without the approval in writing of the EMA and any purported transfer of the Gas Transport Agent Licence shall be void.

Conditions of Gas Transport Agent Licence

The main conditions contained in the Gas Transport Agent Licence include those set out below.

Authorized Activities

SP PowerGrid is licensed to conduct the Gas Transport Agent Business and may, upon the EMA's approval in writing and subject to such conditions as the EMA may impose at the time of approval of any time thereafter, engage in allowed activities that (a) use an existing competency of SP PowerGrid; and (b) provide synergies with the activities comprised in the Gas Transport Agent Business. Save as aforesaid, SP PowerGrid is not permitted to engage directly or indirectly in any other business activity or voluntarily commit to any liability in relation to such other business activity. SP PowerGrid must also procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the EMA a gas licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.

In any event, SP PowerGrid is not permitted to provide or receive any cross-subsidies between its regulated Gas Transport Agent Business and any other business or allowed activity of SP PowerGrid or of SP PowerGrid's subsidiary or related enterprises except as the EMA may otherwise approve in writing. SP PowerGrid is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises and, except with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Separate Accounts for Gas Transport Agent Business

SP PowerGrid has to prepare separate accounts for the Gas Transport Agent Business and provide the EMA with its accounting statements, and procure, in respect of its accounting statements, a report by SP PowerGrid's auditors addressed to the EMA, stating its opinion as to whether SP PowerGrid's accounting statements have been properly prepared in accordance with the Gas Transport Agent Licence and whether they give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Gas Transport Agent Business. SP PowerGrid is required to deliver to EMA a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by SP PowerGrid in the course of or in relation to the Gas Transport Agent Business (other than information which is already publicly available) is confidential and SP PowerGrid has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by SP PowerGrid except in certain specified circumstances, (ii) is not used by SP PowerGrid for any purpose other than that for which such information was provided or for a purpose permitted by the Gas Transport Agent Licence, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by SP PowerGrid for any commercial advantage in the provision of any service other than a service comprised in the Gas Transport Agent Business or any applicable code of practice. If requested by the EMA, SP PowerGrid is required to procure from its auditors a certificate to confirm that SP PowerGrid is in compliance with its confidentiality obligations under the Gas Transport Agent Licence.

Investigation of Offences

If SP PowerGrid becomes aware that it may not have complied with any of the conditions of the Gas Transport Agent Licence, or suspects that any other Gas Licensee has breached its gas licence or any applicable legislation, or any other person has breached the relevant legislation, SP PowerGrid is required to report the same to the EMA and provide the EMA with such assistance and co-operation in connection with any prosecution proceedings arising therewith.

Licence Fee

SP PowerGrid pays the EMA an annual fee in respect of the Gas Transport Agent Licence. The amount of this fee is determined by the EMA (in accordance with the terms and conditions as set out in the Gas Transport Agent Licence) on or before April 1 of each year, and is to be paid by April 30 of each year. If SP PowerGrid fails to pay the licence fee in full when due, the EMA may require SP PowerGrid to pay late payment interest on the unpaid amount.

Governance

None of SP PowerGrid's directors may be employed by or hold any office or engagement with any person authorized by a gas licence or exempted from the obligation to hold a gas licence, to engage in the shipping or retailing of gas, production of town gas or the import of natural gas or liquefied natural gas. None of SP PowerGrid's directors may be employed by or hold any office or engagement with any person authorized by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in the generation, retail, import or export of electricity or trade in any wholesale electricity market. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

SP PowerGrid is also not permitted to directly or indirectly through its related enterprises acquire or hold any shares in any person authorized by an electricity licence or a gas licence or exempted from the obligation to hold an electricity licence or a gas licence, to engage in any such activities. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

SP PowerGrid is required to notify EMA of any acquisition by a person of an equity interest in SP PowerGrid of 5% of more within five days of SP PowerGrid becoming aware of the acquisition.

Performance Monitoring

SP PowerGrid is required to submit to EMA, at EMA's request and in accordance with any process or principles EMA may issue, a proposal specifying the performance measures against which SP PowerGrid's performance in conducting the Gas Transport Agent Business and of PowerGas in conducting the Gas T&D Business may be measured. SP PowerGrid is also required to collect and report statistics of other performance measures as may be requested by EMA in writing and submit to EMA, within 90 days after the start of its financial year or within 30 days of such other date as stipulated by EMA, a report indicating the performance of SP PowerGrid in respect of its Gas Transport Agent Business and of PowerGas in conducting the Gas T&D Business during the previous financial year against the agreed performance measures.

Developmental Work / Development of Codes of Practice

The EMA may from time to time require SP PowerGrid to perform or participate in research and development activities and co-operate with other Gas Licensees to perform research and development activities in relation to the conduct of the Gas Transport Agent Business.

SP PowerGrid may participate in the development of any code of practice or standard of performance if it will directly or indirectly affect the Gas Transport Agent Business of SP PowerGrid or the Gas T&D Business of PowerGas.

SP PowerGrid may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the EMA in writing of the proposed modification. The EMA may review the proposed modification and determine whether the proposed modification should be made.

Dealing(s) with PowerGas

SP PowerGrid is required to ensure that the PowerGas Management Services Agreement and any modifications thereto do not affect the ability of SP PowerGrid to discharge its responsibilities under the Gas Transport Agent Licence. SP PowerGrid has to give the EMA no less than 30 days' prior written notice of any modification to the terms and conditions of the PowerGas Management Services Agreement and shall not terminate such agreement without EMA's prior written consent. The EMA may, on such terms as it may specify in writing and notify to SP PowerGrid, waive or vary any of such requirements.

Competition

The Gas T&D Business is subject to extensive regulation by the EMA. PowerGas is dependent on the retention of its Gas Transporter Licence for the conduct of its business. PowerGas currently holds the sole Gas Transporter Licence in Singapore granted by the EMA, and is therefore effectively the only choice for gas transportation and distribution services for gas consumers in Singapore.

No assurance can be given that the EMA will not fundamentally alter PowerGas' business environment or affect its business in the future.

For example, the EMA has the power to:

- authorize a competing Gas Transporter Licensee to operate other gas transmission and distribution facilities in Singapore; and

- make changes to the regulatory framework for the energy industry or the code of practices for Gas Licensees from time to time.

Should any of these actions be implemented, SP Group's revenues could be reduced and its business and results of operations could be adversely affected. Such an action could also adversely affect PowerGas' network utilization rate and result in SP Group possessing overbuilt or underutilized network assets and capacity.

Customers, Billing and Collection

The customers served by PowerGas' gas transmission and distribution network consist of Gas Shipper Licensees, Gas Retailer Licensees and Gas Importer Licensees.

PowerGas' natural gas transmission and distribution networks serve the Gas Shipper Licensees and Gas Retailer Licensees, respectively. However, they have a diverse mix of generation companies, industrial and commercial end users.

PowerGas' town gas network serves one Gas Retailer Licensee who has a diverse mix of industrial, commercial and residential end users.

Diversity in the end user base helps to shield PowerGas from severe fluctuations in gas demand resulting from downturns in specific industries.

The customers served by PowerGas' gas transmission and distribution network are billed on a monthly basis except for the Gas Retailer Licensee for town gas who is billed on a weekly basis. The billing and collection arrangement is governed by the terms and conditions as set out in the Gas Network Code and respective contracts.

PowerGas minimizes its credit exposure from its customers by collecting a security deposit. For each natural gas customer, PowerGas requires a security deposit of three months of tariff revenue in the form of a banker's guarantee or cash deposits. In the event of its customers defaulting payment, PowerGas can realize the customer's security or make a call on the banker's guarantee. If the need arises, the defaulting customer can have its status terminated (i.e. cease to be a Gas Shipper Licensee) upon endorsement from the EMA. These procedures mitigate PowerGas' credit risk and are governed by the Gas Network Code. For the Gas Retailer Licensee of town gas, PowerGas requires a banker's guarantee equivalent to S$1 million and PowerGas lowers its exposure to credit risk by having a short billing cycle of seven days.

Tariff Regulatory Framework for the Gas T&D Business

Performance-Based Regulation and Revenue / Price Controls set by the EMA

The Gas T&D Business is subject to extensive legislation. PowerGas' network tariffs for the transmission and distribution of gas are regulated and approved by the EMA pursuant to regulatory revenue and price controls. Based on an average taken from FY20 to FY22, a significant portion of PowerGas' annual revenue[23] and other income were derived from regulated tariff revenues. Revenue for the Gas T&D Business, which is regulated by the EMA using a building block calculation which has been adopted since 2008, is computed as the value of the regulated asset base for the Gas T&D Business multiplied by the regulatory WACC for the Gas T&D Business, to which operating expenses, depreciation and taxes are added. The WACC for the Gas T&D Business was retained at 6.00% (nominal after tax) for the first year of the current five-year regulatory period which commenced on April 1, 2020, and subsequently adjusted to 5.38% (nominal after tax) for the second to fifth year. The regulated asset base for the Gas T&D Business was S$969 million. Such regulated asset base used for tariff computation excludes customer contributions. The methodology in the building block calculations used by the EMA to regulate the revenue for the Gas T&D Business in respect of the current five-year regulatory period which commenced on April 1, 2020 will also apply to the subsequent five-year regulatory period commencing April 1, 2025. However, the WACC for the subsequent and future five-year regulatory periods may be higher or lower depending on the actual parameters used to determine the WACC for the relevant period.

The revenue and price controls are applicable to the respective transmission and distribution networks. The gas network is divided into the following four segments for the purpose of revenue and price controls.

Revenue control

- Transmission Network 1 which conveys natural gas from West Natuna, Indonesia; and
- Transmission Network 2 which conveys natural gas from South Sumatra, Indonesia, Malaysia and LNG Terminal.

Price control

- Natural Gas ("NG") Distribution Network which conveys natural gas to small commercial and industrial users; and
- Town Gas Network which conveys gas to mainly the domestic, commercial and industrial customers.

The regulatory framework is performance-based, which allows PowerGas to retain, during each regulatory period, the benefits of operating efficiency gains achieved in such regulatory period and earn incentives from savings in operating and capital expenditure. These benefits are in the subsequent regulatory period enjoyed by consumers.

The opening regulated asset base for the Gas T&D Business was determined by subtracting the deferred revenue balance from PowerGas' net book value of fixed assets for the Gas T&D Business, where the deferred revenue balance represents PowerGas' cumulative customer contributions. PowerGas is incentivized to reduce its cost of capital by increasing leverage and achieving an optimal capital structure.

PowerGas' five-year building block revenue requirement forecast for each network segment is translated into:-

- five-year revenue control formula for the Transmission Networks 1 & 2; and
- five-year price control formula based on five-year forecasts of total volume of gas distributed for the natural gas distribution network as well as the town gas network.

[23] "Revenue" of PowerGas in this context has the meaning set out on pages vii-ix of this Offering Circular.

In addition, the regulatory framework allows for adjustment to the annual revenue/price caps for the individual networks to take into account those project costs which have not been included in the regulatory submission. Under this mechanism, the adjustment is effected through the OS-factor or E-factor in the respective revenue/price control formulas for the network segments.

The transportation charges are set annually and are levied on the Gas Shipper Licensees and the Town Gas Retailer. The end-user tariffs are set by Gas Shipper Licensees and the Town Gas Retailer to their end users through commercial contracts. PowerGas has the ability to vary its tariff structure and set the annual charges, subject to EMA approval. Based on the licence conditions, PowerGas is required to use its best endeavors to attain transportation revenue/price for the respective market segment not greater than the price/ revenue controls established by the EMA.

Under the present regulatory framework, PowerGas is exposed to certain revenue/volume risk for the Gas T&D Business. If the amount of gas that PowerGas transports at the transmission/distribution level is materially different to the level assumed in the building block calculation, PowerGas' revenues will be affected. PowerGas absorbs any applicable revenue/volume variance each year within a +/-2.0% deviation from the applicable regulated revenue/volume forecast approved by EMA. If the deviation is greater than the 2.0% band, the present regulatory framework allows PowerGas to adjust the applicable revenue/price controls within the current regulatory period.

The implementation of the +/-2.0% revenue/volume band effectively mitigates PowerGas' revenue risk.

However, for the natural gas distribution network and town gas network which are under the price control formula, PowerGas is fully exposed to the risk that the volume of gas transported for its natural gas distribution network and town gas network with respect to consumer segments will be different from that assumed in the annual regulatory price cap. The EMA does not apply any limit to the revenue exposure arising from changes in demand mix between PowerGas' customer segments.

In view of the COVID-19 pandemic, EMA agreed on an exceptional basis to suspend the +/-2.0% deviation band and allow for full recovery of revenue loss for PowerGas' town gas network for FY21, as described in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations — COVID-19 Impact and Response". This suspension has not been further extended beyond FY21 for PowerGas' town gas network.

Revenue

Revenue consists of gas transportation charges. Revenue is recognized when gas is delivered to consumers. Allowed revenue is calculated by multiplying the units of gas transmitted or distributed for each consumer segment over a given period by the tariffs for the respective consumer segment in accordance with the price regulation framework approved by EMA. Revenue allowed by the EMA (in accordance with the price regulation framework) is adjusted based on the services rendered and deferred over the regulatory period. At the end of each regulatory period, any outstanding balance is taken to profit or loss as revenue.

The EMA approves the tariffs to be charged to consumers in respect of any period of time. These tariffs are determined by PowerGas' projected capital and operating expenditures.

PowerGas has flexibility (subject to regulatory approval) to set the tariffs with respect to the various consumer segments, and to vary the tariff structure between such consumer segments, as long as the average network tariff is consistent with the revenue/price controls established by the EMA.

Gas Transmission and Distribution Network Tariffs

The EMA has approved different schedules of gas transportation tariffs to reflect the corresponding cost of providing gas transmission and distribution services for the four gas networks. Gas transportation tariffs generate a substantial portion of PowerGas' total revenues, and include a number of variable components which are usage-sensitive as well as fixed components which are not usage-sensitive. Information on transportation tariffs is made available effective April 1, 2022 until March 31, 2023.

As described in more detail in the section "Industry and Regulation — Gas Industry in Singapore — The Restructured Gas Market", arising from EMA's Policy Paper issued to the industry dated September 30, 2019 and the Directive to PowerGas dated October 1, 2019, a GSC is imposed on PNG and LNG gas users, respectively, with effect from November 1, 2019 to recover the cost associated with Strategic Capacity (as defined in the said EMA's Policy Paper). The Transporter will collect the GSC from all Shippers as an agent for and on behalf of SLNG.

(a) Gas Shipper Licensees with end users offtaking gas at high pressure

Transmission tariffs are applicable for Gas Shipper Licensees with end users offtaking gas at high pressure. Transmission tariffs consist of capacity and usage charges. Gas Shipper Licensees enter into capacity bookings with PowerGas to transport gas from designated injection points to offtake points. Gas Shipper Licensees pay entry and exit charges based on their respective booked capacity. In addition, usage charge is levied on the volume of gas transported. These transmission charges do not include specific cost items such as cost of metering stations. Specific costs are determined on a case-by-case basis for inclusion into the final transmission charges.

Table 1: Transmission Charges

	Entry Capacity Charge per annum (S$/MMBtu/hr)	**Exit Capacity Charge per annum (S$/MMBtu/hr/km)**	**Transmission usage charge (S$/MMBtu)**
Transmission Network 1 (Locational)	603.04	39.18	0.0059
Transmission Network 2 (Locational)	1,350.63 (Attap Valley Injection Point)		
	982.32 (Sakra Injection Point)	38.69	0.0119
New Pipeline – utilized	278.91	278.91*	0.0034
New Pipeline – excess	248.32	248.32*	0.0036
GSC for PNG Injection Point	N.A	N.A	0.0200
GSC for LNG Injection Point	N.A	N.A	0.0100

* in $/MMBtu/hr per annum

Note: The above charges do not include GST.

For Gas Shipper Licensees with small transmission end users (i.e. requiring gas at high pressure, but with load of less than or equal to 5 bbtud), the following transportation charges apply:

Table 2: Transmission Charges for shippers with small transmission end users

	Entry Capacity Charge per annum (S$/MMBtu/hr)	**Exit Capacity Charge per annum (S$/MMBtu/hr)**	**Transmission usage charge (comprising non-GSC and GSC) (S$/MMBtu)**
Transmission Network 1	851.36	4,366.57	0.0133+0.0200
Transmission Network 2 (Attap Valley)	1,598.95	3,618.97	0.0133+0.0200
Transmission Network 2 (Sakra)	1,230.64	3,987.28	0.0133+0.0200
Transmission Network 1 (LNG)	1,087.38	4,688.35	0.0167+0.0100
Transmission Network 2 (LNG)	1,212.87	4,562.86	0.0167+0.0100

Note: The above charges do not include GST

(b) Gas Shipper Licensees with natural gas distribution end users

The Distribution tariff is made up of two components (i.e. a Transmission Charge component and a Distribution Charge component) which are shown in Table 3 and Table 4 respectively.

Table 3: Transmission Charges for shippers with natural gas distribution end users

	Entry Capacity Charge (S$/MMBtu/hr) per annum	**Exit Capacity Charge (S$/MMBtu/hr) per annum**	**Transmission usage charge (comprising non-GSC and GSC) (S$/MMBtu)**
Transmission Network 1	851.36	1,627.68	0.0129 + 0.0200
Transmission Network 2 (Attap Valley)	1,598.95	880.09	0.0129 + 0.0200
Transmission Network 2 (Sakra)	1,230.64	1,248.39	0.0129 + 0.0200
Transmission Network 1 (LNG)	1,087.38	1,949.47	0.0164 + 0.0100
Transmission Network 2 (LNG)	1,212.87	1,823.98	0.0164 + 0.0100

Note: The above charges do not include GST.

Table 4: Distribution Charges for Shippers with natural gas distribution end users

	Distribution Charge (S$/Mmbtu)
Natural Gas distribution in JIT	0.814
Natural Gas distribution outside JIT	2.260

Note: The above charges do not include GST.

Shippers will have to pay Overrun Charges in the event the offtake gas is above their booking capacity. These Overrun Charges are necessary to encourage the efficient use of the gas network. There are two types of Overrun Charges:

- Authorized Capacity Overrun Charge: If a Shipper applies for additional capacity above booked capacity (i.e. capacity overrun), the Authorized Capacity Overrun Charge, equivalent to 1.25 times the Capacity Charge rate, shall be applied on the additional capacity.

- Unauthorized Capacity Overrun Charge: If a Shipper does not apply for Authorized Capacity Overrun for utilization of additional capacity above the booking capacity, it will pay two times the Capacity Charge rate for the additional capacity utilized.

Performance Standards

These performance standards are currently in effect with respect to six areas of PowerGas' performance: availability of supply, reliability of supply, gas emergencies, provision of supply, metering services and customer contact. These performance standards are intended to ensure that gas end users continue to receive quality services from the PowerGas.

The following sets forth the performance standards currently in effect with respect to the Gas T&D Business:

No	**Service Dimension**	**Service Indicator**	**Service Standards**	**Performance Target (%)**
1	Availability of Supply	Minimum duration of notice of interruption of gas supply.	2 working days	95
2	Reliability of Supply	Number of gas supply disruption incidents * caused by the failure of, damage to, or operation of the Onshore Receiving Facility.	0	100
		Number of gas supply disruption incidents * caused by the failure of, damage to, or operation of the gas pipeline network rated at 18 barg and above.	0	100
		Number of gas supply disruption incidents * caused by the failure of, damage to, or operation of the gas pipeline network rated at/above 3 barg and below 18 barg.	0	100
		Number of gas supply disruption incidents * caused by the failure of, damage to, or operation of the gas pipeline network rated at/above 200 mbarg and below 3 barg.	0	100

No	Service Dimension	Service Indicator	Service Standards	Performance Target (%)
3	Gas Emergencies	Time taken to respond to all reported gas leakages.	1 hour	100
4	Providing Supply	Time taken to process an application for connection to the gas distribution network and to reply to the applicant.	2 weeks	90
		Time taken to carry out gas service connection from the date when customer's premises are ready to receive connection and where the premises are within gas distribution network.	6 weeks	90
5	Metering Services	Time taken to respond (make appointment, visit or reply) to a metering problem or dispute upon notification.	5 working days	95
6	Customer Contact	Time taken to reply to a written enquiry or complaint.	7 working days	95
7	Restoration of Supply	Time taken to fully restore[1] gas supply after each gas supply disruption incident * in the Onshore Receiving Facility.	≤ 2 hours	100
		Time taken to restore gas supply after each gas supply disruption incident * in the gas pipeline network rated at 18 barg and above.	≤ 2 hours	100
		Time taken to restore gas supply after each gas supply disruption incident * in the gas pipeline network rated at/above 3 barg and below 18 barg.	≤ 2 hours	100
		Time taken to restore gas supply after each gas supply disruption incident * in the gas pipeline network rated at/above 200 mbarg and below 3 barg.	24 hours	100

[1] 'Fully restore' means to restore the send-out quantity to the latest operating schedule.

* Only incidents where the licensee is determined by the Authority to be at fault will be counted.

Source: Energy Market Authority

PowerGas is subject to a network performance scheme administered by the EMA, pursuant to which financial penalties are imposed on the gas transporter for not meeting the set performance targets as summarized in the table below. No material financial penalties have been paid by PowerGas over the course of the last three financial years.

Service Dimension	Service Indicator	Service Standard	Performance Target (%)	Financial Penalty for Contravention
Reliability of Supply	Number of unplanned interruptions or gas supply disruption incidents caused by the failure of, damage to, or operation of the Onshore Receiving Facility (ORF)	0	100	(i) First contravention - Up to $1,000,000 (ii) Second contravention in the last 365 days - Up to $1,500,000 (iii) Third and subsequent contravention in the last 365 days - Up to $2,000,000
	Number of unplanned interruptions or gas supply disruption incidents caused by the failure of, damage to, or operation of the gas pipeline network rated at 18 barg and above	0	100	
	Number of unplanned interruptions or gas supply disruption incidents caused by the failure of, damage to, or operation of the gas pipeline network rated at/above 3 barg and below 18 barg	0	100	(i) First contravention - Up to $100,000 (ii) Second contravention in the last 180 days - Up to $200,000 (iii) Third and subsequent contravention in the last 180 days – Up to $400,000
	Number of unplanned interruptions or gas supply disruption incidents caused by the failure of, damage to, or operation of the gas pipeline network rated at/above 200 mbarg and below 3 barg	0	100	(i) First contravention - Up to $50,000 (ii) Second contravention in the last 30 days - Up to $100,000 (iii) Third and subsequent contravention in the last 30 days - Up to $200,000

Service Dimension	Service Indicator	Service Standard	Performance Target (%)	Financial Penalty for Contravention
Restoration of Supply	Time taken to fully restore gas supply after each unplanned interruption or gas supply disruption incident in the Onshore Receiving Facility	≤ 2 hours	100%	(i) First contravention - Up to $500,000 (ii) Second contravention in the last 365 days Up to $750,000 (iii) Third and subsequent contravention in the last 365 days - Up to $1,000,000
	Time taken to restore gas supply after each unplanned interruption or gas supply disruption incident in the gas pipeline network rated at 18 barg and above	≤ 2 hours	100%	
	Time taken to restore gas supply after each unplanned interruption or gas supply disruption incident in the gas pipeline network rated at/ above 3 barg and below 18 barg	≤ 2 hours	100%	(i) First contravention - Up to $50,000 (ii) Second contravention in the last 180 days Up to $100,000 (iii) Third and subsequent contravention in the last 180 days - Up to $200,000
	Time taken to restore gas supply after each unplanned interruption or gas supply disruption incident in the gas pipeline network rated at/ above 200 mbarg and below 3 barg	24 hours	100%	(i) First contravention - Up to $25,000 (ii) Second contravention in the last 30 days Up to $50,000 (iii) Third and subsequent contravention in the last 30 days - Up to $100,000

Other Sources of Revenue (Offshore Gas Transportation)

Pursuant to PowerGas' Gas Transporter Licence, PowerGas has entered into offshore agreements with the natural gas importers for the use of PowerGas' high pressure offshore pipelines.

In 2001, PowerGas entered into a Singapore Gas Transportation Agreement ("SGTA") with Gas Supply Pte Ltd and Perusahaan Minyak Dan Gas Bumi Negara ("Pertamina") in relation to the use of South Sumatra offshore gas pipeline. The contract commenced in 2003 and will last for a period of 20 years.

In addition, in 2007, PowerGas entered into an Offshore Transportation Agreement ("Keppel OTA") with Keppel Gas Pte Ltd in relation to the use of Attap Valley offshore pipeline. The Keppel OTA was originally for a period of 15 years, but was extended for another eight years up to 2030.

These offshore pipelines are subject to the Gas Act and subsidiary legislation, including the regulations made under the Gas Act, and are governed by transportation agreements between PowerGas and the respective contracting parties. However, they are not subject to the regulatory framework described under "— Tariff Regulation Framework for the Gas T&D Business — Performance-Based Regulation and Revenue/Price Controls set by the EMA".

The Manager and the Management Services Agreements

The Manager, a wholly-owned subsidiary of SP, exclusively manages SP Group's Electricity T&D Business (on behalf of the Electricity T&D Group) and Gas T&D Business (on behalf of PowerGas).

Through the Management Services Agreements, SP Group (through the Manager) exclusively manages and controls the electricity and gas transmission and distribution networks in Singapore.

INVESTMENTS IN AUSTRALIA

Certain information under this section with respect to SP Group's investee 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 SP 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 such investee companies, whether or not included in this Offering Circular.

SP Group has made investments in Australia since 2000. As of June 30, 2022, SP Group holds a 40% interest in SGSPAA. SP Group previously owned an interest in AusNet Services, a company engaged in the transmission and distribution of electricity and gas in Australia, which was listed on the ASX. SP Group disposed of its interest in AusNet Services in full with effect from February 16, 2022, and AusNet Services has since been delisted from the ASX.

Overview of SGSPAA Group

SGSPAA is 60% owned by State Grid International Development Australia Investment Company Limited ("SGIDAIC") and 40% owned by Singapore Power International Pte Ltd ("SPI"), a wholly-owned subsidiary of SP. SGIDAIC is 100% owned by State Grid International Development Limited ("SGID"). SGID is a wholly-owned subsidiary of State Grid Corporation of China ("SGCC") and is the platform for undertaking the overseas investment and operations of SGCC.

For the year ended December 31, 2021, the total consolidated revenue of SGSPAA and its subsidiaries (together, the "SGSPAA Group") was A$1,624.5 million, its profit was A$217.1 million and its total assets amounted to A$11,824.6 million.

SGSPAA Group owns or has an interest in a portfolio of energy infrastructure assets and related businesses (operated under three brands, being Jemena, Ovida and Zinfra with partially-owned interests operated under separate brands, United Energy and Evoenergy).

Jemena is an investor in a portfolio of gas and electricity assets. Ovida is used by SGSPAA for electricity market investments.

Zinfra is a services business providing services to companies within the SGSPAA Group and to third parties. The services business focuses on delivering engineering, design and construction, as well as field based maintenance and operational services across gas and electricity utility infrastructure assets.

The SGSPAA Group's ownership interests as of December 31, 2021 are summarized in the table below.

Business	Interest	Location
Jemena		
(a) Electricity Distribution Assets		
Jemena Electricity Distribution Network ("JEN")	100%	Victoria
(b) Gas Distribution Assets		
Jemena Gas Distribution Network ("JGN")	100%	New South Wales
(c) Gas Transmission Assets		
Eastern Gas Pipeline ("EGP")	100%	New South Wales/ Victoria
Queensland Gas Pipeline ("QGP")	100%	Queensland
Darling Downs Gas Pipeline ("DDP")	100%	Queensland
VicHub Interconnect Facility ("VicHub")	100%	Victoria
Colongra Gas Transmission and Storage Facility ("Colongra")	100%	New South Wales
Northern Gas Pipeline ("NGP")	100%	Northern Territory/ Queensland
Atlas Gas Pipeline and Processing Facility ("Atlas")	100%	Queensland
Roma North Gas Pipeline and Processing Facility ("RNP")	100%	Queensland
Zinfra		
Zinfra	100%	Australia wide
Ovida		
Ovida	100%	New South Wales / Victoria / Queensland / South Australia
Other Investments		
ActewAGL Distribution Partnership ("Evoenergy")	50%	Australian Capital Territory
United Energy Distribution Network ("UED")	34%	Victoria

SGSPAA Group

SGSPAA Group has reorganized its operational structure to establish four market-facing business units, namely Networks which comprise of the Electricity Distribution and Gas Distribution business units, Gas Markets, Electricity Markets and Services & Projects. Several enterprise-wide corporate functions support the enterprise and each of the four market-facing business units. The partially-owned investments, UED and Evoenergy, are operated separately.

As of December 31, 2021, SGSPAA Group owns or has an interest in a portfolio of energy infrastructure assets (as summarized below).

Networks

Networks is a business unit comprising SGSPAA Group's 100%-owned regulated electricity and gas distribution network assets.

(a) Electricity Distribution

The Electricity Distribution business unit is comprised of the Jemena Electricity Network ("JEN"). JEN owns one of the five licensed electricity distribution networks in Victoria ("VIC") which supplies electricity to approximately 360,000 homes and businesses via approximately 6,700 km of distribution network. The network services over 950 square km of northwest greater Melbourne.

(b) Gas Distribution

The Gas Distribution business unit is comprised of the Jemena Gas Network ("JGN"). JGN is a gas distribution network in New South Wales ("NSW") established in 1837. JGN typically delivers 80 to 95 petajoules ("PJ") per annum of natural gas to more than 1.45 million homes and businesses across NSW.

Gas Markets

The Gas Markets business unit is comprised of SGSPAA Group's gas transmission pipeline and related mid-stream assets.

(a) Eastern Gas Pipeline ("EGP")

EGP transports gas 797 km from the Gippsland Basin in VIC to Sydney and regional centers and has a current capacity of approximately 130 PJ of gas per annum.

(b) Queensland Gas Pipeline ("QGP")

The QGP transports gas 627 km from the Surat and Bowen Basins and the Denison Troughs gas fields to Gladstone and Rockhampton in Queensland ("QLD") with a current capacity of approximately 55 PJ of gas per annum.

(c) Darling Downs Transmission Pipeline ("DDP")

The DDP consists of three high pressure gas transmission pipelines in South East Queensland that stretch from the Darling Downs Power Station, via Wallumbilla to Spring Gully. Collectively, the DDP is 292 km in length and provides capacity that varies from approximately 40 terajoules ("TJ") of gas per day to 540 TJ of gas per day according to the direction of flow and inlet pressure at the receipt points.

(d) VicHub Interconnect Facility ("VicHub")

VicHub is a pipeline interconnect situated at Longford, VIC. The facility was commissioned in January 2003 and enables gas to flow between the EGP, the Tasmanian Gas Pipeline ("TGP") and Australian Pipeline Group's ("APA") Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 TJ of gas per day and a withdrawal capacity of 135 TJ of gas per day.

(e) Colongra Gas Transmission and Storage Facility ("Colongra")

Colongra is a 9 km, high pressure gas transmission and storage pipeline delivering gas to Snowy Hydro Limited's peaking power station at Munmorah, NSW.

(f) Northern Gas Pipeline ("NGP")

The NGP is a 623 km pipeline from Tennant Creek in the Northern Territory ("NT") to Mount Isa in QLD. Gas from the Bonaparte and Amadeus basins enters the NGP via the Amadeus Gas Pipeline and is transported to the Carpentaria Gas Pipeline for supply to Mount Isa gas users and the east coast of Australia gas market. The NGP has a capacity of approximately 33 PJ of gas per annum and commenced commercial operations in January 2019.

(g) Atlas Gas Pipeline and Processing Facility ("Atlas")

The Atlas consists of a plant which compresses and dehydrates gas from Senex Energy Limited's ("Senex") 'Atlas' gas field in the Surat Basin in QLD and a 60 km lateral pipeline to transport that gas to the DDP. The Atlas has a capacity of approximately 40 TJ of gas per day. An expansion project is underway to increase the Atlas' capacity to up to 48 TJ of gas per day in response to the increased volumes being produced from the gas fields adjacent to the 'Atlas' gas fields.

(h) Roma North Gas Pipeline and Processing Facility ("RNP")

The RNP consists of a gas processing facility (capable of processing up to 24 TJ of gas per day) and a 5.2 km gas pipeline connected to the facility transporting gas from Senex's 'Roma North' gas field in the Surat Basin in QLD.

Electricity Markets

Electricity Markets is a business unit focused on electricity market investments made by SGSPAA across the value chain with assets in EaaS.

The Ovida brand was established in compliance with the AER's Ring-fencing Guideline (Electricity Distribution) which applies to JEN as a regulated electricity distribution business and requires, amongst other requirements, branding separation with any related entity providing contestable electricity services.

Services & Projects

Zinfra forms part of the Services and Projects business unit, which operates in a competitive contracting services and projects market.

Zinfra provides engineering, design and construction as well as field based maintenance and operational services across primarily, gas and electricity assets. Zinfra delivers these services to SGSPAA Group as well as other utility asset owner clients and clients in adjacent markets.

Other Investments

(a) Evoenergy

Jemena has a 50% interest in the ActewAGL Distribution Partnership (operating under the Evoenergy brand introduced on January 1, 2018). Evoenergy owns, plans, develops, constructs, operates and maintains the electricity network in the Australian Capital Territory ("ACT") and the gas networks in the ACT, and in Queanbeyan and Nowra in NSW. The remaining 50% of the partnership is owned by Icon Distribution Investments Limited, a subsidiary of Icon Water Limited. Icon Water Limited (formerly ACTEW Corporation Limited) is an ACT government owned company with assets and investments in water, wastewater, electricity and gas.

(b) United Energy Distribution Network ("UED")

Jemena holds a 34% shareholding in UED. UED distributes electricity throughout south east Melbourne and the Mornington Peninsula in VIC. The network covers approximately 1,500 square km and services over 700,000 customers. The remaining 66% of UED is held by CKI Group of companies comprising Cheung Kong Infrastructure, Cheung Kong Properties and Power Asset Holdings Limited.

MARKET SUPPORT SERVICES BUSINESS

SP Services, a wholly-owned subsidiary of SP, is the only MSSL in Singapore. As the MSSL, SP Services plays a key role in facilitating smooth and efficient operation and effective competition in the national electricity market of Singapore. The roles of SP Services include:

- providing contestable consumers and Retail Licensees access to the wholesale market, or acting as a counterparty settlement agent between generation companies, Retail Licensees and consumers;
- procuring electricity on behalf of non-contestable consumers;
- acting as a Retailer of Last Resort and default electricity supplier;
- maintaining a centralized data registry of all consumers to enable seamless and convenient switching of Retail Licensees; and
- providing an integrated end-to-end regulated market support services from supply turn-on / cut-off, meter reading and data management, to billing, and customer services for electricity, town gas, water and refuse utilities.

SP Services' core competencies include robust consumer contact and services, provision of supplies, meter reading and data management and systematic billing services. These include established IT infrastructure and technology, domain knowledge and skills set, consumer outreach and data analysis, low cost-to-serve, as well as brand recognition and trust.

The above set of core competencies, which had been acquired through the years, forms the foundation that SP Group believes will help SP Services chart new frontiers and overcome challenges in the future. As the role of SP Services is expected to become more diverse in future, SP Services intends to continue to ensure that its core competencies remain relevant with the changing environment and business needs.

Market Support Services Business Operations

SP Services, a wholly-owned subsidiary of SP, is the only MSSL in Singapore. SP Services facilitates competition in the retail electricity market by enabling consumers to switch seamlessly between buying electricity from Retail Licensees and at wholesale market prices, and by acting as Retailer of Last Resort.

Presently, SP Services reads about 4.1 million electricity, water and town gas meters every two months, and sends more than 1.6 million consolidated bills for electricity, water, town gas and refuse collection services to households and businesses every month.

To manage the above business for SP Services' nationwide consumers and various Electricity Licensees, SP Services owns a comprehensive IT system to handle the mass volume of transactions and services provided which mainly comprise of billing and collection, customer services, turn on / cut off of electricity supply, meter reading and data management.

SP Services' Assets

The primary components of SP Services' assets are its IT systems as well as its data centers. SP Services' key IT systems are its Enterprise Billing System ("EBS System", billing system for Non-Contestable Consumers); its Market Support Service Licensee System ("MSSL System", billing system for Contestable Consumers) and its Meter Data Management System ("MDMS System", system for processing and storing meter reading data).

Market Support Services Licence

Under the Electricity Act, the term "market support services" refers to an exhaustive list of activities relating to the supply of electricity, including the reading of the register of any electricity meter and the management of data relating to meter reading, and the supply and sale of electricity to non-contestable consumers.

SP Services, through the Market Support Services Licence, provides market support services to consumers and Electricity Licensees. It is currently the sole entity licensed by EMA as a MSSL.

The Market Support Services Licence is effective for a term of 10 years commencing on January 1, 2013, unless revoked by the EMA in accordance with the Electricity Act (including where the EMA is satisfied that SP Services has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore so requires), see "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees". SP Services may, no earlier than three and a half years and no later than two and a half years prior to the expiry of the Market Support Services Licence, apply to the EMA, in writing, for a renewal of the Market Support Services Licence. Such renewal shall be on such terms and conditions as the EMA deems fit.

The EMA had, on December 31, 2020, issued a separate Electricity Licence for Market Support Services Licensee to SP Services for a term of 10 years commencing on January 1, 2023. Such term commences after the expiry of the existing Market Support Services Licence.

Any request by SP Services to terminate the Market Support Services Licence is subject to the approval of the EMA and SP Services shall continue to be bound by the terms of the Market Support Services Licence until such time as the EMA notifies SP Services in writing of such approval. Under the Electricity Act, the Market Support Services Licence is not transferable without the approval in writing of the EMA and any purported transfer of the Market Support Services Licence shall be void.

Conditions of the Market Support Services Licence

The main conditions contained in the Market Support Services Licence include those set out below.

Authorized Activities

SP Services is licensed to conduct the Market Support Services Business and may, upon EMA's approval in writing and subject to such conditions as EMA may impose at the time of approval or any time thereafter, engage in allowed activities that (a) use an existing competency of SP Services; and (b) provide synergies with the activities comprised in the Market Support Services Business. Save as aforesaid, SP Services is not permitted to engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities. SP Services must also procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the EMA an electricity licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.

Dealings with Subsidiaries / Related Enterprises

In any event, SP Services is not permitted to provide or receive any cross-subsidies between the Market Support Services Business and any other business or allowed activity of SP Services, or any of SP Services' subsidiaries or related enterprises except as the EMA may otherwise approve in writing. SP Services is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises and, except with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Provision of Non-Discriminatory Access

SP Services shall provide non-discriminatory access to persons similarly situated for services comprised within the Market Support Services Business.

Compliance with Electricity Market Rules

SP Services shall at all times comply with the provisions of the Electricity Market Rules applicable to SP Services.

Separate Accounts for Market Support Services Business

SP Services has to prepare separate accounts for the Market Support Services Business and provide the EMA with its accounting statements, and procure, in respect of its accounting statements, a report by SP Services' auditors addressed to the EMA, stating its opinion as to whether SP Services' accounting statements have been properly prepared in accordance with the Market Support Services Licence and whether they give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Market Support Services Business. SP Services is required to deliver to EMA a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by SP Services in the course of or in relation to the Market Support Services Business (other than information which is already publicly available) is confidential and SP Services has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by SP Services except in certain specified circumstances, (ii) is not used by SP Services for any purpose other than that for which such information was provided or for a purpose permitted by the Market Support Services Licence, any applicable code of practice, the Electricity Market Rules, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by SP Services for any commercial advantage in the provision of any service other than a service comprised in the Market Support Services Business. If requested by the EMA, SP Services is required to procure from its auditors a certificate to confirm that SP Services is in compliance with its confidentiality obligations under the Market Support Services Licence.

Investigation of Offences

If SP Services becomes aware that it may not have complied with any of the conditions of the Market Support Services Licence, or suspects that any other Electricity Licensee has breached its electricity licence or any applicable legislation, SP Services is required to report the same to the EMA and provide the EMA with such assistance and co-operation in connection with any prosecution proceedings arising therewith.

Licence Fee

SP Services pays the EMA an annual fee in respect of the Market Support Services Licence. The amount of this fee is determined by the EMA (in accordance with the terms and conditions as set out in the Market Support Services Licence) on or before April 1 of each year, and is to be paid by April 30 of each year. If SP Services fails to pay the licence fee in full when due, the EMA may require SP Services to pay late payment interest on the unpaid amount.

Governance

None of SP Services' directors may be employed by or hold any office or engagement with any person authorized by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in the generation, retail, import or export of electricity or trade in any wholesale electricity market. None of SP Services' directors may be employed by or hold any office or engagement with any person authorized by a gas licence or exempted from the obligation to hold a gas licence, to engage in the shipping or retailing of gas, production of town gas or the import of natural gas or liquefied natural gas. The EMA may, on such terms as it may specify in writing and notify to SP Services, waive or vary any of such requirements.

SP Services is also not permitted to directly or indirectly through its related enterprises acquire or hold any shares in any person authorized by an electricity licence or a gas licence or exempted from the obligation to hold an electricity licence or a gas licence, to engage in any such activities. The EMA may, on such terms as it may specify in writing and notify to SP Services, waive or vary any of such requirements.

Purchase of Electricity

SP Services is not permitted to procure or purchase electricity except as required and allowed under the Regulated Supply Service Code, the Market Support Services Code, or to the extent required to conduct the Market Support Services Business or any allowed activity. The EMA may, on such terms as it may specify in writing and notify to SPPG, waive or vary any of such requirements.

Purchase of Goods and Services

SP Services is required to, in the conduct of the activities comprised in the Market Support Services Business, purchase such goods and/or services as may be reasonably required by SP Services upon the most economically advantageous terms reasonably obtainable by SP Services at the relevant time having regard to all relevant business criteria, and is not permitted to unduly discriminate between suppliers of the goods and/or services. This shall not apply to the purchase of any goods and/or services in respect of which the terms and conditions of purchase are prescribed or imposed by the Market Support Services Licence, the Electricity Market Rules, any applicable code of practice or arrangement approved by the EMA.

Prices for SP Services' Market Support Services

SP Services' charges for the provision of market support services are set annually based on a cost recovery methodology, which is developed by SP Services and approved by the EMA, and is subject to a regulated price cap. SP Services is also required to submit to the EMA for approval details of the tariffs proposed to be paid by non-contestable consumers for the supply of electricity, no less than 10 days or such other date as the EMA may determine prior the date on which the tariffs are proposed to be first levied. The EMA's approval must also be obtained for any revisions to the charging structures and charges. SP Services is required to publish the approved charges with such detail as shall be necessary to enable any person to ascertain the fees and charges to which he would become liable for the provision of SP Services' market support services.

Developmental Work / Development of Codes of Practice

The EMA may from time to time require SP Services to perform or participate in research and development activities and co-operate with other Electricity Licensees to perform research and development activities in relation to the conduct of the Market Support Services Business. SP Services has to participate in the development of any code of practice or standard of performance if it will directly or indirectly affect the Market Support Services Business of SP Services.

SP Services may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the EMA in writing of the proposed modification. The EMA may review the proposed modification and determine whether the proposed modification should be made.

Entry into Conditions of Service Agreement

SP Services shall enter into a conditions of service agreement, in such standard form as developed by SP Services, filed with the EMA in accordance with the terms of the Market Support Services Code and approved by the EMA, with each contestable consumer.

Disconnection and Reconnection Services

SP Services shall direct the Transmission Licensee to disconnect or reconnect consumers in the circumstances set out in and subject to the provisions of the Electricity Act, the relevant regulations made thereunder, the conditions of service agreement and the applicable codes of practice.

Provision of Metering Services

SP Services shall provide metering services (including meter reading and meter data management services) to, among others, consumers and Electricity Licensees in accordance with the relevant codes of practice and the Electricity Market Rules.

Additional Activities

SP Services has been authorized to carry out various ancillary activities under the Market Support Services Licence, including the provision of various business support services and advertising space to third parties and the leasing of excess capacity of SP Services' data centers to related corporations ("Ancillary Business"). SP Services is required to, among others, ensure that its conduct of such Ancillary Business with any party shall at all times be on an arm's length basis, and not show undue preference in favor of, or undue discrimination against, any person or class of persons for or in relation to any Ancillary Business or pertaining to any rate or fee charged or term or condition imposed by SP Services for the provision of any service under any Ancillary Business.

Agreements with Market Participants

Pursuant to SP Services' Market Support Services Licence, SP Services has entered into various agreements with other participants in the Singapore electricity market. With respect to the terms and conditions of its services, SP Services has entered into a Regulatory Agreement with the Energy Market Company ("EMC"), Vesting Contract Agreements with Generation Licensees, Market Support Services Agreements with Retail Licensees and market makers of electricity futures market and with the Transmission Licensee in SP Services' capacity as MSSL. These agreements provide significant limitations on its liability for damages resulting from its market support services, and each of these agreements has been subject to the prior approval of the EMA as part of the implementation of the restructuring of Singapore's electricity industry. Apart from the abovementioned agreements, SP Services has agreements with various external vendors to facilitate its billing and collection services.

Non-Regulated Businesses & Activities

SP Services provides billing, payment collection and meter reading services to principals of other utilities, namely town gas, water and refuse utilities. These principals include PUB, City Energy and various refuse vendors. Under the agency agreements with these principals, SP Services is authorized to provide billing and payment collection services on behalf of them.

Market Support Services Business Framework

Regulated Business

Pursuant to Condition 25 of the Market Support Services Licence, SP Services is required, in respect of each relevant year, to use its best endeavors to ensure that its aggregate revenue earned from the provision of its market support services does not exceed the allowable revenue in accordance with the stipulated Market Support Services Economic Regulation Formula.

SP Services' annual regulated revenue is determined by the Building Block Model ("BBM"). The BBM calculates the annual allowable revenue ("AR") over the five-year reset period, which will then be converted into the charges for the provision of market support services, based on the electricity sales volume forecast. The AR comprises the following components:

Capital Base [1]	x	WACC	+	Pass through expenses [2]	+	Operating Expenditure [3]	=	Targeted Revenue

$$\frac{\text{Targeted Revenue}}{\text{Forecast Volumes}} \times \text{Actual Volumes}^{[4]} = \text{Collected Revenue}$$

Note 1: This is made up of opening balance of Total Equity and Long Term Borrowings at the start of the reset period, adjusted annually for the increase in the net change in Capex (i.e. Capex less Depreciation).

Note 2: Pass-Through Expenses is made up of Depreciation, Bad / Doubtful Debts, Taxes and other Exogenous Costs.

Note 3: This may include an efficiency carry-over to reward operational expenditure savings achieved in the previous period.

Note 4: If the Actual Volume deviates more than +/- 0.4% from the Forecast Volume, the EMA will adjust SP Services' price controls in subsequent years to compensate for such variance in Actual Volume.

SP Services' current five-year reset period commenced on April 1, 2018 with an applicable WACC of 5.38% (nominal after tax). The methodology in the BBM used by the EMA to regulate the revenue for SP Services in respect of the current five-year regulatory period which commenced on April 1, 2018 will also apply to the subsequent five-year regulatory period commencing April 1, 2023. However, the WACC for the subsequent and future five-year regulatory periods may be higher or lower depending on the actual parameters used to determine the WACC for the relevant period.

The regulatory framework is performance-based, which allows SP Services to retain the operating efficiency gains achieved during the current five-year regulatory period and it is intended that SP Services subsequently shares between itself and its customers these efficiency gains in the following regulatory period.

Under the regulatory framework, SP Services is subject to a volume tolerance spread of ±0.4% annually from its forecasted revenue projection. SP Services retains the benefits and bears the risk on its approved forecasted revenue projections as long as its annual actual sales volume falls within the ±0.4% volume band. Any deviation beyond the revenue band is to be treated as over- or under-recovery and to be returned to or recovered from consumers in the subsequent years.

SP Services' revenue earned from the supply of electricity and the provision of market support services is regulated based on certain formulae and parameters set out in those licences, relevant acts and codes.

Unregulated Business

SP Services also derives unregulated agency fees from acting as billing agent to certain Retail Licensees and other utility principals. These principals include PUB, City Energy and various refuse vendors, to whom SP Services provides billing, meter reading (where applicable) and other customer services for town gas, water and refuse utilities. In April 2021, SP Services was awarded by PUB to deploy Singapore's first large-scale smart water metering project. SP Services will supply, install and manage approximately 300,000 smart water meters island-wide, effectively advancing Singapore's smart nation initiative across all utilities services.

Regulated Performance Standards

As the MSSL, SP Services is required to meet regulated performance standards as set by EMA. These performance standards are in respect to three areas of its performance: providing supply, customer contact and metering services. These performance standards are intended to ensure that electricity consumers continue to receive quality services.

The following sets forth the technical performance standards currently in effect with respect to SP Services:

Service Dimension	Service Indicator	Service Standard	Performance Target (%)
● Providing Supply	● Time taken to process application for electricity supply and reply to applicant	● 14 calendar days	● 85
	● Lead time taken to inspect large electrical installation (supply capacity greater than 45kVA) and turn-on electricity supply upon request.	● 7 working days	● 90
	● Lead time taken to test small electrical installation (supply capacity less than or equal to 45kVA) and turn-on electricity supply upon request	● 10 calendar day	● 90

Service Dimension	Service Indicator	Service Standard	Performance Target (%)
	● Time taken to inspect pre-tested electrical installation and turn-on electricity supply upon request after opening of account	● 3 working days	● 98
	● Waiting time at site for appointment to turn on or cut-off electricity supply	● 1.5 hours	● 90
● Customer Contact	● Time taken to reply to a written enquiry or complaint	● 7 working days	● 95
	● Queuing time at customer service counter (enquiries and opening / closing of accounts)	● 20 minutes	● 90
	● Time taken by customer service officer to pick up incoming telephone call	● 30 seconds	● 90
● Metering Services	● Time taken to attend to meter disputes at site upon notification	● 8 calendar days	● 95
	● Time taken to attend (make appointment, reply) to meter reading issues upon notification	● 5 working days	● 95
	● Time interval between successive reading of billing meter(s)	● 2 monthly	● 95

OTHERS

The "Others" segment comprises certain other activities, including (without limitation) investment holding services and the businesses described below. The financial impact of the AusNet Divestment was reflected in the "Others" business segment (as resulting from the activity of investment holding services).

Sustainable Energy Solutions

SP Group aims to capture new opportunities across the energy value chain, with a vision to empower utilities and its customers to accelerate towards their efficiency and sustainability goals by providing comprehensive sustainable energy solutions which mainly comprises three key categories, namely: 1) energy efficiency projects such as district cooling and heating, microgrids and energy storage, 2) renewable energy including but not limited to solar and wind energy, and 3) EaaS such as renewable energy certificates, carbon credits and grid monitoring solutions, integrated energy solutions, smart energy network and other power grid applications. SP Group intends to leverage on its deep engineering capabilities and strong in-house capabilities in order to design and develop such solutions for its customers. These solutions aim to provide sustainability choices and cost savings to SP Group's customers.

Notable projects include providing the Singapore Institute of Technology with a multi-energy urban microgrid at the university's upcoming Punggol campus, enabling it to be the first microgrid in Southeast Asia, and SP Group's partnership with Sembcorp Marine to install renewable energy and energy storage systems, enhancing the workshop's sustainable production of steel components. In addition, SP Group, via its wholly owned subsidiary, SP Home Cooling Pte. Ltd., is working with the HDB to develop a smart energy town at HDB Tengah housing estate. The objective of the project is to develop Singapore's first residential district cooling project within the Tengah housing estate, with the aim of bringing energy efficient cooling services to the residents. SP Group will also be further expanding its district cooling footprint to the commercial and industrial sectors. In April 2022, SP Group embarked on a project to retrofit seven buildings in Tampines town centre with capabilities to plug into a distributed district cooling network via an interconnected, sustainable cooling solution designed in-house. In May 2022, SP Group, via a 70:30 joint venture with Daikin Singapore (with SP Group holding a shareholding interest of 70.0% and Daikin Singapore holding a shareholding interest of 30.0% respectively), will design, build, own and operate Singapore's largest industrial district cooling system in STMicroelectronics' plant in Ang Mo Kio TechnoPark.

SP Group also enables businesses and consumers to make green energy claims and offset their emissions via the provision of renewable energy certificates and carbon credits.

SP Group aims to address a critical gap in the adoption of electric vehicles by owning and operating Singapore's largest and fastest charging network. This pervasive nation-wide network of charging infrastructure will enable electric vehicle drivers access to electric chargers with a strong focus on fast charging. To expand this network, SP Group has entered into collaborations and partnerships with landlords, transportation companies such as taxi and car leasing companies, as well as petrol kiosks to deploy charging stations in different locations in Singapore.

Beyond Singapore, SP Group has also ventured into China and Vietnam to deploy sustainable energy solutions, including but not limited to district heating and cooling services and renewable energy generation. In 2015, SP incorporated a wholly-owned subsidiary, Shirui Energy Engineering and Technology (Chongqing) Co., Ltd ("Shirui Energy"), to focus on the business of providing energy-efficient technology and engineering services, in particular through the provision of end-to-end chilled water and hot water services in China. Shirui Energy designed, built and has been operating an advanced district cooling system since September 2019 for CapitaLand's Raffles City Chongqing development, a prime landmark strategically located in the heart of Chongqing, China. In 2019, SP further incorporated a wholly-owned subsidiary, Shirui Energy Technology (Shanghai) Co., Ltd. ("Shirui Energy Shanghai"), to provide energy-efficient heating services in Shanghai. Since November 2019, Shirui Energy Shanghai has provided heating services for CapitaMall Hongkou, a mixed use development in Shanghai. In August 2020 SP Group incorporated SP (Guangzhou) Energy Services Co., Ltd. to provide district cooling and heating, and smart energy solutions in China-Singapore Guangzhou Knowledge City. In January 2021, SP Group acquired 40% stake in Sino-Singapore Energy Services (Chongqing) Company Ltd. in Chongqing to expand capabilities in combined cooling, heating and power offerings for the hospital segment. In addition, SP Group incorporated Xinneng Xingzhou Energy (Chengdu) Co., Ltd. in January 2021 to undertake brownfield redevelopment works providing integrated energy services including heating and cooling in Chengdu city, Wuhou district. Additionally, SP secured several solar energy generation projects in China and has since commenced construction of certain distributed rooftop solar projects in Shandong and Sichuan province in April 2022.

In 2020, SP Group incorporated a wholly-owned subsidiary, SP Energy Vietnam Co., Ltd. ("SPEV"), to provide sustainable energy solutions, including, but not limited to, renewable energy generation and district cooling services, to large corporate customers in Vietnam. SPEV has secured several solar energy generation projects and is looking to further expand its operations. In October 2021, SP Group entered into a 49:51 joint venture with BCG Energy Joint Stock Company, a wholly owned subsidiary of Bamboo Capital JSC (with SP Group holding a shareholding interest of 49.0% and BCG Energy Joint Stock Company holding a shareholding interest of 51.0% respectively), to invest in rooftop solar and explore other renewable energy projects in Vietnam. The joint venture, which currently operates a portfolio of rooftop solar assets across Vietnam, has a strong focus on commercial and industrial customers and aims to capture opportunities across the energy value chain to assist its clients to meet their sustainability goals via the provision of comprehensive energy solutions.

District Cooling Services Business

District cooling is an innovative urban utility service involving the centralized production of chilled water that is piped to commercial buildings for air-conditioning. Specially designed units within each building draw on the cooling properties of the water to lower the temperature of the air passing through the air-conditioning system, providing buildings in the area with an optimal indoor climate. Instead of individual buildings having their own chillers, district cooling reaps the benefits of economies of scale by sharing chiller capacity, operated and maintained by a large and professional team of technical staff.

District cooling being an energy and economically efficient urban utility service, presents attractive value propositions to building owners including round-the-clock availability and support, on-demand flexibility, high supply reliability, more space for alternative use, lower initial and recurrent operating costs and high energy efficiency for existing and new developments.

SDC, a wholly-owned subsidiary of SP, currently provides district cooling services to buildings in Singapore.

SDC commenced commercial operations in May 2006 with One Raffles Quay being the first development to receive chilled water supplies. In May 2010, SDC commissioned its second district cooling plant at Marina Bay Sands. SP Group believes that the district cooling system at Marina Bay is one of the world's largest fully underground district cooling system by total installed capacity.

SDC is currently operating two district cooling plants and one satellite plant with a total plant capacity of 62,000 Refrigeration Tons. These plants are interconnected by a pair of 5km pipeline.

These district cooling plants are operated by a team of operators round the clock and produce 500,000 RTh of cooling energy per day that is continuously supplied through a network to serve a total area of 1.7 million square meter to date.

Amongst SDC's customer base in the Marina Bay area are key developments such as One Raffles Quay, the Marina Bay Sands Integrated Resort and the Marina Bay Financial Centre in Singapore.

SDC's adoption of industry best practice in asset management has enabled it to deliver reliable and round the clock district cooling services with no supply disruptions to its customers since operations started in 2006.

In April 2022, SDC announced that it will be expanding its district cooling services to 5 new and retrofit developments. With the inclusion of these new customers, SDC will be increasing its plant capacity to 70,000 Refrigeration Tons, and adding on 2 kilometres of underground insulated pipes to the network.

District Cooling Services Licence

The term "district cooling service" is defined in the District Cooling Act as the sale of coolant for space cooling in a service area by a licensee operating a central plant capable of supplying coolant via pipe to more than one building in the service area. The District Cooling Act makes it an offence to provide district cooling services to any service area unless authorized to do so by a district cooling services licence granted by the EMA. The Minister may declare an area to be a service area where district cooling services are to be provided to the area, on any terms and conditions that he thinks fit.

SDC, through the District Cooling Services Licence, is currently the sole entity licensed to provide district cooling services in Singapore. The District Cooling Services Licence was issued by the EMA on April 1, 2006.

The District Cooling Act provides that it is SDC's duty, as a District Cooling Services Licensee to (a) maintain a reliable, efficient, co-ordinated and economical district cooling system in accordance with such codes of practice or other standards of performance as may be issued or approved by the EMA under the District Cooling Act; and (b) ensure public safety in relation to the provision of district cooling services. SDC is prohibited as a District Cooling Services Licensee from doing or omitting to do any act which will adversely affect, directly or indirectly, the reliability and stability of district cooling services provided to consumers.

The term of the District Cooling Services Licence is 30 years, unless revoked by the EMA in accordance with the District Cooling Act (including where the EMA is satisfied that SDC has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires), see "Industry and Regulation — District Cooling Industry in Singapore — Powers of the EMA to Control District Cooling Services Licensees". SDC may, no later than three years prior to the expiry of the District Cooling Services Licence, apply to the EMA, in writing for a renewal of the District Cooling Services Licence. Such renewal shall be on such terms and conditions as the EMA deems fit.

Any request by SDC to terminate the District Cooling Services Licence is subject to the approval of the EMA, and SDC continues to be bound by the terms of the District Cooling Services Licence until such time as the EMA notifies SDC in writing. Under the District Cooling Act, the District Cooling Services Licence is not transferable and any purported transfer of the District Cooling Services Licence shall be void.

Conditions of the District Cooling Services Licence

The main conditions contained in the District Cooling Services Licence include those set out below.

Authorized Activities

SDC is licensed to conduct the District Cooling Services Business and may, upon the EMA's approval in writing and subject to such conditions as the EMA may impose at the time of approval or any time thereafter, engage in allowed activities that (a) use an existing competency of SDC; and (b) provide synergies with the activities comprised in the District Cooling Services Business. Save as aforesaid, SDC is not permitted to engage directly or indirectly in any other business activity or voluntarily commit to any liability in relation to such other business activity. SDC must also procure that each of its subsidiaries and related enterprises do not engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.

Dealings with Subsidiaries / Related Enterprises

In any event, SDC is not permitted to provide or receive any cross-subsidies between the District Cooling Services Business and any other business of SDC, or any of SDC's subsidiaries or related enterprises except as the EMA may otherwise approve in writing. SDC is not permitted to unduly discriminate in favor of its subsidiaries or related enterprises and, except with the written consent of the EMA, must ensure that all its dealings with its subsidiaries and related enterprises are on an arm's length basis.

Separate Accounts for District Cooling Services Business

SDC has to prepare separate accounts for the District Cooling Services Business and provide the EMA with its accounting statements, and procure, in respect of its accounting statements, a report by SDC's auditors addressed to the EMA, stating its opinion as to whether SDC's accounting statements have been properly prepared in accordance with the District Cooling Services Licence and whether they give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the District Cooling Services Business. SDC is required to deliver to EMA a copy of the accounting statements together with the auditors' report no later than five months after the end of the relevant financial period.

Confidential Information

All information generated, owned, developed or acquired by SDC in the course of or in relation to the District Cooling Services Business (other than information which is already publicly available) is confidential and SDC has to take reasonable measures to ensure that such information (i) is not disclosed or otherwise made available to any person or used by SDC except in certain specified circumstances, (ii) is not used by SDC for any purpose other than that for which such information was provided or for a purpose permitted by the District Cooling Services Licence, or any applicable code of practice, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction and (iii) is not used by SDC for any commercial advantage in the provision of any service other than a service comprised in the District Cooling Services Business. If requested by the EMA, SDC is required to procure from its auditors a certificate to confirm that SDC is in compliance with its confidentiality obligations under the District Cooling Services Licence.

Investigation of Offences

If SDC becomes aware that it may not have complied with any of the conditions of the District Cooling Services Licence, or suspects that any person has contravened any applicable legislation in relation to the District Cooling Services Business, SDC is required to report the same to the EMA and provide the EMA with such assistance and co-operation in connection with any prosecution proceedings arising therewith.

Licence Fee

SDC pays the EMA an annual fee in respect of the District Cooling Services Licence. The amount of this fee is determined by the EMA (in accordance with the terms and conditions as set out in the District Cooling Services Licence) on or before April 1 of each year, and is to be paid by April 30 of each year. If SDC fails to pay the licence fee in full when due, the EMA may require SDC to pay late payment interest on the unpaid amount.

District Cooling System Development Plan

SDC has to carry on the District Cooling Services Business in accordance with the District Cooling Supply Code and any applicable code of practice or standard of performance as may be approved or issued by the EMA under the District Cooling Act. SDC has to periodically submit to the EMA its District Cooling System Development Plan (including an implementation schedule and forecasted demand).

SDC must provide non-discriminatory access to persons similarly situated for services comprised within the provision of district cooling services under the District Cooling Services Licence.

Change in Shareholding Structure / Transfer of Effective Management or Control

SDC is not permitted to effect any change in its shareholding structure or the voting rights attaching to any of its shares without the EMA's prior written consent. SDC is also not permitted to relinquish or encumber its ability to exercise effective management or control of its District Cooling Services Business.

Abuse of Monopoly Power or Dominant Market Position

SDC is prohibited from taking or omitting to take any action or otherwise conducting itself in a manner which is an abuse of its monopoly power or dominant market position.

Prices for SDC's District Cooling Services

SDC's charges for the provision of district cooling services, in the service area, are set based on a cost recovery methodology, which is developed by SDC and approved by EMA, and are subject to a regulated price cap. In any event, SDC is required to ensure that the prices charged for the provision of district cooling services is not more than the cost of chilled water produced by conventional air-conditioning systems. The EMA's approval must also be obtained for any revisions to the charging structures and charges. SDC is required to publish the approved charges with such detail as shall be necessary to enable any person to ascertain the fees and charges to which he would become liable for the provision of SDC's district cooling services.

Purchase of Goods and Services

SDC is required to, in the conduct of the District Cooling Services Business, purchase such goods and/or services as may be reasonably required by SDC upon the most economically advantageous terms reasonably obtainable by SDC at the relevant time having regard to all relevant business criteria, and is not permitted to unduly discriminate between suppliers of the goods and/or services.

Research and Developmental / Codes of Practice

The EMA may from time to time require SDC to perform or participate in research and development activities and to co-operate with other licensees to perform research and development activities in relation to the conduct of the District Cooling Services Business. SDC is also required to participate in the development of any code of practice and standard of performance to be issued by the EMA if it will directly or indirectly affect the District Cooling Services Business of SDC.

SDC is required to (periodically and at EMA's request) review any code of practice and standard of performance. SDC is also required to keep EMA fully informed of any review process and any proposals for revision. Any change to any applicable code of practice and standard of performance is subject to the approval of the EMA and any other relevant government authorities.

Allowed Activities

SDC has been authorized to carry out various allowed activities under the District Cooling Services Licence, subject to certain conditions. These activities are the (i) provision of district cooling services to premises located outside the service area by interconnecting such premises to the district cooling system serving the service area; (ii) provision of hot water supplies; and (iii) provision of consultancy services on the design, implementation and operation of chiller and heating/ventilation/air-conditioning systems globally. Pursuant to such authorized activity, SDC is required to ensure, among others, that (a) each allowed activity is ring-fenced and kept separate from the District Cooling Services Business and a separate account is kept in respect of each allowed activity, (b) the provision of each allowed activity will not adversely affect the provision of district cooling services to users in the service area by, among others, prioritising the availability of resources for or in relation to SDC's District Cooling Services Business over the allowed activity, (c) SDC will not deny the provision of district cooling services to any user in the service area, and (d) ensure that the prices that SDC charges to any customers inside the service area cannot be higher than the prices charged by SDC to customers outside the service area for equivalent services.

Notification to Customers on Expiry of Licence

SDC is required to notify its consumers of the expiration of the District Cooling Services Licence not later than 24 months prior to the expiry of the District Cooling Services Licence.

Regulatory Framework for the District Cooling Services Business

SDC shall, in respect of each relevant year ensure that the revenue from the provision of district cooling services in the service area cannot exceed the maximum average revenue per kWrh calculated in accordance with the following formula (the "District Cooling Services Economic Regulation Formula"):

Max. revenue (per kWrh)	=	Annual escalation of fixed component	+	Benchmark cost of electricity and water	+	Correction factor for over/under recovery	–	Sharing of economic efficiency contribution

where "fixed component" refers to the capacity charge.

The EMA shall within a reasonable time period prior to the start of each regulatory period, review the parameters of the District Cooling Services Economic Regulation Formula to take effect at the start of that regulatory period. The duration of each regulatory period shall be determined by the EMA after consultation with SDC.

SDC is allowed to, on an ex-post basis, recover any shortfall in revenue in a particular year from any gains in later years, with such gains being derived from the excess of total fixed and variable operating costs after achieving efficient operations of SDC's district cooling plants. SDC is subsequently required to share 50% of remaining gains to the regulated customers.

Revenue generated from the provision of district cooling services to the service area declared by the Minister for Trade and Industry under Section 7 of the District Cooling Act is regulated by the EMA according to the above District Cooling Services Economic Regulation Formula.

The prices charged for providing district cooling services have to be approved by the EMA and cannot be more than the cost of chilled water produced by conventional air conditioning systems. The tariff is regulated by EMA once every half year.

Further, pursuant to the District Cooling Service Licence, the revenue from providing district cooling services in the service area cannot exceed the maximum average revenue per kWrh. The excess deficit between the amount charged to customers and the revenue gained will be returned/recovered to customers through the tariff. Under/over recovery is recovered/returned to customers through the adjustment of the half yearly tariff rates. These are proposed by SDC on a bi-annual basis and are to be approved by the EMA.

Real Estate

In support of Singapore's national agenda to optimize land use, SP Group embarked on its first real estate development project located along Pasir Panjang Road in Singapore, comprising SPPA's underground transmission substation and operational support center (as described in more detail in the section " — Transmission and Distribution Business in Singapore — Electricity T&D Business") and a commercial office tower with ancillary retail space.

LRE, a wholly-owned subsidiary of SP, owns and will operate and lease the commercial office tower and ancillary retail space. The commercial office block is designed to cater to a wide range of tenant types and expected to meet the anticipated growth in demand for office space in the Pasir Panjang area.

The development is planned for completion by 2025. The projected capital expenditure cost for the development of the commercial office block with ancillary retail space is expected to be approximately S$1.1 billion. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditure" for details of how SP Group intends to fund its capital expenditure.

Following completion of the development, SP Group expects to retain ownership of the development and to lease out space within the commercial office tower and ancillary retail space to third parties on terms to be commercially agreed.

Digital

SP Digital, a wholly-owned subsidiary of SP, was incorporated to spearhead and drive SP Group's digital transformation and pursuit of new digital opportunities. With its mission of powering sustainability with energy technology, SP Digital aims to leverage on its strong in-house digital capabilities to support SP Group's regulated businesses as well as its unregulated businesses by equipping consumers and businesses with timely data to trigger change in behavior and using technology to enable sustainable actions and to make sustainability economical by reducing costs and consumption.

To empower its consumers with knowledge and tools to make smarter decisions for their utilities consumption, SP Digital has developed and launched its flagship SP Utilities mobile application ("SP App") which is designed to bring to its consumers fast and convenient access to its services on the go. The key services that SP App brings to its consumers include, among others, allowing its consumers to view and pay their bills using credit cards, view their energy and water consumption trends and compare such trends against the average consumption of their neighbors, as well as submit meter readings, report incidents and chat with its staff from its digital contact center. To support the OEM initiatives in Singapore, SP App has also added a service to enable households to easily compare the various electricity retail plans offered by all the electricity retailers. Further, the SP App has launched a new community program to educate and encourage Singaporeans to adopt a green and sustainable lifestyle.

For businesses, SP Digital develops innovative digital energy solutions that simplify the journey to achieve cost optimization, energy efficiency and improvement in occupant well-being. It also offers a foundation for advancing sustainability goals specifically for the built environment. Some notable solutions developed in-house by SP Digital include a common property utilities management system that drives operational efficiency, improves services to residents and controls utilities costs, as well as Eco Boards, which are visual dashboards installed at building lift lobbies to educate and engage residents on resource conservation. In addition, a tenant utilities management dashboard was developed to provide greater visibility to building owners on the building's energy consumption through energy monitoring sensors. Coupled with advanced analytics, it aims to assist owners of buildings, such as airports and institutes of higher learning, in optimizing building energy efficiency through Artificial Intelligence ("AI") assisted operations.

EMPLOYEES

As of March 31, 2022, SP Group employed more than 3,500 employees. The following table sets forth a breakdown of SP Group's employees by business segment as of the end of FY20 to FY22.

	As of March 31,		
	2020	**2021**	**2022**
Transmission & Distribution business	2,280	2,254	2,292
Market Support Services business	571	546	524
District Cooling business	87	80	88
Corporate Support & Others	710	690	691
Total Headcount	**3,648**[(1)]	**3,570**	**3,595**

Note:

(1) Total headcount for FY20 has been restated to also include the headcount of Shirui Energy Shanghai

The remuneration package of most of SP Group's non-executive employees is established through a collective bargaining process. SP Group's standard remuneration package comprises salary, bonus and benefits such as annual leave, family care leave, medical leave, medical benefits and flexible benefits. Apart from the above, employees may also receive work-related allowances such as shift allowances and transport reimbursement.

SP Group also provides contributions for all eligible employees to the CPF, a mandatory comprehensive social security savings program for workers in their retirement that is funded by employer and employee contributions.

SP Group does not currently have an employee stock option plan.

SP Group encourages employee training and development and its employees, based on business requirements, may participate in various training programs. In addition to in-house courses, employees can be nominated for external courses, seminars, industrial visits and external attachments as part of SP Group's life-long learning initiatives.

LABOR RELATIONS

Most of SP Group's employees are represented by a single employees' union, Union of Power and Gas Employees ("UPAGE"). As of April 30, 2022, 95% of non-executives are represented by the union through the Collective Agreement ("CA") signed in February 2022 covering the period from March 2022 to February 2025. The quantum of employee bonus and compensation increments are discussed separately with the union on an annual basis. A performance appraisal process is used to determine variable bonus and increment.

SP Group believes that its relationship with its employees is good. No work stoppages or other labor disruptions have occurred or are threatened.

INSURANCE

SP Group's major transmission assets are insured at their replacement values under an industrial all risks insurance policy. SP Group has also procured terrorism insurance cover (including business interruption risks) for its most important network assets, including the PSCC and its transmission network substations, cable tunnels and terminal buildings, the ORFs, the offshore pipelines and its district cooling plants. SP Group is also protected against certain third party claims under a combined liability insurance policy, including third party property and personal injury claims and claims for sudden pollution liability and product liability. Cyber insurance policy is also in place to insure against cyber- related security and privacy third party liability claims and associated costs. For risks relating to the adequacy of SP Group's insurance coverage and a discussion of its uninsurable risks, see "Risk Factors — General Risks Related to SP Group's Business and Industry— SP Group's insurance coverage may not be adequate and any uncovered losses could adversely affect its business".

SP Group's insurance policies are underwritten by established international insurers. SP Group's insurance coverage is subject to exclusions and limitations as to coverage and recovery amounts which it believes are standard in the market in which it operates.

SP Group appoints a reputable insurance broker to conduct risk assessments, including annual physical surveys and regular discussions to update any risk changes that may occur from time to time, and recommends changes to its insurance programs, as necessary. The insurance broker also advises SP Group on the extent of its insurance coverage and the adequacy of sums insured.

SUPPLIERS

SP Group adopts supplier diversification strategies for key services or equipment to mitigate against single supply source failures. Terms and conditions for each contract are specific to the nature of goods and services procured. SP Group's suppliers have proven track records in the supply of goods and services, or are able to provide satisfactory project references from respectable utility companies.

PROPERTY

Significant properties that SP Group owns primarily comprise its transmission and distribution network assets, offshore pipelines and leasehold interests in their associated real property (comprising leasehold interests in buildings (such as substations, tunnels and shafts) with lease terms of up to 40 years, and leasehold land with lease terms ranging from 3 years to 99 years).

In particular, SP Group owns a land parcel with a leasehold period of 99 years, on which it plans to develop a commercial office tower as part of its development project along Pasir Panjang in Singapore. See "— Others — Real Estate" for more information regarding this development.

SP Group also owns its current office premises at 2 Kallang Sector, Singapore 349277 with a remaining lease period of approximately 22 years.

LEGAL AND REGULATORY PROCEEDINGS

SP Group is not involved in any legal or arbitration proceedings that may have, either individually or in the aggregate, a material adverse effect on its financial condition or results of operations, and SP Group is not aware that any such proceedings are pending or threatened.

SP Group may commence some potential litigation or arbitration proceedings relating to work carried out and services rendered by its contractors or suppliers in the ordinary course of business relating to the transmission and distribution of electricity and gas. Due to the nature of these proceedings, SP Group is not able to predict the ultimate outcomes of these proceedings, some of which may be less than favorable or unfavorable to SP Group. However, SP Group does not expect the outcome of these proceedings, either individually or in the aggregate, to have a material adverse effect on SP Group's financial condition or results of operations.

SP Group's investee companies in Australia may become a party to various other litigation matters in the ordinary course of business. It is not possible to estimate with any certainty the ultimate legal or financial liability with respect to those litigation matters.

RISK MANAGEMENT

SP Group is exposed to specific risks in the conduct of its business and the environment in which it operates. These include foreign currency, interest rate, credit, liquidity, regulatory and supply source failures risks which arise in the normal course of SP Group's business. Generally, SP Group's overall objective is to manage and minimize its exposure to such risks. For details on SP Group's policies for managing each of these risks, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management".

BOARD OF DIRECTORS OF SP AND SENIOR MANAGEMENT OF SP GROUP

Board of Directors of SP

The following table sets forth the members of the Board of Directors of SP:

Name	Position
Tan Sri Mohd Hassan Marican	Chairman
Ms Leong Wai Leng	Deputy Chairman
Mr Ong Yew Huat	Director
Mr Timothy Chia Chee Ming	Director
Mr Lee Kim Shin	Director
Ms Goh Swee Chen	Director
Prof Yaacob Bin Ibrahim	Director
Mr Stanley Huang Tian Guan	Director

Tan Sri Mohd Hassan Marican is the Chairman of Singapore Power Limited. He joined the Board on 15 February 2011 and was appointed Chairman on 30 June 2012.

Tan Sri Hassan is also the Chairman of Pavilion Energy Pte Ltd, Pavilion Energy Singapore Pte Ltd (formerly known as Pavilion Gas Pte Ltd), Pavilion Energy Trading & Supply Pte Ltd, Sembcorp Marine Ltd and a Director of Sarawak Energy Berhad, Lambert Energy Advisory Limited and mh Marican Advisory Sdn Bhd. He is a Senior International Advisor of Temasek International Advisors, a subsidiary of Temasek Holdings. He is also a member of the International Advisory Board of the BCG Center for Energy Impact.

Tan Sri Hassan was the President and CEO of Malaysia's Petroliam Nasional Berhad (PETRONAS) from 1995 until his retirement in February 2010, with over 30 years of experience in the energy sector, finance and management.

Tan Sri Hassan holds an honorary doctorate from the University of Malaya and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Ms Leong Wai Leng joined the board of Singapore Power Limited in April 2021.

Ms Leong is the Chief Financial Officer ("CFO") of Temasek and Temasek International Pte Ltd ("TI"), a wholly owned subsidiary of Temasek. She is also Head, Singapore Projects at TI.

Ms Leong has extensive working experience in both the public and private sectors where she held senior management positions in three public listed companies.

Prior to joining Temasek, she was the Deputy Chief Executive Officer of Raffles Holdings Ltd from 2001 to 2006. She was also concurrently, the Chief Executive Officer of Raffles International Ltd, a wholly owned global hotel operating and management subsidiary of Raffles Holdings.

Ms Leong holds a Bachelor of Arts (Honours) in Engineering Tripos and a Master of Arts from the University of Cambridge, United Kingdom and a Master of Applied Finance from the MacQuarie University, Australia.

Mr Ong Yew Huat joined the board of Singapore Power Limited in February 2013. His other directorships include CapitaLand Group Pte. Ltd., Singapore Mediation Centre, CLA Real Estate Holdings Pte Ltd (formerly known as Ascendas-Singbridge Pte Ltd) and Carson Cumberbatch PLC.

Mr Ong was a former board member of the Singapore Accounting and Corporate Regulatory Authority, the Public Accountants Oversight Committee, United Overseas Bank Limited and the former Chairman of the National Heritage Board, Singapore Tyler Print Institute, the Tax Academy of Singapore and United Overseas Bank (Malaysia) Bhd. He retired as the Executive Chairman of Ernst & Young Singapore in 2012 after serving 33 years with the firm.

Mr Ong holds a Bachelor of Accounting (Honours) degree from the University of Kent at Canterbury. He is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants.

Mr Timothy Chia Chee Ming joined the board of Singapore Power Limited in June 2014.

Mr Chia is Chairman of Gracefield Holdings Limited, Hup Soon Global Corporation Private Limited and Innoven Capital Pte. Ltd. He sits on the boards of several other private and public companies, including The Straits Trading Company Limited, Vertex Venture Holdings Ltd, Seviora Holdings Pte Ltd, Malaysia Smelting Corporation Berhad and Thai Beverage Public Company Limited. He is a Term Trustee of the Singapore Indian Development Association (SINDA). He is a member of the Investment Committee of National Heritage Board and the Corporate Governance Advisory Committee of the MAS. He is also a member of Singapore Management University.

From 1986 to 2004, he was a Director of PAMA Group where he was responsible for private equity investments and served as President from 1995 to 2004. He was previously Chairman – Asia for Coutts & Co Ltd and Senior Advisor to EQT Funds Management Ltd.

Mr Chia holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

Mr Lee Kim Shin joined the board of Singapore Power Limited in July 2019.

Mr Lee is a Counsel of Allen & Gledhill LLP. Mr Lee sits on the boards of Singapore Airlines Limited, Singapore Institute of Legal Education and Goh Foundation Limited. He is also a member of the governing board of Duke-NUS Medical School Singapore and a member of the main committee of the Yellow Ribbon Fund.

Mr Lee holds a Bachelor of Law degree from the National University of Singapore.

Ms Goh Swee Chen joined the board of Singapore Power Limited in July 2019. Ms Goh sits on the boards of JTC Corporation, Singapore Airlines Limited, Woodside Petroleum Ltd and various companies in the Carbon Solutions group of companies. She is also Chairman of Nanyang Technological University's Board of Trustees, Institute for Human Resource Professionals Limited and National Arts Council, President of Global Compact Network Singapore and a member of Singapore Research, Innovation and Enterprise Council and Legal Service Commission.

Ms Goh holds a Bachelor of Science from Victoria University and a Master of Business Administration from Chicago Booth, University of Chicago.

Prof Yaacob Bin Ibrahim joined the board of Singapore Power Limited in September 2021.

Prof Yaacob Bin Ibrahim is an Advisor, Office of the President and a Director, Community Leadership and Social Innovation Centre of Singapore Institute of Technology ("SIT"). Prior to his current positions at SIT, Prof Yaacob served as a Minister in the Ministries of Communications and Information (2011-2018), Environment and Water Resources (2004-2011) and Community Development and Sports (2002-2004). Throughout the 16 years as a Minister, he was also Minister-in-charge of Muslim Affairs.

Prof Yaacob is Chairman of the Governing Boards of the Earth Observatory of Singapore and St John's Island National Marine Laboratory, a board member of the National Kidney Foundation, a member of Board of Trustees for the Building Construction and Timber Industries Employees' Union, and a Board Member of Surbana Jurong Group. He is also an independent director of Chip Eng Seng Corporation Limited, Oceanus Group Limited and serves as Advisor of AI Singapore.

Prof Yaacob graduated from the University of Singapore with a degree in Civil Engineering and has a PhD from Stanford University.

Mr Stanley Huang Tian Guan is the Group Chief Executive Officer of Singapore Power Limited. He is the Chairman of key subsidiaries of Singapore Power Group including SP PowerAssets Limited, Singapore District Cooling Pte Ltd, Singapore Power International Pte Ltd and SP Digital Holdings Pte. Ltd. as well as a director of SP Services Limited and SP Group Treasury Pte. Ltd. He is also the Chairman of the Energy Association of Singapore (World Energy Council Singapore Member Committee), Vice President of the Association of the Electricity Supply Industry of East Asia and Western Pacific and a member of the Future Economy Council Resource and Environmental Sustainability Sub-Committee.

Mr Huang was formerly the Group CFO of Singapore Power Limited. Prior to his appointment as CFO of Singapore Power Limited in 2015, Mr Huang was with Volvo Group for 12 years and had lived and worked in China, Belgium and Singapore.

Mr Huang holds a Master's degree in Business Administration from University of Leicester, UK and a Bachelor of Accountancy (2nd Upper Class Honours) degree from Nanyang Technological University, Singapore. He is a Chartered Accountant of Singapore and an alumnus of INSEAD Business School.

Committees of SP's Board

SP's Board is supported by board committees to facilitate effective supervision of the management. These are the Board Executive Committee, the Audit Committee, the Board Risk Management Committee, the Nominating Committee and the Staff Development & Compensation Committee.

As and when required for specific projects, special board steering committees and due diligence committees are formed to provide support and guidance to management.

Board Executive Committee

The members of the Board Executive Committee ("ExCo") are Tan Sri Mohd Hassan Marican (Committee Chairman), Ms Leong Wai Leng, Mr Timothy Chia Chee Ming, Ms Goh Swee Chen and Mr Stanley Huang Tian Guan. The ExCo assists the Board in overseeing the performance of SP, its subsidiaries and its associated companies. It also reviews, endorses, approves or recommends to the Board for approval, acquisitions, financing plans, and the annual operating and capital expenditure budgets of SP Group. The ExCo typically meets at least four times a year.

Audit Committee

The members of the Audit Committee ("AC") are Mr Ong Yew Huat (Committee Chairman), Ms Leong Wai Leng and Mr Lee Kim Shin. Members of the AC have relevant accounting or related financial management expertise and experience to discharge their responsibilities.

The main function of the AC is to assist the Board in discharging its statutory and oversight responsibilities over SP Group relating to the financial reporting and audit processes, the systems of internal controls and the process of monitoring compliance within applicable laws, regulations and codes of conduct.

Responsibilities of the AC include:

- Review and approval of the audit plans of external and internal auditors;
- Review of the adequacy of the internal audit function;

- Review of the financial statements of SP Group and SP;
- Review of the independence and objectivity of the external auditors; and
- Nomination of external auditors for re-appointment. The AC typically meets at least three times a year.

Board Risk Management Committee

The members of the Board Risk Management Committee ("BRMC") are Mr Timothy Chia Chee Ming (Committee Chairman), Ms Goh Swee Chen, Prof Yaacob Bin Ibrahim and Mr Stanley Huang Tian Guan (ex-officio). The BRMC assists the Board in fulfilling its oversight responsibilities by reviewing:

- the type and level of business risks that SP, its subsidiaries and associated companies undertake on an integrated basis to achieve their business strategy; and
- the policies, procedures and methodologies for identifying, assessing, quantifying (where appropriate), monitoring and mitigating risks.

The BRMC is supported by the Group Risk Management Office in its risk governance responsibilities. While the BRMC oversees SP Group's risk management framework and policies, the risk ownership remains with the business groups.

The BRMC typically meets at least three times a year.

Nominating Committee

The members of the Nominating Committee ("NC") are Tan Sri Mohd Hassan Marican (Committee Chairman), Ms Leong Wai Leng, Mr Ong Yew Huat and Mr Lee Kim Shin. The NC is responsible for formulating policies and guidelines on matters relating to Board appointments, re-appointments, retirement and rotation of directors.

The NC, in consultation with the Chairman of the Board, considers and makes recommendations to the Board on the appropriate size and needs of the Board. The NC also identifies and reviews the nominations of candidates for the appointment of the Group Chief Executive Officer, the board members and board committees of SP and its significant investee companies and the managing directors (or their equivalent) of certain of its significant investee companies.

The NC typically meets at least twice a year.

Staff Development & Compensation Committee

The members of the Staff Development & Compensation Committee ("SDCC") are Tan Sri Mohd Hassan Marican (Committee Chairman), Mr Timothy Chia Chee Ming and Ms Goh Swee Chen. The SDCC oversees the remuneration of the Group Chief Executive Officer and senior executives of SP Group. The SDCC establishes and maintains an appropriate and competitive level of remuneration to attract, retain and motivate senior executives to manage SP Group successfully.

No Director is involved, or has participated, in any proceedings with respect to his or her own remuneration.

The SDCC typically meets at least twice a year.

Senior Management of SP Group

The following table sets forth the members of the senior management of SP Group:

Name	Position
Ms Amelia Champion	Head, Communications
Mrs Jeanne Cheng	Chief Risk Officer
Mr Brandon Chia Seng Boon	Managing Director, Southeast Asia & Australia, Sustainable Energy Solutions
Ms Lena Chia Yue Joo	Chief Legal Officer & General Counsel
Mr S Harsha	Managing Director, Singapore, Sustainable Energy Solutions
Mr Stanley Huang Tian Guan	Group Chief Executive Officer
Mr Jimmy Khoo Siew Kim	Chief Executive Officer, SP Powergrid
Mr Law Chin Ho	Chief Executive Officer, SP Services
Mr Steve Lee	Chief Information Officer
Ms Loong Hui Chee	Chief Financial Officer
Mr Ong Teng Koon	Head, Regulatory Management
Mr Kenneth Soh Yew Chin	Chief Human Resource Officer
Mr Ivan Tan Meng Khai	Managing Director, SP Digital
Mr Michael Zhong Zhiming	Managing Director, China, Sustainable Energy Solutions

Ms Amelia Champion is Head of Communications of Singapore Power Limited, overseeing communications, branding, issues and crisis management, employee volunteerism and corporate philanthropy. She is also a director of SP PowerAssets Limited, PowerGas Limited and SP Services Limited.

Ms Champion has built her career in healthcare and social service. At the SingHealth Group, Ms Champion was Director, Group Communications, driving initiatives to unify employees across the group of institutions and reinforce the SingHealth Group's standing in Academic Medicine. At the National Kidney Foundation, she headed Public Relations, Patient Relations, Events and Promotions with responsibilities in running nationwide campaigns to promote organ donation, international healthcare conferences and creating holistic, self-help programs for patients. Ms Champion serves in the Executive Committee of Paya Lebar Methodist Girls' School Alumni Association.

Ms Champion has a Bachelor of Arts degree from the National University of Singapore and a Master of Arts degree in Communication Management from the University of South Australia.

Mrs Jeanne Cheng is the Chief Risk Officer of Singapore Power Limited. She is also the Chairman of PowerGas Limited and Power Automation Pte Ltd and a director of SP PowerAssets Limited, Singapore District Cooling Pte Ltd, Singapore Power International Pte Ltd, SP Home Pte Ltd, SPTel Pte Ltd, SPI Energy Investments Pte Ltd and SGSPAA.

Mrs Cheng has been with SP Group for close to 26 years. Prior to her current position, she was the Managing Director of SP Services Limited for 9 years and held senior positions in Corporate Communications and Business Development. Mrs Cheng has worked as a media and communications specialist in both private and public sector companies. She was awarded the Public Service Medal in 2009 and the Public Service Star in 2017 for her community work. In 2012, she was voted Power Woman of the Year at the Asian Utility Industry Awards. Mrs Cheng received the Work-Life Leadership Award in 2014 for her achievement in implementing work-from-home programmes. In September 2020, she was appointed as Justice of Peace.

Mrs Cheng holds a Bachelor's degree in Arts from the National University of Singapore.

Mr Brandon Chia Seng Boon is Managing Director, Southeast Asia & Australia, Sustainable Energy Solutions of SP Group. He leads a team that is responsible for SP Group's businesses in sustainable energy solutions and investments in Southeast Asia & Australia.

Mr Chia has two decades of experience in the energy utility industry serving in various senior positions within SP Group in Singapore and SGSPAA and AusNet Services in Australia, with a key focus on markets development, mergers and acquisitions, portfolio management and technology innovation. In addition, he has also worked in MAS on infrastructure finance and served on cross-government advisory panels on infrastructure-related matters.

Mr Chia sits on the boards of several companies, including but not limited to Singapore Power International Pte Ltd, SP Energy Vietnam Co. Ltd, BCG-SP Greensky JSC, Singapore Power Energy (Thailand) Limited and The Mobility House AG.

He holds a Bachelor of Electrical Engineering (First Class Honours) degree from the National University of Singapore.

Ms Lena Chia Yue Joo is the Chief Legal Officer of Singapore Power Limited. A former member of Temasek's senior management team, Ms Chia was previously the Managing Director of the Legal and Regulations division of Temasek from January 1, 2005 to June 9, 2014. Prior to joining Temasek, Ms Chia was a lawyer in private practice until 1994, when she joined the Singapore Technologies group as an in-house counsel. She held various positions in the Singapore Technologies group, the last being Director, Legal, heading up the Legal team of Singapore Technologies Pte Ltd.

Ms Chia also sits on the boards of directors of several companies including SP Group Treasury Pte. Ltd., SP Training and Consultancy Company Pte. Ltd., SP Real Estate Holdings Pte. Ltd., SPace Pte. Ltd., SP Innovation Pte. Ltd., Singapore Power International Pte Ltd, SPI Energy Investments Pte. Ltd., SPComm Pte. Ltd. and SGSPAA. Ms Chia holds a Bachelor of Laws (Honours) degree from the National University of Singapore and has been admitted as an advocate and solicitor of the Supreme Court of Singapore. Ms Chia also attended the Advanced Management Program at Harvard Business School in 2012.

Mr S Harsha is the Managing Director, Singapore, Sustainable Energy Solutions of Singapore Power Limited. He leads a team that is responsible for exploring business development and investment opportunities in sustainable energy solutions in Singapore.

Mr Harsha joined SP Group in 2018. Prior to his current appointment, Mr Harsha was the project director leading the integration of SP Group's capabilities into the development of the smart energy town at the HDB Tengah housing estate. He also led the development of several innovative products under SP Digital that offers commercial customers with cost efficient solutions to monitor and manage utilities consumption while generating insights to drive energy and operational efficiency.

Mr Harsha is currently the chairman of Singapore District Cooling AMK Pte. Ltd. and serves on the board of Singapore District Cooling Pte Ltd, Labrador Real Estate Pte. Ltd., SP Mobility Pte. Ltd. and SP Energy Services Pte. Ltd.

He holds a Bachelor of Engineering in Electrical and Electronics Engineering from Nanyang Technological University of Singapore.

Mr Stanley Huang Tian Guan is a Director and the Group Chief Executive Officer of Singapore Power Limited. For a biography of Mr Huang, see "— Board of Directors".

Mr Jimmy Khoo Siew Kim is the Chief Executive Officer of SP PowerGrid Limited and a director of SP PowerGrid Limited, SP Energy Services Pte. Ltd., SP Digital Holdings Pte. Ltd., SPTel Pte. Ltd., Singapore Institute of Power And Gas Pte. Ltd. and SP Training and Consultancy Company Pte. Ltd. Mr Khoo has eleven years of experience in SP Group. Prior to joining SP PowerGrid, Mr Khoo had also previously held the position of Chief Executive Officer of Singapore District Cooling Pte Ltd.

Mr Khoo holds a Master of Science in Management from the Leland Stanford Junior University and a Master of Arts (Politics, Philosophy and Economics) degree from Oxford University.

Mr Law Chin Ho is the Chief Executive Officer of SP Services Limited. He is also a director of SP Services Limited, SP Digital Holdings Pte. Ltd., SPComm Pte. Ltd. and Three Gorges SP Energy (Shanghai) Company Ltd..

Prior to his current appointment, he held the role of Managing Director (Chairman's Office) in SP Power Grid. Mr Law has also previously assumed leadership roles across various functions, including finance, regulatory management, investments and procurement within SP Group. He began his career as an auditor with PricewaterhouseCoopers before joining SP Group.

Mr Law holds a Bachelor's degree (First Class Honours) in Accountancy from Nanyang Technological University. He is also a Chartered Accountant and Certified Financial Analyst.

Mr Steve Lee Hee Kwang is the Chief Information Officer of Singapore Power Limited. He leads a team that is responsible for planning and implementing the overall IT strategy and operational technology projects of the Group, as well as ensuring robustness of the Group's cyber and corporate security systems.

He has over 28 years of information management experience. Prior to joining SP Group, Mr Lee was the Deputy Chief Executive Officer of Integrated Health Information Systems. He has also held senior positions in Changi Airport Group and Kuok Singapore Limited Group.

He holds a Bachelor of Engineering in Industrial Management from the National University of Singapore and a Master's in Operations Research from the Naval Postgraduate School.

Ms Loong Hui Chee is the CFO of Singapore Power Limited. She is also a director of several companies including but not limited to SP PowerAssets Limited, PowerGas Limited, SP PowerGrid Limited, SP Group Treasury Pte. Ltd., SP Services Limited, Singapore District Cooling Pte. Ltd., Singapore Power International Pte. Ltd. and SGSPAA.

She has over 28 years of financial management experience. She joined Singapore Power Limited in 2007 as Head, Financial Management and Planning. Prior to her appointment as CFO, her last held appointment was Managing Director, Finance where she oversaw the group finance functions.

Prior to Singapore Power Limited, Ms Loong worked in Singapore Telecommunications Limited and spent several years in the United States, Australia and United Kingdom in various accounting and treasury roles.

Ms Loong holds an Honours Degree in Accountancy from the Nanyang Technological University and is a Chartered Accountant of Singapore.

Mr Ong Teng Koon joined SP Group in 2016 as Managing Director in Group CEO's office and is currently the Head of Regulatory Management of Singapore Power Limited. He also sits on the Board of SP PowerAssets Limited, PowerGas Limited, Singapore District Cooling Pte. Ltd., SP Group Treasury Pte. Ltd., SPTel Pte. Ltd., Power Automation Pte Ltd, SP Real Estate Holdings Pte. Ltd., SPComm Pte. Ltd. and SP Capital Limited. He spent more than a decade at Goldman Sachs and Morgan Stanley where he traded commodities in Chicago, London, Tokyo, Shanghai and Singapore.

Mr Ong served as a Member of Parliament of Singapore from 2011 to 2020.

Mr Ong graduated with a Masters in Finance from Princeton University and a Bachelor of Science in Economics with First Class Honours from the London School of Economics.

Mr Kenneth Soh Yew Chin is the Chief Human Resource Officer of Singapore Power Limited. He is responsible for developing and implementing HR strategy across SP Group as well as providing overall HR practice leadership across SP Group of companies. He is also a director of several companies including SP Services Limited, SP PowerAssets Limited, PowerGas Limited, SP Training and Consultancy Company Pte. Ltd. and Singapore Power Institute of Power and Gas Pte. Ltd.

Mr Soh has more than 31 years of professional experience spanning human resources, retail sales and business operations. Prior to joining SP Group, Mr Soh was with MediaCorp Pte Ltd as Chief Human Resource Officer. He had previously spent more than 19 years with Shell Eastern Petroleum Pte Ltd where he had gained varied experiences, including an appointment as Country HR General Manager for Shell in Singapore.

Mr Soh holds a Bachelor of Science in Computer Science and Information Systems from the National University of Singapore. He has functional qualifications in the areas of Business Partnering, Employment Relations and Global Remuneration.

Mr Ivan Tan Meng Khai is the Managing Director of SP Digital. He leads a team that drives SP Group's digital transformation via the pursuit of new digital opportunities and the development of energytech products.

He has over 25 years of experience in digital engineering and product development. Prior to joining SP Group, Mr Tan held various positions in companies such as Aspire Lifestyles, Singtel Digital Media and Yahoo!.

He holds a Bachelor of Science in Computer Engineering from the Nanyang Technological University.

Mr Michael Zhong Zhiming is the Managing Director, China, Sustainable Energy Solutions of Singapore Power Limited. He leads a team that is responsible for exploring business development and investment opportunities in sustainable energy solutions within China.

Mr Zhong has more than 26 years of experience in the energy industry with extensive knowledge of the Chinese energy infrastructure markets and policies. He was previously the Deputy Chief Financial Officer of SGSPAA.

Prior to that, Michael held several key leadership positions in SGCC, ranging from business development, tariff regulation to finance. He was the Head of Business Development of State Grid Overseas Investment Ltd and Deputy Head of the Tariff Regulation Division.

Mr Zhong currently serves on the board of several companies including but not limited to Three Gorges SP Energy (Shanghai) Company Ltd., Sino-Singapore Energy Services (Chongqing) Company Ltd., SP (Guangzhou) Energy Services Co., Ltd, China-Singapore Guangzhou Energy Service Co., Ltd. and SP Energy (Chengdu) Services Co., Ltd.

He holds a Master of Economics from Central University of Finance and Economics, Beijing, China.

DESCRIPTION OF THE ISSUER

The Issuer is a private company limited by shares under the laws of Singapore and was incorporated on March 27, 2018. The Issuer is a direct wholly-owned subsidiary of SP whose principal activities are that of investment holding and provision of management support services.

The registered office of the Issuer is 2 Kallang Sector, Singapore 349277.

As at the date of this Offering Circular, the issued and fully paid-up share capital of the Issuer is S$10,000 comprising 10,000 ordinary shares issued and held by SP.

The following table sets forth the name and position of each member of the Board of Directors of the Issuer:

Name	Position
Ms Leong Wai Leng	Chairman
Ms Lena Chia Yue Joo	Director
Mr Stanley Huang Tian Guan	Director
Ms Loong Hui Chee	Director
Mr Ong Teng Koon	Director
Mr Pek Hock Soon	Director

CONTROLLING SHAREHOLDER

SP is wholly-owned by Temasek, an investment company headquartered in Singapore with a diversified investment portfolio. Temasek is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959 of Singapore.

Control of Equity Interests

As highlighted in the sections "Industry and Regulation — Electricity Industry in Singapore — Powers of the EMA to Control Electricity Licensees" and "Industry and Regulation — Powers of the EMA to Control Gas Licensees", the Electricity Act and the Gas Act set out various provisions relating to the control of equity interests in designated Electricity Licensees (as defined in the Electricity Act) and designated Gas Licensees (as defined in the Gas Act). SPPA and SPPG have been designated as designated Electricity Licensees and PowerGas and SPPG have been designated as designated Gas Licensees. Accordingly, the provisions of the Electricity Act and Gas Act relating to the control of equity interests are applicable to SPPA, SPPG and PowerGas.

Electricity Act

Under Section 30D of the Electricity Act, where a person has acquired an equity interest in SPPA or SPPG and the EMA is satisfied that:

(i) that person has, whether through a series of transactions over a period of time or otherwise, become a 12% controller, 30% controller or indirect controller (each as defined in the Electricity Act) of SPPA or SPPG (as the case may be) without first obtaining the approval of the EMA;

(ii) in the case of a person who had obtained such approval from the EMA, (a) the person is not or ceases to be a fit and proper person, (b) having regard to the person's likely influence, SPPA or SPPG (as the case may be) is not, or is no longer, likely to conduct its business prudently or to comply with the provisions of the Electricity Act, or (c) it is not, or no longer, in the public interest to allow the person to continue to be a 12% controller, 30% controller or an indirect controller (as the case may be);

(iii) that person has furnished false or misleading information or documents in connection with an application for the EMA's approval under Section 30B of the Electricity Act;

(iv) the EMA would not have granted its approval under Section 30B of the Electricity Act had it been aware, at that time, of circumstances relevant to that person's application for such approval; or

(v) any condition imposed on the person under Section 30B or 30CA of the Electricity Act has not been complied with,

the EMA may (a) direct the person to take such steps as are necessary, within such period as may be specified by the EMA, to ensure that the person ceases to be a 12% controller, a 30% controller or an indirect controller of SPPA or SPPG (as the case may be), (b) direct the person or any of his associates (as defined in the Electricity Act) to transfer or dispose of all or any of the equity interest held by the person or any of his associates (the "specified equity interest") within such time and subject to such conditions as the EMA considers appropriate, (c) restrict the transfer or disposal of the specified equity interest, or (d) make such other direction as the EMA considers appropriate.

Where the EMA has issued such direction to direct the transfer or disposal, or restrict the transfer or disposal, of the specified equity interest, notwithstanding the provisions of any other written law or anything contained in SPPA's constitution or SPPG's constitution (as the case may be):

(i) no voting rights are exercisable in respect of the specified equity interest unless the EMA expressly permits such rights to be exercised;

(ii) no equity interest may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified equity interest unless the EMA expressly permits such issue or offer; and

(iii) except in the winding up of SPPA or SPPG (as the case may be), payments must not be made by SPPA or SPPG respectively (whether by way of dividends or otherwise) in respect of the specified equity interest unless the EMA expressly authorizes such payment,

until the transfer or disposal is effected in accordance with the direction or until the direction is revoked, as the case may be.

In view of the foregoing, the constitutions of SPPA and SPPG each currently restricts any person, whether alone or together with his associates, from holding an equity interest in SPPA or SPPG (as the case may be) or from being in a position to control voting power in SPPA or SPPG (as the case may be) which meets or is in excess of any of the Electricity Act Prescribed Limits, without first obtaining the approval of the EMA.

In addition, SPPA's or SPPG's Directors may, if it comes to their notice that any person or, as the case may be, any person who together with his associates, holds an equity interest in SPPA or SPPG (as the case may be) or is in a position to control voting power in SPPA or SPPG (as the case may be) which meets or is in excess of any of the Electricity Act Prescribed Limits, without first obtaining the approval of the EMA:

(i) require such person or persons or the holder or holders of the equity interest concerned (as the case may be) to transfer or dispose of all or any part thereof within such time and subject to such conditions as the EMA considers appropriate; and/or

(ii) pending the aforesaid disposal, suspend the voting rights of the equity interest concerned held by such person or persons or the holder or holders thereof (as the case may be); and/or

(iii) restrict the transfer or disposal of the equity interest concerned held by such person or persons or the holder or holders thereof (as the case may be) as the EMA considers appropriate.

Gas Act

Under Section 63E of the Gas Act, where a person has acquired an equity interest in PowerGas or SPPG and the EMA is satisfied that:

(i) that person has, whether through a series of transactions over a period of time or otherwise become a 12% controller, 30% controller or indirect controller (each as defined in the Gas Act) of PowerGas or SPPG (as the case may be) without first obtaining the approval of the EMA:

(ii) in the case of a person who had obtained such approval from the EMA, (a) the person is not or ceases to be a fit and proper person, (b) having regard to the person's likely influence, PowerGas or SPPG (as the case may be) is not, or is no longer, likely to conduct its business prudently or to comply with the provisions of the Gas Act, or (c) it is not, or is no longer in the public interest to allow the person to continue to be a 12% controller, 30% controller or indirect controller (as the case may be);

(iii) any condition of approval imposed on that person under Section 63C or 63D of the Gas Act has not been complied with;

(iv) that person has furnished false or misleading information or documents in connection with an application for the EMA's approval under Section 63B(3) of the Gas Act; or

(v) the EMA would not have granted its approval under Section 63B(3) of the Gas Act had it been aware, at that time, of circumstances relevant to that person's application for such approval,

the EMA may (a) direct the person to take such steps as are necessary, within such period as may be specified by the EMA, to ensure that he ceases to be a 12% controller, a 30% controller or an indirect controller of PowerGas or SPPG (as the case may be); (b) direct the person or any of his associates (as defined in the Gas Act) to transfer or dispose of all or any of the equity interest held by the person or any of his associates (the "specified equity interest") within such time and subject to such conditions as the EMA considers appropriate, (c) restrict the transfer or disposal of the specified equity interest, or (d) make such other direction as the EMA considers appropriate.

Where the EMA has issued such direction to direct the transfer or disposal, or restrict the transfer or disposal, of the specified equity interest, notwithstanding the provisions of any other written law or anything contained in PowerGas' constitution or SPPG's constitution (as the case may be):

(i) no voting rights are exercisable in respect of the specified equity interest unless the EMA expressly permits such rights to be exercised;

(ii) no equity interest may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified equity interest unless the EMA expressly permits such issue or offer; and

(iii) except in the winding up of PowerGas or SPPG (as the case may be), payments must not be made by PowerGas or SPPG respectively (whether by way of dividends or otherwise) in respect of the specified equity interest unless the EMA expressly authorizes such payment,

until the transfer or disposal is effected in accordance with the direction or until the direction is revoked, as the case may be.

In view of the foregoing, PowerGas' constitution currently restricts any person, whether alone or together with his associates, from holding an equity interest in PowerGas or from being in a position to control voting power in PowerGas which meets or is in excess of any of the Gas Act Prescribed Limits without first obtaining the approval of, or an exemption from the requirement to obtain approval from, the EMA. SPPG's constitution currently restricts any person, whether alone or together with his associates, from holding an equity interest in SPPG or from being in a position to control voting power in SPPG which meets or is in excess of any of the Gas Act Prescribed Limits, without first obtaining the approval of the EMA.

In addition, PowerGas' Directors may, if it comes to their notice that any person or, as the case may be, any person who together with his associates, holds an equity interest in PowerGas or is in a position to control voting power in PowerGas which meets or is in excess of any of the Gas Act Prescribed Limits or is an indirect controller (as defined in the Gas Act), without first having obtained the approval of, or an exemption from the requirement to obtain such approval from, the EMA:

(i) require such person or persons or the holder or holders of the equity interest concerned (as the case may be) to take such steps as are necessary, within such period as may be specified by the EMA, to ensure that he, whether alone or together with his associates, ceases to hold an equity interest or be in a position to control voting power in PowerGas, which meets or exceeds any of the Gas Act Prescribed Limits, or ceases to be an indirect controller (as defined in the Gas Act) of PowerGas; and/or

(ii) require such person or persons or the holder or holders of the equity interest concerned or any of his associates (as the case may be) to transfer or dispose of all or any part of the equity interest held by him/them (the "Affected Shares") within such time and subject to such conditions as the EMA considers appropriate; and/or

(iii) restrict the transfer or disposal of the equity interest concerned held by such person or persons or the holder or holders thereof (as the case may be).

Where PowerGas' Directors reasonably determine that such action is required pursuant to the Gas Act, PowerGas Directors may provide that:

(a) no voting rights shall be exercisable in respect of the Affected Shares unless the EMA expressly permits such rights to be exercised;

(b) no equity interests in PowerGas shall be issued or offered (whether by way of rights, bonus or otherwise) in respect of the Affected Shares unless the EMA expressly permits such issue or offer;

(c) except in a winding-up of PowerGas, no payment shall be made by PowerGas of any amount (whether by way of dividends or otherwise) in respect of the Affected Shares unless the EMA expressly authorizes such payment,

until the transfer or disposal is effect in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be.

In addition, SPPG's Directors may, if it comes to their notice that any person or, as the case may be, any person who together with his associates, holds an equity interest in SPPG or is in a position to control voting power in SPPG which meets or is in excess of any of the Gas Act Prescribed Limits, without first obtaining the approval of the EMA:

(i) require such person or persons or the holder or holders of the equity interest concerned (as the case may be) to transfer or dispose of all or any part thereof within such time and subject to such conditions as the EMA considers appropriate; and/or

(ii) pending the aforesaid disposal, suspend the voting rights of the equity interest concerned held by such person or persons or the holder or holders thereof (as the case may be); and/or

(iii) restrict the transfer or disposal of the equity interest concerned held by such person or persons or the holder or holders thereof (as the case may be) as the EMA considers appropriate.

DESCRIPTION OF THE NOTES

General

The particular terms of any Notes sold will be described in an accompanying supplement to this Offering Circular (a "Pricing Supplement"). The terms and conditions set forth in "Description of the Notes" below will apply to each Note unless otherwise specified in the applicable Pricing Supplement and in such Note.

Notes governed under the laws of the State of New York shall be issued under an amended and restated indenture dated as of September 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the "Indenture") between the Company, the Guarantor and The Bank of New York Mellon, as Trustee. Notes governed under the laws of Singapore shall be issued under an amended and restated supplemental trust deed dated September 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the "Supplemental Trust Deed") between the Company, the Guarantor and The Bank of New York Mellon, as Trustee, which is supplemental to the Indenture. References to the "Indenture" shall, where applicable, include references to the "Supplemental Trust Deed".

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" that are not otherwise defined shall have the same meaning given to such terms as in the Indenture.

The Notes are direct, unsecured and unsubordinated obligations of the Company. The Notes will rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, other than with respect to obligations preferred by statute or operation of law.

The Indenture provides that the Notes may be issued in one or more series thereunder (Indenture § 301). All Notes of one issuance need not be issued at the same time and, unless otherwise provided, an issuance may be reopened under the Indenture, without the consent of any holder, for issuances of additional Notes which will be consolidated and form one series with the Notes of the previous issuance; provided that, in the case of Bearer Notes that are issued under TEFRA D and are initially represented by interests in a Temporary Global Note exchangeable for interests in a Permanent Global Note or definitive Bearer Notes, such consolidation will occur only upon certification of non-U.S. beneficial ownership and exchange of interests in the Temporary Global Note for interests in the Permanent Global Note or definitive Bearer Notes; and provided further that in the case of Registered Notes issued pursuant to Rule 144A, any such additional Notes shall be designated by a separate CUSIP or other identifying number unless such additional Notes are fungible with the other Notes of the relevant series for U.S. federal income tax purposes (Indenture § 301). 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 Company may determine.

The Notes offered hereby are limited to an aggregate principal amount (or, in the case of Notes issued at a discount from their principal amount, Notes that may be paid in two or more installments or Indexed Notes, the aggregate initial offering price) at any time outstanding of up to S$10,000,000,000 or, in the case of Notes denominated in a currency other than Singapore dollars ("Foreign Currency Notes"), the approximate equivalent thereof at the Program Exchange Rate of such foreign currencies on the date the Company agreed to issue such Notes. The maximum amount that may be issued under the Program may be increased pursuant to the terms of the Program. Unless otherwise specified in the applicable Pricing Supplement, each Note will mature on a date three months or more from its date of original issuance (the "Original Issue Date"), as selected by the relevant Dealer and agreed to by the Company.

The Notes will be issuable only in fully registered or bearer form and in such Specified Denominations and integral multiples as specified in the relevant Pricing Supplement. Notes sold pursuant to Rule 144A under the Securities Act will be in denominations of U.S.$250,000 (in the case of Notes not denominated in U.S. dollars, the equivalent thereof in such foreign currency or composite currency, rounded down to the nearest 1,000 units of such foreign currency or composite currency). Notes which are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as of the date of issue of the relevant Notes). Notes denominated in Singapore dollars will have a minimum denomination of S$200,000. Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which either (a) the issue proceeds are to be accepted by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom will: (i) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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; or (ii) be issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA.

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, the amount payable to the holder of such Note 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 for U.S. federal income tax purposes.

Notes denominated in a currency other than Singapore dollars will be redeemable, at the option of the Company, prior to their Stated Maturity in the event that the Company is obliged to pay any of the additional amounts described in "— Payments of Additional Amounts" as a result of a change in law. In addition, the applicable Pricing Supplement will indicate either that a Note cannot otherwise be redeemed prior to its Stated Maturity or that a Note will be redeemable at the option of the Company on or after a specified date prior to its Stated Maturity at a specified price or prices (which may include a premium), together with accrued interest to the date of redemption. The applicable Pricing Supplement will also indicate either that the Company will not be obligated to redeem a Note at the option of the holder thereof or that the Company will be so obligated. If the Company 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.

Unless otherwise provided in the Pricing Supplement, the Company shall have the option to purchase all or any of the Variable Rate Notes at their Redemption Price on any date on which interest is due to be paid on such Notes and the Holders of such Notes shall be bound to sell such Notes to the Company accordingly. To exercise such option, the Company shall give irrevocable notice to the Holders of such Notes within the Issuer's Purchase Option Period specified in the applicable Pricing Supplement. Such Notes may be held, resold or surrendered to the Trustee for cancellation. The Notes so purchased, while held by or on behalf of the Company, shall not entitle the holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of §§ 501 to 515 and 1401 of the Indenture.

In the case of a purchase of only some of the Variable Rate Notes, the notice to Noteholders shall also contain the certificate numbers of such Notes to be purchased, which shall have been drawn by or on behalf of the Company in such place and in such manner as may be agreed between the Company and the Trustee, subject to compliance with any applicable laws. So long as the Variable Rate Notes are listed on the SGX- ST, the Company shall comply with the rules of the SGX-ST in relation to the publication of any purchase of Variable Rate Notes.

If so provided in the Pricing Supplement, each Holder shall have the option to have all or any of his Variable Rate Notes purchased by the Company at their Redemption Price on any Interest Payment Date and the Company will purchase such Variable Rate Notes accordingly. To exercise such option, a Holder shall deposit any Variable Rate Notes to be purchased with the relevant Issuing and Paying Agent at its specified office together with all Coupons (if applicable) relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the relevant Issuing and Paying Agent within the Holders' VRN Purchase Option Period specified in the applicable Pricing Supplement. Any Variable Rate Notes so deposited may not be withdrawn without the prior consent of the Company. Such Variable Rate Notes may be held, resold or surrendered to the Trustee for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Company, shall not entitle the holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of §§ 501 to 515 and 1401 of the Indenture. For as long as Bearer Notes issued in accordance with TEFRA D are represented by a Temporary Global Note, such an option shall not be available unless the certification required under TEFRA D with respect to non-U.S. beneficial ownership has been received by the Company or the Issuing and Paying Agent.

Except as ordered by a court of competent jurisdiction or as required by law, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may (a) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Note, Definitive Bearer Note, Receipt, Coupon or Talon and the registered holder of any Registered Global Note or Definitive Registered 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 bearer of any Bearer Global Note, Definitive Bearer Note, Receipt, Coupon or Talon or of the registered holder of any Registered Global Note or Definitive Registered Note, and (b) for all other purposes deem and treat:

(i) the bearer of any Definitive Bearer Note, Receipt, Coupon or Talon and the registered holder of any Definitive Registered 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 Company, the Guarantor (as applicable) and the Trustee, as having a particular principal amount of Notes credited to his 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 of any Clearing Systems, 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 bearer of any Bearer Global Note, Definitive Bearer Note, Receipt, Coupon or Talon or of the registered holder of any Registered Global Note or Definitive Registered 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 agreed that its obligations under the Guarantee will be as if it were principal obligor and not merely surety. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Company or any other person, (2) any amendment to any other provisions of the Indenture or to the Notes or to any security or other guarantee or indemnity, (3) the taking, existence or release of any security, guarantee or indemnity, (4) the dissolution, amalgamation, reconstruction or reorganization of the Company or any other person or (5) the illegality, invalidity or unenforceability of or any defect in any provision of the Notes or the Indenture or any of the Company's obligations under any of them). The Guarantor has waived its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Guarantee.

The Guarantor is a holding company, and its obligations under the Guarantee will be structurally subordinated to all liabilities of its subsidiaries.

Procedures for the Payment of Principal and Interest

Procedures for the payment of principal and interest on the Notes will vary depending on whether such Note is a Registered Note or a Bearer Note.

Registered Notes

Payment of the principal of and any premium or interest on Registered Notes will be made to the registered holders thereof at the specified office of the relevant Issuing and Paying Agents in the currency or currency unit specified on the face of the Registered Note; provided, that if the Registered Note is a Registered Global Note, payments shall be made to the account designated by the Depositary. Notwithstanding the foregoing, a registered holder of U.S.$10,000,000 (or its foreign currency equivalent) or more in aggregate principal amount of such Registered 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 if appropriate wire transfer instructions have been received by the Issuing and Paying Agent or any other issuing and paying agent in writing not less than 15 calendar days prior to the applicable Interest Payment Date (Indenture § 311).

Interest on any Registered 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 Registered Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest next preceding each Interest Payment Date; provided, however, that interest payable at Maturity will be payable to the Person to whom principal shall be payable. The first payment of interest on any interest-bearing Registered 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 Registered Note to the registered owner on the Regular Record Date immediately preceding such second Interest Payment Date (Indenture § 307).

Bearer Notes

Payments of principal and interest on Bearer Global Notes will be made in a manner specified in the relevant Bearer Global Notes against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of the relevant Issuing and Paying Agent outside of the United States. A record of each payment of principal and any payment of interest will be made on each relevant Bearer Global Note by the relevant Issuing and Paying Agent and such record will be *prima facie* evidence that the payment in question has been made, absent manifest error.

Payments of principal and interest on Definitive Bearer Notes will be made against presentation or surrender, as the case may be, of such Definitive Bearer Note at the specified office of the relevant Issuing and Paying Agent outside of the United States. Payments of interest in respect of Definitive Bearer Notes will be made only against surrender of Coupons and payments of principal will be made only against surrender of Receipts, in each, at the office of the relevant Issuing and Paying Agent outside of the United States.

Notwithstanding the foregoing, if payments of interest and/or principal on a Bearer Global Note or a Definitive Bearer Note will be made in U.S. dollars, then such payments may be made in the United States if:

(a) the Company has appointed Issuing and Paying Agents with specified offices outside the United States with the reasonable expectation that such Issuing and Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Company, adverse tax consequences to the Company (Indenture § 309).

In the case of Bearer Notes issued under TEFRA D, payments of both principal and interest in respect of a Temporary Bearer Global Note will only be made if certification of non-U.S. beneficial ownership as required under TEFRA D has been received from a Clearing System by the relevant Issuing and Paying Agent.

Subject to the restrictions on resale set forth in "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions" of this Offering Circular, the Notes may be presented for registration of transfer or exchange at the specified office of the relevant Issuing and Paying Agent or Note Registrar, as the case may be. No service charge will be made for any transfer or exchange of such Notes, but the Company 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 (e) and (f) below) with respect to Notes of any series at the time Outstanding occurs and is continuing, either the Trustee or the Holders of not less than 25.0% in principal amount of the outstanding Notes of that series may, and the Trustee at the request of such Act of Holders of not less than 25% in principal amount of the Outstanding Notes of such series (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) shall, by notice as provided in the Indenture, declare the principal amount (or, if the Notes of that series are Original Issue Discount Notes, such portion of the principal amount as may be specified in the applicable Pricing Supplement) of all of the Notes of that series to be due and payable immediately and upon such declaration such principal amount (or specified amount) shall become immediately due and payable (Indenture § 502). If an Event of Default specified in paragraphs (e) and (f) below with respect to Notes of any series at the time Outstanding occurs, then the principal amount (or, if the Notes of that series are Original Issue Discount Notes, such portion of the principal amount as may be specified in the applicable Pricing Supplement) of all of the Notes of that series shall, without any act by the 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 has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee under the Indenture, the Act of Holders of 75.0% in principal amount of the outstanding Notes of that series, by written notice to the Company or the Guarantor (as applicable), and the 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).

Unless otherwise provided in the applicable Pricing Supplement, 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 principal of (and premium, if any, on) or the Redemption Price of any Note when due and payable, and continuance of such default for a period of seven days;

(c) failure to make any sinking fund payment (if any) in respect of any Note when due or beyond any period of grace provided with respect thereto;

(d) failure by the Company or the Guarantor to perform any other covenant or warranty of the Company 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), continued for 30 days after written notice by the Trustee or the Holders of at least 25.0% in principal amount of the outstanding Notes of that series;

(e) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Company, the Guarantor or any Principal Subsidiary 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 Company, the Guarantor or any Principal Subsidiary a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, the Guarantor or any Principal Subsidiary under any applicable law (other than any reorganization, arrangement, adjustment or composition for the purposes of amalgamation or reconstruction while solvent) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, the Guarantor or any Principal Subsidiary or any substantial part of the property of the Company, the Guarantor or such Principal Subsidiary (having an aggregate book value in excess of S$100,000,000) or ordering the winding up or liquidation of the affairs of the Company, the Guarantor or any Principal Subsidiary (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 continue unstayed and in effect for a period of 60 consecutive days;

(f) commencement by the Company, the Guarantor or any Principal Subsidiary 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 a bankrupt or insolvent, or the consent by the Company, the Guarantor or any Principal Subsidiary to the entry of a decree or order for relief in respect of the Company, the Guarantor or such Principal Subsidiary 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 Company, the Guarantor or any Principal Subsidiary or the filing by the Company, the Guarantor or any Principal Subsidiary 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 Company, the Guarantor or any Principal Subsidiary 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 Company, the Guarantor or any Principal Subsidiary or of any substantial part of its respective property (having an aggregate book value in excess of S$100,000,000), or the making by the Company, the Guarantor or any Principal Subsidiary of an assignment for the benefit of creditors, or the taking of action by the Company, the Guarantor or any Principal Subsidiary in furtherance of any such action;

(g) the failure by the Company, the Guarantor or any Principal Subsidiary 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 Company, the Guarantor or any Principal Subsidiary having an aggregate principal amount outstanding in excess of S$100,000,000 (or its equivalent in another currency);

(h) 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; or

(i) any other event provided for with respect to Notes of such series as specified in the relevant Pricing Supplement.

The Holders of not less than a majority in aggregate principal amount of outstanding Notes of a 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 provisions requiring the consent of the Holder of each Note of such series (Indenture § 513).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case of an Event of Default, the Trustee will be under no obligation to any of the Holders of Notes of such series unless such Holders shall have offered to the Trustee security and/or indemnity and/or pre-funding satisfactory to it (Indenture § 603). Subject to such provisions for the indemnification of the Trustee, 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 Trustee or exercising any trust or power conferred on the Trustee (Indenture § 512).

The Indenture provides that the 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 or interest on or any sinking fund installment with respect to the Notes of such series, the Trustee shall be protected in withholding such notice if it determines that the withholding of such notice is in the interest of such Holders (Indenture § 602).

The Company is required to furnish to the Trustee annually a statement as to performance or fulfilment of its obligations under the Indenture and as to the absence of default or specifying any such default (Indenture § 1005).

Payments of Additional Amounts

Pursuant to the Indenture, the Company and the Guarantor will agree duly and punctually to pay the principal of and premium and interest, if any, on the Notes and Coupons 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 Company and the Guarantor will agree that any amounts to be paid by it under the Indenture, Notes and Coupons and the Guarantee denominated in currencies other than Singapore dollars 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 or formation of the Company or the Guarantor (as 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"), or 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 Company and the Guarantor (as applicable) shall pay such additional amounts in respect of any such principal, premium, interest and sinking fund payment (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 and Coupons or to the Trustee or any Issuing and Paying Agent, as the case may be, pursuant to the Indenture, such Notes and Coupons and the Guarantee after such deduction or withholding shall equal the respective amounts of principal, premium, interest, and sinking fund payment as specified in such Notes and Coupons, to which the Holders thereof or the Trustee would be entitled if no such deduction or withholding had been made; provided that the foregoing shall not apply to any such 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 (or a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over such beneficial owner or Holder if the relevant beneficial owner or Holder

is an estate, trust, nominee, partnership, limited liability company or corporation) 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 present or former connection with the Relevant Taxing Jurisdiction other than a connection arising from 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 failure to comply (following a request on reasonable notice from the Company) with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or beneficial owner of such Note, if compliance is possible pursuant to the provisions of any statute or regulation or by any practice of the Relevant Taxing Jurisdiction as a condition to or requirement of relief or exemption from such tax, levy, impost or other governmental charge, (4) which would not be payable or due but for the fact that the Note was presented, where presentation is permitted or required, by a Holder who would be able to avoid such withholding or deduction by presenting the Note to another Issuing and Paying Agent, (5) that is imposed in respect of any estate, inheritance, gift, sales, transfer, personal property or similar taxes, (6) which are payable other than by deduction or withholding from payments under, or with respect to, such Note or Guarantee or (7) which would not have been so imposed if the beneficial owner of such Note had been the Holder of such Note or which, if the beneficial owner of such Note had been the Holder of such Note, would have been excluded pursuant to clauses (1) through (6) inclusive above.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any current or future regulations or official interpretation thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

In relation to Notes and Coupons denominated in Singapore dollars, the Company and the Guarantor (as applicable) are not required to pay any additional amounts in respect of 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 Relevant Taxing Jurisdiction (Indenture § 1001).

Interest

Unless otherwise indicated in the applicable Pricing Supplement, interest-bearing Notes will bear interest at either (a) a fixed rate (a "Fixed Rate Note"), (b) a floating rate determined by reference to an interest rate formula (a "Floating Rate Note"), which may be adjusted by adding or subtracting the Spread and/or multiplying by the Spread Multiplier or (c) a variable rate (a "Variable Rate Note"). Each interest-bearing Note will bear interest from and including its Original Issue Date 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, 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 until the principal thereof is paid or made available for payment.

Interest rates, or interest rate formulae, are subject to change by the Company 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 Company 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 semiannually and (2) the Regular Record Date(s) for Fixed Rate Notes shall be, in relation to Notes cleared through CDP or DTC, the date that is 15 calendar days prior to each Interest Payment Date, whether or not such date is a Business Day, and, in relation to Notes cleared through Euroclear or Clearstream, on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except December 25 and January 1. 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 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 and interest on such Notes will be computed on the basis of the Day Count Fraction specified in the applicable Pricing Supplement or, if no Day Count Fraction is specified, 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, and in the case of Notes denominated in Singapore dollars, on the basis of a 365-day year and the actual number of days elapsed.

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 for the period from and after such Interest Payment Date, redemption date or Stated Maturity, as the case may be.

"Business Day" means a day (a) on which commercial banks in the financial center for the country of the Specified Currency are open to settle foreign exchange market payments in such Specified Currency, and (b)(i) in relation to payments due (other than in euro) upon presentation and/or surrender of any Notes in a series, on which commercial banks are open and foreign exchange markets settle payments in the Specified Currency in the place of presentation and/or surrender of such Notes, (ii) in relation to payments in euro upon presentation and/or surrender of any Note in a series, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("TARGET") System is open and (iii) in relation to any global notes, on which Euroclear, Clearstream, CDP or DTC (*provided* that the Notes represented by such global notes have been accepted for clearance and settlement by Euroclear, Clearstream, CDP or, as the case may be, DTC) are in operation.

Floating Rate Notes and Variable 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) EURIBOR, in which case such Note will be a EURIBOR Note, (e) SIBOR, in which case such Note will be a SIBOR Note, (f) the Swap Rate, in which case such Note will be a Swap Rate Note, (g) variable rate, in which case such Note will be a Variable Rate Note, (h) the Federal Funds Rate, in which case such Note will be a Federal Funds Rate Note, (i) LIBOR, in which case such Note will be a LIBOR Note, (j) the Treasury Rate, in which case such Note will be a Treasury Rate Note, (k) the CMT Rate, in which case such Note will be a CMT Rate Note or (l) such other interest rate formula as is set forth in such Pricing Supplement. The applicable Pricing Supplement for a Floating Rate Note will also 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 Issuing and 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, semiannually, annually, or 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 (other than SIBOR Notes, Swap Rate Notes and Variable 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 semiannually, 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 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 days immediately prior to Maturity will be that in effect on the tenth 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, except that if such Note is a LIBOR Note and the next succeeding such Market Day falls in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Market Day.

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"), a CMT Rate Note (the "CMT Rate Interest Determination Date") or a EURIBOR Note (the "EURIBOR Interest Determination Date") will be the second Market Day preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note (the "LIBOR Interest Determination Date") will be London Market Day preceding such Interest Reset Date. The Interest Determination Date for a SIBOR Note (the "SIBOR Interest Determination Date") or a Swap Rate Note (the "Swap Rate Interest Determination Date") will be the second Singapore Market Day preceding such Interest Reset Date. 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, or if no auction is held for such week, the Monday of such week (or, if Monday is a legal holiday, the next succeeding Market Day) and the Interest Reset Date will be the Market Day immediately following such Treasury Interest Determination Date. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be held on the preceding Friday. If an auction is held for such week on Monday or the preceding Friday, such Monday or preceding Friday shall be the Treasury Interest Determination Date for such week, and the Interest Reset Date for such week shall be the Tuesday of such week (or, if such Tuesday is not a Market Day, the next succeeding Market Day). If the auction for such week is held on any day of such week other than Monday, then such date shall be the Treasury Interest Determination Date and 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 tenth 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, LIBOR Interest Determination Date, EURIBOR Interest Determination Date, SIBOR Interest Determination Date or Swap 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 U.S.$2,500,000 or more has been invested.

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, provided that in the case of a SIBOR Note, a Swap Rate Note or a Variable Rate Note, the Interest Payment Date shall be each date which falls the number of months specified as the Interest Period (as defined below) in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined below) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. 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, except that if such Note is a LIBOR Note, a EURIBOR Note, a SIBOR Note, a Swap Rate Note or a Variable Rate Note and the next succeeding such Market Day falls in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Market Day. 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 from and after any such date for payment.

Unless otherwise indicated in the applicable Pricing Supplement, the Regular Record Date for Floating Rate Notes shall be, in relation to Notes cleared through CDP or DTC, the date that is 15 calendar days prior to each Interest Payment Date, whether or not such date shall be a Market Day, and, in relation to Notes cleared through Euroclear or Clearstream, on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except December 25 and January 1. 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 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 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, Federal Funds Rate Notes, LIBOR Notes, EURIBOR Notes, SIBOR Notes, Swap Rate Notes, Variable 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 (e.g. 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 Singapore dollar amounts

used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest cent, or in the case of Foreign Currency Notes, the nearest unit (with one-half cent or unit 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 Company or the Guarantor, the Calculation Agent (which shall be the relevant Issuing and 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 or for the next Interest Period (in the case of SIBOR Notes, Swap Rate Notes or Variable Rate Notes) as a result of a determination made on the most recent Interest Determination Date with respect to such Floating Rate Note. The Company will procure that, so long as any SIBOR Note, Swap Rate Note or Variable Rate Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required). If any Reference Bank is unable or unwilling to continue to act as a Reference Bank, the Company will appoint another bank to act in its place.

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 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 set forth in H.15(519) under the caption "Commercial Paper — Nonfinancial". 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 shall 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 under the heading "Commercial Paper/Nonfinancial". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or H.15 Daily Update, the Commercial Paper Rate for that Commercial Paper Interest Determination Date shall be calculated by the Calculation Agent and shall 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 Company and notified in writing to 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 "Aa," or the equivalent, from a nationally recognized rating agency; provided, however, that if the dealers selected as aforesaid by the Company 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 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 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 set forth on such date 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, then the Prime Rate 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 such rate, under the heading "Bank Prime Loan". In the event such rate is not published in either H.15(519) or H.15 Daily Update, then the Prime Rate will be the arithmetic mean of the rates of interest publicly announced by three major banks in the City of New York as such banks' U.S. dollar prime rate or base lending rate as in effect for that Prime Rate Interest Determination Date. If fewer than three such rates but more than one are provided for the Prime Rate Interest Determination Date, the Prime Rate 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 Company and notified in writing to the Calculation Agent from which quotations are requested. If fewer than two quotations are provided, the Prime Rate shall 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 U.S.$500,000,000 and being subject to supervision or examination by Federal or State authority, selected by the Company to provide such rate or rates and notified in writing to the Calculation Agent, provided, however, that if the banks or trust companies selected as aforesaid by the Company 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 immediate 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 shall 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 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 shall 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 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 shall be calculated by the Calculation Agent and shall 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 nonbank dealers in negotiable U.S. dollar certificates of deposit in the City of New York selected by the Company and notified in writing to 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 U.S.$5,000,000; provided, however, that if the dealers selected as aforesaid by the Company 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 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 "EFFECT" as displayed on the Reuters Screen FEDFUNDS1 Page. 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 such rate under the heading "Federal funds (effective)". If by 3:00 p.m., New York City time, on such Calculation Date such rate does not appear on Reuters Screen FEDFUNDS1 Page or is not published in either H.15(519), H.15 Daily Update or such other recognized source, the Federal Funds Rate for that Federal Funds Interest Determination Date shall be calculated by the Calculation Agent and shall be the arithmetic mean of the rates, prior to 9:00 a.m., New York City time, on that Federal Funds Interest Determination Date, for the last transaction in overnight U.S. dollar Federal Funds arranged by three leading brokers of Federal Funds transactions in the City of New York selected by the Company and notified in writing to the Calculation Agent; provided, however, that if the brokers selected as aforesaid by the Company 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.

LIBOR Notes

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

Unless otherwise indicated in the applicable Pricing Supplement, LIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(a) With respect to any LIBOR Interest Determination Date, LIBOR will be determined on the basis of the offered rate for deposits of not less than U.S.$1,000,000 having the Index Maturity specified in the applicable Pricing Supplement, commencing on the second London Market Day immediately following such LIBOR Interest Determination Date, which appears on (1) if "LIBOR-LIBO" is specified in the applicable Pricing Supplement, the relevant screen page as specified in the Pricing Supplement (or such other page as may replace such page on that service for the purpose of displaying London interbank offered rates of major banks for deposits in U.S. dollars) or (2) if "LIBOR" is specified in the applicable Pricing Supplement, the relevant screen page as specified in the applicable Pricing Supplement (or such other page as may replace any such page on that service for the purpose of displaying London interbank offered rates of major banks for deposits in U.S. dollars) in each case as of 11:00 a.m., London time, on that LIBOR Interest Determination Date. If no such offered rate appears, LIBOR for such LIBOR Interest Determination Date will be determined as described in (b) below.

(b) With respect to a LIBOR Interest Determination Date on which no rate appears on the relevant screen page as specified in the applicable Pricing Supplement as described in (a) above, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date at which deposits in U.S. dollars having the Index Maturity specified in the applicable Pricing Supplement are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Company and in a principal amount equal to an amount of not less than U.S.$1,000,000 that is representative for a single transaction in such market at such time. The Company will request the principal London office of each of such banks to provide a quotation of its rate and such rate shall be notified in writing to the Calculation Agent. If at least two such quotations are provided, LIBOR for such LIBOR Interest Determination Date will be the arithmetic mean of such quotations as determined by the Calculation Agent. If fewer than two quotations are provided, LIBOR for such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on such LIBOR Interest

Determination Date by three major banks in the City of New York, selected by the Company and notified in writing to the Calculation Agent, for loans in U.S. dollars to leading European banks having the specified Index Maturity and in a principal amount equal to an amount of not less than U.S.$1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Period, in place of the margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period).

EURIBOR Notes

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

Unless otherwise indicated in the applicable Pricing Supplement, EURIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(a) With respect to any EURIBOR Interest Determination Date, EURIBOR will be determined on the basis of the offered rate for deposits of not less than the equivalent of U.S.$1,000,000 in euros having the Index Maturity specified in the applicable Pricing Supplement, commencing on the second London Market Day immediately following such EURIBOR Interest Determination Date, which rate appears on the Reuters Screen EURIBOR01 Page (or such other page as may replace any such page on that service for the purpose of displaying Euro-zone interbank offered rates of major banks) as of 11:00 a.m., Brussels time, on that EURIBOR Interest Determination Date. If no such offered rate appears, EURIBOR for such EURIBOR Interest Determination Date will be determined as described in (b) below.

(b) With respect to a EURIBOR Interest Determination Date on which no rate appears on the Reuters Screen EURIBOR01 Page described in (a) above, EURIBOR will be determined on the basis of the rates at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date at which deposits in euros having the Index Maturity specified in the applicable Pricing Supplement are offered to prime banks in the Euro-zone interbank market by the four major banks in the Eurozone Interbank market selected by the Company and in a principal amount equal to an amount of not less than U.S.$1,000,000 that is representative for a single transaction in such market at such time and such rate shall be notified in writing to the Calculation Agent. The Company will request the principal Euro-zone office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, EURIBOR for such EURIBOR Interest Determination Date will be the arithmetic mean of such quotations as determined by the Calculation Agent. If fewer than two quotations are provided, EURIBOR for such EURIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date, by four major banks in the Euro-zone selected by the Company and notified in writing to the Calculation Agent, for loans in euros to leading European banks having the specified Index Maturity and in a principal amount equal to an amount of not less than U.S.$1,000,000 that is representative for a single transaction in such market at such time, provided, however, that if the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Period, in place of the margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period).

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 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 the Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 page under the heading "INVEST RATE". If not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, the "Treasury Rate" means the auction 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 those Treasury Bills as 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, then the Treasury Rate will be the rate as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the heading "U.S. Government Securities/Treasury Bills/Auction high". In the event that the results of the auction of the 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 such auction is held in a particular week, then the Treasury Rate shall be calculated by the Calculation Agent and shall 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 Company and notified in writing to the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; provided, however, that if the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Period, in place of the margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period).

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 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 designated in such CMT Rate Note as set forth in H.15(519) under the caption "Treasury constant maturities," for the Designated CMT Maturity Index (as defined below) for (i) if the Reuters Screen Page specified in the applicable Pricing Supplement is Reuters Screen FRBCMT Page, the rate on such CMT Interest Determination Date and (ii) if the Reuters Screen Page specified in the applicable Pricing Supplement is Reuters Screen FEDCMT Page, the week or the month, as applicable, ended immediately preceding the week 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 the rate for Treasury Securities at "constant maturity" for the Designated CMT Maturity Index as published in the relevant H.15(519) under the caption "Treasury constant maturities". If such rate is no longer published, or if 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 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 which would otherwise have been published H.15(519). If such information is not provided by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate for the 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 at approximately 3:30 p.m., New York City time, on the CMT Interest Determination Date 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 Company (from five such Reference Dealers selected by the Company 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)) and notified in writing to the Calculation Agent, 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 remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Company 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 selected by the Company (from five such Reference Dealers selected by the Company, 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)) and notified in writing to the Calculation Agent, 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 an amount of at least U.S.$100,000,000. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the 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 Company 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 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 Maturity Index" shall be 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.

SIBOR Notes

Each SIBOR Note which is denominated in Singapore dollars will bear interest at the interest rate (calculated with reference to SIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, SIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(a) at or about 11.00 a.m., Singapore time on the relevant SIBOR Interest Determination Date in respect of each Interest Period, SIBOR for such Interest Period will be determined on the basis of the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 page under the caption "ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11.00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any), being the offered rate for deposits in Singapore dollars in each case as of 11.00 a.m., Singapore time, and as adjusted by the Spread (if any), on that SIBOR Interest Determination Date for a period equal to the duration of such Interest Period. If no such offered rate appears, SIBOR for such SIBOR Interest Determination Date for such Interest Period will be determined as described in (b) below.

(b) (i) with respect to a SIBOR Interest Determination Date on which no rate appears on Reuters Screen ABSIRFIX01 (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if Reuters Screen ABSIRFIX01 (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Company will request the principal Singapore offices of each of the Reference Banks to provide the rate at which deposits in Singapore dollars are offered by it at approximately 11.00 a.m., Singapore time on such SIBOR 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 SIBOR Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes and such rate shall be notified in writing to the Calculation Agent. The SIBOR for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent, (ii) if on any SIBOR Interest Determination Date two but not all the Reference Banks provide such quotations, SIBOR for the relevant Interest Period shall be determined in accordance with (b)(i) above on the basis of the quotations of those Reference Banks providing such quotations, (iii) if on any SIBOR Interest Determination Date one only or none of the Reference Banks provides such quotations, SIBOR 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 rates quoted by the Reference Banks or those of them (being at least two in number) at or about 11.00 a.m., Singapore time on such SIBOR Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate (and such rate shall be notified in writing to the Calculation Agent) and as adjusted by the Spread (if any), or (iv) if on such SIBOR Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, 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 11.00 a.m., Singapore time on such SIBOR Interest Determination Date (and such rate shall be notified in writing to the Calculation Agent) and as adjusted by the Spread (if any), and (v) if paragraph (b)(iv) above applies and fewer than two Reference Banks are quoting the prime lending rates for Singapore dollars on such SIBOR Interest Determination Date, SIBOR for the relevant Interest Period shall be SIBOR determined on the previous SIBOR Interest Determination Date (and such rate shall be notified in writing to the Calculation Agent) and as adjusted by the Spread (if any).

"Reference Banks" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Company in the interbank market that is most closely connected with SIBOR.

"Interest Commencement Date" means the Original Issue Date or such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement.

"Interest Period" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"Screen Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Monitor Money Rates Service ("Reuters")) as may be specified hereon for the purpose of providing SIBOR, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to SIBOR.

Swap Rate Notes

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

Unless otherwise indicated in the applicable Pricing Supplement, Swap Rate will be determined by the Calculation Agent in accordance with the following provisions:

(a) at or about 11.00 a.m., London time on the relevant Swap Rate Interest Determination Date in respect of each Interest Period, the Swap Rate for such Interest Period will be the rate which appears on the Reuters Screen ABSFIX01 page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about 11.00 a.m., London time, on such Swap Rate Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(b) if on any Swap Rate Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Swap Rate for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic average of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognized industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as such Calculation Agent may select; and

(c) (i) if on any Swap Rate Interest Determination Date such Calculation Agent is otherwise unable to determine the Swap Rate under paragraphs (a) and (b) above, the Company will request the principal Singapore offices of each of the Reference Banks to provide the rate at or about 11.00 a.m., Singapore time on the first business day following such Swap Rate Interest Determination Date (and such rate shall be notified in writing to the Calculation Agent) as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, and such rate shall be notified in writing to the Calculation Agent. The Swap Rate for such Interest Period shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number), (ii) if on such day one only or none of the Reference Banks provides such quotation, the Swap Rate for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m., Singapore time, on such Swap Rate Interest Determination Date (and such rate shall be notified in writing to the Calculation Agent) and as adjusted by the Spread (if any); and (iii) if paragraph (c)(ii) above applies and fewer than two Reference Banks are quoting the prime lending rates for Singapore dollars on such Swap Rate Interest Determination Date, the Swap Rate for the relevant Interest Period shall be the Swap Rate determined on the previous Swap Rate Interest Determination Date (and such rate shall be notified in writing to the Calculation Agent) and as adjusted by the Spread (if any).

"Interest Commencement Date" means the Original Issue Date or such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement.

"Interest Period" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"Reference Banks" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Company in the interbank market that is most closely connected with the Swap Rate.

"Screen Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Monitor Money Rates Service ("Reuters")) as may be specified hereon for the purpose of providing the Swap Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Swap Rate.

Variable Rate Notes

Each Variable Rate Note which is denominated in Singapore dollars will bear interest at a variable rate determined below.

Unless otherwise indicated in the applicable Pricing Supplement, "Agreed Yield" means the interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note and "Rate of Interest" means 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. 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 shall be determined by the Calculation Agent in accordance with the following provisions:

(a) Not earlier than 9 a.m., Singapore time, on the ninth Business Day nor later than 3 p.m., Singapore time, on the third Business Day prior to the commencement of each Interest Period, the Company and the Relevant Dealer (as defined below) shall endeavor to agree on (i) 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; (ii) if interest in respect of such Variable Rate Note is agreed between the Company 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 Company and the Relevant Dealer so agreeing on such Agreed Yield, the interest payable for such Variable Rate Note for such Interest Period shall be zero); and (iii) if interest in respect of such Variable Rate Note is agreed between the Company 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 Company 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.

(b) If the Company 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 p.m., Singapore time, on the third Business Day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period of agreement referred to in (a) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

For the purposes of paragraphs (a) and (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(s) shall be the rate (the "Fall Back Rate") determined by reference to a Benchmark as stated in the applicable Pricing Supplement 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 Swap Rate (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 in the applicable Pricing Supplement of such Variable Rate Note(s). Such rate may be adjusted by adding or subtracting the Spread (if any) stated in the applicable Pricing Supplement. 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 the rate of interest for SIBOR Notes or Swap Rate Notes *(mutatis mutandis*) and references therein to "SIBOR" or, as the case may be, "Swap Rate" shall mean "Fall Back Rate".

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, the Company will (1) notify the relevant Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such relevant Variable Rate Note for such Interest Period; and (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the relevant Issuing and Paying Agent to the relevant Holder at its request.

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 Company 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 Company will pay the interest payable for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

"Benchmark" means the rate specified as such in the applicable Pricing Supplement.

"Interest Commencement Date" means the Original Issue Date or such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement.

"Interest Period" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"Relevant Dealer" means the Dealer party to the Program Agreement with whom the Company has concluded an agreement for the issue of such Variable Rate Note pursuant to the Program Agreement.

Indexed Notes

Notes may be issued, from time to time, with the principal amount payable on any principal payment date, or the amount of interest payable on any interest payment date, to be determined by reference to the value of one or more currency exchange rates, commodity prices, equity indices or other factors ("Indexed Notes"). Holders of such Notes may receive a principal amount on any principal payment date, or a payment of interest on any interest payment date, that is greater than or less than the amount of principal or interest that would otherwise be payable on such dates, depending upon the value on such dates of the applicable currency, commodity, equity index or other factor. Additional information as to the methods for determining the amount of principal or interest payable on any date, the currencies, commodities, equity indices or other factors to which the amount payable on such date is linked and certain additional tax considerations will be set forth in the applicable Pricing Supplement.

Amortizing Notes

Amortizing Notes are Fixed Rate Notes for which payments combining principal and interest are made in installments over the life of the Note ("Amortizing Notes"). Unless otherwise specified in the applicable Pricing Supplement, interest on each Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning additional terms and conditions of any issue of Amortizing Notes, as well as the tax consequences of that issue, will be provided in the applicable Pricing Supplement. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable Pricing Supplement and set forth on such Notes.

Optional Redemption

Except for Variable Rate Notes that are governed by Singapore law and unless otherwise specified in the applicable Pricing Supplement, the Company 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 Price 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. 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 (Indenture § 1109). Notice of such redemption will be given to each Holder of Notes to be redeemed not less than 30 nor more than 60 days prior to the date fixed for redemption (Indenture § 1104).

With respect to Variable Rate Notes that are governed by Singapore law, unless otherwise provided in the Pricing Supplement, the Company shall have the option to purchase all or any of the Variable Rate Notes at their Redemption Price on any date on which interest is due to be paid on such Notes and the Holders shall be bound to sell such Notes to the Company accordingly. To exercise such option, the Company shall give irrevocable notice to the Holders of such Notes within the Issuer's Purchase Option Period specified in the Pricing Supplement attached hereto.

Notes Beneficially Owned by Non-Permitted Holders

With respect to Notes of any series initially offered and sold in reliance on Rule 144A, if any U.S. person or any person located in the United States that is not both a QIB and a QP becomes the beneficial owner of any Notes (each, a "Non-Permitted Holder"), the Issuer shall, promptly after discovery of any such Non-Permitted Holder by the Issuer, the Guarantor or the Trustee (or if either the Guarantor or the Trustee makes the discovery of any such Non-Permitted Holder, promptly after notice by the Trustee or the Guarantor to the Issuer of such discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer such Notes to a non-U.S. person in compliance with Regulation S within 30 days of the date of such notice. The Trustee shall have no obligation to take any steps or actions to make such discovery of such Non-Permitted Holder and shall not be liable to any person for not doing so, provided that in the event the Trustee makes discovery of any such Non-Permitted Holder, the Trustee shall promptly send notice to the Issuer of such discovery. If such Non-Permitted Holder fails to so transfer such Notes, the Issuer will have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose or, at the Issuer's option, redeem such Notes or interest at par, being an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the redemption date. If the Issuer elects to sell such Notes or interest, the Issuer may sell the applicable Notes or interest in, on or through a designated offshore securities market, including the SGX-ST, or select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes, and selling such Notes to the highest such bidder. However, the Issuer may sell such Notes or select a purchaser by any other means determined by it in its sole discretion. The Holder of each Note, the Non-Permitted Holder and each other person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the applicable Notes, agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale will be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this subsection will be determined in the sole discretion of the Issuer, and none of the Issuer, the Guarantor or the Trustee will be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. If the Issuer elects to redeem such Notes as described above, (i) notice of such redemption will be given to the Non-Permitted Holder not less than three days nor more than 60 days prior to the redemption date, and (ii) the holder of any such Note proposed to be redeemed agrees to cooperate with the Issuer and the Trustee to effect such redemption (Indenture § 1112).

Repayment at Holders' Option, Repurchase

Procedures, if any, relating to repayment of Notes at the option of the Holder thereof will be described in the applicable Pricing Supplement (Indenture § 301(g)).

The Company or the Guarantor may purchase Notes at any price in the open market or otherwise. Notes so purchased by the Company or the Guarantor may be held, resold or surrendered to the Trustee for cancellation.

Optional Tax Redemption

Unless otherwise provided in the applicable Pricing Supplement for Notes denominated in currencies other than Singapore dollars, if at any time the Company shall determine that as a result of a change in or amendment to the laws of the Relevant Taxing Jurisdiction affecting taxation, or any change in an application or interpretation of such laws, which change or amendment becomes effective on or after the Original Issue Date of a series of Notes or such other date specified in the applicable Pricing Supplement (the "Relevant Date") (1) in making any payment under the Indenture the Company would be required to pay additional amounts with respect thereto as a result of any taxes, levies, imposts or other governmental charges imposed (whether by way of withholding or deduction or otherwise) by or for the account of any Relevant Taxing Jurisdiction, or (2) as a result of any action taken by any taxing authority of, or any action brought in a court of competent jurisdiction in, any Relevant Taxing Jurisdiction (whether or not such action was taken or brought with respect to the Company), which action is taken or brought on or after the Relevant Date, there is a substantial probability that the circumstances described in clause (1) would exist, Notes may be redeemable as a whole at the option of the Company upon not less than 30 and not more than 60 days' notice given as provided in an Indenture at any time, at a Redemption Price equal to 100.0% of the principal amount thereof, together with any accrued interest to the date fixed for redemption (except in the case of Original Issue Discount Notes which may be redeemed at the Redemption Price specified in the applicable Pricing Supplement).

Prior to the publication of any notice of redemption, the Company is required to deliver to the Trustee (a) an opinion of independent tax counsel of recognized standing in the relevant jurisdiction or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Company would be required to pay Additional Amounts on the next payment in respect of such Notes as a result of a change or amendment described above and (b) an Officer's Certificate to the effect that, in the judgment of the Company, such obligation cannot be avoided by the Company taking reasonable measures available to it (Indenture §1108).

The ability of a Successor Entity (as defined below) to exercise the rights of the Company under this provision is described under " — Consolidation, Merger and Sale of Assets".

Modification and Amendment

Modification and amendments of an Indenture may be made by the Company, the Guarantor and the Trustee without the consent of the Holders in certain instances or with the Act of Holders of not less than a majority in the principal amount of the Notes of each outstanding series 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 of or any installment of principal of or interest, if any, on, or any sinking fund payment under, any such Note; (b) reduce the principal 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 or any sinking fund payment with respect thereto; (c) change the currency of payment of principal of, premium, if any, or interest, if any, on any such Note; (d) impair the right 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 of principal amount of outstanding Notes of any series necessary to waive any past default to less than a majority; (g) modify the foregoing requirements; (h) change in any manner adverse to the interests of the holders of outstanding Notes the terms and provisions of the Guarantee in respect of the due and punctual payment of the principal or and premium and interest on the Notes; or (i) change in any manner adverse to the interests of the holders of outstanding Notes issued under the Indenture 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 Company, the Guarantor and the Trustee, without the consent of the Holder of any Note, for, among others, 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 such action shall not adversely affect the interests of the Holders of any series of Notes in any material respect (Indenture § 901(j)).

Negative Pledge

So long as any Notes, Receipts or Coupons are outstanding, the Company and the Guarantor will not, and the Guarantor will not permit any of its Principal Subsidiaries to, create or permit to exist any Lien on any property or assets of the Company, the Guarantor or (in the case of the Guarantor) any of its Principal Subsidiaries to secure any Capital Markets Indebtedness, or any guarantee or indemnity in respect of Capital Market Indebtedness, without also at the same time or prior thereto (a) securing its indebtedness under the Indenture so that the Notes, Receipts or Coupons then outstanding are secured equally and ratably with such Capital Markets Indebtedness or (b) providing the Notes that are outstanding with the benefit of other security as approved by the Holders of a majority in principal amount of each series of Notes that are outstanding, provided, however, that the foregoing restrictions shall not apply to:

(i) Liens on property or assets of an entity existing at such time the entity becomes a Principal Subsidiary, provided that such Liens were not created in anticipation of such entity becoming a Principal Subsidiary;

(ii) Liens created in connection with a substitution of property or assets (or a substitution of property or assets which itself was previously so substituted) pursuant to the terms of any agreement or arrangement pursuant to which any Lien referred to in the preceding clause (i), above was created;

(iii) Liens incurred by a Non-Recourse Subsidiary to secure Non-Recourse Indebtedness; or

(iv) Liens securing indebtedness refunding indebtedness secured by any Lien referred to in either clause (i) or (ii) above; provided that the principal amount of such indebtedness is not increased, the maturity of such indebtedness is not extended beyond the original maturity of the indebtedness so secured and the Lien is limited to the property or asset originally subject thereto and any improvements thereon.

"Capital Markets Indebtedness" means any indebtedness for money borrowed or interest thereon in the form of bonds, notes, debentures, loan stock or other similar securities that are, or are capable of being, quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market, having an original maturity of more than 365 days from its date of issue, or any guarantee or indemnity in respect of Capital Markets Indebtedness.

"Lien" means any mortgage, charge, pledge, lien or other form of encumbrance or security interest.

"Non-Recourse Indebtedness" means indebtedness to finance the ownership, acquisition, construction, creation, development and/or operation of property (the "Relevant Property") to be used by a Non-Recourse Subsidiary and incurred by such Non-Recourse Subsidiary within 90 days after its purchase of such Relevant Property; provided, that such indebtedness has no recourse whatsoever to the Guarantor or any Principal Subsidiary for the repayment of or payment of all or any portion of such indebtedness, and has no recourse whatsoever other than:

(a) recourse to such Non-Recourse Subsidiary limited to the Relevant Property and/or the income, cash flow or other property derived from the Relevant Property; or

(b) recourse to another Person (other than the Guarantor or any Principal Subsidiary) who has guaranteed or provided other security in respect of such indebtedness.

"Non-Recourse Subsidiary" means a Subsidiary of the Guarantor that (1) has not acquired or received any cash, property or other assets from the Guarantor or any other Subsidiary of the Guarantor, other than Permitted Company Contributions and (2) has no indebtedness other than Non-Recourse Indebtedness and Permitted Company Contributions.

"Permitted Company Contributions" means funding (in the form of cash, equity, debt or a combination of each), which together with all other Permitted Company Contributions made from time to time by the Guarantor to its Non-Recourse Subsidiaries, does not exceed in the aggregate 15.0% of the Guarantor's total consolidated net assets calculated by reference to the then latest audited consolidated accounts of the Guarantor.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Principal Subsidiary" means the Company and any Subsidiary of the Guarantor (other than a Non-Recourse Subsidiary) (1) whose total net assets or total net profits (after deducting all charges except taxation and excluding extraordinary items) (or, where the Subsidiary in question itself has subsidiaries, calculated on a consolidated basis) represent not less than 15.0% of the Guarantor's total consolidated net assets or the Guarantor's total consolidated net profits (after deducting all charges except taxation and excluding extraordinary items), all as calculated by reference to the then latest audited accounts of each Subsidiary and its subsidiaries and the Guarantor's then latest audited consolidated accounts; or (2) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary; provided, that (x) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts relate, the reference to the then latest audited accounts for the purposes of the calculations above shall, until audited accounts for the financial period in which the acquisition is made are published, be deemed to be a reference to the accounts adjusted to consolidate the latest audited accounts of the Subsidiary in the accounts, (y) if, in the case of a Subsidiary of the Guarantor which itself has one or more Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated total net operating profits shall be determined on the basis of pro forma consolidated accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose by its auditors; and (z) if the accounts of a Subsidiary of the Guarantor (not being a Subsidiary referred to in (x) above) are not consolidated with those of the Guarantor, then the determination of whether or not the Subsidiary of the Guarantor is a Principal Subsidiary shall, if the Guarantor requires, be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Guarantor and its Subsidiaries. A report by the Guarantor's independent public accountants or auditors that, in their opinion, a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Company, the Guarantor, the Trustee and the Holders.

"Subsidiary" means in relation to any Person and at any particular time, any form of entity (legal or not) of which more than 50.0% of the issued share capital (or its equivalent) is then beneficially owned by such Person and/or one or more of its Subsidiaries.

Consolidation, Merger and Sale of Assets

Each of the Company and the Guarantor may consolidate with or merge or amalgamate into, in each case, where the Company or the Guarantor (as the case may be) is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, or declare itself a trustee of all or substantially all of its assets for, any Person (a "Transfer Event"), but only so long as:

(a) the resulting, surviving or transferee Person (the "Successor Entity" and where the Company or the Guarantor (as the case may be) has declared itself a trustee as provided above, references to the Successor Entity below shall mean the Company or the Guarantor (as the case may be) acting in its capacity as such trustee) shall be a Person validly organized and existing under the laws of a Qualified Jurisdiction and the Successor Entity shall expressly assume by an indenture supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company or the Guarantor (as the case may be) under the Notes and the Indenture;

(b) the Successor Entity shall expressly agree by an indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, that all payments pursuant to the Notes and Coupons or the Guarantee (as applicable) in respect of principal of and interest on Notes and Coupons shall be made 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 Relevant Taxing Jurisdiction (as such term relates to the Successor Entity), unless such deduction or withholding of any such taxes, levies, imposts or other governmental charges shall at any time be required by the Relevant Taxing Jurisdiction (as such term relates to the Successor Entity), in which case, the Successor Entity shall pay such additional amounts in respect of any such principal, premium, interest or sinking fund payment (the "Successor Additional Amounts") as may be necessary in order that the net amounts paid to the Holders of such Notes or to the Trustee, as the case may be, pursuant to the Indenture and such Notes after such deduction or withholding shall equal the respective amounts of principal, premium, interest, or sinking fund payment as specified in such Notes, to which the Holders thereof or the Trustee would be entitled if no such deduction or withholding had been made, and provided that the 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 the Relevant Taxing Jurisdiction (as such term relates to the Successor Entity), or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective after the date such Successor Entity assumes the obligations of the Company or the Guarantor (as the case may be) 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 related to the redemption of the Notes shall have been satisfied; provided, that, notwithstanding the foregoing, in the case of Notes and Coupons denominated in Singapore dollars, the Successor Entity shall not be required to expressly agree to the matters in this subclause (b) if either (1) such Notes and Coupons assumed by the Successor Entity or issued by the Successor Entity in exchange, substitution or otherwise for such Notes and Coupons denominated in Singapore dollars shall immediately following the consummation of such Transfer Event qualify as "qualifying debt securities" (as defined in "Certain Tax Considerations — Singapore Taxation") or (2) immediately following the consummation of such Transfer Event, the Holders shall continue to receive payments on such Notes and Coupons denominated in Singapore dollars in amounts equal to or greater than the amounts immediately prior to the consummation of such Transfer Event;

(c) immediately after giving pro forma effect to such Transfer Event (and treating any indebtedness which becomes an obligation of the Successor Entity or any subsidiary of the Successor Entity as a result of such Transfer Event as having been incurred by such Successor Entity or such subsidiary of the Successor Entity at the time of such transaction), no Event of Default with respect to any of the Notes shall have occurred and be continuing;

(d) in the case of the Guarantor at the time of such Transfer Event, the Guarantor shall have taken all reasonable measures to ensure that SP Group would, immediately following the consummation of such Transfer Event, possess all material licenses, permits and approvals required to conduct the business conducted by SP Group immediately preceding the consummation of such Transfer Event and the Guarantor shall have no reason to believe that SP Group shall not be able to conduct such business(es) following the consummation of such Transfer Event;

(e) the Company shall have delivered to the Trustee written reports from each of the Rating Agencies that (i) the ratings assigned by such Rating Agency to any of the Notes will not be lowered as a result of the Transfer Event and (ii) the rating of the Successor Entity to the Guarantor would not be lower than the rating of the Guarantor as a result of the Transfer Event; and

(f) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such Transfer Event and such supplemental indenture or supplemental trust deed (if any) comply with the Indenture.

Except as provided above, each of the Company and the Guarantor may not consolidate with or merge or amalgamate into, in each case, where the Company or the Guarantor (as the case may be) is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, or declare itself a trustee of all or substantially all of its assets for, any Person. The Successor Entity will be the successor to the Company or the Guarantor (as the case may be) and shall succeed to, and be substituted for, and may exercise every right and power of, the Company or the Guarantor, as the case may be, under the Indenture, and the predecessor company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Notes (Indenture § 802).

"Qualified Jurisdiction" means the Republic of Singapore, the British Virgin Islands, Canada, the Cayman Islands, a member country of the European Union, Switzerland or the United States.

"Rating Agency" means Standard & Poor's Singapore Pte Ltd and Moody's Investors Service, Inc. or if Standard & Poor's Singapore Pte Ltd or Moody's Investors Service, Inc. or both shall not make a rating on the Notes of the Company publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company (as certified by a resolution of the Board of Directors of the Company) which shall be substituted for Standard & Poor's Singapore Pte Ltd or Moody's Investors Service, Inc, or both, as the case may be.

Defeasance and Discharge

The Indenture provides that the Company and the Guarantor, at the Company'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 issuing and paying agents and to hold certain moneys in trust for payment) or (b) need not comply with certain provisions of the Indenture if, in each case, the Company irrevocably deposits with the Trustee under the Indenture, in trust for the purpose of making the following payments for the benefit of Holders of Notes and Coupons: (1) an amount (in such currency in which such Notes and any Coupons then specified as payable at the Stated Maturity) or (2) Government Obligations applicable to such Notes and Coupons (determined on the basis of the currency in which such Notes and Coupons are then specified as payable at the Stated Maturity), which through the scheduled payment of principal and interest in respect thereof will provide not later than one day before the due date of any payment of principal of (and premium, if any) and interest, if any, on such Notes and any Coupons, money in an amount sufficient, in the opinion of an internationally recognized accounting firm that is independent to the Company and the Guarantor, to pay all the principal (including sinking fund payments) 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 with respect to Notes issued pursuant to Rule 144A, the Company is required to deliver to the Trustee under the Indenture prior to such discharge either (X) an Opinion of Counsel to the effect that beneficial owners of Notes will not recognize income, gain or loss for U.S. federal or Singapore 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 deposits and related defeasance had not been exercised, which Opinion of Counsel must be based on a change in applicable U.S. federal income tax law or (Y) a ruling to such effect received from or published by the United States Internal Revenue Service ("IRS") to the same effect (Indenture § 1401). In the case of a discharge described in clause (b) above with respect to Notes issued pursuant to Rule 144A, the Company is required to deliver to the Trustee under the Indenture prior to such discharge an Opinion of Counsel to the effect that such beneficial owners of 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 deposits and related defeasance had not been exercised.

Governing Law

Notes will be governed by, and construed in accordance with, the laws of the Republic of Singapore or the laws of the State of New York, as specified in the applicable Pricing Supplement.

Concerning the Trustee

The Bank of New York Mellon is the Trustee under the Indenture. The Company maintains an account and conducts other banking transactions with the Trustee in the ordinary course of its business.

Consent to Service of Process

The Indenture provides that each of the Company and the Guarantor will irrevocably designate and appoint 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 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 or brought under federal or state securities laws or brought by the Trustee (whether in its individual capacity or in its capacity as the Trustee) and, in each case, will irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit or proceeding arising out of or relating to any such Notes or Guarantee thereof (Indenture§ 114).

FORM OF THE NOTES

The Notes of each series will be in bearer or in registered form as specified in the relevant Pricing Supplement.

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 global unrestricted Registered Note, without coupons (a "Regulation S Global Note"), which may be deposited with CDP, or 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 distribution of each series of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, 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 pursuant to the Securities Act or an exemption therefrom) and may be held only through CDP, Euroclear, Clearstream and 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 B — Global Clearance and Settlement".

Registered Notes of each series may only be offered and sold to U.S. persons or persons in the United States who are both QIBs and QPs who agree to purchase the Notes for their own account and not with a view to the distribution thereof. Registered Notes of each series sold in private transactions to QIBs that are also QPs pursuant to Rule 144A will be represented by a restricted permanent global note in registered form, without interest coupons (a "Restricted Global Note" and, together with a Regulation S Global Note, "Registered Global Notes"), deposited with a custodian for, and registered in the name of a nominee of, DTC.

Definitive Registered Notes will, at the request of the holder (except to the extent otherwise indicated in the applicable 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.

Each series of Bearer Notes may be represented either by a temporary global note (a "Temporary Global Note") or a permanent global note (a "Permanent Global Note") that will be deposited on the issue date thereof with CDP or with a common depositary on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Bearer Notes issued in compliance with TEFRA D must be initially issued in the form of a Temporary Global Note. Beneficial interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note in accordance with the terms thereof. Each Permanent Global Note may be exchanged for Definitive Bearer Notes only in the limited circumstances as described therein.

While any Bearer Note issued under TEFRA D is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to 40 days after the Issue Date (the "Exchange Date") 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 such Note is not a U.S. person (as defined in the Internal Revenue Code) or a person who has purchased for resale to any U.S. person or to a person within the United States, as required by TEFRA D, 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 Trustee or Issuing and Paying Agent.

From the Exchange Date, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for interests in a Permanent Global Note without Receipts, interest Coupons or Talons or for Definitive Bearer Notes with, where applicable, Receipts, interest Coupons or Talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case 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 or principal due on or after the Exchange Date unless exchange is improperly refused after such holder duly makes an exchange request.

The following legend will appear on all Bearer Global Notes, Definitive Bearer Notes, receipts, interest coupons and talons (or in the book or record where the Bearer Notes are held in book-entry form):

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

Sections 165(j) and 1287(a) of the Internal Revenue Code, 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 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.

Bearer Notes shall be assigned a Common Code and a relevant ISIN (as applicable). Registered Notes will be assigned (as applicable) a Common Code, ISIN and CUSIP number. If a further series of Notes is issued the Trustee shall arrange that the Notes of such series shall be assigned (as applicable) a CUSIP number, Common Code and a relevant ISIN that are different from the CUSIP number, Common Code and relevant ISIN, as the case may be, assigned to Notes of any other series until the end of the Distribution Compliance Period and, for Bearer Notes issued under TEFRA D, until (x) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note or for definitive Notes and (y) certification of non-U.S. beneficial ownership in accordance with TEFRA D. At the end of the Distribution Compliance Period, the CUSIP number, Common Code and relevant ISIN, as the case may be, thereafter applicable to the Notes of the relevant series will be notified by the Trustee to the relevant Dealers.

All Notes will be issued pursuant to the Indenture or the Supplemental 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.

CERTAIN TAX CONSIDERATIONS

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and the U.S. federal income tax laws, and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines or circulars are also subject to various interpretations and the relevant tax authorities or the courts could disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the 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 and should be treated with appropriate caution. 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(s)) may be subject to special rules or tax rates. Prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore and U.S. federal income tax laws or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. Neither the Issuer, SP, the Arrangers nor any other persons involved in the Program accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

Singapore Taxation

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or;

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Further, such payments, where made to a person not known to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% withholding tax described below) to non-resident persons (other than non-resident individuals) is 17.0%. The applicable rate for non-resident individuals is currently 22.0%, and is proposed to be increased to 24.0% from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. However, if the payment is derived by a person not resident in Singapore from sources other than its trade, business, profession or vocation carried on or exercised in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) prepayment fee, redemption premium or 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.

As the Program was arranged as a whole by DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Morgan Stanley Asia (Singapore) Pte. and each of which was a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard-Tier) Company (as defined in the ITA) at such time, any tranche of the Notes ("Relevant Notes") issued under the Program during the period from the date of this Offering Circular to December 31, 2023 would be "qualifying debt securities" ("QDS") for the purposes of the ITA, to which the following treatments shall apply.

(a) subject to certain conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, break cost, prepayment fee and redemption premium 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 the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (excluding discount income from secondary trading), break cost, prepayment fee and redemption premium (collectively, the "Qualifying Income") from the Relevant Notes paid by the Issuer and derived by a holder 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 operation in Singapore, is exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) 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, break cost, prepayment fee or redemption premium 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 submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(a) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(b) even though a particular tranche of the Relevant Notes are QDS, if, at any time during the tenure of such tranche of the Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related parties of the Issuer, Qualifying Income derived from such 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 described above.

The term "related party" in relation to a person (*A*), means any other person who, directly or indirectly, controls *A*, or is controlled, directly or indirectly, by *A*, or where *A* 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 "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have their same meaning as in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, break cost, prepayment fee and redemption premium (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who adopt Singapore Financial Reporting Standard ("FRS") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("SFRS(I) 9") (as the case may be), may for Singapore income tax purposes be required to 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, FRS 109 or SFRS(I) 9 (as the case may be). See the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after January 1, 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisors 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

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). 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 U.S. Holders that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation such as the Medicare contribution tax on net investment income 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, non-U.S. or tax laws other than U.S. federal income tax law. 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, investors subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, 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, wash sales, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders whose functional currency is not the U.S. dollar or persons holding Notes in connection with a trade or business conducted outside the United States).

Moreover, this summary deals only with Notes with a 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.

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 individual 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, any State thereof or 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 U.S. court can 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 elected to be treated as a domestic trust for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. A U.S. investor that is an entity treated as a partnership for U.S. federal income tax purposes holding Notes should consult its own tax advisors concerning the U.S. federal income tax consequences to it and its partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the United States Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury Regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

This section only addresses Notes in registered form. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

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, NON-U.S. 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, the Issuer 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

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies 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 the 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, if any, accrued with respect to the Notes (as described below under "Original Issue Discount") and any additional amounts paid with respect to withholding tax on the Notes, including withholding tax on payments of such additional amounts will constitute income from sources outside the United States for foreign tax credit purposes.

Effect of Singaporean 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 — Payments of Additional Amounts", the Issuer may become liable for the payment of Additional Amounts so that, subject to certain exceptions, 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 may 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). Recently issued U.S. Treasury regulations that apply to foreign income taxes paid or accrued in taxable years beginning on or after December 28, 2021 restrict the availability of any such credit based on the nature of the tax imposed by the foreign jurisdiction. U.S. Holders are urged to consult their tax advisors regarding the creditability of any such tax imposed by Singapore. Interest and OID will constitute foreign source income. For purposes of the foreign tax credit limitation, foreign source income is classified as belonging to a specified "basket", and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that basket. Interest on the Notes will generally be passive category income. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (but may 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 could 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. The Issuer has not made any determination as to whether the Singapore taxes are creditable for U.S. federal income tax purposes. Prospective purchasers should consult their tax advisors concerning the foreign tax credit or deductibility implications of the payment of any Singapore taxes.

Original Issue Discount

General. The following is a summary of certain U.S. federal income tax consequences of the ownership of Notes issued with original issue discount ("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 amount by which the Note's "stated redemption price at maturity" exceeds its issue price is equal to or greater 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). A Note 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 equal to or greater than 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 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 as it accrues, 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 first or final 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 each 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.

The amount of OID allocable to the final accrual period is equal to the difference between: (i) the amount payable at the maturity of a Note, other than any payment of qualified stated interest, and (ii) the Note's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium. A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts, other than qualified stated interest, payable on the Discount Note after the purchase date, 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 by a fraction equal to the excess of the U.S. Holder's adjusted basis in the Discount Note immediately after its purchase over the Note's adjusted issue price divided by 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.

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. Generally, this election will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If this election is made with respect to a Note that has amortizable bond premium, the electing U.S. Holder will be treated as having made the election discussed below under "— Notes purchased at a premium" to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that the U.S. Holder held as of the beginning of the taxable year to which the election applies or acquired in any taxable year thereafter. If this election is made with respect to a Market Discount Note (as defined below), the electing U.S. Holder will be treated as having made the election discussed below under "Market Discount" to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisors concerning the propriety and 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" (defined below) and thus will be treated as "variable rate debt instruments" under 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 by more than an amount equal to the lesser of (x) .015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date, or (y) 15 percent of the total non-contingent principal payments, (b) it provides for stated interest, compounded or paid at least annually, only 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 (defined below), or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above). 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. The Note would not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions), unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield 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 that is based on objective financial or economic information. 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 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 the value of 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 Variable Interest Rate 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 price that is below the Note's stated principal amount by more than a specified *de minimis*

amount. OID on a Variable Interest Rate Note arising from such 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 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 (other than a fixed rate for an initial period of one year or less which is followed by a variable rate and is treated as constituting, together with such variable rate, a single variable rate as described above) 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 or 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.

Under recently finalized U.S. Treasury Regulations and recent IRS guidance, certain rate replacements would not affect the treatment of Variable Interest Rate Notes that otherwise meet the requirements as "variable rate debt instruments," provided that certain conditions set forth in the U.S. Treasury Regulations are met. There is no assurance that the Variable Interest Rate Notes of any series (assuming they otherwise meet the conditions to be treated as "variable rate debt instruments") will meet these conditions or that the IRS will not challenge the treatment of such Notes as "variable rate debt instruments."

If a Variable Interest Rate Note does not qualify as a "variable rate debt instrument," then the Note will be treated as a contingent payment debt obligation. The U.S. federal income tax treatment of Notes that are treated as contingent payment debt obligations will be described in the applicable 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 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 (or, if an election was made, based on the constant- yield method) through the date of sale or retirement. However, 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 to accrue OID may elect to do so 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 will 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.

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 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 remaining maturity). For this purpose, the "revised issue price" of a 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. If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount", and the rules discussed below are not applicable.

Any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent of market discount that 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 interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of accrued market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder, until maturity or disposition of the Market Discount Note.

Market discount 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 is irrevocable without the consent of the IRS.

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 not be required to include any OID in its income and may elect to treat the excess as "amortizable bond premium," in which case the amount required to be included in the U.S. Holder's income each year with respect to 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 (or, if it results in a smaller amortizable premium to the period before the date of redemption as described under "Description of the Notes – Optional Redemption", as amount computed with reference to the amount payable on the earlier date of redemption). Any election to amortize bond premium shall apply to all bonds with amortizable bond premium (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".

Change in Obligor

The Issuer may change the obligor on the Notes and the Guarantee in connection with a future change in the Issuer's or the Guarantor's (as applicable) organizational form. Depending upon the circumstances of this change in organizational form, the replacement of the Issuer or the Guarantor may 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 issuer. As a result of this deemed disposition, a U.S. Holder may be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between issue price of the new notes (as determined for U.S. federal income tax purposes, which issue price may be equal to the fair market value of the Notes or new Notes at that time) and the U.S. Holder's adjusted tax basis in those Notes. However, in general, a change in obligor will not in itself result in a deemed disposition if the new obligor acquires substantially all of the assets of the Issuer or the Guarantor (as applicable), or if the new obligor assumes the Notes pursuant to a transaction that is treated as a tax-free reorganization for U.S. federal income tax purposes. 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 and the Guarantee.

Purchase, Sale, Retirement or Other Taxable Disposition of Notes

A U.S. Holder's adjusted 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 previously applied to reduce interest on the Note.

A U.S. Holder will generally recognize gain or loss on the sale, retirement or other taxable disposition of a Note equal to the difference between the amount realized on such disposition, other than amounts attributed to accrued but unpaid interest (which will be taxable as interest income to the extent not previously included in income), and the U.S. Holder's adjusted tax basis of the Note. 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 taxable disposition 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. The deductibility of capital losses is subject to limitations. Gain or loss realized by a U.S. Holder on the taxable disposition of a Note generally will constitute income or loss from sources within the United States for U.S. foreign tax credit purposes.

Foreign Currency Notes

Interest. If an interest payment is denominated in, or determined by reference to, a foreign currency (for this purpose, meaning a non-U.S. dollar 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, 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 payment of accrued interest (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, an accrual basis U.S. Holder may recognize 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.

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 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 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 exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset and the spot rate in effect 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 capital loss when the Note matures.

Sale, Retirement or Other Taxable Disposition. As discussed above under "Purchase, Sale, Retirement or Other Taxable Disposition of Notes," a U.S. Holder will generally recognize gain or loss on the sale, retirement or other taxable disposition of a Note equal to the difference between the amount realized on such sale, retirement or taxable disposition and its adjusted tax basis in the Note. A U.S. Holder's adjusted 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 U.S. 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, retirement or other taxable disposition of a Note for an amount in foreign currency will be the U.S. dollar value of this amount on the date of such taxable disposition or, in the case of Notes traded on an established securities market that are 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 exchange rate gain or loss (taxable as ordinary income or loss) on the taxable disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note on (i) the date of disposition and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement.

Exchange gain or loss generally constitutes income or loss from sources within the United States for U.S. foreign tax credit purposes.

Backup Withholding and Information Reporting

In general, payments of interest and accruals of any 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. issuing and paying agent or other U.S.-related intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and payments 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 (including, among others, corporations) 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. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the IRS and certain other requirements are met.

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information to the IRS with respect to any interest in the Notes not held in an account maintained by a financial institution, or with respect to certain accounts maintained with non-U.S. financial institutions. U.S. Holders who fail to report required information could become subject to substantial penalties. U.S. Holders are urged to consult with their own tax advisors regarding the possible implications of this legislation for their ownership and disposition of the Notes.

Reportable Transactions

Certain regulations meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions giving rise to losses that equal or exceed a certain threshold. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds a certain threshold 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 those rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A certain penalty 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. 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

Pursuant to Sections 1471 to 1474 of the Code (provisions commonly referred to as "FATCA"), and subject to the proposed regulations described below, non-U.S. financial institutions through which payments on the Notes are made, may be required to withhold tax on all, or a portion of, payments made on any Notes issued or materially modified on or after the date that is six months after final U.S. Treasury Regulations defining the term "foreign passthru payment" are filed with the United States Federal Register. Under proposed regulations, any withholding on "foreign passthru payments" on Notes that are not otherwise grandfathered would apply to such payments made on or after the date that is two years after the date of publication in the United States Federal Register of applicable final regulations defining "foreign passthru payments." Taxpayers generally may rely on these proposed regulations until final regulations are issued. No such final regulations defining "foreign passthru payments" have been issued as of the date of this offering circular. The rules governing FATCA are subject to change, and the future application of FATCA to the Notes is uncertain. However, such withholding by a non-U.S. financial institution through which payments on the Notes are made, may be required, among others, where (i) such non-U.S. financial institution is a foreign financial institution ("FFI") that agrees to provide certain information on its account holders to the IRS (making such non-U.S. financial institution a "participating FFI") and (ii)(a) the payee itself is an FFI but is not a participating FFI or does not provide information sufficient for the relevant participating FFI to determine whether the payee is subject to withholding under FATCA or (b) the payee is not a participating FFI and is not otherwise exempt

from FATCA withholding. Singapore has an IGA with the United States to implement FATCA. Guidance regarding compliance with FATCA and the IGA may alter the rules described herein, including treatment of foreign passthru payments. Notwithstanding anything herein to the contrary, if an amount of, or in respect of, withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer nor Guarantor nor any other person would, pursuant to terms of the Notes, be required to pay any additional amounts as a result of the deduction or withholding of such tax. **THE RULES GOVERNING FATCA ARE COMPLICATED. INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE WHETHER THESE RULES MAY APPLY TO PAYMENTS THEY WILL RECEIVE UNDER THE NOTES.**

PLAN OF DISTRIBUTION

Summary of the Program Agreement

Subject to the terms and on the conditions contained in a program agreement, dated October 25, 2018 (the "Program Agreement"), among the Company, the Guarantor, the Arrangers and the Dealers named therein, 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 severally and not jointly underwritten by two or more Dealers. The Program Agreement further provides for the termination of appointment of existing Dealers and the appointment of additional Dealers.

The Company will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Company has agreed to reimburse the Arrangers for their expenses incurred in connection with the update of the Program and the Dealers for certain of their activities in connection with the Program. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Company and the Guarantor have, jointly and severally, agreed to indemnify 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 Company.

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 for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue 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 an application to the SGX-ST will be approved. 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).

Some of the Dealers and their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory or trustee services for the Company, the Guarantor or its affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to the Company, the Guarantor and its affiliates in the future, for which they may also receive customary fees and commissions.

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

Canada

Each Dealer has represented, warranted and agreed that any distribution of the Notes in Canada will be made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that the Issuer prepares and files a prospectus with the securities regulatory authorities in each province where trades of the Notes are made. Each Dealer has further represented, warranted and agreed that any resale of the Notes in Canada will be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Each Dealer represented, warranted and agreed that by purchasing the Notes in Canada and accepting delivery of a purchase confirmation, a purchaser will be notified that it will be deemed to represent to the Issuer and the Dealer from whom the purchase confirmation is received that:

(a) the purchaser is entitled under applicable provincial securities laws to purchase the Notes without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106 — Prospectus Exemptions;

(b) the purchaser is a "permitted client" as defined in National Instrument 31-103 — Registration Requirements, Exemptions and Ongoing Registrant Obligations;

(c) where required by law, the purchaser is purchasing as principal and not as agent; and

(d) the purchaser has reviewed the text in the subsection of this Offering Circular titled "Plan of Distribution — Selling Restrictions — Canada."

Canadian purchasers are hereby notified that the Dealers are relying on the exemption set out in Section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 — Underwriting Conflicts from having to provide certain conflict of interest disclosure in this Offering Circular.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering documents (including any amendment thereto) such as this Offering Circular contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

All of the Issuer's directors and officers as well as the experts named herein and the Issuer may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Issuer or those persons. All or a substantial portion of the Issuer's assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or those persons in Canada or to enforce a judgment obtained in Canadian courts against the Issuer or those persons outside of Canada.

Canadian purchasers of the Notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Notes in their particular circumstances and about the eligibility of the Notes for investment by the purchaser under relevant Canadian legislation.

Prohibition of Sales to EEA Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer (severally, and not jointly) has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, in relation to each Member State of the European Economic Area (each, a "Relevant State"), that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

1) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

2) *Qualified investors*: at any time to any legal entity which is a "qualified investor" as defined in the Prospectus Regulation;

3) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

4) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (2) to (4) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer (severally, and not jointly) has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

1) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "Public Offer"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the FCA, or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

2) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

3) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

4) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (2) to (4) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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

France

Each Dealer has represented, warranted and agreed that:

(a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (appel public à lépargne) in France in the period beginning (i) 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, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

(b) Private placement in France:

in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code monétaire et financier.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) ("SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32) ("CO") or which do not constitute an offer or invitation to the public within the meaning of the CO, in each case provided that such Notes are not a "structured product" as defined in the SFO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 Hong Kong or only to "professional investors" as defined in the SFO or any rules made under the SFO.

Italy

Each Dealer has represented, warranted and agreed that the offer of the Notes has not been registered with the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, the "CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that no Notes may be offered, sold or distributed, to the public in the Republic of Italy ("Italy") nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 2, paragraph (e) of the Prospectus Regulation; or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Legislative Decree No. 58 of February 24, 1998, as amended from time to time, (the "Financial Services Act").

Moreover, and subject to the foregoing, each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under (a) or (b) above must be:

(1) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended from time to time (the "Banking Act");

(2) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy requests information on the issue or the offer of securities in Italy; and

(3) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Korea

Each Dealer has represented, warranted and agreed that Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

Furthermore, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that such professional investors are registered as "qualified institutional buyers" ("Korean QIBs") with the Korea Financial Investment Association (the "KOFIA") in advance and complies with the requirement for monthly reports to the KOFIA of their holding of Korean QIB Bonds, and provided further that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than South Korean won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, subscription agreement and this Offering Circular, and (e) the Issuer and the relevant Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor; or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer undertakes to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Malaysia

Each Dealer has acknowledged that (i) no approval from the Securities Commission Malaysia ("SC") is or will be obtained and/or no lodgement to the SC under the Lodge and Launch Framework issued by the SC has been or will be made for the offering of the Notes on the basis that the Notes will be issued and offered exclusively to persons outside Malaysia and (ii) this Offering Circular has not been registered as a prospectus with the SC under the Capital Markets and Services Act 2007 of Malaysia. Each Dealer has represented and agreed that the Notes may not be offered, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed, to a person in Malaysia except by way of a secondary transaction of the Notes which does not involve retail investors.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA; or

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer acknowledges and agrees that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA"), and that no application has been made or will be made to admit the Notes to trading on any trading venue (i.e., exchange or multilateral trading facility) in Switzerland.

Each Dealer further acknowledges and agrees that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Program or the Issuer constitutes a prospectus within the meaning of the FinSA, and that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Program or the Issuer may be publicly distributed or otherwise made publicly available in Switzerland.

Each Dealer further acknowledges and agrees that neither this Offering Circular nor any other offering or marketing material relating to the Notes, the Program or the Issuer has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular has not been and will not be reviewed or approved by a Swiss reviewing body (*Prüfstelle*) pursuant to article 51 of the FinSA and does not comply with the disclosure requirements applicable to a prospectus within the meaning of article 35 of the FinSA.

The People's Republic of China

Each Dealer has represented, warranted and agreed that the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong Special Administrative Region), except as permitted by the securities laws of the People's Republic of China. See " — Hong Kong" above for the selling restrictions relating to the Hong Kong Special Administrative Region.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the Guarantor;

(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 would 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 any Notes in, from or otherwise involving the United Kingdom.

United States

With respect to Notes offered and sold in reliance on Regulation S only

Each Dealer has acknowledged that 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. Terms used in this paragraph have the meanings given to them by Regulation S.

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 as part of its distribution at any time or otherwise, except to non-U.S. persons in offshore transactions in reliance on Regulation S. Each Dealer has further represented and agreed that neither such Dealer, its affiliates (if any) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to any Notes and such Dealer, its affiliates (if any) and any person acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Each Dealer has agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during a 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.

With respect to Notes offered and sold in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act and Regulation S

Each Dealer has acknowledged that 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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that the Notes may be offered and sold only (i) to U.S. persons or persons in the United States who are both QIBs that are also QPs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or (ii) outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S. In every such case, each Dealer has acknowledged that the purchaser will be deemed to have made the applicable representations, warranties and agreements as set forth in "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions". The terms "U.S. person" and "offshore transaction" have the meanings set forth in Regulation S. Each Dealer has further acknowledged that neither the Issuer nor the Guarantor will be registered under the Investment Company Act in reliance on Section 3(c)(7) thereunder and investors will not be entitled to the benefits of the Investment Company Act. In addition, each Dealer has represented and agreed that neither such Dealer, its affiliates (if any) nor any persons acting on its or their behalf (a) have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to any such Notes and such Dealer, its affiliates (if any) and any person acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S, nor (b) have engaged or will engage, in connection with the offer and sale of such Notes, in any form of general solicitation or general advertising within the meaning of Regulation D under the Securities Act.

Each Dealer has agreed that, at or prior to confirmation of a sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases such Notes from it or through it 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.

Each Dealer has agreed that a Dealer registered or exempt from registration as a broker or dealer under the Exchange Act and nominated as such by the Issuer (a "144A Dealer") may, directly or through its affiliates, arrange for the placing of such Notes in registered form in the United States or to U.S. persons in accordance with Rule 144A, provided that each person to whom such Notes were offered or sold is, or such 144A Dealer reasonably believes each such person to be, both a QIB and QP purchasing for its own account or for the account of a person that is both a QIB and QP, that such 144A Dealer notifies the purchaser that (i) it may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A in connection with the offer and sale of such Notes; and (ii) the purchaser will be deemed to have made the applicable representations, warranties and agreements as set forth in "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions". 144A Dealers may sell such Notes to any affiliate of any 144A Dealer and any such affiliate may sell Notes purchased by it to any other 144A Dealer. Each Dealer has agreed that in connection with each such sale of Notes pursuant to Rule 144A, (A) each 144A Dealer will deliver at or prior to settlement an Offering Circular and the relevant Pricing Supplement to each purchaser who is both a QIB and QP purchasing a Note or Notes from it pursuant to Rule 144A, and (b) unless otherwise specified in the relevant Pricing Supplement, each 144A Dealer will only sell to such purchaser, for such purchaser's own account or for any separate account for which it is acting, Notes having an aggregate principal amount of not less than U.S.$250,000 (or its equivalent rounded upwards as specified in the relevant Pricing Supplement).

Each Dealer has confirmed that it is aware that 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.

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 has agreed to determine and certify to the Issuer on the completion of the distribution of the Notes of such series purchased by or through it.

In addition, in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement

(i) except to the extent permitted under rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code ("TEFRA D"), each Dealer has represented that (a) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (b) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;

(ii) each Dealer has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Bearer Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;

(iii) if it is a United States person, each Dealer has represented that it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6) for purposes of Section 4701 of the U.S. Internal Revenue Code;

(iv) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Bearer Notes during the restricted period, such Dealer has either (a) repeated and confirmed the representations and agreements contained in clauses (i), (ii) and (iii) above on such affiliate's behalf or (b) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii) and (iii) above; and

(v) such Dealer has agreed to obtain for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii), (iii) and (iv) above from any person other than its affiliate with whom it enters into a written contract, within the meaning of rules in substantially the same form as United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4), for purposes of Section 4701 of the U.S. Internal Revenue Code for the offer and sale during the restricted period of Bearer Notes.

Terms used in the preceding paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D.

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement under rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the U.S. Internal Revenue Code ("TEFRA C"), such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA C.

Notes issued pursuant to TEFRA D (other than Temporary Global Notes) and any receipts or coupons appertaining thereto will bear the following legend: "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

UNITED STATES BENEFIT PLAN INVESTOR CONSIDERATIONS

The Notes may be purchased and held by (a) an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) an individual retirement account or other plan or arrangement subject to Section 4975 of the Internal Revenue Code, or (c) an entity whose underlying assets are considered to include "plan assets" (within the meaning of ERISA) of any such plan, account or arrangement by reason of a plan's investment in such entity (each, a "plan"). A fiduciary of a plan subject to Title I of ERISA (each, an "ERISA plan") must determine that the purchase and holding of a Note is consistent with its fiduciary duties under ERISA. The fiduciary of an ERISA plan, as well as any other investor or prospective investor subject to Section 4975 of the Internal Revenue Code or any similar law, must also determine that its purchase and holding of Notes does not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or a violation of any similar law. Each purchaser and transferee of a Note will be deemed to have represented by its acquisition and holding of the Note that its acquisition and holding of the Notes does not constitute or result in a non-exempt prohibited transaction under ERISA, Section 4975 of the Internal Revenue Code or a violation of any similar law. Fiduciaries and other persons considering whether to purchase a Note should consult with their own counsel regarding the applicability of ERISA, Section 4975 of the Internal Revenue Code or any similar law. Investors in the Notes have exclusive responsibility for ensuring that their purchase of the Notes does not violate the fiduciary or prohibited transaction rules of ERISA or the Internal Revenue Code or any provisions of similar laws.

NOTICE TO PURCHASERS AND HOLDERS OF REGISTERED GLOBAL 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 the Guarantor is prohibited.

Restricted Global Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Notes offered hereby in reliance on Rule 144A (or any beneficial interest therein), including interests in Restricted Global Notes, will be deemed by its acceptance thereof to have represented, agreed and acknowledged that, 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 U.S.$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 (x) "employee benefit plan" which is subject to Title I of the U.S. 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 (y) 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 Note or 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); (ii) if a private investment company relying upon Sections 3(c)(1) and 3(c)(7) of the Investment Company Act with respect to its U.S. holders and was formed on or before April 30, 1996, has received the necessary consent from its beneficial owners pursuant to the Investment Company Act; (iii) does not and will not invest more than 40% of its total assets in the Issuer; (iv) is not managed as a device for facilitating individual investment decisions of its beneficial owners, but rather is managed as a collective investment vehicle; and (v) 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 in 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 exclusion 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 the 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 (a) in a transaction meeting the requirements of Rule 144A or (b) 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 it delivers to the Issuer and the Guarantor an Offshore Transaction Letter substantially in the form attached to the Indenture. 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 the Notes may be sold, transferred, assigned, pledged or otherwise disposed of only in minimum denominations of U.S.$250,000.

7. Such person understands that, subject to certain exceptions, to be a QP, entities must have U.S.$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 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 Price 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, and represents and warrants that such person's purchase of Notes is not the result of, and that it has not at any time initiated any process in relation to any purchase of Notes as a result of nor considered any purchase of Notes as a result of 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, in connection with any offer or sales of the Notes.

11. Such person understands that the 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 understands and acknowledges that any Notes issued to it in definitive form will bear the applicable restrictive legend as provided for in the Indenture. 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.

13. Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Regulation S Global Notes

With respect to Regulation S Global Notes issued as part of a series that includes Notes offered and sold in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act

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 Regulation S Global Notes, will be deemed to have represented, agreed and acknowledged, 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 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), not pre-arranged with a U.S. person, 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 or another applicable exclusion or exemption, and such transferee will then acquire such interests as interests in the 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. 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.

8. Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

With respect to Regulation S Global Notes issued in a series of Notes offered and sold in reliance on Regulation S only

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 Regulation S Global Notes, will be deemed to have represented, agreed and acknowledged, 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 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, or (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), not pre-arranged with a U.S. person.

5. 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.

6. 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. 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.

7. Such person agrees that the Issuer, the Guarantor and others may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Investor Representation Letters

In the event that any purchaser of 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 substantially in the form attached to the Indenture 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 in accordance with the provisions of the Indenture, such definitive Notes will bear a legend substantially in the form as provided for in the Indenture 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.

Ability of the Issuer to Compel Sale of or Redeem Restricted Global Note

With respect to Notes of any series initially offered and sold in reliance on Rule 144A, if any U.S. person or any person located in the United States that is not both a QIB and a QP becomes the beneficial owner of any Notes, (each, a "Non-Permitted Holder"), the Issuer shall, promptly after discovery of any such Non-Permitted Holder, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer such Notes to a non-U.S. person in compliance with Regulation S within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer such Notes, the Issuer may, at its option, sell such Notes on behalf of such Non-Permitted Holder, or redeem such Notes at an amount equal to the principal amount plus any accrued and unpaid interest to (but excluding) the redemption date. See "Description of the Notes – Notes Beneficially Owned by Non-Permitted Holders".

Legend

Each 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 THE EXCEPTION PROVIDED BY SECTION 3(C)(7) 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 THE RULES AND REGULATIONS PROMULGATED THEREUNDER), 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 U.S.$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 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) (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 AS PROVIDED FOR IN THE INDENTURE 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 TRUSTEE UNDER THE INDENTURE 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 PRICE 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 PLA**N" 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 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 (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 ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, 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 issued as part of a series that includes Notes offered and sold in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act 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 THE EXCEPTION PROVIDED BY SECTION 3(C)(7) 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 U.S.$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 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) (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, 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 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 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 (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 ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, 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."

Each Regulation S Global Note issued in a series of Notes offered and sold in reliance on Regulation S only 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 WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY U.S. PERSON."

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Notes offered hereby will be passed upon for the Issuer and SP (i) by Allen & Gledhill LLP, legal advisor to the Issuer and SP, with respect to certain matters of Singapore law and (ii) by Latham & Watkins LLP, legal advisor to the Issuer and SP, with respect to certain matters of English law, New York law and the federal securities laws of the United States. Certain legal matters with respect to the Notes will be passed upon for the Arrangers and Dealers by Davis Polk & Wardwell as to matters of New York law and the federal securities laws of the United States.

RATINGS

The Guarantor has been assigned an overall corporate credit rating of "Aa1" by Moody's and "AA+" by S&P. The Program has been rated "(P)Aa1" by Moody's. Any credit ratings accorded to the Guarantor, the Program or the Notes are not a recommendation to buy, sell or hold 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 derive credit ratings. No assurances can be given that a credit rating will remain for any 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 derive that credit rating. See "Risk Factors — General Risks Related to SP Group's Business and Industry — A downgrade of the Guarantor's credit rating could have a material adverse effect on SP Group and on the price of the Notes" and "Risk Factors — Risks Related to the Notes — The Notes may not be rated and, if rated, their ratings could be lowered" for more details.

INDEPENDENT AUDITORS

The financial statements of SP Group as of and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 have been audited by Ernst & Young LLP, Independent Auditors. SP Group's audited financial statements as of and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022 and the audit reports of Ernst & Young LLP thereon are included elsewhere in this Offering Circular.

GENERAL INFORMATION

1. SP Group's principal offices are located at 2 Kallang Sector, Singapore 349277.

2. Each series of Bearer Notes will be initially represented by either 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. Registered Notes sold in an "Offshore transaction" to a non-"U.S. person" within the meaning of Regulation S will be initially represented by interests in a Regulation S Global Note and deposited on the issue date thereof with, and registered in the name of, CDP or a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream. The Common Code and the relevant ISIN number for each Bearer Series of Notes, together with the relevant 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 Restricted Global Notes of a Registered Series to be accepted for trading in book-entry form by DTC. Acceptance of each Registered Series by DTC will be confirmed in the applicable Pricing Supplement.

3. Application has been made to the SGX-ST for permission to deal in and for quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. There can be no assurance that the application to the SGX-ST for the listing of such Notes will be approved.

4. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

5. The Issuer has agreed to furnish to investors upon request such information as may be required by Rule 144A(d)(4).

6. Ernst & Young LLP, Chartered Accountants have audited, and rendered unqualified audit reports on the accounts of SP Group as of and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020. Ernst & Young LLP have given their written consent to the issue of this Offering Circular with the inclusion in it of their audit reports on the accounts of SP Group as of and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 in the form and context in which they are respectively included. Such consents are different from consents filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As Notes under the Program have not and will not be registered under the Securities Act, Ernst & Young LLP, Chartered Accountants has not filed a consent under Section 7 of the Securities Act.

7. The Notes are freely tradable securities in accordance with the requirements of the listing rules of the SGX-ST. However, there are certain restrictions as to the offer, sale and transfer of the Notes as set out herein. See "Plan of Distribution" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions".

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Registration No. 199406577N

Singapore Power Limited and its subsidiaries

Annual Report
Year ended 31 March 2022

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Annual Report
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Directors' statement

We are pleased to submit this annual report to the member of Singapore Power Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2022.

Opinion of the Directors

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries (the "Group") as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group and of the financial performance and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Tan Sri Mohd Hassan Marican
Ms Leong Wai Leng
Mr Ong Yew Huat
Mr Timothy Chia Chee Ming
Mr Ng Kwan Meng
Ms Goh Swee Chen
Mr Lee Kim Shin
Prof Yaacob Bin Ibrahim (appointed on 1 September 2021)
Mr Stanley Huang Tian Guan

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Tan Sri Mohd Hassan Marican		
Singapore Airlines Limited		
- 3.13% Notes due 2026	S$250,000	S$250,000
CapitaLand Treasury Limited		
- 4.076% Notes due 20 September 2022	USD200,000	USD200,000
Sembcorp Marine Ltd #	–	9,694,126 [1]
CapitaLand Integrated Commercial Trust – units	–	41,976
Mapletree Commercial Trust – units	–	62,653
Ms Leong Wai Leng		
CapitaLand Limited	40,000	–*
CapitaLand Investment Limited	–	40,000*
CapitaLand Integrated Commercial Trust – units	689,700	695,886*
Mapletree Commercial Trust – units	39,057	39,057
Mapletree Commercial Trust		
- 3.11% Notes due 24 August 2026	S$250,000	S$250,000
Mapletree Industrial Trust – units	450	500
Mapletree Real Estate Advisors Pte. Ltd. – units		
- Great Cities Logistics (US) Trust	371	371
- Great Cities Logistics (Europe) Trust	371	371
- Mapletree Global Student Accommodation Pte Trust		
- USD – Class A units	1,685	1,685
- GBP – Class B units	1,685	1,685
Mapletree Treasury Services Limited		
- 3.58% Bonds due 2029	S$250,000	S$250,000
- 3.15% Notes due 3 September 2031	S$250,000	S$250,000

[1] The shares are held in the name of Credit Suisse AG Singapore

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Singapore Airlines Limited	9,800	9,800
Singapore Airlines Limited		
- Mandatory Convertible Bonds SIA MCBZ300608	17,000	17,000
- SIA MCBZ 2021	–	20,482
Singapore Airlines Limited		
- 3.145% Notes due 8 April 2021	S$250,000	–
- 3.16% Notes due 2023	S$250,000	S$250,000
Singapore Technologies Engineering Ltd	41,000	–
Singapore Technologies Telemedia Pte Ltd		
- 4.05% Notes due 2 December 2025	S$250,000	S$250,000
- STT GDC 3.13% Bonds due 28 July 2028	S$500,000	S$500,000
Singapore Telecommunications Limited	22,027	22,027
StarHub Limited	36,000	36,000
Altrium Private Equity Fund I GP Limited	Commitment	Commitment
- Interest as limited partner in the Altrium PE Fund I F&F L.P. Fund	amount of USD500,000	amount of USD500,000
Altrium Private Equity Fund II GP Limited		Commitment
- Interest as limited partner in the Altrium PE Fund II F&F L.P. Fund	–	amount of USD1,000,000
Vertex Master Fund II (GP) Pte. Ltd.	Commitment	Commitment
- Interest as limited partner in Vertex Master Fund II	amount of USD500,000	amount of USD500,000
Ascendas Real Estate Investment Trust		
- 2.47% Notes due 10 August 2023 [2]	S$250,000	S$250,000
Astrea IV Pte. Ltd.		
- 4.35% Class-A1 Secured Bonds due 14 June 2028	S$336,000	S$336,000
- 6.75% Class-B Secured Bonds due 14 June 2028	USD200,000	USD200,000
Astrea V Pte. Ltd.		
- 3.85% Class-A1 Secured Bonds due 20 June 2029	S$214,000	S$214,000
- 4.50% Class-A2 Secured Bonds due 20 June 2029	USD200,000	USD200,000

[2] Held jointly with spouse.

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Astrea VI Pte. Ltd.		
- 3.00% Class-A1 Secured Bonds due 18 March 2031	S$105,000	S$105,000
- 3.25% Class-A2 Secured Bonds due 18 March 2031	USD200,000	USD200,000
- 4.35% Class-B Secured Bonds due 18 March 2031	USD400,000	USD400,000
Fullerton Fund Management Company Ltd		
- Fullerton Optimised Alpha Fund Class A USD – units	–	5,000
- Fullerton USD Income Fund Class A (SGD hedged)	–	S$500,000
Temasek Financial (IV) (Private) Limited		
- 1.8% 5-years T2026 S$ Temasek Bond	–	S$30,000
Mr Ong Yew Huat		
Sembcorp Marine Ltd [#]	–	500,000
Mr Timothy Chia Chee Ming		
Singapore Telecommunications Limited	2,070	2,070
Vertex Master Fund II (GP) Pte. Ltd.	Commitment	Commitment
- Interest as limited partner in VMII Affiliates Fund LP	amount of USD250,000	amount of USD250,000
Vertex Venture Holdings Ltd		
- 3.30% Notes due 2028	–	S$250,000
Mr Ng Kwan Meng		
Singapore Telecommunications Limited	85,350	85,350
Singapore Technologies Engineering Ltd	25,000	5,000
Starhub Limited	6,000	6,000
Mapletree North Asia Commercial Trust – units	22,000	–
Sembcorp Marine Ltd [#]	–	1,720,000
CapitaLand Integrated Commercial Trust – units	153,184	162,618[*]
CapitaLand Limited	61,000	–[*]
CapitaLand Investment Limited	–	61,000[*]

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Ms Goh Swee Chen		
CapitaLand Limited	34,592	–*
CapitaLand Investment Limited	–	46,709*
CapitaLand Integrated Commercial Trust – units	–	7,224*
Singapore Telecommunications Limited	5,000	5,000
Singapore Airlines Limited	18,550	18,550
Singapore Airlines Limited - Mandatory Convertible Bond SIA MCBZ300608	3,835	42,604
Mr Lee Kim Shin		
Singapore Telecommunications Limited	190	190
Singapore Airlines Limited	19,800	26,000
Singapore Airlines Limited - SIA MCBZ 2021	–	41,382
Ascott Residence Trust – units	4,644	4,644
Prof Yaacob Bin Ibrahim		
Ascendas India Trust – units	100,000	100,000
Ascott Residence Trust – units	26,208	26,208
Singapore Airlines Limited	5,000	5,000

[#] Related corporation with effect from 11 November 2021

[*] Scheme of arrangement by CapitaLand Limited ("CapitaLand"), pursuant to which every 1 CapitaLand Limited share was exchanged for 1 share in CapitaLand Investment Limited, 0.154672686 unit in CapitaLand Integrated Commercial Trust, and S$0.951 in cash.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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

Share options

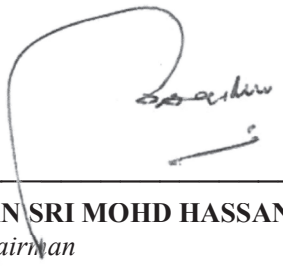
During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

On behalf of the Board of Directors



TAN SRI MOHD HASSAN MARICAN
Chairman

MR STANLEY HUANG TIAN GUAN
Director / Group Chief Executive Officer

2 June 2022

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Building a better working world

Independent Auditor's Report
For the financial year ended 31 March 2022

Independent Auditor's Report to the Member of Singapore Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Power Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2022, the income statements, statements of comprehensive income, statements of changes in equity of the Group and the Company and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of the financial performance, changes in equity of the Group and the Company and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the directors' statement.

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

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A member firm of Ernst & Young Global Limited.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

2 June 2022

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Balance sheets
As at 31 March 2022

	Note	Group		Company	
		2022 $ million	2021 $ million	2022 $ million	2021 $ million
Non-current assets					
Property, plant and equipment	4	13,828.7	13,693.2	23.4	16.3
Intangible assets	6	111.3	150.9	14.9	16.2
Investment property under development	7	765.0	728.2	–	–
Subsidiaries	8	–	–	5,043.7	5,524.6
Associates and joint ventures	9	1,622.3	2,907.2	45.4	45.4
Other non-current assets	10	343.7	337.9	–	–
Deferred tax assets	11	21.7	100.5	–	–
Derivative assets	12	133.6	256.2	–#	–#
Investments in debt and equity securities	13	56.0	29.7	–	–
		16,882.3	18,203.8	5,127.4	5,602.5
Current assets					
Inventories	14	47.4	46.7	–	–
Trade and other receivables	15	795.7	462.2	4,095.2	3,070.4
Derivative assets	12	113.6	3.5	5.0	–#
Cash and cash equivalents	16	4,207.8	1,187.2	1.3	0.8
Investments in debt and equity securities	13	413.9	–	–	–
		5,578.4	1,699.6	4,101.5	3,071.2
Total assets		22,460.7	19,903.4	9,228.9	8,673.7
Regulatory deferral accounts ("RDA") debit balances and related deferred tax assets	17	499.5	454.7	–	–
Total assets and RDA debit balances		22,960.2	20,358.1	9,228.9	8,673.7
Equity					
Share capital	18	2,911.9	2,911.9	2,911.9	2,911.9
Reserves	19	(97.2)	(424.3)	–#	–
Accumulated profits		11,143.9	9,491.4	6,246.6	5,712.8
Total equity, attributable to owner of the Company		13,958.6	11,979.0	9,158.5	8,624.7
Non-current liabilities					
Debt obligations	20	3,377.9	4,369.7	–	–
Derivative liabilities	12	160.5	101.3	–#	–
Deferred tax liabilities	11	1,699.7	1,748.4	1.4	1.4
Other non-current liabilities	21	479.7	498.8	–	–
Lease liabilities	5	32.2	34.9	–	–
		5,750.0	6,753.1	1.4	1.4
Current liabilities					
Debt obligations	20	908.2	173.6	–	–
Derivative liabilities	12	143.0	7.6	5.1	–
Current tax payable		645.6	67.0	0.4	0.6
Trade and other payables	22	1,484.6	1,314.4	57.6	47.0
Lease liabilities	5	5.8	5.9	5.9	–
		3,187.2	1,568.5	69.0	47.6
Total liabilities		8,937.2	8,321.6	70.4	49.0
Total equity and liabilities		22,895.8	20,300.6	9,228.9	8,673.7
RDA credit balances and related deferred tax liabilities	17	64.4	57.5	–	–
Total equity, liabilities and RDA credit balances		22,960.2	20,358.1	9,228.9	8,673.7

Amount is less than $0.1 million

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

Income statements
Year ended 31 March 2022

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		$ million	**$ million**	**$ million**	**$ million**
Revenue	23	5,213.5	3,574.1	1,040.1	754.8
Other income	24	1,683.7	188.9	1.0	9.5
Expenses					
- Purchased power		(2,806.7)	(1,473.1)	–	–
- Depreciation of property, plant and equipment	4	(790.3)	(757.4)	(9.9)	(8.3)
- Amortisation of intangible assets	6	(55.7)	(56.1)	(5.6)	(3.5)
- Maintenance		(141.1)	(126.4)	(10.5)	(9.0)
- Staff costs		(324.7)	(319.9)	(73.9)	(72.7)
- Property taxes		(93.9)	(99.2)	(0.3)	(0.3)
- Other operating expenses		(191.4)	(145.3)	(37.2)	(61.0)
Operating profit		2,493.4	785.6	903.7	609.5
Finance income	25	58.6	45.3	19.4	33.9
Finance costs	26	(85.0)	(79.7)	(0.1)	(0.1)
Share of profits of associates, net of tax		164.0	180.0	–	–
Share of losses of joint ventures, net of tax		(5.7)	(6.0)	–	–
Profit before taxation		2,625.3	925.2	923.0	643.3
Tax (expense)/credit	27	(660.3)	(197.8)	0.8	5.3
Profit for the year attributable to owner of the Company	28	1,965.0	727.4	923.8	648.6
Net movement in RDA balances related to profit or loss and the related deferred tax movement	17	37.9	249.3	–	–
Profit for the year and net movements in RDA balances, attributable to owner of the Company		2,002.9	976.7	923.8	648.6

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

Statements of comprehensive income
Year ended 31 March 2022

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Profit for the year and net movements in RDA balances	2,002.9	976.7	923.8	648.6
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Share of defined benefit plan remeasurements of associates	10.1	9.3	–	–
	10.1	9.3	–	–
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign operations	(86.7)	446.7	–	–
Effective portion of changes in fair value of cash flow hedges, net of tax	41.0	31.7	–[#]	(0.2)
Net change in fair value of:				
- Cash flow hedges reclassified to profit or loss, net of tax	(5.3)	10.2	–	–
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	0.6	2.1	–[#]	(0.1)
Share of hedging reserves of associates	211.1	148.9	–	–
Disposal of interest in an associate	195.9	–	–	–
	356.6	639.6	–[#]	(0.3)
Other comprehensive income for the year, net of tax	366.7	648.9	–[#]	(0.3)
Total comprehensive income for the year, attributable to owner of the Company	2,369.6	1,625.6	923.8	648.3

[#] Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2022

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2020	2,911.9	(810.1)	(282.7)	19.6	8,920.7	10,759.4
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	976.7	976.7
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	446.7	–	–	–	446.7
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	31.7	–	–	31.7
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	10.2	–	–	10.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	2.1	–	–	2.1
Share of other comprehensive income of associates	–	–	148.9	9.3	–	158.2
Total other comprehensive income	–	446.7	192.9	9.3	–	648.9
Total comprehensive income for the year	–	446.7	192.9	9.3	976.7	1,625.6
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(406.0)	(406.0)
Total transactions with owner	–	–	–	–	(406.0)	(406.0)
At 31 March 2021	2,911.9	(363.4)	(89.8)	28.9	9,491.4	11,979.0

[#] Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2022

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2021	2,911.9	(363.4)	(89.8)	28.9	9,491.4	11,979.0
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	2,002.9	2,002.9
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	(86.7)	–	–	–	(86.7)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	41.0	–	–	41.0
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	(5.3)	–	–	(5.3)
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	0.6	–	–	0.6
Share of other comprehensive income of associates	–	–	211.1	10.1	–	221.2
Disposal of interest in an associate	–	231.9	(36.0)	(39.6)	39.6	195.9
Total other comprehensive income	–	145.2	211.4	(29.5)	39.6	366.7
Total comprehensive income for the year	–	145.2	211.4	(29.5)	2,042.5	2,369.6
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(390.0)	(390.0)
Total transactions with owner	–	–	–	–	(390.0)	(390.0)
At 31 March 2022	2,911.9	(218.2)	121.6	(0.6)	11,143.9	13,958.6

[#] Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2022

Company	Share capital $ million	Hedging reserve $ million	Accumulated profits $ million	Total $ million
At 1 April 2020	2,911.9	0.3	5,470.2	8,382.4
Total comprehensive income for the year				
Profit for the year	–	–	648.6	648.6
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges, net of tax	–	(0.2)	–	(0.2)
Net change in fair value of:				
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	(0.1)	–	(0.1)
Total other comprehensive income	–	(0.3)	–	(0.3)
Total other comprehensive income for the year	–	(0.3)	648.6	648.3
Transactions with owner, recognised directly in equity				
Dividends declared (Note 34)	–	–	(406.0)	(406.0)
Total transactions with owner	–	–	(406.0)	(406.0)
At 31 March 2021	2,911.9	–	5,712.8	8,624.7
At 1 April 2021	2,911.9	–	5,712.8	8,624.7
Total comprehensive income for the year				
Profit for the year	–	–	923.8	923.8
Other comprehensive income				
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–[#]	–	–[#]
Net change in fair value of:				
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–[#]	–	–[#]
Total other comprehensive income	–	–[#]	–	–[#]
Total other comprehensive income for the year	–	–[#]	923.8	923.8
Transactions with owner, recognised directly in equity				
Dividends declared (Note 34)	–	–	(390.0)	(390.0)
Total transactions with owner	–	–	(390.0)	(390.0)
At 31 March 2022	2,911.9	–[#]	6,246.6	9,158.5

[#] Amount is less than $0.1 million

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

Consolidated statement of cash flows
Year ended 31 March 2022

	Note	2022 $ million	2021 $ million
Cash flows from operating activities			
Profit for the year and net movements in RDA balances		2,002.9	976.7
Adjustments for:			
Deferred income		(20.0)	(23.9)
RDA debit or credit balances and related deferred tax assets or liabilities		(37.9)	(249.3)
Depreciation and amortisation		846.0	813.5
Finance costs	26	90.3	83.5
Finance income	25	(58.6)	(45.3)
Exchange loss/(gain), net	28	0.9	(14.7)
Loss on disposal of property, plant and equipment and intangible assets		11.7	1.2
Impairment loss on intangible assets and property, plant and equipment		2.4	5.0
Gain on disposal of interest in an associate	24	(1,532.0)	–
Share of profit of associates and joint ventures, net of tax		(158.3)	(174.0)
Tax expense	27	660.3	197.8
Write-down of inventory	14	8.4	5.3
Allowance for expected credit loss on trade receivables, net	15a	14.7	13.9
Net fair value gain on equity investments at FVTPL	26	(5.3)	(3.8)
Others		5.0	3.4
		1,830.5	1,589.3
Changes in working capital:			
Inventories		(9.1)	(2.6)
Trade and other receivables and contract assets		(304.5)	4.3
Balances with related parties (trade)		6.1	10.6
Trade and other payables		214.9	(10.4)
Cash generated from operations		1,737.9	1,591.2
Interest received		34.3	64.7
Net tax paid		(30.0)	(63.4)
Net cash generated from operating activities		1,742.2	1,592.5

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

Consolidated statement of cash flows (continued)
Year ended 31 March 2022

	Note	2022 $ million	2021 $ million
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,006.2)	(986.4)
Purchase of intangible assets		(18.1)	(40.7)
Proceeds from disposal of property, plant and equipment and intangible assets		6.3	5.5
Proceeds from disposal of interest in an associate		3,154.1	–
Dividends received from associates and joint venture		153.8	146.9
Proceeds from redemption of other investment		–	5.0
Acquisition of interest in associates and joint venture		(24.4)	(42.7)
Loans to a joint venture		(46.4)	–
Payments for investments in debt securities		(413.4)	–
Acquisition of other investments		(21.3)	(14.4)
Additions to investment property		(36.9)	(6.6)
Net cash generated from/(used in) investing activities		1,747.5	(933.4)
Cash flows from financing activities			
Proceeds from loans		83.2	156.0
Proceeds from termination of derivatives		19.5	–
Repayment of debt obligations		(176.5)	(797.1)
Dividends paid to owner of the Company		(390.0)	(406.0)
Interest paid		(81.8)	(108.9)
Commitment fees paid		–	(1.5)
Upfront fees paid for credit facilities		(2.6)	–
Payment of principal portion of lease liabilities		(6.2)	(5.9)
Net cash used in financing activities		(554.4)	(1,163.4)
Net increase/(decrease) in cash and cash equivalents		2,935.3	(504.3)
Cash and cash equivalents at beginning of the year		1,187.2	1,673.4
Effect of exchange rate changes on balances held in foreign currencies		85.3	18.1
Cash and cash equivalents at end of the year	16	4,207.8	1,187.2

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 June 2022.

1 Domicile and activities

Singapore Power Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 2 Kallang Sector, SP Group Building, Singapore 349277. The immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The principal activities of the Company are that of investment holding and provision of management support services. Its subsidiaries are engaged principally in the transmission and distribution of electricity and gas, provision of related consultancy services and investments in related projects.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures (collectively referred to as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All financial information presented in Singapore dollars has been rounded to the nearest 0.1 million, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with **S**FRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below:

Taxation

The Group is subject to taxes mainly in Singapore and Australia. Significant judgement is required in determining provision for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details are set out in Note 11 and Note 27.

Impairment of associates

Impairment reviews in respect of associates are performed at least annually or when there is any indication that the investment in associates may be impaired. More regular reviews are performed if changes in circumstances or the occurrence of events indicate potential impairment. The Group uses the present value of future cash flows to determine the recoverable amounts of the underlying cash generating units in the associates. In calculating the recoverable amounts, significant management judgement is required in forecasting cash flows of the cash generating units, in estimating the terminal growth values and in selecting an appropriate discount rate.

Estimating fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Note 31 sets out the basis of valuation of financial assets and liabilities.

Accrued revenue

Revenue accrual estimates are made to account for the unbilled period between the end-user's last billing date and the end of the accounting period. The accrual relies on detailed analysis of customers' historical consumption patterns, which takes into account base usage and sensitivity to consumption growth. The results of this analysis are applied for the number of days over the unbilled period.

Regulatory deferral accounts

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes (as set out in Note 3.18) and revenue earned for regulatory purposes. Revenue earned for regulatory purposes is estimated based on the revenue allowed by the Energy Market Authority ("EMA") (in accordance with the price regulation framework), taking into consideration the services rendered, sale and volume of electricity and gas delivered to consumers. Note 3.16 sets out the accounting policy for regulatory deferral accounts.

2.5 Changes in accounting policies

Adoption of new and revised SFRS(I)s and Interpretation to SFRS(I)

The Group has applied the Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2* which is effective for annual financial periods beginning on or after 1 April 2021.

The Phase 2 amendments provide practical relief from certain requirements in SFRS(I) Standards. The amendment most relevant to the Group is where it provides for a series of temporary exceptions from certain hedge accounting requirements when a change required by the interest rate benchmark reform occurs to a hedge item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising the from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the hedging reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

The details of the accounting policies and related disclosures on financial risk management are disclosed in Note 3.6 and 31. There was no significant financial impact to the Group as a result of these amendments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements, and have been consistently applied by the Group entities, which addresses changes in accounting policies due to the adoption of new and revised standards.

3.1 Basis of 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 profit or loss.

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.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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, when applicable, on the basis specified in another standard.

Any excess or deficiency of the purchase consideration over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is accounted for as goodwill or bargain purchase gain (see Note 3.4).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an equity investment at fair value through other comprehensive income depending on the level of influence retained.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out below.

Investments in associates and joint ventures (equity-accounted investees)

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees 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.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and joint ventures by the Company

Investments in subsidiaries and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

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. The functional currencies of the Group entities are mainly Singapore dollars, Australian dollars and Chinese Yuan Renminbi. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on 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 profit or loss, except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, an equity investment at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars for presentation in these financial statements at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. Capitalisation of borrowing costs will cease when the asset is ready for its intended use. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land and construction-in-progress are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	Over the term of the lease, ranging from 3 – 99 years
Buildings, office and tunnels	2 – 40 years or the lease term, if shorter
Plant and machinery	
- Mains (Electricity)	10 – 30 years
- Mains (Gas)	5 – 50 years or the lease term, if shorter
- Transformers and switchgear	20 – 30 years
Other plant and equipment (principally gas storage plant, remote control and meters)	2 – 40 years
Motor vehicles and office equipment	2 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, and adjusted if appropriate.

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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 profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense when incurred.

Intangible assets that have indefinite lives or that are not available for use are stated at cost less accumulated impairment losses.

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 2 to 5 years.

Deferred expenditure relates mainly to contributions paid by the Group in accordance with regulatory requirements towards capital expenditure costs incurred by electricity generation companies and onshore receiving facility operator, and is stated at cost less accumulated amortisation and accumulated impairment losses. Deferred expenditure is amortised on a straight-line basis over the period in which the Group derives benefits from the capital contribution payments, which is generally the useful life of the relevant equipment ranging from 7 to 19 years.

Research costs are expensed as incurred. Capitalised development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Following initial recognition of the capitalised development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Capitalised development costs have a finite useful life and are amortised over the period of 5 years on a straight line basis.

Intangible assets under construction are stated at cost. No amortisation is provided until the intangible assets are ready for use.

3.5 Investment property under development

Investment property under development is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property under development is measured at cost on initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property under development to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property under development (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property under development is accounted for at cost less accumulated depreciation and accumulated impairment losses. Investment property under development is not depreciated.

3.6 Financial instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are recognised in profit or loss incurred.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented on the balance sheets 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. The rights of offset must not be contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract.

Ordinary shares

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

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

- fair value hedges when hedging the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit and loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flow of the respective item or instrument or (ii) when the hedging relationship is discontinued.

For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedged documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flow is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for the hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Intra-group financial guarantees in the separate financial statements

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 issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

3.7 Impairment

Non-derivative financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Group considers a financial asset potentially in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting 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. Such reversal of impairment is recognised in profit or loss.

Goodwill that forms part of the carrying amount of an investment in an associate or a 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 a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3.8 Inventories

Spare parts, accessories and other consumables are measured at the lower of cost and net realisable value. Cost is determined based on the weighted average method, and includes expenditure in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Allowance for obsolete, deteriorated or damaged stocks is made when considered appropriate.

3.9 Accrued revenue

Revenue accrual estimates are made to account for the unbilled amount at the reporting date.

3.10 Contract balances

Progress billings to customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified contractual milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract assets are subject to impairment assessment. Note 3.7 sets out the accounting policy on impairment of financial assets.

3.11 Employee benefits

Provision is made for the accrued liability for employee entitlements arising from services rendered by employees up to the reporting date. The provision represents the Group's total estimated liability at the reporting date for employee entitlements.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, including on-costs. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.12 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. Provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental

Environmental provision is made for the rehabilitation of sites based on the estimated costs of the rehabilitation. The liability includes the costs of reclamation, plant closure and dismantling, and waste site closure. The liability is determined based on the present value of the obligation. Annual adjustments to the liability are recognised in profit or loss over the estimated life of the sites. The costs are estimated based on assumptions of current legal requirements and technologies. Any changes in estimates are dealt with on a prospective basis.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.13 Government grant

Capital grant is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants. Operating grant is taken to profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.14 Deferred construction cost compensation

Deferred construction cost compensation received to defray costs relating to the construction of an asset are accounted for as a government grant. Note 3.13 sets out the government grant accounting policy.

3.15 Deferred income

Deferred income comprises (i) government grants for the purchase of depreciable assets, (ii) contributions made by certain customers towards the cost of capital projects received prior to 1 July 2009 and (iii) compensation received to defray operating expenses.

Government grants and customer contributions

Deferred income is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants and customers' contribution.

3.16 Regulatory deferral account ("RDA") debit or credit balances

Use of system charges, transportation of gas, district cooling services and Market Support Services fees

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes and revenue earned for regulatory purposes.

Movements in the regulatory deferral account debit or credit balances are recognised in profit or loss over the periods necessary to adjust revenue recognised for financial reporting purposes to revenue earned for regulatory purposes based on services rendered.

At the end of each regulatory period, adjustments for amounts to be recovered or refunded are taken to profit or loss as net movement in regulatory deferral account balances.

3.17 Price regulation and licence

The Group's operations in Singapore are regulated under the Electricity Licence for Transmission Licensee, Electricity Licence for Market Support Services Licensee, Gas Licence, and the District Cooling Services Licence issued by the Energy Market Authority ("EMA") of Singapore.

Allowed revenue to be earned from the supply and transmission of electricity, transportation of gas and the provision of market support services is regulated based on certain formulae and parameters set out in those licences, relevant acts and codes.

Allowed revenue for district cooling corresponds to the quantum which the Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services Licence issued by the Energy Market Authority of Singapore.

Revenue recognised for financial reporting purposes may differ from revenue earned for regulatory purposes due to revenue or volume variances. This may result in adjustments that may increase or decrease tariffs in succeeding periods. Amounts to be recovered or refunded are brought to account as adjustments to net movement in regulatory deferral account debit or credit balances in the income statement in the period in which the Group becomes entitled to the recovery or liable for the refund.

The Group's capital expenditure may vary from its regulatory plan and is subject to a review by the EMA. The results of the variances in capital expenditure may be translated into price adjustments, if any, in the following reset period.

The use of system charges, transportation of gas charges and allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period in accordance with the price regulation framework.

3.18 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of electricity

Revenue from the sale of electricity is recognised over time when electricity is delivered to consumers.

Use of system charges and transportation of gas

Revenue from use of system charges and transportation of gas is recognised over time based on tariff billings to customers when the volume of electricity and gas is delivered.

Revenue from take-or-pay arrangements relating to the transportation of gas is recognised when it is probable that such revenue is receivable.

District cooling service income

Income from services is recognised over time when the services are rendered.

Agency fees and Market Support Services fees

Agency fees from acting as billing agent and fees for services provided as the Market Support Services Licensee are recognised over time when the services are rendered.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Support service income and management fees

Support service income and management fees are recognised when the services are rendered.

Meters supply and installation fees

The Group entered into a contract with customer to provide meters and installation services. Management has considered that the meters have no alternative use for the Group due to contractual restrictions, and the Group has enforceable rights to payment for performance completed to date, arising from the contractual terms. Accordingly, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The measure of progress is determined based on the proportion of costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying the performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

3.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rental income under operating leases are recognised in profit or loss over the term of the lease.

Where assets are leased under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return. Contingent rental income is recognised in profit or loss in the accounting period in which they are incurred.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement or on modification date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the

commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to Note 3.7 for the accounting policy.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Covid-19-related rent concessions

The Group has applied Amendment to SFRS(I) 16 *Covid-19-Related Rent Concessions***.** The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

3.20 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value gains or losses on financial assets and liabilities at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), gains or losses on hedging instruments that are recognised in profit or loss, amortisation of transaction costs capitalised and interest expense on lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.21 Tax expense

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, 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 they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This

assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The movement in a deferred tax asset or liability that arises from the temporary differences created as a result of recognising regulatory deferral account balances are presented in the income statement net of the movement in regulatory deferral account balances related to profit or loss.

3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.23 New standards and interpretations not yet adopted

A number of new amendments to standards that are effective for annual periods beginning after 1 April 2021 have not been applied in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment—Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts—Cost of Fulfilling a Contract*
- Annual improvements to SFRS(I)s 2018-2020
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4 Property, plant and equipment

Group	Freehold land $ million	Leasehold land $ million	Buildings, office and tunnels $ million	Plant and machinery $ million	Other plant and equipment $ million	Motor vehicles and office equipment $ million	Construction-in-progress $ million	Total $ million
Cost								
At 1 April 2020	0.3	647.8	3,588.8	14,494.5	1,662.0	333.0	2,427.9	23,154.3
Additions	–	0.8	1.2	1.8	27.3	2.8	901.0	934.9
Disposals	–	–	(1.6)	(57.1)	(23.3)	(23.8)	–	(105.8)
Transfers from intangible assets	–	–	–	–	–	–	0.3	0.3
Reclassifications	–	3.7	43.2	1,462.4	39.3	47.2	(1,595.8)	–
Translation difference	–	–	–	0.5	0.3	–	–	0.8
At 31 March 2021	0.3	652.3	3,631.6	15,902.1	1,705.6	359.2	1,733.4	23,984.5
Additions	–	0.8	1.0	1.2	36.5	1.5	901.8	942.8
Disposals	–	(1.1)	(0.5)	(168.4)	(30.6)	(12.7)	(8.1)	(221.4)
Reclassifications	–	(1.2)	153.0	566.6	17.2	15.3	(750.9)	–
Lease modification	–	0.4	–	–	–	–	–	0.4
Translation difference	–	–	–	0.7	1.2	–	0.2	2.1
At 31 March 2022	0.3	651.2	3,785.1	16,302.2	1,729.9	363.3	1,876.4	24,708.4
Accumulated depreciation and impairment losses								
At 1 April 2020	–	245.2	1,000.5	7,466.9	731.3	187.7	–	9,631.6
Depreciation	–	13.5	100.5	488.4	119.6	35.4	–	757.4
Disposals	–	–	(1.3)	(53.2)	(22.7)	(23.7)	–	(100.9)
Impairment	–	–	–	–	–	3.2	–	3.2
At 31 March 2021	–	258.7	1,099.7	7,902.1	828.2	202.6	–	10,291.3
Depreciation	–	13.6	106.7	502.8	128.1	39.1	–	790.3
Disposals	–	(1.0)	(0.4)	(162.0)	(26.4)	(12.6)	–	(202.4)
Impairment	–	–	–	–	0.4	–	–	0.4
Reclassifications	–	(0.2)	(0.3)	0.6	0.2	(0.3)	–	–
Translation difference	–	–	–	0.1	–[#]	–	–	0.1
At 31 March 2022	–	271.1	1,205.7	8,243.6	930.5	228.8	–	10,879.7
Carrying amounts								
At 31 March 2021	0.3	393.6	2,531.9	8,000.0	877.4	156.6	1,733.4	13,693.2
At 31 March 2022	0.3	380.1	2,579.4	8,058.6	799.4	134.5	1,876.4	13,828.7

[#] Amount is less than $0.1 million

Company	Leasehold land $ million	Buildings and office $ million	Plant and equipment $ million	Motor vehicles and office equipment $ million	Construction -in-progress $ million	Total $ million
Cost						
At 1 April 2020	9.4	21.6	0.2	15.1	9.8	56.1
Additions	–	–	–	–	1.7	1.7
Disposals	–	–	–	(0.2)	–	(0.2)
Reclassifications	–	–	–	8.3	(8.3)	–
At 31 March 2021	9.4	21.6	0.2	23.2	3.2	57.6
Additions	–	11.7	–	–	5.5	17.2
Disposals	–	–	–	(4.4)	–	(4.4)
Reclassifications	–	–	–	2.6	(2.6)	–
At 31 March 2022	9.4	33.3	0.2	21.4	6.1	70.4
Accumulated depreciation						
At 1 April 2020	7.0	14.1	0.2	11.9	–	33.2
Depreciation	0.3	5.6	–	2.4	–	8.3
Disposals	–	–	–	(0.2)	–	(0.2)
At 31 March 2021	7.3	19.7	0.2	14.1	–	41.3
Depreciation	0.2	6.1	–	3.6	–	9.9
Disposals	–	–	–	(4.2)	–	(4.2)
At 31 March 2022	7.5	25.8	0.2	13.5	–	47.0
Carrying amounts						
At 31 March 2021	2.1	1.9	–	9.1	3.2	16.3
At 31 March 2022	1.9	7.5	–	7.9	6.1	23.4

Expenses capitalised

The following expenses were capitalised in property, plant and equipment during the year:

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Staff cost	87.4	83.9	–	–
Other expenses	3.0	1.8	–	–

The Group's and Company's property, plant and equipment includes right of use assets of $401.1 million and $7.7 million (2021: $418.0 million and $2.1 million) respectively relating to leasehold land, buildings and office, plant and machinery and other plant and equipment under leasing arrangements. Details are presented in Note 5.

5 Right-of-use assets/ Lease liabilities

Set out below are the carrying amounts of right-of-use assets classified within property, plant and equipment and the movements during the year:

Group	Leasehold land $ million	Buildings and office $ million	Plant and machinery $ million	Other plant and equipment $ million	Total $ million
At 1 April 2020	402.6	10.3	16.4	1.3	430.6
Additions	4.5	1.2	0.5	–	6.2
Lease modification	–	–	0.4	–	0.4
Depreciation	(13.5)	(2.9)	(2.0)	(0.8)	(19.2)
At 31 March 2021	393.6	8.6	15.3	0.5	418.0
Additions	0.8	0.9	–	3.2	4.9
Disposals	–	–	–	(1.3)	(1.3)
Reclassification	(1.0)	(2.2)	–	2.2	(1.0)
Lease modification	0.4	–	–	–	0.4
Depreciation	(13.6)	(3.0)	(2.4)	(0.9)	(19.9)
At 31 March 2022	380.2	4.3	12.9	3.7	401.1

Company	Leasehold land $ million	Office $ million	Total $ million
At 1 April 2020	2.4	5.4	7.8
Depreciation	(0.3)	(5.4)	(5.7)
At 31 March 2021	2.1	–	2.1
Additions	–	11.7	11.7
Depreciation	(0.2)	(5.9)	(6.1)
At 31 March 2022	1.9	5.8	7.7

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
At 1 April	40.8	45.0	–	5.5
Additions	4.5	1.0	11.7	–
Disposals	(1.5)	–	–	–
Lease modification	0.4	0.4	–	–
Accretion of interest	1.6	1.7	0.1	0.1
Payments	(7.8)	(7.3)	(5.9)	(5.6)
At 31 March	38.0	40.8	5.9	–
Current	5.8	5.9	5.9	–
Non-current	32.2	34.9	–	–
	38.0	40.8	5.9	–

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Depreciation expense of right-of-use assets	19.9	19.2	6.1	5.7
Interest expense on lease liabilities	1.6	1.7	0.1	0.1
Expense relating to short-term leases (included in other operating expenses)	2.6	3.1	–	–

For the financial year ended 31 March 2022, the Group and Company had total cash outflow for leases of $10.4 million and $5.9 million (2021: $10.4 million and $5.6 million) respectively.

6 Intangible assets

	Group					Company			
	Software $ million	**Deferred expenditure $ million**	**Capitalised development costs $ million**	**Assets under construction $ million**	**Total $ million**	**Software $ million**	**Capitalised development costs $ million**	**Assets under construction $ million**	**Total $ million**
Cost									
At 1 April 2020	431.0	116.4	12.1	24.5	584.0	27.1	–	6.7	33.8
Additions	4.0	0.8	–	38.5	43.3	–	–	4.9	4.9
Disposals	(14.0)	–	(1.0)	(0.1)	(15.1)	(1.0)	–	–	(1.0)
Transfers from/(to) property, plant and equipment	0.1	–	–	(0.4)	(0.3)	–	–	–	–
Reclassifications	52.2	–	3.1	(55.3)	–	10.5	–	(10.5)	–
At 31 March 2021	473.3	117.2	14.2	7.2	611.9	36.6	–	1.1	37.7
Additions	2.1	1.5	–	14.8	18.4	–	–	4.5	4.5
Disposals	(4.4)	(0.3)	–	–	(4.7)	(3.1)	–	–	(3.1)
Reclassifications	12.2	–	3.4	(15.6)	–	3.9	–	(3.9)	–
At 31 March 2022	483.2	118.4	17.6	6.4	625.6	37.4	–	1.7	39.1

	Group							
	Software $ million	Deferred expenditure $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million	Software $ million	Assets under construction $ million	Total $ million
Accumulated amortisation and impairment losses								
At 1 April 2020	306.9	107.2	2.3	–	416.4	18.9	–	18.9
Amortisation	48.2	4.9	3.0	–	56.1	3.5	–	3.5
Disposals	(13.0)	–	(0.3)	–	(13.3)	(0.9)	–	(0.9)
Impairment	1.8	–	–	–	1.8	–	–	–
At 31 March 2021	343.9	112.1	5.0	–	461.0	21.5	–	21.5
Amortisation	49.6	2.7	3.4	–	55.7	5.6	–	5.6
Disposals	(4.1)	(0.3)	–	–	(4.4)	(2.9)	–	(2.9)
Impairment	–	–	–	2.0	2.0	–	–	–
At 31 March 2022	389.4	114.5	8.4	2.0	514.3	24.2	–	24.2
Carrying amounts								
At 31 March 2021	129.4	5.1	9.2	7.2	150.9	15.1	1.1	16.2
At 31 March 2022	93.8	3.9	9.2	4.4	111.3	13.2	1.7	14.9

Expenses capitalised

The following expenses were capitalised in intangible assets during the year:

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Staff cost	3.7	8.1	–	–
Other expenses	–	1.1	–	–

7 Investment property under development

	Group	
	2022	**2021**
	$ million	**$ million**
Investment property under development		
At 1 April	728.2	721.6
Additions	36.8	6.6
At 31 March	765.0	728.2

The investment property under development relates to development of a commercial building for leasing purposes.

From 1 April to 31 July 2020, the Group suspended construction activities of the investment property following the Government's measures in response to the coronavirus ("Covid-19") pandemic. Construction of the investment property resumed on 1 August 2020.

At 31 March 2022 and 2021, the fair value of the investment property under development approximates the carrying value.

8 Subsidiaries

	Company	
	2022	**2021**
	$ million	**$ million**
Unquoted equity shares, at cost	3,905.2	3,905.2
Unquoted unit, at cost	–[#]	–[#]
Amount due from subsidiaries	1,207.0	1,675.5
Impairment losses	(68.5)	(56.1)
	5,043.7	5,524.6

[#] Amount is less than $0.1 million

The Company has entered into an arrangement with subsidiaries whereby the repayment of these amounts due from subsidiaries will be at the sole discretion of the subsidiaries. Accordingly, these amounts are classified as investment in subsidiaries.

During the year, the Company made an allowance for impairment of $12.4 million (2021: $39.1 million) on its investment in subsidiaries and the amount due from subsidiaries. The recoverable amount of the subsidiaries was determined based on the fair value of the subsidiaries, which was approximated by net assets of the subsidiary that mainly comprise monetary assets and liabilities.

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective interest held by the Group	
			2022 %	2021 %
SP PowerAssets Limited	Transmission and distribution of electricity	Singapore	100	100
PowerGas Limited	Transportation of piped gas	Singapore	100	100
SP PowerGrid Limited	Provision of management services to related corporations	Singapore	100	100
SP Services Limited	Sale of electricity and provision of customer services relating to utilities supply	Singapore	100	100
SP Cross Island Tunnel Trust	Construction, development, ownership, operation and maintenance of the cross island electricity tunnels in Singapore	Singapore	100	100
Singapore Power International Pte Ltd	Investment holding	Singapore	100	100
Singapore District Cooling Pte Ltd	Ownership, operation, maintenance and management of district cooling systems	Singapore	100	100
SP Group Treasury Pte Ltd	Provision of financing, treasury and settlement services to related corporations	Singapore	100	100
Labrador Real Estate Pte Ltd	Holding of land and commercial real estate development	Singapore	100	100

9 Associates and joint ventures

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Investment in associates				
- quoted equity shares	–	1,433.9	–	–
- unquoted equity shares	1,579.5	1,430.9	–	–
Investment in joint ventures	42.8	42.4	45.4	45.4
	1,622.3	2,907.2	45.4	45.4
Fair value of interest in investment of associates for which there is a published price quotation – AusNet Services*	–	2,334.4	–	–

* AusNet Services was listed on the Australian Stock Exchange. As at 31 March 2021, the fair value of the Group's investment was $2.334 billion based on its closing price of A$1.835 on the Australian Stock Exchange. The Group disposed its interest in AusNet Services during the year.

Name of associates	Principal activities	Place of incorporation	Effective interest held by the Group	
			2022 %	2021 %
AusNet Services Ltd and its subsidiaries (collectively referred to as AusNet Services)	Electricity transmission and distribution and gas distribution	Australia	–	32.75
SGSP (Australia) Assets Pty Ltd and its subsidiaries (collectively referred to as SGSPAA)	Infrastructure services, and distribution of electricity and gas	Australia	40.00	40.00
Sino-Singapore Energy Services (Chongqing) Company Ltd	Operation and provision of combined cooling, heating and power solutions	China	40.00	–

Associates

In June 2021, the Group completed the acquisition of a 40% interest in Sino-Singapore Energy Services (Chongqing) Company Ltd ("SSES") (formerly known as Sino-French Energy Services) for a cash consideration of $20.5 million. Upon finalisation of the fair value assessememt of SSES's identifiable assets and liabilities of the 40% interest acquired, the excess of $2.5 million of the net asset value over the consideration paid was recognised in Other income.

The summarised financial information in respect of SGSPAA and SSES, based on its International Financial Reporting Standards ("IFRS") financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements not adjusted for the percentage of ownership held by the Group are as follows:

	----------Associates----------		
	SGSPAA		***SSES***
	2022	**2021**	**2022**
	$ million	**$ million**	**$ million**
Assets and liabilities			
Current assets	366.5	348.4	8.4
Non-current assets	11,626.0	11,479.9	57.5
Total assets	11,992.5	11,828.3	65.9
Current liabilities	1,275.0	529.6	6.7
Non-current liabilities	6,816.0	7,721.4	12.0
Total liabilities	8,091.0	8,251.0	18.7
Net assets	3,901.5	3,577.3	47.2
Net assets, excluding goodwill	3,901.5	3,577.3	47.2
Proportion of the Group's ownership	40.00%	40.00%	40.00%
Group's share of net assets, representing the carrying amount of the investment	1,560.6	1,430.9	18.9
Results			
Revenue	1,644.9	1,643.4	4.5
Profit/(loss) after taxation	252.9	209.5	(3.9)
Other comprehensive income	288.5	108.2	–
Total comprehensive income	541.1	317.7	(3.9)

AusNet Services

In November 2021, AusNet Services entered into a Scheme Implementation Deed with Brookfield Asset Management, Inc ("Brookfield"), under which Brookfield will acquire 100% of interest in AusNet Services. The Scheme of Arrangement was approved by eligible shareholders on 28 January 2022 and implemented on 16 February 2022.

Consequently, the Group disposed its 32.75% interest in AusNet Services for a cash consideration of $3.15 billion and recognised a pre-tax gain on disposal of $1.53 billion (presented part of "Other income").

As at 31 March 2021, the summarised financial information of AusNet Services based on its IFRS financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements not adjusted for the percentage of ownership held by the Group are as follows:

	2021 $ million
Assets and liabilities	
Current assets	1,881.1
Non-current assets	13,067.4
Total assets	14,948.5
Current liabilities	780.0
Non-current liabilities	10,658.7
Total liabilities	11,438.7
Net assets	3,509.8
Net assets, excluding goodwill	3,509.8
Proportion of the Group's ownership	32.75%
Group's share of net assets	1,149.5
Goodwill on acquisition	284.4
Carrying amount of the investment	1,433.9
Results	
Revenue	1,893.0
Profit after taxation	297.2
Other comprehensive income	355.5
Total comprehensive income	652.7

In 2021 and 2020, the Group acquired an additional 1.65% of interest in AusNet Services through the open market at a consideration of $95.2 million. In 2021, the Group finalised the fair value assessment of AusNet Services's identifiable assets and liabilities of the additional 1.65% interest acquired, and the excess consideration of $53.8 million was allocated to goodwill.

Dividends from associates

The Group recorded dividend income of $194.1 million (2021: $209.2 million) from AusNet Services and SGSPAA, of which $152.9 million (2021: $145.9 million) was settled by cash and the balance was settled by subscribing to shares issued by AusNet Services and incurrence of withholding taxes.

Joint ventures

The summarised financial information in respect of Power Automation Pte Ltd ("PA") and SPTel Pte. Ltd. ("SPTel"), based on its SFRS(I) financial statements and BCG-SP Greensky Joint Stock Company ("BCG-SP"), based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements, not adjusted for the percentage ownership held by the Group are as follows:

	Joint ventures				
	PA		*SPTel*		*BCG-SP*
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**	**2022 $ million**
Assets and liabilities					
Current assets	27.1	27.2	37.8	34.9	52.2
Non-current assets	7.7	8.8	96.9	92.8	–
Total assets	34.8	36.0	134.7	127.7	52.2
Current liabilities	11.1	13.9	43.3	31.2	39.5
Non-current liabilities	6.3	6.9	40.5	31.6	–
Total liabilities	17.4	20.8	83.8	62.8	39.5
Net assets	17.4	15.2	50.9	64.9	12.7
Net assets, excluding goodwill	17.4	15.2	50.9	64.9	12.7
Proportion of the Group's ownership	51.00%	51.00%	49.00%	49.00%	49.00%
Group's share of net assets	8.9	7.8	24.9	31.8	6.2
Goodwill	–	–	2.8	2.8	–
Carrying amount of the investment	8.9	7.8	27.7	34.6	6.2
Results					
Revenue	34.8	40.2	35.6	25.5	0.5
Profit/(loss) after taxation	3.9	3.8	(14.1)	(14.3)	(0.3)
Other comprehensive income	–	–	–	–	–
Total comprehensive income	3.9	3.8	(14.1)	(14.3)	(0.3)

The Group recorded dividend income of $0.9 million (2021: $1.0 million) from PA.

In 2022, the Group and BCG Energy Joint Stock Company formed a joint venture company, BCG-SP Greensky Joint Stock Company, to invest and explore renewable energy projects in Vietnam.

10 Other non-current assets

	Group	
	2022	**2021**
	$ million	**$ million**
Amount due from associate:		
- convertible instrument	324.3	327.0
Amount due from joint venture (non-trade)	7.4	–
Finance lease receivables	7.4	7.6
Other receivables	4.6	3.3
	343.7	337.9

The non-current amount due from associate of $324.3 million (2021: $327.0 million) represents the face value of the convertible instrument. The convertible instrument is interest bearing at the fixed rate of 10.25% per annum and is convertible into ordinary shares at the discretion of the Group until mandatory conversion in 2050. The convertible instrument is convertible into a variable number of shares, which precludes the convertible instrument from being recognised as equity, and is recognised as a non-current receivable. The Group has a 40% holding in both the convertible instrument and ordinary shares issued by SGSPAA.

The non-current amount due from a joint venture that is non-trade in nature of $7.4 million (2021: Nil) bears interest of 3.0% (2021: Nil) per annum.

Finance lease receivables

In the prior years, the Group entered into arrangements to transport a minimum volume of piped gas to its customers using certain pipelines. Although the arrangements are not in the legal form of a lease, the Group concluded that the arrangements contain in substance leases of the submarine pipelines, because the minimum lease payments amount to substantially all the fair value of the leased assets. The lessees assume substantially all the risks and rewards of ownership. Accordingly, these leases were classified as finance lease. The Group continues to be the legal owner of the pipelines and therefore claims capital allowances for the pipelines. The interest rate implied in each lease is determined at the commencement date of the lease.

Following the adoption of SFRS(I) 16, the Group continues the existing finance lease accounting for the arrangements above.

The carrying amount of the finance lease receivables at the reporting date approximates its fair value, based on discounting the cash flows at the market rate.

	Group	
	2022 $ million	**2021 $ million**
Minimum lease payment receivables from leased pipelines and plants	13.3	14.3
Unearned income in leased pipelines and plants	(5.6)	(6.4)
Net receivables	7.7	7.9
Current (Note 15b)	0.3	0.3
Non-current	7.4	7.6
	7.7	7.9

	Minimum lease payment receivables $ million	**Unearned income $ million**	**Present value of lease payment receivables $ million**
2022			
Within one year	1.1	(0.8)	0.3
One to two years	1.1	(0.8)	0.3
Two to three years	1.1	(0.7)	0.4
Three to four years	1.1	(0.7)	0.4
Four to five years	1.1	(0.6)	0.5
After five years	7.8	(2.0)	5.8
	13.3	(5.6)	7.7
2021			
Within one year	1.1	(0.8)	0.3
One to two years	1.1	(0.8)	0.3
Two to three years	1.1	(0.8)	0.3
Three to four years	1.1	(0.7)	0.4
Four to five years	1.1	(0.7)	0.4
After five years	8.8	(2.6)	6.2
	14.3	(6.4)	7.9

The interest rate implied in each lease is determined at the commencement date of the lease. The effective interest rate on the finance lease receivables is 9.80% (2021: ranges from 9.74% to 9.80%).

11 Deferred taxation

Group	At 1 April 2020 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2021 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2022 $ million
Deferred tax assets							
Property, plant and equipment	0.8	(0.8)	–	–	0.2	–	0.2
Derivative liabilities	6.6	–	(4.2)	2.4	–	(1.4)	1.0
Trade and other payables and provisions	3.2	0.9	–	4.1	0.2	–	4.3
Deferred income	46.3	(5.5)	–	40.8	(3.2)	–	37.6
Unutilised capital allowances	–	76.5	–	76.5	(76.5)	–	–
Others	8.4	(2.1)	–	6.3	2.3	–	8.6
	65.3	69.0	(4.2)	130.1	(77.0)	(1.4)	51.7
Set off of tax	(31.0)			(29.6)			(30.0)
Net deferred tax assets	34.3			100.5			21.7
Deferred tax liabilities							
Property, plant and equipment	(1,529.4)	(184.2)	–	(1,713.6)	34.6	–	(1,679.0)
Intangible assets	(25.7)	4.5	–	(21.2)	5.6	–	(15.6)
Trade and other receivables	(1.4)	0.1	–	(1.3)	–	–	(1.3)
Derivative assets	(5.1)	–	(4.9)	(10.0)	–	(6.0)	(16.0)
Undistributed earnings of associates	(12.8)	(15.3)	–	(28.1)	14.0	–	(14.1)
Others	(3.6)	(0.2)	–	(3.8)	0.1	–	(3.7)
	(1,578.0)	(195.1)	(4.9)	(1,778.0)	54.3	(6.0)	(1,729.7)
Set off of tax	31.0			29.6			30.0
Net deferred tax liabilities	(1,547.0)			(1,748.4)			(1,699.7)

Company	At 1 April 2020 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2021 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2022 $ million
Deferred tax assets							
Trade and other payables and provisions	0.6	0.1	–	0.7	(0.1)	–	0.6
	0.6	0.1	–	0.7	(0.1)	–	0.6
Set off of tax	(0.6)			(0.7)			(0.6)
Net deferred tax assets	–			–			–
Deferred tax liabilities							
Property, plant and equipment	(0.3)	(0.4)	–	(0.7)	0.1	–	(0.6)
Intangible assets	(0.2)	(1.2)	–	(1.4)	–	–	(1.4)
Derivative assets	(0.3)	–	0.3	–	–	–[#]	–[#]
	(0.8)	(1.6)	0.3	(2.1)	0.1	–[#]	(2.0)
Set off of tax	0.6			0.7			0.6
Net deferred tax liabilities	(0.2)			(1.4)			(1.4)

[#] Amount is less than $0.1 million

12 Derivative assets and liabilities

	2022			2021		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Group						
Current:						
Cross-currency interest rate swaps	623.8	53.6	–	–	–	–
Interest rate swaps	200.0	1.1	–	1,285.6	–	(1.1)
Foreign exchange forwards	4,755.2	58.9	(143.0)	715.3	3.5	(6.5)
		113.6	(143.0)		3.5	(7.6)
Non-current:						
Cross-currency interest rate swaps	2,959.6	7.4	(160.4)	3,583.3	182.2	(62.5)
Interest rate swaps	3,409.6	126.2	–[#]	4,334.6	73.5	(37.4)
Foreign exchange forwards	2.5	–[#]	(0.1)	59.4	0.5	(1.4)
		133.6	(160.5)		256.2	(101.3)

	2022			2021		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Company						
Current:						
Foreign exchange forwards	185.3	5.0	(5.1)	5.1	–[#]	–
Non-current:						
Foreign exchange forwards	2.0	–[#]	–[#]	–[#]	–[#]	–

[#] Amount is less than $0.1 million

Offsetting financial assets and financial liabilities

The Group's and Company's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. The ISDA agreements create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group, the Company or the counterparties. As such, these agreements do not meet the criteria for offsetting under SFRS(I) 1-32 *Financial Instruments: Presentation*.

The Group, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously but have the right to set off in the case of default and insolvency or bankruptcy.

The Group's and Company's financial assets and liabilities subject to an enforceable master netting arrangement that are not otherwise set-off are as follows:

Types of financial assets	**Gross amounts of recognised financial assets $ million**	**Related amounts not offset in the balance sheet – financial instruments $ million**	**Net amounts $ million**
Group			
2022			
Derivative assets	247.2	(166.7)	80.5
2021			
Derivative assets	259.7	(49.2)	210.5

Types of financial liabilities	**Gross amounts of recognised financial liabilities $ million**	**Related amounts not offset in the balance sheet – financial instruments $ million**	**Net amounts $ million**
Group			
2022			
Derivative liabilities	303.5	(166.7)	136.8
2021			
Derivative liabilities	108.9	(49.2)	59.7

Types of financial assets	Gross amounts of recognised financial assets $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2022			
Derivative assets	5.0	–[#]	5.0
2021			
Derivative assets	–[#]	–	–[#]

Types of financial liabilities	Gross amounts of recognised financial liabilities $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2022			
Derivative liabilities	5.1	–[#]	5.1
2021			
Derivative liabilities	–	–	–

[#] Amount is less than $0.1 million

The gross and net amounts of financial assets and financial liabilities as presented in the balance sheet that are disclosed in the above tables are measured at fair value.

Hedge Accounting

As at 31 March 2022 and 2021, the Group and the Company held various types of derivative financial instruments and formally designated a portion of them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of SFRS(I) 9. The following table summarises the derivative financial instruments in the balance sheets and the effects of hedge accounting on the Group's and the Company's financial position and performance.

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	Financial statement line item	Carrying amount of assets/ (liabilities) $ million	Financial statement line that includes the hedged item	Accumulated amount of fair value adjustments $ million	Hedging instrument $ million	Hedged item $ million	Hedge ineffectiveness recognised in profit or loss $ million	Hedge rates	Maturity (Year)
Group **2022**											
Cash flow hedge											
Interest rate risk – Finance cost	6,817.9	129.0	Derivative assets/ liabilities	–	–	–	64.8	(64.7)	_#	0.2780% - 2.3450%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	552.5	(6.3)	Derivative assets/ liabilities	–	–	–	(3.0)	3.0	–	CHF: S$ 1.397 – 1.501 CNY: S$ 0.187 – 0.196 EUR: S$ 1.537 – 1.656 JPY: S$ 0.011 – 0.013 MYR: S$ 3.031 USD: S$ 1.334 – 1.429 IDR: S$ 10,475	Up to 2022 Up to 2023 Up to 2024 Up to 2023 Up to 2022 Up to 2024 Up to 2022
Fair value hedge											
Interest rate risk	375.0	6.0	Derivative assets/ liabilities	(281.7)	Debt obligations	(7.1)	(13.8)	14.0	0.2	6 month SOR / SORA	Up to 2029
Foreign exchange risk	2,959.6	(107.1)	Derivative assets/ liabilities	(2,828.8)	Debt obligations	116.0	(160.6)	154.2	(6.4)	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	Financial statement line item	Carrying amount of assets/ (liabilities) $ million	Financial statement line that includes the hedged item	Accumulated amount of fair value adjustments $ million	Hedging instrument $ million	Hedged item $ million	Hedge ineffectiveness recognised in profit or loss $ million	Hedge rates	Maturity (Year)
Group **2021**											
Cash flow hedge											
Interest rate risk – Finance cost	8,828.6	77.5	Derivative assets/ liabilities	–	–	–	52.7	(54.3)	(1.6)	0.2780% - 2.3450%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	741.0	(3.5)	Derivative assets/ liabilities	–	–	–	(3.8)	3.8	–	CHF: S$ 1.397 CNY: S$ 0.187 – 0.199 EUR: S$ 1.537 – 1.656 JPY: S$ 0.011 – 0.013 MYR: S$ 3.016 – 3.040 USD: S$ 1.324 – 1.429	Up to 2021 Up to 2023 Up to 2024 Up to 2023 Up to 2021 Up to 2022
Fair value hedge											
Interest rate risk	375.0	19.8	Derivative assets/ liabilities	(295.6)	Debt obligations	(21.1)	(6.4)	7.0	0.6	6 month SOR	Up to 2029
Foreign exchange risk	2,959.6	57.5	Derivative assets/ liabilities	(2,984.5)	Debt obligations	(42.1)	(167.9)	181.3	13.4	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	**Assets/ (liabilities) $ million**	**Financial statement line item**	**Hedging instrument $ million**	**Hedged item $ million**	**Hedge ineffectiveness recognised in profit or loss $ million**	**Hedge rates**	**Maturity (Year)**
Company								
2022								
Cash flow hedge								
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	5.1	(0.1)	Derivative assets/ liabilities	_#	_#	–	EUR: S$: 1.6080 – 1.6420 USD: S$ 1.3450 – 1.3540	Up to 2024 Up to 2024
2021								
Cash flow hedge								
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	5.1	_#	Derivative assets/ liabilities	_#	_#	–	EUR: S$: 1.5399 – 1.60630 USD: S$ 1.33274 – 1.42626	Up to 2021 Up to 2022

Amount is less than $0.1 million

13 Investments in debt and equity securities

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Non-current				
Unquoted equity investment – FVTPL	56.0	29.7	–	–
Current				
Investments in debt securities (Treasury bills) – amortised cost	413.9	–	–	–

In 2022, the Group invested in treasury bills with yields of 0.3% to 0.65% which will mature within one year from the reporting date.

14 Inventories

	Group	
	2022 $ million	2021 $ million
Cables	24.6	24.8
Pipes and fittings	3.7	8.1
Spare parts and accessories	2.6	4.1
Other consumables	16.5	9.7
	47.4	46.7

In 2022, inventories recognised as an expense in the income statement amounted to $5.2 million (2021: $4.7 million). The write-down of inventories to net realisable value by the Group amounted to $8.4 million (2021: $5.3 million). The utilisation of inventory obsolescence provision upon sale of the inventory items amounted to $3.1 million (2021: $2.8 million).

15 Trade and other receivables

	Note	Group		Company	
		2022 $ million	2021 $ million	2022 $ million	2021 $ million
Trade receivables:					
- Third parties		280.9	194.4	–	–
- Subsidiaries		–	–	22.9	49.8
- Associates		0.1	0.3	–	0.3
- Joint ventures		0.5	0.2	–	0.1
- Related corporations		4.7	3.6	–	–
	15a	286.2	198.5	22.9	50.2
Accrued revenue		417.6	221.7	1.2	0.5
Other receivables, deposits and prepayments	15b	44.5	34.0	3.0	3.7
Amounts due from (non-trade):					
- Subsidiaries	15c	–	–	4,068.1	3,016.0
- Associate	15c	7.4	7.4	–	–
- Joint venture	15c	39.5	–	–	–
- Related corporations		0.5	0.6	–	–
		795.7	462.2	4,095.2	3,070.4

15a Trade receivables

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Trade receivables	329.5	227.1	22.9	50.2
Impairment losses	(43.3)	(28.6)	–	–
	286.2	198.5	22.9	50.2

The average credit term is between 5 to 30 business days (2021: 5 to 30 business days). An allowance has been made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and collective portfolio.

Collateral in the form of bank guarantees, letters of credit and deposits are obtained from counterparties where appropriate. The amounts called upon during the current and previous financial year were insignificant and no item is individually significant.

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the evaluation of collectability and ageing analysis of trade receivables and on the estimation of the management. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer.

The Group categorises trade receivables for potential write-off on the trade receivables of disconnected consumer accounts and trade receivables of contestable and non-contestable consumers which are overdue and that have failed to make contractual payments for more than 90 days and 180 days, respectively. Where trade receivables have been impaired or written off, the

Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The maximum exposure to credit risk for trade receivables at the reporting date by types of customer is as follows:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Contestable transmission/ distribution customers	178.5	101.2	–	–
Non-contestable transmission/ distribution customers	60.3	51.9	–	–
Project-based customers	23.5	24.4	–	–
Others	23.9	21.0	22.9	50.2
	286.2	198.5	22.9	50.2

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Singapore	284.2	197.8	22.9	50.2
China	2.0	0.7	–	–
	286.2	198.5	22.9	50.2

There is no significant concentration of credit risk of trade receivables.

The Group has policies in place to monitor its credit risk. Contractual deposits are collected and sufficient collateral is obtained to mitigate the risk of financial loss from defaults. The Group's customers are spread across diverse industries and ongoing credit evaluation is performed on the financial condition of receivables to ensure minimal exposure to bad debts.

The ageing of trade receivables at the reporting date is as follows:

	2022		2021	
Group	**Gross $ million**	**Impairment losses $ million**	**Gross $ million**	**Impairment losses $ million**
Not past due	212.2	(1.4)	159.9	(1.0)
Past due 0-30 days	61.8	(7.6)	16.6	(1.4)
Past due 31-90 days	23.2	(9.3)	16.0	(2.9)
Past due 91-180 days	9.2	(6.4)	7.8	(4.5)
Past due more than 180 days	23.1	(18.6)	26.8	(18.8)
	329.5	(43.3)	227.1	(28.6)

Company	2022 Gross $ million	2021 Gross $ million
Not past due	21.7	48.7
Past due 0-30 days	1.2	1.2
Past due 31-90 days	–	0.3
	22.9	50.2

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
At 1 April	28.6	14.7	–	–
Impairment loss written back	(2.3)	(1.5)	–	–
Impairment loss recognised	17.0	15.4	–	–
At 31 March	43.3	28.6	–	–

Receivables are denominated mainly in the functional currencies of the respective Group entities.

15b Other receivables, deposits and prepayments

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Prepayments	30.4	22.3	2.8	2.9
Interest receivables	1.6	1.9	–	0.1
Finance lease receivables	0.3	0.3	–	–
Deposits	2.2	3.7	0.1	0.1
Grant receivables	–	1.6	–	0.5
Others	10.0	4.2	0.1	0.1
	44.5	34.0	3.0	3.7

Other receivables, deposits and prepayments are denominated mainly in the functional currencies of the respective Group entities.

15c Balances with subsidiaries, associate and joint venture (non-trade)

Balances with subsidiaries are unsecured, repayable on demand, and denominated in Singapore dollars.

Non-trade amounts due from subsidiaries of $4,068.1 million (2021: $3,016.0 million) bear interest at rates ranging from 0.563% to 1.000% (2021: 0.125% to 2.063%) per annum.

Non-trade amounts due from joint venture of $39.5 million (2021: Nil) are denominated in United States dollars and bear interest rate of 7.5% (2021: Nil) per annum.

The current amount due from associate is denominated in Australian dollars and represents the convertible instrument interest receivable which is due every six months.

16 Cash and cash equivalents

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Fixed deposits	3,951.9	991.7	–	–
Cash at bank and in hand	255.9	195.5	1.3	0.8
	4,207.8	1,187.2	1.3	0.8

The interest rates per annum relating to fixed deposits at the reporting date for the Group ranged from 0.3% to 1.26% (2021: 0.02% to 0.77%).

Cash and cash equivalents are denominated mainly in:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Singapore dollars	1,782.0	652.8	0.2	0.3
United States dollars	172.7	454.2	0.7	0.2
Australian dollars	2,236.7	57.0	0.4	0.3
Chinese Yuan Renminbi	14.0	23.1	–	–
Vietnamese Dong	1.7	–	–	–
Others	0.7	0.1	–	–
	4,207.8	1,187.2	1.3	0.8

17 Regulatory deferral accounts

	Group	
	2022	**2021**
	$ million	**$ million**
Net movement in RDA balances related to profit or loss	45.8	283.0
RDA related deferred tax movement	(7.9)	(33.7)
Net movement in RDA balances related to profit or loss and the related deferred tax movement	37.9	249.3

RDA debit balances and related deferred tax assets	**At 1 April 2021 $ million**	**Balances arising in the period $ million**	**(Recovery)/ reversal $ million**	**At 31 March 2022 $ million**
Deferral of revenue based on service rendered	488.0	142.5	(61.2)	569.3
Under recovery of revenue/volume variance	(35.5)	(59.8)	23.4	(71.9)
RDA related deferred tax assets	2.2	2.9	(3.0)	2.1
	454.7	85.6	(40.8)	499.5

RDA credit balances and related deferred tax liabilities	**At 1 April 2021 $ million**	**Balances arising in the period $ million**	**(Recovery)/ reversal $ million**	**At 31 March 2022 $ million**
Deferral of revenue based on service rendered	11.2	(5.3)	(4.2)	1.7
Over recovery of revenue/volume variances	(24.1)	(11.6)	22.0	(13.7)
RDA related deferred tax liabilities	(44.6)	(14.2)	6.4	(52.4)
	(57.5)	(31.1)	24.2	(64.4)

RDA debit balances and related deferred tax assets	At 1 April 2020 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2021 $ million
Deferral of revenue based on service rendered	115.6	(24.4)	394.5	2.3	488.0
Under recovery of revenue/volume variance	41.0	20.2	2.5	(99.2)	(35.5)
RDA related deferred tax assets	–	(0.7)	0.6	2.3	2.2
	156.6	(4.9)	397.6	(94.6)	454.7

RDA credit balances and related deferred tax liabilities	At 1 April 2020 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2021 $ million
Deferral of revenue based on service rendered	–	24.4	11.5	(24.7)	11.2
Over recovery of revenue/volume variances	–	(20.2)	(14.9)	11.0	(24.1)
RDA related deferred tax liabilities	(8.7)	0.7	(53.1)	16.5	(44.6)
	(8.7)	4.9	(56.5)	2.8	(57.5)

The recovery/reversal period of RDA debit and credit balances are directed by the EMA.

SP PowerAssets Limited is currently the sole electricity transmission and distribution company in Singapore, and PowerGas Limited is currently the sole gas transmission and distribution company in Singapore. The EMA may not terminate SP PowerAssets Limited's Transmission Licence or PowerGas Limited's Gas Transporter Licence except by giving 25 years' notice, or otherwise revoking the Transmission Licence or the Gas Transporter Licence in accordance with the Electricity Act or the Gas Act, respectively (including where the EMA is satisfied that SP PowerAssets Limited or PowerGas Limited (as the case may be) has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires). The Group therefore considers the exposure on recovery of regulatory deferral debit balances to be minimal.

SP Services Limited is currently the sole Market Support Services Licensee in Singapore. Allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period from 1 April 2018 to 31 March 2023 in accordance with the price regulation framework.

Singapore District Cooling Pte Ltd ("SDC") principal activities relates to the provision of district cooling service. The revenue corresponds to what SDC is entitled to under Condition 13 of its District Cooling Services License issued by EMA. The over/under recovery of revenue variances arises from the difference between tariff billings and the entitled revenue and is recovered over the next 12 months or 24 months period subject to EMA's agreement. Given that the majority of the customers are in a mandated zone where they have to subscribe to cooling services from SDC, the Group considers the exposure on recovery of regulatory deferral debit balances to be minimal.

18 Share capital

	Company	
	2022 No. of shares million	2021 No. of shares million
Ordinary shares		
Issued and fully-paid, with no par value		
At 1 April and at 31 March	2,911.9	2,911.9

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

19 Reserves

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Currency translation reserve	(218.2)	(363.4)	–	–
Hedging reserve	121.6	(89.8)	–[#]	–
Other reserves	(0.6)	28.9	–	–
	(97.2)	(424.3)	–[#]	–

[#] Amount is less than $0.1 million

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$ million	**$ million**	**$ million**	**$ million**
Hedging reserves				
At beginning of year	(89.8)	(282.7)	–	0.3
Effective portion of changes in fair value of cash flow hedges, net of tax:				
- Interest rate risk	45.2	37.0	–	–
- Foreign exchange risk	(4.2)	(5.3)	–[#]	(0.2)
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax:				
- Interest rate risk	(5.3)	10.2	–	–
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet, net of tax:				
- Foreign exchange risk	0.6	2.1	–[#]	(0.1)
Share of hedging reserves of associates	211.1	148.9	–	–
Diposal of interest in an associate	(36.0)	–	–	–
At end of year	121.6	(89.8)	–[#]	–

[#] Amount is less than $0.1 million

Other reserves comprise the following:

	Group	
	2022	**2021**
	$ million	**$ million**
Actuarial reserve	17.3	30.3
Revaluation reserve	–	16.5
Others	(17.9)	(17.9)
	(0.6)	28.9

Others in other reserve is the difference amount of $17.9 million, between the cash consideration of $70.0 million and the value of minority interests of $52.1 million, which arose from an equity transaction for the acquisition of the remaining 40 per cent shareholding in a subsidiary, Singapore District Cooling Pte Ltd, on 30 March 2015.

20 Debt obligations

Principal amount	Date of maturity	Group 2022 $ million	Group 2021 $ million
Fixed rate notes			
SGD 100 million	August 2022	100.7	103.5
USD 500 million [(1)]	September 2022	677.0	671.7
JPY 15 billion [(2)]	April 2024	162.8	182.4
SGD 75 million	May 2024	77.3	81.0
USD 700 million [(3)]	November 2025	937.7	987.7
JPY 7 billion [(4)]	October 2026	78.2	87.3
USD 600 million [(5)]	September 2027	807.9	846.2
USD 600 million [(6)]	February 2029	842.3	880.9
SGD 100 million	May 2029	103.7	111.1
SGD 250 million	September 2032	249.3	249.2
		4,036.9	4,201.0
Fixed rate loan			
EMA loan [(7)]	By January 2023	89.5	156.0
Floating rate loan			
EMA loan [(7)]	By June 2024	159.7	186.3
		4,286.1	4,543.3

(1) USD 500 million swapped to SGD 623.8 million
(2) JPY 15 billion swapped to SGD 230.0 million
(3) USD 700 million swapped to SGD 996.0 million
(4) JPY 7 billion swapped to SGD 114.7 million
(5) USD 600 million swapped to SGD 808.5 million
(6) USD 600 million swapped to SGD 810.5 million
(7) The Group acts as an intermediary in administering the market settlement for a regulatory scheme. The EMA has entered into loan agreements with the Group in facilitating the above arrangement. The loan agreements are only for the purpose of settling payments, collections and costs for the implementation of the regulatory scheme.

The fixed rate SGD loan is unsecured, bears interest rate of 1.75% (2021: Nil) per annum and is repayable monthly based on net collection under the regulatory scheme until loan maturity or full repayment whichever is earlier

The floating rate SGD loan is unsecured, bears interest at rates ranging from 0.5% to 0.83% (2021: 0.46% to 1.00%) per annum and is repayable monthly based on net collection under the regulatory scheme until loan maturity or full repayment whichever is earlier.

Interest rates on debt obligations denominated in Singapore dollars range from 0.5% to 5.07% (2021: 0.46% to 5.07%) per annum. Interest rates on foreign currency debt obligations range from 1.95% to 3.38% (2021: 1.95% to 3.38%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	2021	Cash flows	Non-cash changes						2022
	$ million	$ million	Additions $ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans									
Current	173.6	(95.8)	–	1.1	–	0.2	3.1	826.0	908.2
Non-current	4,369.7	(0.5)	–	(0.1)	(168.2)	3.0	–	(826.0)	3,377.9
Lease liabilities									
Current	5.9	(7.8)	–	–	–	–	–	7.7	5.8
Non-current	34.9	–	3.4	–	–	–	1.6	(7.7)	32.2
	4,584.1	(104.1)	3.4	1.0	(168.2)	3.2	4.7	–	4,324.1

	2020	Cash flows	Non-cash changes						2021
	$ million	$ million	Additions $ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans									
Current	795.9	(641.1)	–	–	–	(0.5)	–	19.3	173.6
Non-current	4,785.2	–	–	(208.8)	(188.3)	0.9	–	(19.3)	4,369.7
Lease liabilities									
Current	5.5	(7.3)	–	–	–	–	–	7.7	5.9
Non-current	39.5	–	1.4	–	–	–	1.7	(7.7)	34.9
	5,626.1	(648.4)	1.4	(208.8)	(188.3)	0.4	1.7	–	4,584.1

21 Other non-current liabilities

	Note	Group 2022 $ million	Group 2021 $ million
Deferred income	21a	219.0	238.5
Deferred construction costs compensation	21b	259.3	259.3
Provisions	21c	1.4	1.0
		479.7	498.8

21a Deferred income

	Group 2022 $ million	Group 2021 $ million	Company 2022 $ million	Company 2021 $ million
Government grants	68.9	70.0	–	0.9
Customer contributions	565.2	565.2	–	–
	634.1	635.2	–	0.9
Accumulated accretion:				
Government grants	(53.2)	(51.6)	–	–
Customer contributions	(361.9)	(343.5)	–	–
	(415.1)	(395.1)	–	–
	219.0	240.1	–	0.9
Current (Note 22a)	–	1.6	–	0.9
Non-current (Note 21)	219.0	238.5	–	–
	219.0	240.1	–	0.9

Movements in accumulated accretion are as follows:

	Group 2022 $ million	Group 2021 $ million
Government grants		
At 1 April	51.6	51.0
Accretion	1.6	5.4
Written off during the financial year	–	(4.8)
At 31 March	53.2	51.6
Customer contributions		
At 1 April	343.5	324.9
Accretion	18.4	18.6
At 31 March	361.9	343.5

21b Deferred construction cost compensation

	Group	
	2022 $ million	**2021 $ million**
Deferred construction cost compensation	259.3	259.3

21c Provisions

	Group			Company
	Restoration $ million	**Others $ million**	**Total $ million**	**Restoration $ million**
At 1 April 2020	3.5	0.5	4.0	0.1
Provision made	1.2	–	1.2	–
Provision reversed	–	(0.5)	(0.5)	(0.1)
At 31 March 2021	4.7	–	4.7	–
Provision made	1.5	–	1.5	–
At 31 March 2022	6.2	–	6.2	–

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Current (Note 22a)	4.8	3.7	–	–
Non-current (Note 21)	1.4	1.0	–	–
	6.2	4.7	–	–

Restoration

A provision for restoration cost is recognised when a Group entity has a legal or constructive obligation to make good and restore a site. The expected future restoration cost is discounted using a pre-tax rate which is the basis of the provision recognised. The unwinding of the discount increases the net present value of the expected liability over time, which is recognised as an accretion expense in profit or loss.

Others

Other provisions relate mainly to the general operations of the business.

22 Trade and other payables

	Note	Group		Company	
		2022 $ million	2021 $ million	2022 $ million	2021 $ million
Customers' deposits		300.6	224.2	–	–
Trade payables					
- Third parties		321.2	180.7	8.3	4.7
- Subsidiaries		–	–	19.1	10.7
- Joint ventures		1.6	3.8	–	–
- Related corporations		12.3	5.1	–	0.1
Other payables and accruals	22a	825.6	877.2	26.2	27.5
Liability for employee entitlements		23.3	23.4	4.0	4.0
		1,484.6	1,314.4	57.6	47.0

Payables are denominated mainly in the functional currencies of the respective Group entities.

Balances with related corporations are unsecured, with credit terms ranging from 7 to 30 days (2021: 7 to 30 days) and are denominated in Singapore dollars.

22a Other payables and accruals

	Note	Group		Company	
		2022 $ million	2021 $ million	2022 $ million	2021 $ million
Accrued operating and capital expenditure		431.6	539.0	26.0	26.3
Advance receipts		235.4	206.5	0.2	0.3
Amounts due to utility suppliers		82.0	59.7	–	–
Interest payable		11.6	13.3	–	–
Deferred income	21a	–	1.6	–	0.9
Provisions	21c	4.8	3.7	–	–
Others		60.2	53.4	–	–
		825.6	877.2	26.2	27.5

Payables are denominated mainly in the functional currencies of the respective Group entities.

23 Revenue

a) Disaggregation of revenue

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Sale of electricity	2,949.1	1,683.1	–	–
Use of system charges and transportation of gas	1,709.3	1,530.5	–	–
Market Support Services fees	357.2	181.0	–	–
Agency fees	113.6	110.0	–	–
District cooling service income	74.3	69.5	–	–
Support service income	–	–	96.7	92.3
Revenues from services	5,203.5	3,574.1	96.7	92.3
Rental income	–	–	0.8	0.9
Dividend income from subsidiaries and joint ventures	–	–	941.5	661.0
Others	10.0	–	1.1	0.6
	5,213.5	3,574.1	1,040.1	754.8

Revenue is recognised when the services are transferred over time.

Contract balances

Information about receivables and contract assets from contracts with customers is disclosed as follows:

	Group	
	31 March 2022 $ million	31 March 2021 $ million
Trade receivables (Note 15a)	286.2	198.5
Contract assets	1.5	–

Information about the Group's exposures to credit risks and impairment losses for trade receivables and contract assets are included in Note 15a.

Contract assets primarily relate to the Group's right to consideration for services completed but not yet billed at reporting date for the equipment and installation services. Contract assets are transferred to receivables when the rights become unconditional.

b) Transaction price allocated to remaining performance obligations

The Group has applied the practical expedient not to disclose information about its remaining performance obligations as the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

24 Other income

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Income relating to diversion jobs	24.6	30.4	–	–
Income relating to supply of telecommunication systems	1.1	1.4	–	–
Sale of scrap	26.5	10.3	–	–
Customer contribution	20.0	23.9	–	–
Finance lease income	20.9	20.1	–	–
Rental income	3.9	4.3	–	–
Exchange gain, net	–	14.7	–	2.1
Gain on disposal of interest in an associate	1,532.0	–	–	–
Others	54.7	83.8	1.0	7.4
	1,683.7	188.9	1.0	9.5

Included within Others are government grant income of $1.3 million (2021: $34.8 million) and $0.8 million (2021: $7.4 million) for the Group and the Company respectively relating to the Jobs Support Scheme ("JSS") and property tax rebates passed on by landlords as part of the Covid-19 support measures introduced in the Singapore Budget 2020 to assist enterprises with their cash flows and retain local employees.

25 Finance income

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Interest income receivable or received from:				
- Subsidiaries	–	–	19.4	33.9
- Associates	32.7	32.3	–	–
- Joint ventures	0.5	–	–	–
- Banks	4.5	12.2	–	–
- Finance lease	0.7	0.8	–	–
- Treasury bills	0.5	–	–	–
Gain on termination of derivatives	19.5	–	–	–
Others	0.2	–	–	–
	58.6	45.3	19.4	33.9

26 Finance costs

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Interest expense payable or paid to:				
- Banks	3.1	1.1	–	–
- Debt obligations	82.3	78.6	–	–
Net change in fair value of cash flow hedges reclassified from equity	(7.8)	10.6	–	–
(Gain)/loss arising from financial assets and liabilities in a fair value hedge				
- Hedged items	(168.2)	(188.3)	–	–
- Hedging instruments	174.4	174.3	–	–
Net change in fair value of financial assets and liabilities designated at fair value through profit or loss	–	1.6	–	–
Net fair value gain on equity investments at FVTPL	(5.3)	(3.8)	–	–
Amortisation of transaction costs capitalised	3.8	3.5	–	–
Ineffective portion of changes in fair value of cash flow hedges reclassified from equity	–	1.6	–	–
Amortisation of fair value adjustments on fair value hedges	–	(2.7)	–	–
Commitment fees	1.1	1.5	–	–
Interest on lease liabilities	1.6	1.7	0.1	0.1
	85.0	79.7	0.1	0.1

27 Tax expense

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Tax recognised in profit or loss				
Current tax expense/(credit)				
Current year	641.6	97.2	(0.1)	0.2
Over provision in respect of prior years	(4.0)	(25.5)	(0.7)	(7.0)
	637.6	71.7	(0.8)	(6.8)
Deferred tax expense				
Origination and reversal of temporary differences	20.3	105.6	–	1.5
Under provision in respect of prior years	2.4	20.5	–	–
	22.7	126.1	–	1.5
Total tax expense/(credit)	660.3	197.8	(0.8)	(5.3)
Reconciliation of effective tax rate:				
Profit before tax from continuing operations	2,625.3	925.2	923.0	643.3
Tax calculated using Singapore tax rate of 17%	446.3	157.3	156.9	109.4
Non-deductible expenses	26.9	23.0	7.9	12.1
Effects of results of associates and joint ventures, net of tax	(26.9)	(29.6)	–	–
Tax effects on undistributed earnings of associates	9.3	36.9	–	–
(Over)/under provision in respect of prior years:				
- current tax	(4.0)	(25.5)	(0.7)	(7.0)
- deferred tax	2.4	20.5	–	–
Non-taxable income and tax allowances	(5.2)	(10.6)	(160.4)	(114.5)
Current year losses for which no deferred tax asset was recognised	0.4	7.1	–	–
Benefits from group relief	–	–	(4.5)	(6.1)
Effect of different tax rates in foreign jurisditions	210.1	–	–	–
Others	1.0	18.7	–	0.8
	660.3	197.8	(0.8)	(5.3)

Included in the tax expense was $470.3 million of capital gain tax arising from the disposal of interest in an associate recognised based upon the notice of assessment from the local tax authority which the Group is planning to dispute.

Tax recognised in other comprehensive income	2022 Before tax $ million	2022 Tax credit / (expense) $ million	2022 Net of tax $ million	2021 Before tax $ million	2021 Tax credit / (expense) $ million	2021 Net of tax $ million
Group						
Translation differences relating to financial statements of foreign operations	(86.7)	–	(86.7)	446.7	–	446.7
Effective portion of changes in fair value of cash flow hedges	49.4	(8.4)	41.0	38.3	(6.6)	31.7
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss	(6.4)	1.1	(5.3)	12.3	(2.1)	10.2
- Cash flow hedges on recognition of the hedged items on balance sheet	0.7	(0.1)	0.6	2.5	(0.4)	2.1
Share of other comprehensive income of associates	221.2	–	221.2	158.2	–	158.2
Divestment of associate	195.9	–	195.9	–	–	–
	374.1	(7.4)	366.7	658.0	(9.1)	648.9

	2022 Before tax $ million	2022 Tax credit / (expense) $ million	2022 Net of tax $ million	2021 Before tax $ million	2021 Tax credit / (expense) $ million	2021 Net of tax $ million
Company						
Effective portion of changes in fair value of cash flow hedges	–[#]	–[#]	–[#]	(0.3)	0.1	(0.2)
- Cash flow hedges on recognition of the hedged items on balance sheet	–[#]	–[#]	–[#]	(0.3)	0.2	(0.1)
	–[#]	–[#]	–[#]	(0.6)	0.3	(0.3)

[#] Amount is less than $0.1 million

28 Profit for the year

The following items have been included in arriving at profit for the year:

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Fees paid to non-executive directors of the Company	1.6	1.5	1.6	1.5
Fees paid to non-executive directors of subsidiaries of the Group	0.2	0.3	–	–
Exchange loss/(gain), net	0.9	(14.7)	0.6	(2.1)
Contributions to defined contribution plans included in staff costs	47.9	46.7	5.8	5.6

29 Related parties

For the purpose of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"), which is its holding company and is incorporated in the Republic of Singapore. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. Accordingly, all the subsidiaries of Temasek are related corporations and are subject to common control. The Group and the Company engage in a wide variety of transactions with related corporations in the normal course of business on terms similar to those available to other customers. Such transactions include but are not limited to sales and purchases of power, provision of consultancy and engineering services, leasing of cables and ducts, agency services and financial and banking services. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

All transactions with companies in Temasek group are related party transactions. The Temasek group has extensive interests in a large number of companies. As the Group's rates for use of system charges, transportation of gas, sales of electricity and Market Support Services fees are based on posted tariffs approved by EMA, the Group has concluded that it is not meaningful to present such information.

Other than electricity sales and transactions to related corporations included under Temasek group and those sales and transactions disclosed elsewhere in the financial statements, significant transactions with related parties are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$ million	**$ million**	**$ million**	**$ million**
Related corporations				
- Agency fee income	7.5	5.6	–	–
- Contingent rent from finance lease	20.9	20.1	–	–
Subsidiaries				
- Dividend income	–	–	940.6	660.0
- Support service income	–	–	96.7	92.3
- Interest income	–	–	19.4	33.9
Associates				
- Dividend income	194.1	209.2	–	–
Joint ventures				
- Dividend income	0.9	1.0	0.9	1.0
- Revenue and ancillary service from leasing of ducts and substations	6.5	7.7	–	–
Key management compensation				
- Short-term employee benefits	18.5	20.3	14.5	17.1

30 Operating segments

(a) Analysis by business segments

The Group is organised into four main reportable segments, namely:

- Singapore Transmission & Distribution ("T&D") segment – Includes transmission and distribution of electricity and transportation of gas. This reportable segment has been formed by aggregating the electricity transmission and distribution segment and transportation of gas segment, which are regarded by management to exhibit similar economic characteristics. In making this judgement, management considers the services offered by these segments such as use of system charges and transportation of gas as being common areas.

- Australia segment – Includes mainly the transmission and distribution of electricity and gas and asset management business.

- Market support business segment – Includes sales of electricity, market support services to the electricity market and provision of support services for mainly the local utility suppliers and waste collection service providers.

- Others – Includes investment holding services, management consultancy services, leasing of ducts and substations, district cooling services, engineering and commission services in the field of power quality monitoring system, protection systems and power systems substation control system.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Information about reportable segments

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2022						
External revenue	1,709.3	–	3,419.9	84.3	–	5,213.5
Inter-segment revenue	377.3	–	63.9	–	(441.2)	–
	2,086.6	–	3,483.8	84.3	(441.2)	5,213.5
Segment result	1,651.7	–	178.1	2,450.2	(940.6)	3,339.4
Depreciation	(740.7)	–	(14.6)	(35.0)	–	(790.3)
Amortisation	(3.4)	–	(42.0)	(10.3)	–	(55.7)
Finance income	1.2	–	4.4	173.4	(120.4)	58.6
Finance costs	(176.6)	–	(3.5)	(25.3)	120.4	(85.0)
Share of profits/(losses) of associates, net of tax	–	165.5	–	(1.5)	–	164.0
Share of losses of joint ventures, net of tax	–	–	–	(5.7)	–	(5.7)
Profit/(loss) before taxation	732.2	165.5	122.4	2,545.8	(940.6)	2,625.3
Tax expense	(140.3)	–	(20.4)	(499.6)	–	(660.3)
Profit/(loss) for the year	591.9	165.5	102.0	2,046.2	(940.6)	1,965.0
Net movement in RDA balances related to profit or loss and the related deferred tax movement	15.2	–	(0.7)	23.4	–	37.9
Profit for the year and net movements in RDA balances, attributable to owner of the Company	607.1	165.5	101.3	2,069.6	(940.6)	2,002.9

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2022						
Segment assets and liabilities						
Other assets	14,414.4	–	1,562.8	10,346.2	(4,985.5)	21,337.9
Associates and joint ventures	–	1,560.6	–	61.7	–	1,622.3
Segment assets	14,414.4	1,560.6	1,562.8	10,407.9	(4,985.5)	22,960.2
Segment liabilities	10,401.4	–	1,030.6	2,555.1	(4,985.5)	9,001.6
Capital expenditure	908.9	–	8.5	43.8	–	961.2

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2021						
External revenue	1,530.4	–	1,974.1	69.6	–	3,574.1
Inter-segment revenue	343.3	–	38.9	–	(382.2)	–
	1,873.7	–	2,013.0	69.6	(382.2)	3,574.1
Segment result	1,491.9	–	92.0	678.7	(663.5)	1,599.1
Depreciation	(708.8)	–	(14.8)	(33.8)	–	(757.4)
Amortisation	(9.7)	–	(37.9)	(8.5)	–	(56.1)
Finance income	1.8	–	7.1	152.0	(115.6)	45.3
Finance costs	(174.5)	–	(1.5)	(19.3)	115.6	(79.7)
Share of profits of associates, net of tax	–	180.0	–	–	–	180.0
Share of losses of joint ventures, net of tax	–	–	–	(6.0)	–	(6.0)
Profit/(loss) before taxation	600.7	180.0	44.9	763.1	(663.5)	925.2
Tax expense	(115.0)	–	(23.2)	(59.6)	–	(197.8)
Profit/(loss) for the year	485.7	180.0	21.7	703.5	(663.5)	727.4
Net movement in RDA balances related to profit or loss and the related deferred tax movement	164.0	–	84.7	0.6	–	249.3
Profit for the year and net movements in RDA balances, attributable to owner of the Company	649.7	180.0	106.4	704.1	(663.5)	976.7

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2021						
Segment assets and liabilities						
Other assets	14,298.3	–	1,432.3	6,755.4	(5,035.1)	17,450.9
Associates and joint ventures	–	2,864.8	–	42.4	–	2,907.2
Segment assets	14,298.3	2,864.8	1,432.3	6,797.8	(5,035.1)	20,358.1
Segment liabilities	10,364.1	–	951.5	2,098.6	(5,035.1)	8,379.1
Capital expenditure	918.8	–	31.4	28.0	–	978.2

(b) Analysis by types of services

Revenue is based on services rendered regardless of geographical areas of the operations or assets.

	2022 $ million	2021 $ million
Sales of electricity	2,949.1	1,683.1
Use of system charges	1,481.4	1,283.1
Transportation of gas	227.9	247.4
Market Support Services fees	357.2	181.0
Agency fees	113.6	110.0
District cooling service income	74.3	69.5
Other revenue	10.0	–
	5,213.5	3,574.1

(c) Analysis by geographic areas

Revenue is based on location of the operations. Non-current assets information presented below consist of property, plant and equipment, investment property under development, intangible assets and investments in associates based on location of those assets as presented in the consolidated balance sheets.

	Revenue		Non-current assets	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Singapore	5,201.8	3,565.3	14,681.8	14,571.2
Australia	–	–	1,560.6	2,864.8
China	11.7	8.8	77.0	43.5
Vietnam	–	–	7.9	–
	5,213.5	3,574.1	16,327.3	17,479.5

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial year ended 31 March 2021 and 31 March 2022.

31 Financial risk management

The Group’s activities expose it to foreign currency, interest rate, market price, credit and liquidity risks which arise in the normal course of business. The Group manages its exposure to these risks in accordance with its risk management policies. The Executive Committee and Board Risk Management Committee review and approve risk management policies. The Board Risk Management Committee assists the Board of Directors in managing the risks of the Group.

The 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.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risks.

Foreign currency risk

The Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, cash and cash equivalents and trade creditors which are denominated in currencies other than Singapore dollars (or the functional currency in the case of foreign subsidiaries).

The objective of the Group's risk management policies is to mitigate foreign exchange risk by utilising various hedging instruments. The Group therefore considers avoidable currency risk exposure to be minimal for the Group.

The Group enters into cross-currency interest rate swaps to manage exposures arising from foreign currency borrowings including the US dollar and Japanese Yen. Under cross-currency interest rate swaps, the 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 the 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 dollars or the functional currency of the subsidiary concerned. For foreign exchange swaps that do not meet the requirements of hedge accounting, changes in fair value are recorded in profit or loss.

The 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 forecasted 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.

The Group's investments in its overseas subsidiaries and other significant transactions, which are denominated in foreign currencies, are managed on a case-by-case basis.

As at 31 March 2022, the Group has outstanding forward foreign exchange contracts and foreign exchange swaps with notional amounts of approximately $4,757.7 million (2021: $774.7 million). The net fair value of forward foreign exchange contracts and foreign exchange swaps for the Group as at 31 March 2022 was $84.2 million net liabilities (2021: $3.9 million net liabilities) comprising assets of $58.9 million (2021: $4.0 million) and liabilities of $143.1 million (2021: $7.9 million). These amounts were recognised as derivative assets and liabilities respectively.

Sensitivity analysis for foreign currency risk

As at 31 March 2022 and 2021, if the SGD 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:

	Group		Company	
	Profit before tax $ million	Equity (hedging reserve) $ million	Profit before tax $ million	Equity (hedging reserve) $ million
Judgements of reasonably possible movements – (decrease)/increase:				
2022				
US Dollar				
Increase of the SGD by 5 per cent against US Dollar	(2.2)	(7.0)	–	(0.2)
Decrease of the SGD by 5 per cent against US Dollar	2.2	7.0	–	0.2
Euro				
Increase of the SGD by 7 per cent against Euro	(2.1)	(1.9)	–	–
Decrease of the SGD by 7 per cent against Euro	2.1	1.9	–	–
Japanese Yen				
Increase of the SGD by 9 per cent against Japanese Yen	–	(2.7)	–	–
Decrease of the SGD by 9 per cent against Japanese Yen	–	2.7	–	–
Australian Dollar				
Increase of the SGD by 10 per cent against Australian Dollar	(3.6)	–	–	–
Decrease of the SGD by 10 per cent against Australian Dollar	3.6	–	–	–
Chinese Yuan Renminbi				
Increase of the SGD by 5 per cent against Chinese Yuan Renminbi	(0.1)	(0.3)	–	–
Decrease of the SGD by 5 per cent against Chinese Yuan Renminbi	0.1	0.3	–	–
United Kingdom Pounds				
Increase of the SGD by 7 per cent against United Kingdom Pounds	(1.2)	–	–	–
Decrease of the SGD by 7 per cent against United Kingdom Pounds	1.2	–	–	–

	Group		Company	
	Profit before tax $ million	Equity (hedging reserve) $ million	Profit before tax $ million	Equity (hedging reserve) $ million
Judgements of reasonably possible movements – (decrease)/increase:				
2021				
US Dollar				
Increase of the SGD by 5 per cent against US Dollar	–	(6.7)	–	(0.2)
Decrease of the SGD by 5 per cent against US Dollar	–	6.7	–	0.2
Euro				
Increase of the SGD by 7 per cent against Euro	(0.7)	(3.1)	–	–
Decrease of the SGD by 7 per cent against Euro	0.7	3.1	–	–
Japanese Yen				
Increase of the SGD by 10 per cent against Japanese Yen	–	(4.5)	–	–
Decrease of the SGD by 10 per cent against Japanese Yen	–	4.5	–	–
Australian Dollar				
Increase of the SGD by 9 per cent against Australian Dollar	(4.2)	–	–	–
Decrease of the SGD by 9 per cent against Australian Dollar	4.2	–	–	–
Chinese Yuan Renminbi				
Increase of the SGD by 6 per cent against Chinese Yuan Renminbi	–	(0.4)	–	–
Decrease of the SGD by 6 per cent against Chinese Yuan Renminbi	–	0.4	–	–
United Kingdom Pounds				
Increase of the SGD by 12 per cent against United Kingdom Pounds	(1.5)	–	–	–
Decrease of the SGD by 12 per cent against United Kingdom Pounds	1.5	–	–	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) of the best and worst expected outcomes having regard to actual historical exchange rate data over the previous five years. Management considers that past movements are a reasonable basis for estimating possible movements in foreign currency exchange rates.

Interest rate risk

The Group manages its interest rate exposure by maintaining a significant portion of its debt at fixed interest rates. This is done by the (i) issuance of fixed rate debt; (ii) use of interest rate swaps to convert floating rate debt to fixed rate debt; or (iii) 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.

Managing interbank offered rates reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, to replace interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform").

The Group holds interest rate swaps and cross-currency interest rate swaps indexed to the Singapore Swap Offer Rate ("SOR") for risk management purposes which are designated in hedging relationships. SOR will cease publication after 30 June 2023, and it is will be replaced by the Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark in Singapore. For cross-currency interest rate swaps and interest rate swaps that extend beyond the anticipated cessation date of SOR, the Group has completed the transition agreement for the affected periods with counterparties during the year. In addition, appropriate fallback provisions with counterparties are also in place and the Group is able to rely on the Fallback Rate – SOR for transition when applicable.

The Group's exposure to SOR/SORA designated in hedging relationships has nominal amount of $8,579.9 million as at 31 March 2022, representing both the nominal amount of the hedging interest rate and cross-currency interest rate swaps with maturities up to 2029.

As at 31 March 2022, the Group has interest rate and cross-currency interest rate swaps with a notional amount of $7,193.0 million (2021: $9,203.5 million). The Group classifies these swaps as cash flow and fair value hedges. The net fair value of swaps of the Group as at 31 March 2022 was $27.9 million net assets (2021: $154.7 million net assets) comprising assets of $188.3 million (2021: $255.7 million) and liabilities of $160.4 million (2021: $101.0 million). These amounts are recognised as derivative assets and liabilities respectively. The Group's excess funds are principally invested in bank deposits of varying maturities to match its cash flow needs.

At the reporting 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:

	Group		Company	
	Profit before tax $ million	**Equity (hedging reserve) $ million**	**Profit before tax $ million**	**Equity (hedging reserve) $ million**
Judgements of reasonably possible movements – increase/(decrease):				
2022				
Increase with all other variables held constant	12.8	71.5	–	–
Decrease with all other variables held constant	(12.8)	(75.1)	–	–
2021				
Increase with all other variables held constant	11.8	121.0	–	–
Decrease with all other variables held constant	(12.4)	(127.2)	–	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) best and worst expected outcomes having regard to actual historical interest rate data over the previous five years based on the six-month Singapore swap offer rate (for Singapore operations), three-month USD London interbank offer rate ("LIBOR") and six-month JPY LIBOR. Management considers that past movements are a reasonable basis for estimating possible movements in interest rates. As at 31 March 2022, the movements in interest rates used in the table above are as follows:

- Singapore interest rates – 112 basis points (2021: 112 basis points)
- United States interest rates – 161 basis points (2021: 165 basis points)
- Japan interest rates – 7 basis points (2021: 9 basis points)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is not exposed to material market price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

The Group provides for lifetime ECL for all trade receivables using a provision matrix as disclosed in Note 15. The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. As at 31 March 2022 and 2021, other receivables have been assessed to be subject to immaterial ECL.

Surplus funds are invested in interest bearing deposits and debt securities with financial institutions with good credit ratings assigned by international credit rating agencies. Counterparty risks are managed by limiting exposure to any individual counterparty. The Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk. The Group held cash and cash equivalents of $4,207.8 million (2021: $1,187.2 million), and investments in debt securities of $413.9 million (2021: Nil) which represent its maximum exposure on these assets.

Counterparty risks on derivatives are generally restricted to any gain or loss when marked to market, and not on the notional amount transacted. As a prudent measure, the 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 receivables. 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, the Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The 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 programmes.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group 2022	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(1,221.1)	(1,221.1)	(1,221.1)	–	–	–
Lease liabilities	(38.0)	(66.7)	(21.6)	(6.5)	(13.9)	(24.7)
Debt obligations	(4,286.1)	(4,839.1)	(1,027.1)	(200.3)	(1,538.7)	(2,073.0)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	188.3	206.8	80.0	50.5	80.9	(4.6)
Forward exchange contracts						
- Inflow		1,600.1	1,599.6	0.5	–	–
- Outflow		(1,541.2)	(1,540.7)	(0.5)	–	–
	58.9	58.9	58.9	–	–	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(160.4)	(179.6)	23.3	(4.1)	(188.7)	(10.1)
Forward exchange contracts						
- Inflow		3,209.9	3,208.0	1.9	–	–
- Outflow		(3,353.2)	(3,351.2)	(2.0)	–	–
	(143.0)	(143.3)	(143.2)	(0.1)	–	–
Total	(5,601.4)	(6,184.1)	(2,250.8)	(160.5)	(1,660.4)	(2,112.4)

Group **2021**	**Carrying amount** **$ million**	**Total contractual cash (outflows)/ inflows** **$ million**	**Within 1 year** **$ million**	**1 – 2 years** **$ million**	**2 – 5 years** **$ million**	**More than 5 years** **$ million**
Non-derivative financial liabilities						
Trade and other payables*	(1,079.2)	(1,079.2)	(1,079.2)	–	–	–
Lease liabilities	(40.8)	(56.3)	(7.8)	(8.3)	(11.8)	(28.4)
Debt obligations	(4,543.3)	(5,122.2)	(304.3)	(954.4)	(1,616.9)	(2,246.6)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	255.7	304.2	68.3	111.5	102.2	22.2
Forward exchange contracts						
- Inflow		407.9	372.2	35.7	–	–
- Outflow		(403.9)	(368.7)	(35.2)	–	–
	4.0	4.0	3.5	0.5	–	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(101.0)	(120.4)	(16.7)	(10.7)	(61.9)	(31.1)
Forward exchange contracts						
- Inflow		377.0	354.3	21.5	1.2	–
- Outflow		(384.9)	(360.8)	(22.9)	(1.2)	–
	(7.9)	(7.9)	(6.5)	(1.4)	–	–
Total	(5,512.5)	(6,077.8)	(1,342.7)	(862.8)	(1,588.4)	(2,283.9)

Company **2022**	**Carrying amount** **$ million**	**Total contractual cash (outflows)/ inflows** **$ million**	**Within 1 year** **$ million**	**1 – 2 years** **$ million**	**2 – 5 years** **$ million**	**More than 5 years** **$ million**
Non-derivative financial liabilities						
Trade and other payables*	(53.4)	(53.4)	(53.4)	–	–	–
Lease liabilities	(5.9)	(5.9)	(5.9)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		100.4	99.7	0.7	–	–
- Outflow		(95.4)	(94.7)	(0.7)	–	–
	5.0	5.0	5.0	–	–	–
Derivative liabilities						
Forward exchange contracts						
- Inflow		91.8	90.5	1.3	–	–
- Outflow		(96.9)	(95.6)	(1.3)	–	–
	(5.1)	(5.1)	(5.1)	–	–	–
Total	(59.4)	(59.4)	(59.4)	–	–	–

Company 2021	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(41.8)	(41.8)	(41.8)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		1.5	1.1	0.4	–	–
- Outflow		(1.5)	(1.1)	(0.4)	–	–
	–#	–#	–#	–	–	–
Derivative liabilities						
Forward exchange contracts						
- Inflow		3.5	3.5	–	–	–
- Outflow		(3.6)	(3.6)	–	–	–
	–#	(0.1)	(0.1)	–	–	–
Total	(41.8)	(41.9)	(41.9)	–	–	–

* Excluding advance receipts, liability for employee entitlements, provisions and deferred income
\# Amount is less than $0.1 million

For swap hedging instruments that are cash flow hedges, the tables above indicate the periods that they are expected to impact profit or loss.

Capital management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios and capital includes debt and equity items as disclosed in the table below.

	2022 $ million	2021 $ million
Gross borrowings	4,286.1	4,543.3
Less: Cash and cash equivalents	(4,207.8)	(1,187.2)
Net borrowings	78.3	3,356.1
Shareholder's funds	13,958.6	11,979.0
Total equity	13,958.6	11,979.0
Total borrowings and equity	18,244.7	16,522.3
Net borrowings and equity	14,036.9	15,355.1

There were no changes in the Group's approach to capital management during the financial year.

Neither the Company nor its subsidiaries are subject to any externally imposed capital requirement.

32 Fair values

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Debt obligations and derivative instruments

Fair values are measured using market observable data as at reporting date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

Financial guarantee contracts

The fair value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rate charged by the bank with this guarantee made available, with the estimated rate that the bank would have charged had this guarantee not been available.

The fair value of a financial guarantee provided by the Company to a supplier for the benefit of a related corporation is determined based on the difference in cash flows between the committed purchases from the supplier and committed sales to end-users at the inception of the financial guarantee. The fair value of the back-to-back guarantee issued to the subsidiary by the Company is recognised as a financial asset of the same fair value as the financial guarantee issued for the benefit of the related corporation.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, investments in debt securities, trade and other payables and lease liabilities) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Fair values versus carrying amounts

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group's assets and liabilities that are carried at fair value mainly relate to equity investments at fair value through profit or loss and derivative instruments which are measured using market observable data and as such are deemed as Level 1 and Level 2 respectively within the fair value hierarchy disclosure required under SFRS(I) 13 *Fair Value Measurement*, except for equity investments at fair value through profit or loss of $56.0 million (2021: $29.7 million) which are valued in accordance with the International Private Equity and Venture Capital guidelines (Level 3). The fair value and net fair value of remaining financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Appropriate transaction costs are included in the determination of net fair value.

The carrying amounts of the financial instruments carried at cost or amortised cost are deemed as Level 1 and Level 2. The financial instruments carried at cost or amortised cost approximates their fair values except as follows:

	2022		2021	
Group	**Carrying amount $ million**	**Fair value $ million**	**Carrying amount $ million**	**Fair value $ million**
Financial assets				
Investment in debt securities	413.9	443.2	–	–
Financial liabilities				
Fixed rate debt obligations	(4,036.9)	(4,082.8)	(4,201.0)	(4,339.2)

The table below sets out the comparison by category of carrying amounts of all the Group's financial instruments, shown in the balance sheets:

Group	**Amortised costs $ million**	**Fair value through profit or loss $ million**	**Derivatives used for hedging $ million**	**Other financial liabilities $ million**
2022				
Assets				
Equity investments at FVTPL	–	56.0	–	–
Investments in debt securities	413.9	–	–	–
Finance lease receivables	7.7	–	–	–
Derivative assets	–	57.2	190.0	–
Convertible instrument	324.3	–	–	–
Other non-current receivables^	12.0	–	–	–
Trade and other receivables^	765.0	–	–	–
Cash and cash equivalents	4,207.8	–	–	–
	5,730.7	113.2	190.0	–
Liabilities				
Trade and other payables*	–	–	–	1,221.1
Lease liabilities	–	–	–	38.0
Derivative liabilities	–	135.1	168.4	–
Debt obligations	–	–	–	4,286.1
	–	135.1	168.4	5,545.2
2021				
Assets				
Equity investments at FVTPL	–	29.7	–	–
Finance lease receivables	7.9	–	–	–
Derivative assets	–	0.4	259.3	–
Convertible instrument	327.0	–	–	–
Other non-current receivables^	3.3	–	–	–
Trade and other receivables^	439.6	–	–	–
Cash and cash equivalents	1,187.2	–	–	–
	1,965.0	30.1	259.3	–
Liabilities				
Trade and other payables*	–	–	–	1,079.2
Lease liabilities	–	–	–	40.8
Derivative liabilities	–	0.9	108.0	–
Debt obligations	–	–	–	4,543.3
	–	0.9	108.0	5,663.3

Company	Amortised costs $ million	Fair value through profit or loss $ million	Derivatives used for hedging $ million	Other financial liabilities $ million
2022				
Assets				
Derivative assets	–	–	5.0	–
Trade and other receivables^	4,094.7	–	–	–
Cash and cash equivalents	1.3	–	–	–
	4,096.0	–	5.0	–
Liabilities				
Derivative liabilities	–	–	5.1	–
Lease liabilities	–	–	–	5.9
Trade and other payables*	–	–	–	53.4
	–	–	5.1	59.3
2021				
Assets				
Derivative assets	–	–	–#	–
Trade and other receivables^	3,067.5	–	–	–
Cash and cash equivalents	0.8	–	–	–
	3,068.3	–	–#	–
Liabilities				
Trade and other payables*	–	–	–	41.8

^ Excluding prepayments and finance lease receivables
* Excluding advance receipts, liability for employee entitlements, provisions and deferred income
# Amount is less than $0.1 million

33 Commitments

	Group		Company	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Contracted but not provided for:				
- property, plant and equipment and intangible assets	669.5	496.7	7.9	9.6
- development of investment property	323.2	58.2	–	–
- Others	46.7	21.4	–	–

In May 2022, the Group entered into a contract to acquire plant and equipment of $78.5 million for a new district cooling project.

Operating lease receivables

The table below sets out the maturity analysis of the undiscounted operating lease payments to be received after the reporting date:

	Group		Company	
	2022 $ million	**2021 $ million**	**2022 $ million**	**2021 $ million**
Within one year	0.9	1.1	0.3	0.5
One to two years	0.7	–	–	0.4
Two to three years	0.6	–	–	–
	2.2	1.1	0.3	0.9

34 Dividends

	Group and Company	
	2022 $ million	**2021 $ million**
Declared and paid during the financial year		
Dividends on ordinary shares		
- Final exempt (one-tier) dividend for year ended 31 March 2021: 13.4 cents (year ended 31 March 2020: 13.9 cents) per share	390.0	406.0

Registration No. 199406577N

Singapore Power Limited and its subsidiaries

Annual Report
Year ended 31 March 2021

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Annual Report
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Directors' statement

We are pleased to submit this annual report to the member of Singapore Power Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2021.

Opinion of the Directors

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries (the "Group") as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group and of the financial performance and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Tan Sri Mohd Hassan Marican	
Ms Leong Wai Leng	(appointed on 1 April 2021)
Mr Ong Yew Huat	
Mr Timothy Chia Chee Ming	
Mr Ng Kwan Meng	
Mr Tan Kang Uei, Anthony	
Ms Goh Swee Chen	
Mr Lee Kim Shin	
Mr Stanley Huang Tian Guan	(appointed on 1 July 2020)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Tan Sri Mohd Hassan Marican		
Singapore Airlines Limited - 3.13% Notes due 2026	S$250,000	S$250,000
CapitaLand Treasury Limited - 4.076% Notes due 20 September 2022	USD200,000	USD200,000
Mr Timothy Chia Chee Ming		
Singapore Telecommunications Limited	2,070	2,070
Vertex Master Fund II (GP) Pte. Ltd. – Interest as limited partner in VMII Affiliates Fund LP	Commitment amount of USD250,000	Commitment amount of USD250,000
Mr Ng Kwan Meng		
Singapore Telecommunications Limited	45,350	85,350
Singapore Technologies Engineering Ltd	25,000	25,000
Starhub Limited	6,000	6,000
Mapletree Commercial Trust – units	13,000	–
Mapletree North Asia Commercial Trust – units	22,000	22,000
Mapletree Industrial Trust – units	10,000	–
Ascendas Real Estate Investment Trust – units	10,000	–
CapitaLand Limited	41,000	61,000
CapitaLand Commercial Trust – units	32,200	–*
CapitaLand Integrated Commercial Trust – units (Formerly known as CapitaLand Mall Trust)	40,000	153,184*

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Mr Tan Kang Uei, Anthony		
SIA Engineering Company Limited	1,000	1,000
Singapore Airlines Limited	1,000	2,500
Singapore Airlines Limited		
- 3.03% S$ Bonds due 28 March 2024	S$30,000	S$30,000
- Mandatory Convertible Bond SIA MCBZ300608	–	2,950
Singapore Telecommunications Limited	892	892
Astrea IV Pte. Ltd.		
- 4.35% Class-A1 Secured Bonds due 14 June 2028	S$5,000	S$5,000
Astrea V Pte. Ltd.		
- 3.85% Class-A1 Secured Bonds due 20 June 2029	S$6,000	S$6,000
Astrea VI Pte. Ltd.		
- 3.00% Class-A1 Secured Bonds due 18 March 2031	–	S$15,000
Temasek Financial (IV) Private Limited		
- 2.7% T2023 Bond due 25 October 2023	S$6,000	S$6,000
Ms Goh Swee Chen		
CapitaLand Limited	20,217	34,592
Singapore Telecommunications Limited	5,000	5,000
Singapore Airlines Limited	1,300	18,550
Singapore Airlines Limited		
- Mandatory Convertible Bond SIA MCBZ300608	–	3,835
Mr Lee Kim Shin		
Singapore Telecommunications Limited	190	190
Singapore Airlines Limited	5,300	19,800
Ascott Residence Trust – units	4,644	4,644

[*] Merger of CapitaLand Mall Trust and CapitaLand Commercial Trust by way of a scheme of arrangement and subsequently, name change of the enlarged entity to "CapitaLand Integrated Commercial Trust".

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

On behalf of the Board of Directors

TAN SRI MOHD HASSAN MARICAN
Chairman

MR STANLEY HUANG TIAN GUAN
Director / Group Chief Executive Officer

3 June 2021

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Building a better working world

Independent Auditor's Report
For the financial year ended 31 March 2021

Independent Auditor's Report to the Member of Singapore Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Power Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2021, the income statements, statements of comprehensive income, statements of changes in equity of the Group and the Company and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of the financial performance, changes in equity of the Group and the Company and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the directors' statement.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

3 June 2021

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Balance sheets
As at 31 March 2021

	Note	Group		Company	
		2021 $ million	2020 $ million	2021 $ million	2020 $ million
Non-current assets					
Property, plant and equipment	4	13,693.2	13,522.7	16.3	22.9
Intangible assets	6	150.9	167.6	16.2	14.9
Investment property under development	7	728.2	721.6	–	–
Subsidiaries	8	–	–	5,524.6	5,608.3
Associates and joint ventures	9	2,907.2	2,302.3	45.4	45.4
Other non-current assets	10	337.9	291.1	–	–
Deferred tax assets	11	100.5	34.3	–	–
Derivative assets	12	256.2	558.9	–#	0.2
Investments in debt and equity securities	13	29.7	11.5	–	–
		18,203.8	17,610.0	5,602.5	5,691.7
Current assets					
Inventories	14	46.7	49.5	–	–
Trade and other receivables	15	462.2	544.2	3,070.4	2,763.8
Derivative assets	12	3.5	5.2	–#	0.1
Cash and cash equivalents	16	1,187.2	1,673.4	0.8	6.3
Investments in debt and equity securities	13	–	5.0	–	5.0
		1,699.6	2,277.3	3,071.2	2,775.2
Total assets		19,903.4	19,887.3	8,673.7	8,466.9
Regulatory deferral accounts ("RDA") debit balances and related deferred tax assets	17	454.7	156.6	–	–
Total assets and RDA debit balances		20,358.1	20,043.9	8,673.7	8,466.9
Equity					
Share capital	18	2,911.9	2,911.9	2,911.9	2,911.9
Reserves	19	(424.3)	(1,073.2)	–	0.3
Accumulated profits		9,491.4	8,920.7	5,712.8	5,470.2
Total equity, attributable to owner of the Company		11,979.0	10,759.4	8,624.7	8,382.4
Non-current liabilities					
Debt obligations	20	4,369.7	4,785.2	–	–
Derivative liabilities	12	101.3	72.7	–	–
Deferred tax liabilities	11	1,748.4	1,547.0	1.4	0.2
Other non-current liabilities	21	498.8	538.1	–	–
Lease liabilities	5	34.9	39.5	–	–
		6,753.1	6,982.5	1.4	0.2
Current liabilities					
Debt obligations	20	173.6	795.9	–	–
Derivative liabilities	12	7.6	36.6	–	0.1
Current tax payable		67.0	85.6	0.6	9.1
Trade and other payables	22	1,314.4	1,369.7	47.0	69.6
Lease liabilities	5	5.9	5.5	–	5.5
		1,568.5	2,293.3	47.6	84.3
Total liabilities		8,321.6	9,275.8	49.0	84.5
Total equity and liabilities		20,300.6	20,035.2	8,673.7	8,466.9
RDA credit balances and related deferred tax liabilities	17	57.5	8.7	–	–
Total equity, liabilities and RDA credit balances		20,358.1	20,043.9	8,673.7	8,466.9

Amount is less than $0.1 million

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

Income statements
Year ended 31 March 2021

	Note	Group		Company	
		2021 $ million	2020 $ million	2021 $ million	2020 $ million
Revenue	23	3,574.1	3,993.5	754.8	597.3
Other income	24	188.9	157.3	9.5	–
Expenses					
- Purchased power		(1,473.1)	(1,786.0)	–	–
- Depreciation of property, plant and equipment	4	(757.4)	(711.8)	(8.3)	(7.9)
- Amortisation of intangible assets	6	(56.1)	(57.2)	(3.5)	(2.7)
- Maintenance		(126.4)	(114.3)	(9.0)	(6.6)
- Staff costs		(319.9)	(309.2)	(72.7)	(75.0)
- Property taxes		(99.2)	(81.3)	(0.3)	(0.3)
- Other operating expenses		(145.3)	(168.0)	(61.0)	(22.5)
Operating profit		785.6	923.0	609.5	482.3
Finance income	25	45.3	71.8	33.9	51.3
Finance costs	26	(79.7)	(175.3)	(0.1)	(2.2)
Share of profits of associates, net of tax		180.0	150.8	–	–
Share of losses of joint ventures, net of tax		(6.0)	(1.9)	–	–
Profit before taxation		925.2	968.4	643.3	531.4
Tax (expense)/credit	27	(197.8)	(164.0)	5.3	(6.4)
Profit for the year attributable to owner of the Company	28	727.4	804.4	648.6	525.0
Net movement in RDA balances related to profit or loss and the related deferred tax movement	17	249.3	212.0	–	–
Profit for the year and net movements in RDA balances, attributable to owner of the Company		976.7	1,016.4	648.6	525.0

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

Statements of comprehensive income
Year ended 31 March 2021

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Profit for the year and net movements in RDA balances	976.7	1,016.4	648.6	525.0
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Share of defined benefit plan remeasurements of associates	9.3	(5.3)	–	–
Net change in fair value in investments in equity instruments at fair value through other comprehensive income ("FVOCI")	–	–#	–	–
	9.3	(5.3)	–	–
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign operations	446.7	(263.0)	–	–
Effective portion of changes in fair value of cash flow hedges, net of tax	31.7	(19.4)	(0.2)	(0.4)
Net change in fair value of:				
- Cash flow hedges reclassified to profit or loss, net of tax	10.2	11.2	–	0.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	2.1	0.3	(0.1)	0.3
- Debt instruments at fair value through other comprehensive income	–	–#	–	1.6
Share of hedging reserves of associates	148.9	(144.4)	–	–
	639.6	(415.3)	(0.3)	1.7
Other comprehensive income for the year, net of tax	648.9	(420.6)	(0.3)	1.7
Total comprehensive income for the year, attributable to owner of the Company	1,625.6	595.8	648.3	526.7

Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2021

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2019	2,911.9	(547.1)	(130.4)	24.9	8,295.7	10,555.0
Effects of adoption of SFRS(I) 16	–	–	–	–	0.6	0.6
At 1 April 2019, adjusted	2,911.9	(547.1)	(130.4)	24.9	8,296.3	10,555.6
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	1,016.4	1,016.4
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	(263.0)	–	–	–	(263.0)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	(19.4)	–	–	(19.4)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	11.2	–	–	11.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	0.3	–	–	0.3
- Investments in equity/debt instruments at FVOCI	–	–	–	–[#]	–	–
Share of other comprehensive income of associates	–	–	(144.4)	(5.3)	–	(149.7)
Total other comprehensive income	–	(263.0)	(152.3)	(5.3)	–	(420.6)
Total comprehensive income for the year	–	(263.0)	(152.3)	(5.3)	1,016.4	595.8
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(392.0)	(392.0)
Total transactions with owner	–	–	–	–	(392.0)	(392.0)
At 31 March 2020	2,911.9	(810.1)	(282.7)	19.6	8,920.7	10,759.4

[#] Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2021

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2020	2,911.9	(810.1)	(282.7)	19.6	8,920.7	10,759.4
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	976.7	976.7
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	446.7	–	–	–	446.7
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	31.7	–	–	31.7
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	10.2	–	–	10.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	2.1	–	–	2.1
Share of other comprehensive income of associates	–	–	148.9	9.3	–	158.2
Total other comprehensive income	–	446.7	192.9	9.3	–	648.9
Total comprehensive income for the year	–	446.7	192.9	9.3	976.7	1,625.6
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(406.0)	(406.0)
Total transactions with owner	–	–	–	–	(406.0)	(406.0)
At 31 March 2021	2,911.9	(363.4)	(89.8)	28.9	9,491.4	11,979.0

[#] Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2021

Company	Share capital $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total $ million
At 1 April 2019	2,911.9	0.2	(1.6)	5,337.2	8,247.7
Total comprehensive income for the year					
Profit for the year	–	–	–	525.0	525.0
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges, net of tax	–	(0.4)	–	–	(0.4)
Net change in fair value of:					
- Cash flow hedges reclassified to profit or loss, net of tax	–	0.2	–	–	0.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	0.3	–	–	0.3
- Investments in debt instruments at FVOCI	–	–	1.6	–	1.6
Total other comprehensive income	–	0.1	1.6	–	1.7
Total other comprehensive income for the year	–	0.1	1.6	525.0	526.7
Transactions with owner, recognised directly in equity					
Dividends declared (Note 34)	–	–	–	(392.0)	(392.0)
Total transactions with owner	–	–	–	(392.0)	(392.0)
At 31 March 2020	2,911.9	0.3	–	5,470.2	8,382.4
At 1 April 2020	2,911.9	0.3	–	5,470.2	8,382.4
Total comprehensive income for the year					
Profit for the year	–	–	–	648.6	648.6
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges, net of tax	–	(0.2)	–	–	(0.2)
Net change in fair value of:					
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	(0.1)	–	–	(0.1)
Total other comprehensive income	–	(0.3)	–	–	(0.3)
Total other comprehensive income for the year	–	(0.3)	–	648.6	648.3
Transactions with owner, recognised directly in equity					
Dividends declared (Note 34)	–	–	–	(406.0)	(406.0)
Total transactions with owner	–	–	–	(406.0)	(406.0)
At 31 March 2021	2,911.9	–	–	5,712.8	8,624.7

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

Consolidated statement of cash flows
Year ended 31 March 2021

	Note	2021 $ million	2020 $ million
Cash flows from operating activities			
Profit for the year and net movements in RDA balances		976.7	1,016.4
Adjustments for:			
Deferred income		(23.9)	(21.0)
RDA debit or credit balances and related deferred tax assets or liabilities		(249.3)	(212.0)
Depreciation and amortisation		813.5	769.0
Finance costs	26	83.5	172.1
Finance income	25	(45.3)	(71.8)
Exchange (gain)/loss, net	28	(14.7)	15.5
Loss on disposal of property, plant and equipment and intangible assets		1.2	1.3
Loss on disposal of investment	26	–	1.6
Impairment loss on intangible assets and property, plant and equipment		5.0	0.3
Share of profit of associates and joint ventures, net of tax		(174.0)	(148.9)
Tax expense	27	197.8	164.0
Write-down of inventory	14	5.3	3.7
Allowance/(write-back of allowance) for expected credit loss on trade receivables, net	15a	13.9	2.8
Net fair value (gain)/loss on equity investments at FVTPL	26	(3.8)	1.6
Others		3.4	2.3
		1,589.3	1,696.9
Changes in working capital:			
Inventories		(2.6)	(5.3)
Trade and other receivables		4.3	(21.5)
Balances with related parties (trade)		10.6	1.8
Trade and other payables		(10.4)	(30.0)
Cash generated from operations		1,591.2	1,641.9
Interest received		64.7	50.2
Net tax paid		(63.4)	(87.7)
Net cash generated from operating activities		1,592.5	1,604.4
Cash flows from investing activities			
Purchase of property, plant and equipment		(986.4)	(1,124.3)
Purchase of intangible assets		(40.7)	(55.0)
Proceeds from disposal of property, plant and equipment and intangible assets		5.5	6.1
Dividends received from associates and joint venture		146.9	141.0
Proceeds from redemption of other investment		5.0	131.6
Acquisition of interest in associates		(42.7)	(52.5)
(Acquisition)/disposal of other investments		(14.4)	11.6
Additions to investment property		(6.6)	(8.5)
Net cash used in investing activities		(933.4)	(950.0)

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

Consolidated statement of cash flows (continued)
Year ended 31 March 2021

	Note	2021 $ million	2020 $ million
Cash flows from financing activities			
Proceeds from loans		156.0	–
Repayment of debt obligations		(797.1)	(170.5)
Dividends paid to owner of the Company		(406.0)	(392.0)
Interest paid		(108.9)	(153.4)
Commitment fees paid		(1.5)	(1.5)
Payment of principal portion of lease liabilities		(5.9)	(4.0)
Net cash used in financing activities		(1,163.4)	(721.4)
Net decrease in cash and cash equivalents		(504.3)	(67.0)
Cash and cash equivalents at beginning of the year		1,673.4	1,720.5
Effect of exchange rate changes on balances held in foreign currencies		18.1	19.9
Cash and cash equivalents at end of the year	16	1,187.2	1,673.4

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 June 2021.

1 Domicile and activities

Singapore Power Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 2 Kallang Sector, SP Group Building, Singapore 349277. The immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The principal activities of the Company are that of investment holding and provision of management support services. Its subsidiaries are engaged principally in the transmission and distribution of electricity and gas, provision of related consultancy services and investments in related projects.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures (collectively referred to as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest 0.1 million, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with **S**FRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below:

Taxation

The Group is subject to taxes mainly in Singapore and Australia. Significant judgement is required in determining provision for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details are set out in Note 11 and Note 27.

Impairment of associates

Impairment reviews in respect of associates are performed at least annually or when there is any indication that the investment in associates may be impaired. More regular reviews are performed if changes in circumstances or the occurrence of events indicate potential impairment. The Group uses the present value of future cash flows to determine the recoverable amounts of the underlying cash generating units in the associates. In calculating the recoverable amounts, significant management judgement is required in forecasting cash flows of the cash generating units, in estimating the terminal growth values and in selecting an appropriate discount rate.

Estimating fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Note 32 sets out the basis of valuation of financial assets and liabilities.

Accrued revenue

Revenue accrual estimates are made to account for the unbilled period between the end-user's last billing date and the end of the accounting period. The accrual relies on detailed analysis of customers' historical consumption patterns, which takes into account base usage and sensitivity to consumption growth. The results of this analysis are applied for the number of days over the unbilled period.

Regulatory deferral accounts

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes (as set out in Note 3.17) and revenue earned for regulatory purposes. Revenue earned for regulatory purposes is estimated based on the revenue allowed by the Energy Market Authority ("EMA") (in accordance with the price regulation framework), taking into consideration the services rendered, sale and volume of electricity and gas delivered to consumers. Note 3.15 sets out the accounting policy for regulatory deferral accounts.

2.5 Changes in accounting policies

Adoption of new and revised SFRS(I)s and Interpretation to SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2020. In addition, the Group has early adopted SFRS(I) 16 *Covid-19 - Related Rent Concessions*. Except for the impact arising from the adoption of the Phase 1 amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform* as described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 1*

In accordance with the transition provisions, the Group has adopted the Phase 1 amendments to SFRS(I) 9 and SFRS(I) 7 effective 1 April 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate ("IBOR") reform. The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present. The details of the accounting policies are disclosed in Note 3.6. Note 31 provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements, and have been consistently applied by the Group entities, which addresses changes in accounting policies due to the adoption of new and revised standards.

3.1 Basis of 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 profit or loss.

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.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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, when applicable, on the basis specified in another standard.

Any excess or deficiency of the purchase consideration over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is accounted for as goodwill or bargain purchase gain (see Note 3.4).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an equity investment at fair value through other comprehensive income depending on the level of influence retained.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out below.

Investments in associates and joint ventures (equity-accounted investees)

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees 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.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and joint ventures by the Company

Investments in subsidiaries and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

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. The functional currencies of the Group entities are mainly Singapore dollars and Australian dollars. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on 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 profit or loss, except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, an equity investment at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars for presentation in these financial statements at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. Capitalisation of borrowing costs will cease when the asset is ready for its intended use. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land and construction-in-progress are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	Over the term of the lease, ranging from 13 – 99 years
Buildings, office and tunnels	2 – 40 years or the lease term, if shorter
Plant and machinery	
- Mains (Electricity)	20 – 30 years
- Mains (Gas)	20 – 50 years or the lease term, if shorter
- Transformers and switchgear	20 – 30 years
Other plant and equipment (principally gas storage plant, remote control and meters)	2 – 40 years
Motor vehicles and office equipment	2 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, and adjusted if appropriate.

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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 profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense when incurred.

Intangible assets that have indefinite lives or that are not available for use are stated at cost less accumulated impairment losses.

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 2 to 5 years.

Deferred expenditure relates mainly to contributions paid by the Group in accordance with regulatory requirements towards capital expenditure costs incurred by electricity generation companies and onshore receiving facility operator, and is stated at cost less accumulated amortisation and accumulated impairment losses. Deferred expenditure is amortised on a straight-line basis over the period in which the Group derives benefits from the capital contribution payments, which is generally the useful life of the relevant equipment ranging from 7 to 19 years.

Research costs are expensed as incurred. Capitalised development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Following initial recognition of the capitalised development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Capitalised development costs have a finite useful life and are amortised over the period of 5 years on a straight line basis.

Intangible assets under construction are stated at cost. No amortisation is provided until the intangible assets are ready for use.

3.5 Investment property under development

Investment property under development is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property under development is measured at cost on initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property under development to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property under development (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property under development is accounted for at cost less accumulated depreciation and accumulated impairment losses. Investment property under development is not depreciated.

3.6 Financial instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are recognised in profit or loss incurred.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented on the balance sheets 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. The rights of offset must not be contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract.

Ordinary shares

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

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

- fair value hedges when hedging the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit and loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

Hedges directly affected by interest rate benchmark reform

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

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company 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 issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.7 Impairment

Non-derivative financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Group considers a financial asset potentially in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting 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. Such reversal of impairment is recognised in profit or loss.

Goodwill that forms part of the carrying amount of an investment in an associate or a 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 a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3.8 Inventories

Spare parts, accessories and other consumables are measured at the lower of cost and net realisable value. Cost is determined based on the weighted average method, and includes expenditure in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Allowance for obsolete, deteriorated or damaged stocks is made when considered appropriate.

3.9 Accrued revenue

Revenue accrual estimates are made to account for the unbilled amount at the reporting date.

3.10 Employee benefits

Provision is made for the accrued liability for employee entitlements arising from services rendered by employees up to the reporting date. The provision represents the Group's total estimated liability at the reporting date for employee entitlements.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, including on-costs. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 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. Provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental

Environmental provision is made for the rehabilitation of sites based on the estimated costs of the rehabilitation. The liability includes the costs of reclamation, plant closure and dismantling, and waste site closure. The liability is determined based on the present value of the obligation. Annual adjustments to the liability are recognised in profit or loss over the estimated life of the sites. The costs are estimated based on assumptions of current legal requirements and technologies. Any changes in estimates are dealt with on a prospective basis.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.12 Government grant

Capital grant is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants. Operating grant is taken to profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.13 Deferred construction cost compensation

Deferred construction cost compensation received to defray costs relating to the construction of an asset are accounted for as a government grant. Note 3.12 sets out the government grant accounting policy.

3.14 Deferred income

Deferred income comprises (i) government grants for the purchase of depreciable assets, (ii) contributions made by certain customers towards the cost of capital projects received prior to 1 July 2009 and (iii) compensation received to defray operating expenses.

Government grants and customer contributions

Deferred income is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants and customers' contribution.

Compensation received to defray operating expenses

Deferred income is taken to profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.15 Regulatory deferral account ("RDA") debit or credit balances

Use of system charges, transportation of gas, district cooling services and Market Support Services fees

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes and revenue earned for regulatory purposes.

Movements in the regulatory deferral account debit or credit balances are recognised in profit or loss over the periods necessary to adjust revenue recognised for financial reporting purposes to revenue earned for regulatory purposes based on services rendered.

At the end of each regulatory period, adjustments for amounts to be recovered or refunded are taken to profit or loss as net movement in regulatory deferral account balances.

3.16 Price regulation and licence

The Group's operations in Singapore are regulated under the Electricity Licence for Transmission Licensee, Electricity Licence for Market Support Services Licensee, Gas Licence, and the District Cooling Services Licence issued by the Energy Market Authority ("EMA") of Singapore.

Allowed revenue to be earned from the supply and transmission of electricity, transportation of gas and the provision of market support services is regulated based on certain formulae and parameters set out in those licences, relevant acts and codes.

Allowed revenue for district cooling corresponds to the quantum which the Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services Licence issued by the Energy Market Authority of Singapore.

Revenue recognised for financial reporting purposes may differ from revenue earned for regulatory purposes due to revenue or volume variances. This may result in adjustments that may increase or decrease tariffs in succeeding periods. Amounts to be recovered or refunded are brought to account as adjustments to net movement in regulatory deferral account debit or credit balances in the income statement in the period in which the Group becomes entitled to the recovery or liable for the refund.

The Group's capital expenditure may vary from its regulatory plan and is subject to a review by the EMA. The results of the variances in capital expenditure may be translated into price adjustments, if any, in the following reset period.

The use of system charges, transportation of gas charges and allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period in accordance with the price regulation framework.

3.17 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of electricity

Revenue from the sale of electricity is recognised over time when electricity is delivered to consumers.

Use of system charges and transportation of gas

Revenue from use of system charges and transportation of gas is recognised over time based on tariff billings to customers when the volume of electricity and gas is delivered.

Revenue from take-or-pay arrangements relating to the transportation of gas is recognised when it is probable that such revenue is receivable.

District cooling service income

Income from services is recognised over time when the services are rendered.

Agency fees and Market Support Services fees

Agency fees from acting as billing agent and fees for services provided as the Market Support Services Licensee are recognised over time when the services are rendered.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Support service income and management fees

Support service income and management fees are recognised when the services are rendered.

3.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rental income under operating leases are recognised in profit or loss over the term of the lease.

Where assets are leased under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return. Contingent rental income is recognised in profit or loss in the accounting period in which they are incurred.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement or on modification date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to Note 3.7 for the accounting policy.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(iv) Covid-19-related rent concessions

The Group has applied Amendment to SFRS(I) 16 *Covid-19-Related Rent Concessions***.** The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

3.19 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value gains or losses on financial assets and liabilities at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), gains or losses on hedging instruments that are recognised in profit or loss, amortisation of transaction costs capitalised and interest expense on lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.20 Tax expense

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, 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 they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The movement in a deferred tax asset or liability that arises from the temporary differences created as a result of recognising regulatory deferral account balances are presented in the income statement net of the movement in regulatory deferral account balances related to profit or loss.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.22 New standards and interpretations not yet adopted

A number of new amendments to standards that are effective for annual periods beginning after 1 April 2020 have not been applied in preparing these financial statements. Except for the Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2* as described below, the following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

- Amendments to SFRS(I) 1-10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment—Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts—Cost of Fulfilling a Contract*
- Amendments to SFRS(I) 4: *Extension of the Temporary Exemption from Applying SFRS(I) 9*

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

In November 2020, the Accounting Standards Council ("ASC") issued the "Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*", effective for annual reporting periods beginning on or after 1 January 2021. The amendments:

- require the Group to account for changes in the contractual cash flows of financial instruments that result solely from the IBOR reform by updating the effective interest rate rather than recognising an immediate gain or loss in the income statement; and
- require the Group to continue hedge accounting when changes to the hedging instrument, hedge item and hedged risk relate solely from IBOR reform. Hedge ineffectiveness (e.g. arising from mismatches of timing or cash flows) would continue to be recorded in the income statement.

As disclosed in Note 31, the impact of IBOR reform on the Group's financial statements will be assessed once there is clarity to the timing and methods of transition for the IBORs.

4 Property, plant and equipment

Group	Freehold land $ million	Leasehold land $ million	Buildings, office and tunnels $ million	Plant and machinery $ million	Other plant and equipment $ million	Motor vehicles and office equipment $ million	Construction-in-progress $ million	Total $ million
Cost								
At 1 April 2019	0.3	627.0	3,517.7	14,170.1	1,551.8	323.7	1,946.8	22,137.4
SFRS(I) 16 adjustment	–	16.4	3.7	18.4	2.1	–	–	40.6
At 1 April 2019, adjusted	0.3	643.4	3,521.4	14,188.5	1,553.9	323.7	1,946.8	22,178.0
Additions	–	13.1	8.4	0.1	27.7	4.5	1,115.7	1,169.5
Disposals	–	(13.4)	(1.0)	(145.5)	(27.7)	(9.3)	(0.7)	(197.6)
Transfers from/(to) intangible assets	–	–	2.3	–	(4.0)	–	6.0	4.3
Reclassifications	–	4.7	57.7	450.9	111.7	14.1	(639.1)	–
Translation difference	–	–	–	0.5	0.4	–	(0.8)	0.1
At 31 March 2020	0.3	647.8	3,588.8	14,494.5	1,662.0	333.0	2,427.9	23,154.3
Additions	–	0.8	1.2	1.8	27.3	2.8	901.0	934.9
Disposals	–	–	(1.6)	(57.1)	(23.3)	(23.8)	–	(105.8)
Transfers from intangible assets	–	–	–	–	–	–	0.3	0.3
Reclassifications	–	3.7	43.2	1,462.4	39.3	47.2	(1,595.8)	–
Translation difference	–	–	–	0.5	0.3	–	–	0.8
At 31 March 2021	0.3	652.3	3,631.6	15,902.1	1,705.6	359.2	1,733.4	23,984.5
Accumulated depreciation and impairment losses								
At 1 April 2019	–	230.7	906.1	7,151.6	643.6	165.5	–	9,097.5
Depreciation	–	15.0	95.0	457.5	114.5	29.8	–	711.8
Disposals	–	(0.5)	(0.6)	(142.2)	(26.8)	(7.6)	–	(177.7)
Transfers from/(to) intangible assets	–	–	–#	–	–#	–	–	–#
Translation difference	–	–	–	–#	–#	–	–	–#
At 31 March 2020	–	245.2	1,000.5	7,466.9	731.3	187.7	–	9,631.6
Depreciation	–	13.5	100.5	488.4	119.6	35.4	–	757.4
Disposals	–	–	(1.3)	(53.2)	(22.7)	(23.7)	–	(100.9)
Impairment	–	–	–	–	–	3.2	–	3.2
At 31 March 2021	–	258.7	1,099.7	7,902.1	828.2	202.6	–	10,291.3
Carrying amounts								
At 31 March 2020	0.3	402.6	2,588.3	7,027.6	930.7	145.3	2,427.9	13,522.7
At 31 March 2021	0.3	393.6	2,531.9	8,000.0	877.4	156.6	1,733.4	13,693.2

Amount is less than $0.1 million

Company	Leasehold land $ million	Buildings and office $ million	Plant and equipment $ million	Motor vehicles and office equipment $ million	Construction -in-progress $ million	Total $ million
Cost						
At 1 April 2019	9.4	11.3	0.4	15.6	4.1	40.8
Additions	–	10.9	–	0.5	5.7	17.1
Disposals	–	(0.6)	(0.2)	(1.0)	–	(1.8)
At 31 March 2020	9.4	21.6	0.2	15.1	9.8	56.1
Additions	–	–	–	–	1.7	1.7
Disposals	–	–	–	(0.2)	–	(0.2)
Reclassifications	–	–	–	8.3	(8.3)	–
At 31 March 2021	9.4	21.6	0.2	23.2	3.2	57.6
Accumulated depreciation						
At 1 April 2019	6.7	8.5	0.4	10.8	–	26.4
Depreciation	0.3	5.8	–	1.8	–	7.9
Disposals	–	(0.2)	(0.2)	(0.7)	–	(1.1)
At 31 March 2020	7.0	14.1	0.2	11.9	–	33.2
Depreciation	0.3	5.6	–	2.4	–	8.3
Disposals	–	–	–	(0.2)	–	(0.2)
At 31 March 2021	7.3	19.7	0.2	14.1	–	41.3
Carrying amounts						
At 31 March 2020	2.4	7.5	–	3.2	9.8	22.9
At 31 March 2021	2.1	1.9	–	9.1	3.2	16.3

Expenses capitalised

The following expenses were capitalised in property, plant and equipment during the year:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Staff cost	83.9	74.5	–	–
Other expenses	1.8	3.4	–	–

The Group's and Company's property, plant and equipment includes right of use assets of $418.0 million and $2.1 million (2020: $430.6 million and $7.8 million) respectively relating to leasehold land, buildings and office, plant and machinery and other plant and equipment under leasing arrangements. Details are presented in Note 5.

5 Right-of-use assets/ Lease liabilities

Set out below are the carrying amounts of right-of-use assets classified within property, plant and equipment and the movements during the year:

Group	Leasehold land $ million	Buildings and office $ million	Plant and machinery $ million	Other plant and equipment $ million	Total $ million
At 1 April 2019	412.7	3.7	18.4	2.1	436.9
Additions	4.9	8.0	–	–	12.9
Depreciation	(15.0)	(1.4)	(2.0)	(0.8)	(19.2)
At 31 March 2020	402.6	10.3	16.4	1.3	430.6
Additions	4.5	1.2	0.5	–	6.2
Lease modification	–	–	0.4	–	0.4
Depreciation	(13.5)	(2.9)	(2.0)	(0.8)	(19.2)
At 31 March 2021	393.6	8.6	15.3	0.5	418.0

Company	Leasehold land $ million	Office $ million	Total $ million
At 1 April 2019	2.7	–	2.7
Additions	–	10.9	10.9
Depreciation	(0.3)	(5.5)	(5.8)
At 31 March 2020	2.4	5.4	7.8
Depreciation	(0.3)	(5.4)	(5.7)
At 31 March 2021	2.1	–	2.1

On 1 April 2019, the Group's and Company's leasehold land with net book value of $396.3 million and $2.7 million were presented within right-of-use assets upon the adoption of SFRS(I) 16.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
At 1 April	45.0	40.6	5.5	–
Additions	1.0	12.9	–	10.9
Lease modification	0.4	–	–	–
Accretion of interest	1.7	1.8	0.1	0.2
Payments	(7.3)	(10.3)	(5.6)	(5.6)
At 31 March	40.8	45.0	–	5.5
Current	5.9	5.5	–	5.5
Non-current	34.9	39.5	–	–
	40.8	45.0	–	5.5

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Depreciation expense of right-of-use assets	19.2	19.2	5.7	5.8
Interest expense on lease liabilities	1.7	1.8	0.1	0.2
Expense relating to short-term leases (included in other operating expenses)	3.1	3.2	–	0.6

At the end of the financial year, the Group and Company had total cash outflow for leases of $10.4 million and $5.6 million (2020: $8.8 million and $6.2 million) respectively.

6 Intangible assets

	Group					Company			
	Software $ million	Deferred expenditure $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million	Software $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million
Cost									
At 1 April 2019	410.7	116.0	9.9	15.1	551.7	24.5	9.9	4.3	38.7
Additions	1.8	0.4	2.7	36.0	40.9	–	–	7.9	7.9
Disposals	(3.8)	–	(0.5)	–	(4.3)	(2.4)	(9.9)	(0.5)	(12.8)
Transfers from/(to) property, plant and equipment	1.7	–	–	(6.0)	(4.3)	–	–	–	–
Reclassifications	20.6	–	–	(20.6)	–	5.0	–	(5.0)	–
At 31 March 2020	431.0	116.4	12.1	24.5	584.0	27.1	–	6.7	33.8
Additions	4.0	0.8	–	38.5	43.3	–	–	4.9	4.9
Disposals	(14.0)	–	(1.0)	(0.1)	(15.1)	(1.0)	–	–	(1.0)
Transfers from/(to) property, plant and equipment	0.1	–	–	(0.4)	(0.3)	–	–	–	–
Reclassifications	52.2	–	3.1	(55.3)	–	10.5	–	(10.5)	–
At 31 March 2021	473.3	117.2	14.2	7.2	611.9	36.6	–	1.1	37.7

	Group					Company			
	Software $ million	Deferred expenditure $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million	Software $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million
Accumulated amortisation and impairment losses									
At 1 April 2019	258.2	102.9	1.6	–	362.7	18.2	1.6	–	19.8
Amortisation	52.2	4.3	0.7	–	57.2	2.7	–	–	2.7
Disposals	(3.8)	–	–#	–	(3.8)	(2.3)	(1.6)	–	(3.9)
Impairment	0.3	–	–	–	0.3	0.3	–	–	0.3
Transfers (to)/from property, plant and equipment	–#	–	–	–	–#	–	–	–	–
At 31 March 2020	306.9	107.2	2.3	–	416.4	18.9	–	–	18.9
Amortisation	48.2	4.9	3.0	–	56.1	3.5	–	–	3.5
Disposals	(13.0)	–	(0.3)	–	(13.3)	(0.9)	–	–	(0.9)
Impairment	1.8	–	–	–	1.8	–	–	–	–
At 31 March 2021	343.9	112.1	5.0	–	461.0	21.5	–	–	21.5
Carrying amounts									
At 31 March 2020	124.1	9.2	9.8	24.5	167.6	8.2	–	6.7	14.9
At 31 March 2021	129.4	5.1	9.2	7.2	150.9	15.1	–	1.1	16.2

Amount is less than $0.1 million

Expenses capitalised

The following expenses were capitalised in intangible assets during the year:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Staff cost	8.1	16.6	–	–
Other expenses	1.1	0.7	–	–

7 Investment property under development

	Group	
	2021	**2020**
	$ million	**$ million**
Investment property under development		
At 1 April	721.6	713.1
Additions	6.6	8.5
At 31 March	728.2	721.6

The investment property under development relates to development of a commercial building for leasing purposes.

From 1 April to 31 July 2020, the Group suspended construction activities of the investment property following the Government's measures in response to the coronavirus ("Covid-19") pandemic. Construction of the investment property resumed on 1 August 2020.

At 31 March 2021, the fair value of the investment property under development approximates the carrying value.

8 Subsidiaries

	Company	
	2021	**2020**
	$ million	**$ million**
Unquoted equity shares, at cost	3,905.2	3,905.2
Unquoted unit, at cost	_#	_#
Amount due from subsidiaries	1,675.5	1,720.1
Impairment losses	(56.1)	(17.0)
	5,524.6	5,608.3

[#] Amount is less than $0.1 million

The Company has entered into an arrangement with subsidiaries whereby the repayment of these amounts due from subsidiaries will be at the sole discretion of the subsidiaries. Accordingly, these amounts are classified as investment in subsidiaries.

During the year, the Company made an allowance for impairment of $39.1 million (2020: $Nil) on its investment in a subsidiary and the amount due from the subsidiary. The recoverable amount of the subsidiary was determined based on the fair value of the subsidiary, which was approximated by net assets of the subsidiary that mainly comprise monetary assets and liabilities.

Details of significant subsidiaries are as follows:

Name of subsidiaries	**Principal activities**	**Place of incorporation**	**Effective interest held by the Group**	
			2021 %	**2020 %**
SP PowerAssets Limited	Transmission and distribution of electricity	Singapore	100	100
PowerGas Limited	Transportation of piped gas	Singapore	100	100
SP PowerGrid Limited	Provision of management services to related corporations	Singapore	100	100
SP Services Limited	Sale of electricity and provision of customer services relating to utilities supply	Singapore	100	100
SP Cross Island Tunnel Trust	Construction, development, ownership, operation and maintenance of the cross island electricity tunnels in Singapore	Singapore	100	100
Singapore Power International Pte Ltd	Investment holding	Singapore	100	100
Singapore District Cooling Pte Ltd	Ownership, operation, maintenance and management of district cooling systems	Singapore	100	100
SP Group Treasury Pte Ltd	Provision of financing, treasury and settlement services to related corporations	Singapore	100	100
Labrador Real Estate Pte Ltd	Holding of land and commercial real estate development	Singapore	100	100

9 Associates and joint ventures

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Investment in associates				
- quoted equity shares	1,433.9	1,064.4	–	–
- unquoted equity shares	1,430.9	1,189.1	–	–
Investment in joint ventures	42.4	48.8	45.4	45.4
	2,907.2	2,302.3	45.4	45.4
Fair value of interest in investment of associates for which there is a published price quotation – AusNet Services*	2,334.4	1,783.5	–	–

* AusNet Services is listed on the Australian Stock Exchange. Based on its closing price of A$1.835 (2020: A$1.710) on the Australian Stock Exchange, the fair value of the Group's investment is $2.334 billion (2020: $1.784 billion).

Name of associates	**Principal activities**	**Place of incorporation**	**Effective interest held by the Group**	
			2021 %	**2020 %**
AusNet Services Ltd and its subsidiaries (collectively referred to as AusNet Services)	Electricity transmission and distribution and gas distribution	Australia	32.75	32.10
SGSP (Australia) Assets Pty Ltd and its subsidiaries (collectively referred to as SGSPAA)	Infrastructure services, and distribution of electricity and gas	Australia	40.00	40.00

The summarised financial information in respect of AusNet Services and SGSPAA, based on its International Financial Reporting Standards ("IFRS") financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements not adjusted for the percentage of ownership held by the Group are as follows:

	Associates			
	AusNet Services		*SGSPAA*	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Assets and liabilities				
Current assets	1,881.1	779.0	348.4	321.7
Non-current assets	13,067.4	11,674.4	11,479.9	10,488.0
Total assets	14,948.5	12,453.4	11,828.3	10,809.7
Current liabilities	780.0	1,194.3	529.6	360.9
Non-current liabilities	10,658.7	8,638.9	7,721.4	7,476.1
Total liabilities	11,438.7	9,833.2	8,251.0	7,837.0
Net assets	3,509.8	2,620.2	3,577.3	2,972.7
Net assets, excluding goodwill	3,509.8	2,620.2	3,577.3	2,972.7
Proportion of the Group's ownership	32.75%	32.10%	40.00%	40.00%
Group's share of net assets	1,149.5	841.1	1,430.9	1,189.1
Goodwill on acquisition	284.4	223.3	–	–
Carrying amount of the investment	1,433.9	1,064.4	1,430.9	1,189.1

During the year ended 31 March 2021, the Group acquired an additional 0.65% (2020: 1.00%) of interest in AusNet Services through the open market at a consideration of $42.7 million (2020: $52.5 million). In 2021, the Group finalised the fair value assessment of AusNet Services's identifiable assets and liabilities of the additional 1.65% interest acquired, and the excess consideration of $53.8 million was allocated to goodwill.

The summarised statements of comprehensive income in respect of AusNet Services and SGSPAA, based on its IFRS financial statements, not adjusted for the percentage ownership held by the Group, are as follows:

	Associates			
	AusNet Services		*SGSPAA*	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Results				
Revenue	1,893.0	1,843.0	1,643.4	1,677.0
Profit after taxation	297.2	271.0	209.5	166.2
Other comprehensive income	355.5	309.7	108.2	(126.4)
Total comprehensive income	652.7	580.7	317.7	39.8

The Group recorded dividend income of $209.2 million (2020: $187.8 million) from AusNet Services and SGSPAA, of which $145.9 million (2020: $140.3 million) was settled by cash and the balance was settled by subscribing to shares issued by AusNet Services and incurrence of withholding taxes.

The summarised financial information in respect of Power Automation Pte Ltd ("PA") and SPTel Pte. Ltd. ("SPTel"), based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements, not adjusted for the percentage ownership held by the Group are as follows:

	Joint ventures			
	PA		*SPTel*	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Assets and liabilities				
Current assets	27.2	21.4	34.9	52.5
Non-current assets	8.8	9.6	92.8	73.6
Total assets	36.0	31.0	127.7	126.1
Current liabilities	13.9	10.8	31.2	27.9
Non-current liabilities	6.9	6.3	31.6	18.9
Total liabilities	20.8	17.1	62.8	46.8
Net assets	15.2	13.9	64.9	79.3
Net assets, excluding goodwill	15.2	13.9	64.9	79.3
Proportion of the Group's ownership	51.00%	51.00%	49.00%	49.00%
Group's share of net assets	7.8	7.1	31.8	38.9
Goodwill	–	–	2.8	2.8
Carrying amount of the investment	7.8	7.1	34.6	41.7

The summarised statement of comprehensive income in respect of PA and SPTel not adjusted for the percentage ownership held by the Group, are as follows:

	Joint ventures			
	PA		*SPTel*	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Results				
Revenue	40.2	36.0	25.5	28.8
Profit/(loss) after taxation	3.8	2.9	(14.3)	(5.6)
Other comprehensive income	–	–	–	–
Total comprehensive income	3.8	2.9	(14.3)	(5.6)

The Group recorded dividend income of $1.0 million (2020: $1.7 million) from PA.

10 Other non-current assets

	Group	
	2021	**2020**
	$ million	**$ million**
Amount due from associate:		
- convertible instrument	327.0	279.0
Finance lease receivables	7.6	8.1
Other receivables	3.3	4.0
	337.9	291.1

The non-current amount due from associate of $327.0 million (2020: $279.0 million) represents the face value of the convertible instrument. The convertible instrument is interest bearing at the fixed rate of 10.25% per annum and is convertible into ordinary shares at the discretion of the Group until mandatory conversion in 2050. The convertible instrument is convertible into a variable number of shares, which precludes the convertible instrument from being recognised as equity, and is recognised as a non-current receivable. The Group has a 40% holding in both the convertible instrument and ordinary shares issued by SGSPAA.

Finance lease receivables

In the prior years, the Group entered into arrangements to transport a minimum volume of piped gas to its customers using certain pipelines. Although the arrangements are not in the legal form of a lease, the Group concluded that the arrangements contain in substance leases of the submarine pipelines, because the minimum lease payments amount to substantially all the fair value of the leased assets. The lessees assume substantially all the risks and rewards of ownership. Accordingly, these leases were classified as finance lease. The Group continues to be the legal owner of the pipelines and therefore claims capital allowances for the pipelines. The interest rate implied in each lease is determined at the commencement date of the lease.

Following the adoption of SFRS(I) 16, the Group continues the existing finance lease accounting for the arrangements above.

The carrying amount of the finance lease receivables at the reporting date approximates its fair value, based on discounting the cash flows at the market rate.

	Group	
	2021 $ million	**2020 $ million**
Minimum lease payment receivables from leased pipelines and plants	14.3	15.5
Unearned income in leased pipelines and plants	(6.4)	(7.1)
Net receivables	7.9	8.4
Current (Note 15b)	0.3	0.3
Non-current	7.6	8.1
	7.9	8.4

	Minimum lease payment receivables $ million	**Unearned income $ million**	**Present value of lease payment receivables $ million**
2021			
Within one year	1.1	(0.8)	0.3
One to two years	1.1	(0.8)	0.3
Two to three years	1.1	(0.8)	0.3
Three to four years	1.1	(0.7)	0.4
Four to five years	1.1	(0.7)	0.4
After five years	8.8	(2.6)	6.2
	14.3	(6.4)	7.9
2020			
Within one year	1.1	(0.8)	0.3
One to two years	1.1	(0.8)	0.3
Two to three years	1.1	(0.8)	0.3
Three to four years	1.1	(0.7)	0.4
Four to five years	1.1	(0.7)	0.4
After five years	10.0	(3.3)	6.7
	15.5	(7.1)	8.4

The interest rate implied in each lease is determined at the commencement date of the lease. The effective interest rates on the finance lease receivables ranges from 9.74% to 9.80% (2020: 9.74% to 9.80%).

11 Deferred taxation

Group	At 1 April 2019 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2020 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2021 $ million
Deferred tax assets							
Property, plant and equipment	–	0.8	–	0.8	(0.8)	–	–
Derivative liabilities	0.9	–	5.7	6.6	–	(4.2)	2.4
Trade and other payables and provisions	2.7	0.5	–	3.2	0.9	–	4.1
Deferred income	49.6	(3.3)	–	46.3	(5.5)	–	40.8
Unutilised capital allowances	–	–	–	–	76.5	–	76.5
Others	3.9	4.5	–	8.4	(2.1)	–	6.3
	57.1	2.5	5.7	65.3	69.0	(4.2)	130.1
Set off of tax	(33.8)			(31.0)			(29.6)
Net deferred tax assets	23.3			34.3			100.5
Deferred tax liabilities							
Property, plant and equipment	(1,458.9)	(70.5)	–	(1,529.4)	(184.2)	–	(1,713.6)
Intangible assets	(29.8)	4.1	–	(25.7)	4.5	–	(21.2)
Trade and other receivables	(1.4)	–	–	(1.4)	0.1	–	(1.3)
Derivative assets	(0.1)	–	(5.0)	(5.1)	–	(4.9)	(10.0)
Undistributed earnings of associates	(13.7)	0.9	–	(12.8)	(15.3)	–	(28.1)
Others	(3.6)	–	–	(3.6)	(0.2)	–	(3.8)
	(1,507.5)	(65.5)	(5.0)	(1,578.0)	(195.1)	(4.9)	(1,778.0)
Set off of tax	33.8			31.0			29.6
Net deferred tax liabilities	(1,473.7)			(1,547.0)			(1,748.4)

Company	At 1 April 2019 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2020 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2021 $ million
Deferred tax assets							
Derivative liabilities	1.0	–	(1.0)	–	–	–	–
Trade and other payables and provisions	0.7	(0.1)	–	0.6	0.1	–	0.7
	1.7	(0.1)	(1.0)	0.6	0.1	–	0.7
Set off of tax	(1.7)			(0.6)			(0.7)
Net deferred tax assets	–			–			–
Deferred tax liabilities							
Property, plant and equipment	(0.3)	–[#]	–	(0.3)	(0.4)	–	(0.7)
Intangible assets	(0.9)	0.7	–	(0.2)	(1.2)	–	(1.4)
Derivative assets	(0.7)	–	0.4	(0.3)	–	0.3	–
	(1.9)	0.7	0.4	(0.8)	(1.6)	0.3	(2.1)
Set off of tax	1.7			0.6			0.7
Net deferred tax liabilities	(0.2)			(0.2)			(1.4)

[#] Amount is less than $0.1 million

12 Derivative assets and liabilities

	2021			2020		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Group						
Current:						
Interest rate swaps	1,285.6	–	(1.1)	3,429.1	2.9	(3.8)
Foreign exchange forwards	715.3	3.5	(6.5)	882.3	2.3	(32.8)
		3.5	(7.6)		5.2	(36.6)
Non-current:						
Cross-currency interest rate swaps	3,583.3	182.2	(62.5)	3,583.3	530.0	(28.0)
Interest rate swaps	4,334.6	73.5	(37.4)	2,701.1	27.9	(44.6)
Foreign exchange forwards	59.4	0.5	(1.4)	66.5	1.0	(0.1)
		256.2	(101.3)		558.9	(72.7)

	2021			2020		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Company						
Current:						
Foreign exchange forwards	5.1	–[#]	–	12.9	0.1	(0.1)
Non-current:						
Foreign exchange forwards	–[#]	–[#]	–	3.7	0.2	–

[#] Amount is less than $0.1 million

Offsetting financial assets and financial liabilities

The Group's and Company's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. The ISDA agreements create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group, the Company or the counterparties. As such, these agreements do not meet the criteria for offsetting under SFRS(I) 1-32 *Financial Instruments: Presentation*.

The Group, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously but have the right to set off in the case of default and insolvency or bankruptcy.

The Group's and Company's financial assets and liabilities subject to an enforceable master netting arrangement that are not otherwise set-off are as follows:

Types of financial assets	**Gross amounts of recognised financial assets $ million**	**Related amounts not offset in the balance sheet – financial instruments $ million**	**Net amounts $ million**
Group			
2021			
Derivative assets	259.7	(49.2)	210.5
2020			
Derivative assets	564.1	(32.9)	531.2

Types of financial liabilities	**Gross amounts of recognised financial liabilities $ million**	**Related amounts not offset in the balance sheet – financial instruments $ million**	**Net amounts $ million**
Group			
2021			
Derivative liabilities	108.9	(49.2)	59.7
2020			
Derivative liabilities	109.3	(32.9)	76.4

Types of financial assets	Gross amounts of recognised financial assets $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2021			
Derivative assets	–[#]	–	–[#]
2020			
Derivative assets	0.3	–	0.3

Types of financial liabilities	Gross amounts of recognised financial liabilities $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2021			
Derivative liabilities	–	–	–
2020			
Derivative liabilities	0.1	–	0.1

[#] Amount is less than $0.1 million

The gross and net amounts of financial assets and financial liabilities as presented in the balance sheet that are disclosed in the above tables are measured at fair value.

Hedge Accounting

As at 31 March 2021 and 2020, the Group and the Company held various types of derivative financial instruments and formally designated a portion of them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of SFRS(I) 9. The following table summarises the derivative financial instruments in the balance sheets and the effects of hedge accounting on the Group's and the Company's financial position and performance.

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	Financial statement line item	Carrying amount of assets/ (liabilities) $ million	Financial statement line that includes the hedged item	Accumulated amount of fair value adjustments $ million	Hedging instrument $ million	Hedged item $ million	Hedge ineffectiveness recognised in profit or loss $ million	Hedge rates	Maturity (Year)
Group											
2021											
Cash flow hedge											
Interest rate risk – Finance cost	8,828.6	77.5	Derivative assets/ liabilities	–	–	–	52.7	(54.3)	(1.6)	0.2780% - 2.3450%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	741.0	(3.5)	Derivative assets/ liabilities	–	–	–	(3.8)	3.8	–	CHF: S$ 1.397 CNY: S$ 0.187 – 0.199 EUR: S$ 1.537 – 1.656 JPY: S$ 0.011 – 0.013 MYR: S$ 3.016 – 3.040 USD: S$ 1.324 – 1.429	Up to 2021 Up to 2023 Up to 2024 Up to 2023 Up to 2021 Up to 2022
Fair value hedge											
Interest rate risk	375.0	19.8	Derivative assets/ liabilities	(295.6)	Debt obligations	(21.1)	(6.4)	7.0	0.6	6 month SOR	Up to 2029
Foreign exchange risk	2,959.6	57.5	Derivative assets/ liabilities	(2,984.5)	Debt obligations	(42.1)	(167.9)	181.3	13.4	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	Financial statement line item	Carrying amount of assets/ (liabilities) $ million	Financial statement line that includes the hedged item	Accumulated amount of fair value adjustments $ million	Hedging instrument $ million	Hedged item $ million	Hedge ineffectiveness recognised in profit or loss $ million	Hedge rates	Maturity (Year)
Group **2020**											
Cash flow hedge											
Interest rate risk – Finance cost	9,269.2	6.7	Derivative assets/ liabilities	–	–	–	105.2	(114.0)	(8.4)	0.4137% - 2.775%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	948.8	(29.6)	Derivative assets/ liabilities	–	–	–	1.7	(1.7)	–	CHF: S$ 1.392 – 1.408 CNY: S$ 0.187 – 0.200 EUR: S$ 1.5198 – 1.6308 JPY: S$ 0.011 – 0.013 MYR: S$ 3.016 – 3.078 USD: S$ 1.262 – 1.455 AUD: S$ 0.8628 – 0.9245	Up to 2020 Up to 2023 Up to 2023 Up to 2023 Up to 2020 Up to 2022 Up to 2020
Fair value hedge											
Interest rate risk	375.0	26.2	Derivative assets/ liabilities	(302.8)	Debt obligations	(28.4)	14.7	(15.1)	(0.4)	6 month SOR	Up to 2029
Foreign exchange risk	2,959.6	449.9	Derivative assets/ liabilities	(3,335.5)	Debt obligations	(449.8)	317.3	(334.8)	(17.5)	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	**Assets/ (liabilities) $ million**	**Financial statement line item**	**Hedging instrument $ million**	**Hedged item $ million**	**Hedge ineffectiveness recognised in profit or loss $ million**	**Hedge rates**	**Maturity (Year)**
Company								
2021								
Cash flow hedge								
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	5.1	_#	Derivative assets/ liabilities	_#	_#	–	EUR: S$: 1.5399 – 1.60630 USD: S$ 1.33274 – 1.42626	Up to 2021 Up to 2022
2020								
Cash flow hedge								
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	16.3	0.2	Derivative assets/ liabilities	0.8	(0.8)	–	EUR: S$: 1.5399 – 1.55023 USD: S$ 1.34503 – 1.42626 AUD: S$ 0.8628 – 0.9245	Up to 2020 Up to 2022 Up to 2020

Amount is less than $0.1 million

13 Investments in debt and equity securities

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Non-current				
Unquoted equity investment – FVTPL	29.7	11.5	–	–
Current				
Quoted debt securities investment – FVOCI	–	5.0	–	5.0

14 Inventories

	Group	
	2021 $ million	2020 $ million
Cables	24.8	30.0
Pipes and fittings	8.1	7.3
Spare parts and accessories	4.1	2.1
Other consumables	9.7	10.1
	46.7	49.5

In 2021, inventories recognised as an expense in the income statement amounted to $4.7 million (2020: $6.1 million). The write-down of inventories to net realisable value by the Group amounted to $5.3 million (2020: $3.7 million). The utilisation of inventory obsolescence provision upon sale of the inventory items amounted to $2.8 million (2020: $7.3 million).

15 Trade and other receivables

	Note	Group		Company	
		2021 $ million	2020 $ million	2021 $ million	2020 $ million
Trade receivables:					
- Third parties		194.4	222.1	–	0.1
- Subsidiaries		–	–	49.8	27.3
- Associates		0.3	0.1	0.3	0.1
- Joint ventures		0.2	2.4	0.1	0.1
- Related corporations		3.6	16.0	–	0.9
	15a	198.5	240.6	50.2	28.5
Accrued revenue		221.7	222.2	0.5	1.0
Other receivables, deposits and prepayments	15b	34.0	73.6	3.7	4.9
Amounts due from (non-trade):					
- Subsidiaries	15c	–	–	3,016.0	2,729.4
- Associate	15c	7.4	7.4	–	–
- Related corporations		0.6	0.4	–	–
		462.2	544.2	3,070.4	2,763.8

15a Trade receivables

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Trade receivables	227.1	255.3	50.2	28.5
Impairment losses	(28.6)	(14.7)	–	–
	198.5	240.6	50.2	28.5

The average credit term is between 5 to 30 business days (2020: 5 to 30 business days). An allowance has been made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and collective portfolio.

Collateral in the form of bank guarantees, letters of credit and deposits are obtained from counterparties where appropriate. The amounts called upon during the current and previous financial year were insignificant and no item is individually significant.

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the evaluation of collectability and ageing analysis of trade receivables and on the estimation of the management. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer.

The Group categorises trade receivables for potential write-off on the trade receivables of disconnected consumer accounts and trade receivables of contestable and non-contestable consumers which are overdue and that have failed to make contractual payments for more than 90 days and 180 days, respectively. Where trade receivables have been impaired or written off, the

Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The maximum exposure to credit risk for trade receivables at the reporting date by types of customer is as follows:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Contestable transmission/ distribution customers	101.2	118.4	–	–
Non-contestable transmission/ distribution customers	51.9	70.0	–	–
Project-based customers	24.4	16.4	–	–
Others	21.0	35.8	50.2	28.5
	198.5	240.6	50.2	28.5

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Singapore	197.8	238.9	50.2	28.5
China	0.7	1.7	–	–
	198.5	240.6	50.2	28.5

There is no significant concentration of credit risk of trade receivables.

The Group has policies in place to monitor its credit risk. Contractual deposits are collected and sufficient collateral is obtained to mitigate the risk of financial loss from defaults. The Group's customers are spread across diverse industries and ongoing credit evaluation is performed on the financial condition of receivables to ensure minimal exposure to bad debts. In response to the Covid-19 pandemic, the Group has also been performing more frequent review of its credit risk exposure and is closely monitoring for credit deterioration.

The ageing of trade receivables at the reporting date is as follows:

	2021		2020	
Group	Gross $ million	Impairment losses $ million	Gross $ million	Impairment losses $ million
Not past due	159.9	(1.0)	192.3	(0.8)
Past due 0-30 days	16.6	(1.4)	32.1	(0.8)
Past due 31-90 days	16.0	(2.9)	14.2	(1.5)
Past due 91-180 days	7.8	(4.5)	6.3	(3.1)
Past due more than 180 days	26.8	(18.8)	10.4	(8.5)
	227.1	(28.6)	255.3	(14.7)

Company	2021 Gross $ million	2020 Gross $ million
Not past due	48.7	26.7
Past due 0-30 days	1.2	0.9
Past due 31-90 days	0.3	0.9
	50.2	28.5

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
At 1 April	14.7	12.3	–	–
Impairment loss utilised	–	(0.4)	–	–
Impairment loss written back	(1.5)	(0.7)	–	–
Impairment loss recognised	15.4	3.5	–	–
At 31 March	28.6	14.7	–	–

Receivables are denominated mainly in the functional currencies of the respective Group entities.

15b Other receivables, deposits and prepayments

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Prepayments	22.3	19.3	2.9	2.1
Interest receivables	1.9	21.5	0.1	0.2
Finance lease receivables	0.3	0.3	–	–
Deposits	3.7	5.0	0.1	0.2
Grant receivables	1.6	18.7	0.5	2.4
Others	4.2	8.8	0.1	–
	34.0	73.6	3.7	4.9

Other receivables, deposits and prepayments are denominated mainly in the functional currencies of the respective Group entities.

15c Balances with subsidiaries and associate (non-trade)

Balances with subsidiaries are unsecured, repayable on demand, and denominated in Singapore dollars.

Non-trade amounts due from subsidiaries of $3,016.0 million (2020: $2,729.4 million) bear interest at rates ranging from 0.125% to 2.063% (2020: 0.75% to 2.063%) per annum.

The current amount due from associate is denominated in Australian dollars and represents the convertible instrument interest receivable which is due every six months.

16 Cash and cash equivalents

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Fixed deposits	991.7	1,569.2	–	–
Cash at bank and in hand	195.5	104.2	0.8	6.3
	1,187.2	1,673.4	0.8	6.3

The interest rates per annum relating to fixed deposits at the reporting date for the Group ranged from 0.02% to 0.77% (2020: 0.55% to 3.01%).

Cash and cash equivalents are denominated mainly in:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Singapore dollars	652.8	740.0	0.3	6.1
United States dollars	454.2	786.8	0.2	0.2
Australian dollars	57.0	144.9	0.3	–
Chinese Yuan Renminbi	23.1	–	–	–
Others	0.1	1.7	–	–
	1,187.2	1,673.4	0.8	6.3

17 Regulatory deferral accounts

	Group	
	2021 $ million	2020 $ million
Net movement in RDA balances related to profit or loss	283.0	256.4
RDA related deferred tax movement	(33.7)	(44.4)
Net movement in RDA balances related to profit or loss and the related deferred tax movement	249.3	212.0

RDA debit balances and related deferred tax assets	At 1 April 2020 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2021 $ million
Deferral of revenue based on service rendered	115.6	(24.4)	394.5	2.3	488.0
Under recovery of revenue/volume variance	41.0	20.2	2.5	(99.2)	(35.5)
RDA related deferred tax assets	–	(0.7)	0.6	2.3	2.2
	156.6	(4.9)	397.6	(94.6)	454.7

RDA credit balances and related deferred tax liabilities	At 1 April 2020 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2021 $ million
Deferral of revenue based on service rendered	–	24.4	11.5	(24.7)	11.2
Over recovery of revenue/volume variances	–	(20.2)	(14.9)	11.0	(24.1)
RDA related deferred tax liabilities	(8.7)	0.7	(53.1)	16.5	(44.6)
	(8.7)	4.9	(56.5)	2.8	(57.5)

RDA debit balances and related deferred tax assets	At 1 April 2019 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2020 $ million
Deferral of revenue based on service rendered	110.2	(264.7)	178.2	91.9	115.6
Under recovery of revenue/volume variance	5.0	49.7	32.9	(46.6)	41.0
RDA related deferred tax assets	36.6	(36.6)	–	–	–
	151.8	(251.6)	211.1	45.3	156.6

RDA credit balances and related deferred tax liabilities	At 1 April 2019 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2020 $ million
Deferral of revenue based on service rendered	(264.7)	264.7	–	–	–
Over recovery of revenue/volume variances	49.7	(49.7)	–	–	–
RDA related deferred tax liabilities	(0.9)	36.6	(36.7)	(7.7)	(8.7)
	(215.9)	251.6	(36.7)	(7.7)	(8.7)

The recovery/reversal period of RDA debit and credit balances are directed by the EMA.

SP PowerAssets Limited is currently the sole electricity transmission and distribution company in Singapore, and PowerGas Limited is currently the sole gas transmission and distribution company in Singapore. The EMA may not terminate SP PowerAssets Limited's Transmission Licence or

PowerGas Limited's Gas Transporter Licence except by giving 25 years' notice, or otherwise revoking the Transmission Licence or the Gas Transporter Licence in accordance with the Electricity Act or the Gas Act, respectively (including where the EMA is satisfied that SP PowerAssets Limited or PowerGas Limited (as the case may be) has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires). The Group therefore considers the exposure on recovery of regulatory deferral debit balances to be minimal.

SP Services Limited is currently the sole Market Support Services Licensee in Singapore. Allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period from 1 April 2018 to 31 March 2023 in accordance with the price regulation framework.

Singapore District Cooling Pte Ltd ("SDC") principal activities relates to the provision of district cooling service. The revenue corresponds to what SDC is entitled to under Condition 13 of its District Cooling Services License issued by EMA. The over/under recovery of revenue variances arises from the difference between tariff billings and the entitled revenue and is recovered over the next 12 months or 24 months period subject to EMA's agreement. Given that the majority of the customers are in a mandated zone where they have to subscribe to cooling services from SDC, the Group considers the exposure on recovery of regulatory deferral debit balances to be minimal.

18 Share capital

	Company	
	2021 No. of shares million	**2020 No. of shares million**
Ordinary shares		
Issued and fully-paid, with no par value		
At 1 April and at 31 March	2,911.9	2,911.9

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

19 Reserves

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Currency translation reserve	(363.4)	(810.1)	–	–
Hedging reserve	(89.8)	(282.7)	–	0.3
Other reserves	28.9	19.6	–	–
	(424.3)	(1,073.2)	–	0.3

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$ million	**$ million**	**$ million**	**$ million**
Hedging reserves				
At beginning of year	(282.7)	(130.4)	0.3	0.2
Effective portion of changes in fair value of cash flow hedges:				
- Interest rate risk	37.0	(20.5)	–	(0.8)
- Foreign exchange risk	(5.3)	1.1	(0.2)	0.4
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax:				
- Interest rate risk	10.2	11.2	–	0.2
Net change in fair value of cash flow hedges, on recognition of the hedged items on balance sheet, net of tax:				
- Foreign exchange risk	2.1	0.3	(0.1)	0.3
Share of associates' hedging reserve	148.9	(144.4)	–	–
At end of year	(89.8)	(282.7)	–	0.3

Other reserves comprise the following:

	Group	
	2021	**2020**
	$ million	**$ million**
Actuarial reserve	30.3	21.0
Revaluation reserve	16.5	16.5
Others	(17.9)	(17.9)
	28.9	19.6

Others in other reserve is the difference amount of $17.9 million, between the cash consideration of $70.0 million and the value of minority interests of $52.1 million, which arose from an equity transaction for the acquisition of the remaining 40 per cent shareholding in a subsidiary, Singapore District Cooling Pte Ltd, on 30 March 2015.

20 Debt obligations

Principal amount	Date of maturity	Group 2021 $ million	Group 2020 $ million
Fixed rate notes			
SGD 500 million	May 2020	–	499.9
SGD 280 million	August 2020	–	280.7
SGD 100 million	August 2022	103.5	105.1
USD 500 million [(1)]	September 2022	671.7	709.9
JPY 15 billion [(2)]	April 2024	182.4	203.7
SGD 75 million	May 2024	81.0	81.6
USD 700 million [(3)]	November 2025	987.7	1,078.4
JPY 7 billion [(4)]	October 2026	87.3	97.1
USD 600 million [(5)]	September 2027	846.2	947.3
USD 600 million [(6)]	February 2029	880.9	1,009.0
SGD 100 million	May 2029	111.1	116.1
SGD 250 million	September 2032	249.2	249.1
		4,201.0	5,377.9
Floating rate loan			
EMA loan [(7)]	By June 2024	342.3	203.2
		4,543.3	5,581.1

(1) USD 500 million swapped to SGD 623.8 million
(2) JPY 15 billion swapped to SGD 230.0 million
(3) USD 700 million swapped to SGD 996.0 million
(4) JPY 7 billion swapped to SGD 114.7 million
(5) USD 600 million swapped to SGD 808.5 million
(6) USD 600 million swapped to SGD 810.5 million
(7) The Group acts as an intermediary in administering the market settlement for a regulatory scheme. The EMA has entered into loan agreements with the Group in facilitating the above arrangement. The loan agreements are only for the purpose of settling payments, collections and costs for the implementation of the regulatory scheme. The floating rate SGD loan is unsecured, bears interest at rates ranging from 0.46% to 1.00% (2020: 0.69% to 2.36%) per annum and is repayable monthly based on net collection under the regulatory scheme until loan maturity or full repayment whichever is earlier.

Interest rates on debt obligations denominated in Singapore dollars range from 0.46% to 5.07% (2020: 0.69% to 5.07%) per annum. Interest rates on foreign currency debt obligations range from 1.95% to 3.38% (2020: 1.95% to 3.38%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	2020	Cash flows	Non-cash changes						2021
	$ million	$ million	Additions $ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans									
Current	795.9	(641.1)	–	–	–	(0.5)	–	19.3	173.6
Non-current	4,785.2	–	–	(208.8)	(188.3)	0.9	–	(19.3)	4,369.7
Lease liabilities									
Current	5.5	(7.3)	–	–	–	–	–	7.7	5.9
Non-current	39.5	–	1.4	–	–	–	1.7	(7.7)	34.9
	5,626.1	(648.4)	1.4	(208.8)	(188.3)	0.4	1.7	–	4,584.1

	2019	Cash flows	Non-cash changes						2020
	$ million	$ million	Additions $ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans									
Current	161.6	(170.5)	–	9.1	–	(0.2)	–	795.9	795.9
Non-current	5,064.2	–	–	180.9	349.9	(13.9)	–	(795.9)	4,785.2
Lease liabilities									
Current	–	–	–	–	–	–	–	5.5	5.5
Non-current	–	(5.6)	48.8	–	–	–	1.8	(5.5)	39.5
	5,225.8	(176.1)	48.8	190.0	349.9	(14.1)	1.8	–	5,626.1

21 Other non-current liabilities

	Note	Group 2021 $ million	Group 2020 $ million
Deferred income	21a	238.5	277.6
Deferred construction costs compensation	21b	259.3	259.3
Provisions	21c	1.0	1.2
		498.8	538.1

21a Deferred income

	Group 2021 $ million	Group 2020 $ million	Company 2021 $ million	Company 2020 $ million
Government grants	70.0	92.0	0.9	2.4
Compensation for operating expenses	–	15.0	–	–
Customer contributions	565.2	565.2	–	–
	635.2	672.2	0.9	2.4
Accumulated accretion:				
Government grants	(51.6)	(51.0)	–	–
Customer contributions	(343.5)	(324.9)	–	–
	(395.1)	(375.9)	–	–
	240.1	296.3	0.9	2.4
Current (Note 22a)	1.6	18.7	0.9	2.4
Non-current (Note 21)	238.5	277.6	–	–
	240.1	296.3	0.9	2.4

Movements in accumulated accretion are as follows:

	Group 2021 $ million	Group 2020 $ million
Government grants		
At 1 April	51.0	48.6
Accretion	5.4	2.4
Written off during the financial year	(4.8)	–
At 31 March	51.6	51.0
Customer contributions		
At 1 April	324.9	306.4
Accretion	18.6	18.5
At 31 March	343.5	324.9

21b Deferred construction cost compensation

	Group	
	2021	**2020**
	$ million	**$ million**
Deferred construction cost compensation	259.3	259.3

21c Provisions

	Group			Company
	Restoration	**Others**	**Total**	**Restoration**
	$ million	**$ million**	**$ million**	**$ million**
At 1 April 2019	3.2	0.6	3.8	0.1
Provision made	0.7	–	0.7	–
Provision reversed	(0.4)	(0.1)	(0.5)	–
At 31 March 2020	3.5	0.5	4.0	0.1
Provision made	1.2	–	1.2	–
Provision reversed	–	(0.5)	(0.5)	(0.1)
At 31 March 2021	4.7	–	4.7	–

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$ million	**$ million**	**$ million**	**$ million**
Current (Note 22a)	3.7	2.8	–	0.1
Non-current (Note 21)	1.0	1.2	–	–
	4.7	4.0	–	0.1

Restoration

A provision for restoration cost is recognised when a Group entity has a legal or constructive obligation to make good and restore a site. The expected future restoration cost is discounted using a pre-tax rate which is the basis of the provision recognised. The unwinding of the discount increases the net present value of the expected liability over time, which is recognised as an accretion expense in profit or loss.

Others

Other provisions relate mainly to the general operations of the business.

22 Trade and other payables

	Note	Group		Company	
		2021 $ million	2020 $ million	2021 $ million	2020 $ million
Customers' deposits		224.2	240.5	–	–
Trade payables					
- Third parties		180.7	256.7	4.7	8.4
- Subsidiaries		–	–	10.7	20.2
- Joint ventures		3.8	1.3	–	–
- Related corporations		5.1	9.0	0.1	1.2
Other payables and accruals	22a	877.2	846.3	27.5	36.3
Liability for employee entitlements		23.4	15.9	4.0	3.5
		1,314.4	1,369.7	47.0	69.6

Payables are denominated mainly in the functional currencies of the respective Group entities.

Balances with related corporations are unsecured, with credit terms ranging from 7 to 30 days (2020: 7 to 30 days) and are denominated in Singapore dollars.

22a Other payables and accruals

	Note	Group		Company	
		2021 $ million	2020 $ million	2021 $ million	2020 $ million
Accrued operating and capital expenditure		539.0	526.3	26.3	33.6
Advance receipts		206.5	163.0	0.3	0.2
Amounts due to utility suppliers		59.7	87.9	–	–
Interest payable		13.3	30.3	–	–
Deferred income	21a	1.6	18.7	0.9	2.4
Provisions	21c	3.7	2.8	–	0.1
Others		53.4	17.3	–	–
		877.2	846.3	27.5	36.3

Payables are denominated mainly in the functional currencies of the respective Group entities.

23 Revenue

a) Disaggregation of revenue

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Sale of electricity	1,683.1	2,147.0	–	–
Use of system charges and transportation of gas	1,530.5	1,493.5	–	–
Market Support Services fees	181.0	167.4	–	–
Agency fees	110.0	106.2	–	–
District cooling service income	69.5	79.4	–	–
Support service income	–	–	92.3	93.6
Revenues from services	3,574.1	3,993.5	92.3	93.6
Rental income	–	–	0.9	1.2
Dividend income from subsidiaries and joint ventures	–	–	661.0	500.9
Others	–	–	0.6	1.6
	3,574.1	3,993.5	754.8	597.3

Revenue is recognised when the services are transferred over time.

b) Transaction price allocated to remaining performance obligations

The Group has applied the practical expedient not to disclose information about its remaining performance obligations as the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

24 Other income

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Income relating to diversion jobs	30.4	39.2	–	–
Income relating to supply of telecommunication systems	1.4	1.0	–	–
Sale of scrap	10.3	18.4	–	–
Customer contribution	23.9	21.0	–	–
Finance lease income	20.1	20.8	–	–
Rental income	4.3	4.4	–	–
Exchange gain, net	14.7	–	2.1	–
Others	83.8	52.5	7.4	–
	188.9	157.3	9.5	–

Included within Others are government grant income of $34.8 million and $7.4 million for the Group and the Company (2020: $Nil) respectively relating to the Jobs Support Scheme ("JSS") and property tax rebates passed on by landlords as part of the Covid-19 support measures introduced in the Singapore Budget 2020 to assist enterprises with their cash flows and retain local employees.

25 Finance income

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Interest income receivable or received from:				
- Subsidiaries	–	–	33.9	46.7
- Associates	32.3	30.6	–	–
- Banks	12.2	37.5	–	2.0
- Finance lease	0.8	0.8	–	–
- Investments in debt and equity securities	–	2.6	–	2.6
Others	–	0.3	–	–
	45.3	71.8	33.9	51.3

26 Finance costs

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Interest expense payable or paid to:				
- Banks	1.1	4.1	–	–
- Debt obligations	78.6	140.1	–	–
Net change in fair value of cash flow hedges reclassified from equity	10.6	5.1	–	0.2
(Gain)/loss arising from financial assets and liabilities in a fair value hedge				
- Hedged items	(188.3)	349.9	–	–
- Hedging instruments	174.3	(332.0)	–	–
Net change in fair value of financial assets and liabilities designated at fair value through profit or loss	1.6	6.4	–	–
Loss on disposal of investments	–	1.6	–	1.6
Net fair value (gain)/loss on equity investments at FVTPL	(3.8)	1.6	–	–
Amortisation of transaction costs capitalised	3.5	3.8	–	–
Ineffective portion of changes in fair value of cash flow hedges reclassified from equity	1.6	8.4	–	–
Amortisation of fair value adjustments on fair value hedges	(2.7)	(17.6)	–	–
Commitment fees	1.5	1.5	–	–
Interest on lease liabilities	1.7	1.8	0.1	0.2
Others	–	0.6	–	0.2
	79.7	175.3	0.1	2.2

27 Tax expense

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Tax recognised in profit or loss				
Current tax expense/(credit)				
Current year	97.2	102.5	0.2	8.3
Over provision in respect of prior years	(25.5)	(1.5)	(7.0)	(1.3)
	71.7	101.0	(6.8)	7.0
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	105.6	62.8	1.5	(0.6)
Under provision in respect of prior years	20.5	0.2	–	–
	126.1	63.0	1.5	(0.6)
Total tax expense/(credit)	197.8	164.0	(5.3)	6.4

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Reconciliation of effective tax rate:				
Profit before tax from continuing operations	925.2	968.4	643.3	531.4
Tax calculated using Singapore tax rate of 17%	157.3	164.6	109.4	90.3
Non-deductible expenses	23.0	28.5	12.1	5.0
Effects of results of associates and joint ventures, net of tax	(29.6)	(25.3)	–	–
Tax effects on undistributed earnings of associates	36.9	7.0	–	–
(Over)/under provision in respect of prior years:				
- current tax	(25.5)	(1.5)	(7.0)	(1.3)
- deferred tax	20.5	0.2	–	–
Non-taxable income and tax allowances	(10.6)	(8.6)	(114.5)	(84.8)
Current year losses for which no deferred tax asset was recognised	7.1	0.1	–	–
Benefits from group relief	–	–	(6.1)	(2.2)
Others	18.7	(1.0)	0.8	(0.6)
	197.8	164.0	(5.3)	6.4

Tax recognised in other comprehensive income	2021 Before tax $ million	2021 Tax credit / (expense) $ million	2021 Net of tax $ million	2020 Before tax $ million	2020 Tax credit / (expense) $ million	2020 Net of tax $ million
Group						
Translation differences relating to financial statements of foreign operations	446.7	–	446.7	(263.0)	–	(263.0)
Effective portion of changes in fair value of cash flow hedges	38.3	(6.6)	31.7	(22.7)	3.3	(19.4)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss	12.3	(2.1)	10.2	13.5	(2.3)	11.2
- Cash flow hedges on recognition of the hedged items on balance sheet	2.5	(0.4)	2.1	0.4	(0.1)	0.3
- Investments in equity/debt securities at FVOCI	–	–	–	0.2	(0.2)	–
Share of other comprehensive income of associates	158.2	–	158.2	(149.7)	–	(149.7)
	658.0	(9.1)	648.9	(421.3)	0.7	(420.6)

	2021 Before tax $ million	2021 Tax credit / (expense) $ million	2021 Net of tax $ million	2020 Before tax $ million	2020 Tax credit / (expense) $ million	2020 Net of tax $ million
Company						
Effective portion of changes in fair value of cash flow hedges	(0.3)	0.1	(0.2)	(0.1)	(0.3)	(0.4)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss	–	–	–	0.2	–	0.2
- Cash flow hedges on recognition of the hedged items on balance sheet	(0.3)	0.2	(0.1)	0.4	(0.1)	0.3
- Investments in equity/debt securities at FVOCI	–	–	–	1.8	(0.2)	1.6
	(0.6)	0.3	(0.3)	2.3	(0.6)	1.7

28 Profit for the year

The following items have been included in arriving at profit for the year:

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Fees paid to non-executive directors of the Company	1.5	1.7	1.5	1.7
Fees paid to non-executive directors of subsidiaries of the Group	0.3	0.3	–	–
Exchange (gain)/ loss, net	(14.7)	15.5	(2.1)	0.5
Contributions to defined contribution plans included in staff costs	46.7	44.5	5.6	5.7

29 Related parties

For the purpose of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"), which is its holding company and is incorporated in the Republic of Singapore. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. Accordingly, all the subsidiaries of Temasek are related corporations and are subject to common control. The Group and the Company engage in a wide variety of transactions with related corporations in the normal course of business on terms similar to those available to other customers. Such transactions include but are not limited to sales and purchases of power, provision of consultancy and engineering services, leasing of cables and ducts, agency services and financial and banking services. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

All transactions with companies in Temasek group are related party transactions. The Temasek group has extensive interests in a large number of companies. As the Group's rates for use of system charges, transportation of gas, sales of electricity and Market Support Services fees are based on posted tariffs approved by EMA, the Group has concluded that it is not meaningful to present such information.

Other than electricity sales and transactions to related corporations included under Temasek group and those sales and transactions disclosed elsewhere in the financial statements, significant transactions with related parties are as follows:

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Related corporations				
- Agency fee income	5.6	5.0	–	–
- Revenue from leasing of ducts and substations	–	0.3	–	–
- Contingent rent from finance lease	20.1	20.7	–	–
Subsidiaries				
- Dividend income	–	–	660.0	499.2
- Support service income	–	–	92.3	93.6
- Interest income	–	–	33.9	46.7
Associates				
- Dividend income	209.2	187.8	–	–
Joint ventures				
- Dividend income	1.0	1.7	1.0	1.7
- Revenue and ancillary service from leasing of ducts and substations	7.7	7.1	–	–

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Key management compensation				
- Short-term employee benefits	20.3	22.6	17.1	18.9

30 Operating segments

(a) Analysis by business segments

The Group is organised into four main reportable segments, namely:

- Singapore Transmission & Distribution ("T&D") segment – Includes transmission and distribution of electricity and transportation of gas. This reportable segment has been formed by aggregating the electricity transmission and distribution segment and transportation of gas segment, which are regarded by management to exhibit similar economic characteristics. In making this judgement, management considers the services offered by these segments such as use of system charges and transportation of gas as being common areas.

- Australia segment – Includes mainly the transmission and distribution of electricity and gas and asset management business.

- Market support business segment – Includes sales of electricity, market support services to the electricity market and provision of support services for mainly the local utility suppliers and waste collection service providers.

- Others – Includes investment holding services, management consultancy services, leasing of ducts and substations, district cooling services, engineering and commission services in the field of power quality monitoring system, protection systems and power systems substation control system.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Information about reportable segments

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2021						
External revenue	1,530.4	–	1,974.1	69.6	–	3,574.1
Inter-segment revenue	343.3	–	38.9	–	(382.2)	–
	1,873.7	–	2,013.0	69.6	(382.2)	3,574.1
Segment result	1,491.9	–	92.0	678.7	(663.5)	1,599.1
Depreciation	(708.8)	–	(14.8)	(33.8)	–	(757.4)
Amortisation	(9.7)	–	(37.9)	(8.5)	–	(56.1)
Finance income	1.8	–	7.1	152.0	(115.6)	45.3
Finance costs	(174.5)	–	(1.5)	(19.3)	115.6	(79.7)
Share of profits of associates	–	180.0	–	–	–	180.0
Share of losses of joint ventures	–	–	–	(6.0)	–	(6.0)
Profit/(loss) before taxation	600.7	180.0	44.9	763.1	(663.5)	925.2
Tax expense	(115.0)	–	(23.2)	(59.6)	–	(197.8)
Profit/(loss) for the year	485.7	180.0	21.7	703.5	(663.5)	727.4
Net movement in RDA balances related to profit or loss and the related deferred tax movement	164.0	–	84.7	0.6	–	249.3
Profit for the year and net movements in RDA balances, attributable to owner of the Company	649.7	180.0	106.4	704.1	(663.5)	976.7

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2021						
Segment assets and liabilities						
Other assets	14,298.3	–	1,432.3	6,755.4	(5,035.1)	17,450.9
Associates and joint ventures	–	2,864.8	–	42.4	–	2,907.2
Segment assets	14,298.3	2,864.8	1,432.3	6,797.8	(5,035.1)	20,358.1
Segment liabilities	10,364.1	–	951.5	2,098.6	(5,035.1)	8,379.1
Capital expenditure	918.8	–	31.4	28.0	–	978.2

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2020						
External revenue	1,493.5	–	2,420.5	79.5	–	3,993.5
Inter-segment revenue	411.1	–	42.5	–	(453.6)	–
	1,904.6	–	2,463.0	79.5	(453.6)	3,993.5
Segment result	1,556.3	–	160.9	474.4	(499.6)	1,692.0
Depreciation	(665.3)	–	(16.9)	(29.6)	–	(711.8)
Amortisation	(13.1)	–	(37.6)	(6.5)	–	(57.2)
Finance income	3.7	–	12.6	156.9	(101.4)	71.8
Finance costs	(223.0)	–	(4.8)	(48.9)	101.4	(175.3)
Share of profits of associates	–	150.8	–	–	–	150.8
Share of losses of joint ventures	–	–	–	(1.9)	–	(1.9)
Profit/(loss) before taxation	658.6	150.8	114.2	544.4	(499.6)	968.4
Tax expense	(122.4)	–	(19.0)	(22.6)	–	(164.0)
Profit/(loss) for the year	536.2	150.8	95.2	521.8	(499.6)	804.4
Net movement in RDA balances related to profit or loss and the related deferred tax movement	220.2	–	(4.8)	(3.4)	–	212.0
Profit for the year and net movements in RDA balances, attributable to owner of the Company	756.4	150.8	90.4	518.4	(499.6)	1,016.4

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2020						
Segment assets and liabilities						
Other assets	14,016.1	–	1,194.3	6,428.5	(3,897.3)	17,741.6
Associates and joint ventures	–	2,253.5	–	48.8	–	2,302.3
Segment assets	14,016.1	2,253.5	1,194.3	6,477.3	(3,897.3)	20,043.9
Segment liabilities	10,313.6	–	766.4	2,101.8	(3,897.3)	9,284.5
Capital expenditure	1,114.6	–	28.2	67.6	–	1,210.4

(b) Analysis by types of services

Revenue is based on services rendered regardless of geographical areas of the operations or assets.

	2021 $ million	2020 $ million
Sales of electricity	1,683.1	2,147.0
Use of system charges	1,283.1	1,234.1
Transportation of gas	247.4	259.4
Market Support Services fees	181.0	167.4
Agency fees	110.0	106.2
District cooling service income	69.5	79.4
	3,574.1	3,993.5

(c) Analysis by geographic areas

Revenue is based on location of the operations. Non-current assets information presented below consist of property, plant and equipment, investment property under development, intangible assets and investments in associates based on location of those assets as presented in the consolidated balance sheets.

	Revenue		Non-current assets	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Singapore	3,565.3	3,989.6	14,571.2	14,417.3
Australia	–	–	2,864.8	2,253.5
China	8.8	3.9	43.5	43.4
	3,574.1	3,993.5	17,479.5	16,714.2

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial year ended 31 March 2020 and 31 March 2021.

31 Financial risk management

The Group’s activities expose it to foreign currency, interest rate, market price, credit and liquidity risks which arise in the normal course of business. The Group manages its exposure to these risks in accordance with its risk management policies. The Executive Committee and Board Risk Management Committee review and approve risk management policies. The Board Risk Management Committee assists the Board of Directors in managing the risks of the Group.

The 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.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risks.

Foreign currency risk

The Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, cash and cash equivalents and trade creditors which are denominated in currencies other than Singapore dollars (or the functional currency in the case of foreign subsidiaries).

The objective of the Group's risk management policies is to mitigate foreign exchange risk by utilising various hedging instruments. The Group therefore considers avoidable currency risk exposure to be minimal for the Group.

The Group enters into cross-currency interest rate swaps to manage exposures arising from foreign currency borrowings including the US dollar and Japanese Yen. Under cross-currency interest rate swaps, the 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 the 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 dollars or the functional currency of the subsidiary concerned. For foreign exchange swaps that do not meet the requirements of hedge accounting, changes in fair value are recorded in profit or loss.

The 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 forecasted 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.

The Group's investments in its overseas subsidiaries, which are denominated in foreign currencies, are managed on a case-by-case basis.

As at 31 March 2021, the Group has outstanding forward foreign exchange contracts and foreign exchange swaps with notional amounts of approximately $774.7 million (2020: $948.8 million). The net fair value of forward foreign exchange contracts and foreign exchange swaps for the Group as at 31 March 2021 was $3.9 million net liabilities (2020: $29.6 million net liabilities) comprising assets of $4.0 million (2020: $3.3 million) and liabilities of $7.9 million (2020: $32.9 million). These amounts were recognised as derivative assets and liabilities respectively.

Sensitivity analysis for foreign currency risk

As at 31 March 2021 and 2020, if the SGD 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:

	Group		Company	
	Profit before tax $ million	**Equity (hedging reserve) $ million**	**Profit before tax $ million**	**Equity (hedging reserve) $ million**
Judgements of reasonably possible movements – (decrease)/increase:				
2021				
US Dollar				
Increase of the SGD by 5 per cent against US Dollar	–	(6.7)	–	(0.2)
Decrease of the SGD by 5 per cent against US Dollar	–	6.7	–	0.2
Euro				
Increase of the SGD by 7 per cent against Euro	(0.7)	(3.1)	–	–
Decrease of the SGD by 7 per cent against Euro	0.7	3.1	–	–
Japanese Yen				
Increase of the SGD by 10 per cent against Japanese Yen	–	(4.5)	–	–
Decrease of the SGD by 10 per cent against Japanese Yen	–	4.5	–	–
Australian Dollar				
Increase of the SGD by 9 per cent against Australian Dollar	(4.2)	–	–	–
Decrease of the SGD by 9 per cent against Australian Dollar	4.2	–	–	–
Chinese Yuan Renminbi				
Increase of the SGD by 6 per cent against Chinese Yuan Renminbi	–	(0.4)	–	–
Decrease of the SGD by 6 per cent against Chinese Yuan Renminbi	–	0.4	–	–
United Kingdom Pounds				
Increase of the SGD by 12 per cent against United Kingdom Pounds	(1.5)	–	–	–
Decrease of the SGD by 12 per cent against United Kingdom Pounds	1.5	–	–	–

	Group		Company	
	Profit before tax $ million	Equity (hedging reserve) $ million	Profit before tax $ million	Equity (hedging reserve) $ million
Judgements of reasonably possible movements – (decrease)/increase:				
2020				
US Dollar				
Increase of the SGD by 7 per cent against US Dollar	–	(0.7)	–	(0.5)
Decrease of the SGD by 7 per cent against US Dollar	–	0.7	–	0.5
Euro				
Increase of the SGD by 9 per cent against Euro	–	(3.0)	–	–
Decrease of the SGD by 9 per cent against Euro	–	3.0	–	–
Japanese Yen				
Increase of the SGD by 10 per cent against Japanese Yen	–	(5.7)	–	–
Decrease of the SGD by 10 per cent against Japanese Yen	–	5.7	–	–
Australian Dollar				
Increase of the SGD by 11 per cent against Australian Dollar	(16.6)	0.8	–	0.8
Decrease of the SGD by 11 per cent against Australian Dollar	16.6	(0.8)	–	(0.8)
Chinese Yuan Renminbi				
Increase of the SGD by 7 per cent against Chinese Yuan Renminbi	(1.8)	(0.6)	–	–
Decrease of the SGD by 7 per cent against Chinese Yuan Renminbi	1.8	0.6	–	–
United Kingdom Pounds				
Increase of the SGD by 13 per cent against United Kingdom Pounds	(1.0)	–	–	–
Decrease of the SGD by 13 per cent against United Kingdom Pounds	1.0	–	–	–
Malaysian Ringgit				
Increase of the SGD by 10 per cent against Malaysian Ringgit	–	0.4	–	–
Decrease of the SGD by 10 per cent against Malaysian Ringgit	–	(0.4)	–	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) of the best and worst expected outcomes having regard to actual historical exchange rate data over the previous five years. Management considers that past movements are a reasonable basis for estimating possible movements in foreign currency exchange rates.

Interest rate risk

The Group manages its interest rate exposure by maintaining a significant portion of its debt at fixed interest rates. This is done by the (i) issuance of fixed rate debt; (ii) use of interest rate swaps to convert floating rate debt to fixed rate debt; or (iii) 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.

Managing interbank offered rates reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, to replace interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group holds interest rate swaps and cross-currency interest rate swaps indexed to the Singapore Swap Offer Rate ("SOR") for risk management purposes which are designated in hedging relationships. The Group's exposure to SOR designated in hedging relationships has nominal amount of $8,579.9 million as at 31 March 2021, representing both the nominal amount of the hedging interest rate and cross-currency interest rate swaps with maturities up to 2029.

While the timing and the methods of transition of the IBORs are still uncertain, the Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group will be engaging with counterparties to include appropriate fall-back provisions for its affected derivative and to assess the impact of IBOR reform once there is clarity to the timing and methods of transition for the IBORs.

As at 31 March 2021, the Group has interest rate and cross-currency interest rate swaps with a notional amount of $9,203.5 million (2020: $9,713.5 million). The Group classifies these swaps as cash flow and fair value hedges except in 2020, for swaps of notional amount of $1,410.0 million that do not meet the requirements of hedge accounting in which case, changes in fair value are recorded in the profit or loss. The net fair value of swaps of the Group as at 31 March 2021 was $154.7 million net assets (2020: $484.4 million net assets) comprising assets of $255.7 million (2020: $560.8 million) and liabilities of $101.0 million (2020: $76.4 million). These amounts are recognised as derivative assets and liabilities respectively. The Group's excess funds are principally invested in bank deposits of varying maturities to match its cash flow needs.

At the reporting 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:

	Group		Company	
	Profit before tax $ million	**Equity (hedging reserve) $ million**	**Profit before tax $ million**	**Equity (hedging reserve) $ million**
Judgements of reasonably possible movements – increase/(decrease):				
2021				
Increase with all other variables held constant	11.8	121.0	–	–
Decrease with all other variables held constant	(12.4)	(127.2)	–	–
2020				
Increase with all other variables held constant	6.9	46.5	–	–
Decrease with all other variables held constant	(8.6)	(46.7)	–	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) best and worst expected outcomes having regard to actual historical interest rate data over the previous five years based on the six-month Singapore swap offer rate (for Singapore operations), three-month USD London interbank offer rate ("LIBOR") and six-month JPY LIBOR. Management considers that past movements are a reasonable basis for estimating possible movements in interest rates. As at 31 March 2021, the movements in interest rates used in the table above are as follows:

- Singapore interest rates – 112 basis points (2020: 89 basis points)
- United States interest rates – 165 basis points (2020: 93 basis points)
- Japan interest rates – 9 basis points (2020: 9 basis points)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). As at 31 March 2020, the Group is exposed to price risk arising from its investment in fixed income securities. These securities are mainly listed in Singapore and are classified as investment in debt securities. As at 31 March 2021, the Group is not exposed to material price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

The Group provides for lifetime ECL for all trade receivables using a provision matrix as disclosed in Note 15. The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. As at 31 March 2021 and 2020, other receivables have been assessed to be subject to immaterial ECL.

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. The Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk. The Group held cash and cash equivalents of $1,187.2 million (2020: $1,673.4 million) which represents its maximum exposure on these assets.

Counterparty risks on derivatives are generally restricted to any gain or loss when marked to market, and not on the notional amount transacted. As a prudent measure, the 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 receivables. 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, the Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The 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 programmes.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group **2021**	**Carrying amount** **$ million**	**Total contractual cash (outflows)/ inflows** **$ million**	**Within 1 year** **$ million**	**1 – 2 years** **$ million**	**2 – 5 years** **$ million**	**More than 5 years** **$ million**
Non-derivative financial liabilities						
Trade and other payables*	(1,079.2)	(1,079.2)	(1,079.2)	–	–	–
Lease liabilities	(40.8)	(56.3)	(7.8)	(8.3)	(11.8)	(28.4)
Debt obligations	(4,543.3)	(5,122.2)	(304.3)	(954.4)	(1,616.9)	(2,246.6)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	255.7	304.2	68.3	111.5	102.2	22.2
Forward exchange contracts						
- Inflow		407.9	372.2	35.7	–	–
- Outflow		(403.9)	(368.7)	(35.2)	–	–
	4.0	4.0	3.5	0.5	–	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(101.0)	(120.4)	(16.7)	(10.7)	(61.9)	(31.1)
Forward exchange contracts						
- Inflow		377.0	354.3	21.5	1.2	–
- Outflow		(384.9)	(360.8)	(22.9)	(1.2)	–
	(7.9)	(7.9)	(6.5)	(1.4)	–	–
Total	(5,512.5)	(6,077.8)	(1,342.7)	(862.8)	(1,588.4)	(2,283.9)

Group **2020**	**Carrying amount** **$ million**	**Total contractual cash (outflows)/ inflows** **$ million**	**Within 1 year** **$ million**	**1 – 2 years** **$ million**	**2 – 5 years** **$ million**	**More than 5 years** **$ million**
Non-derivative financial liabilities						
Trade and other payables*	(1,169.3)	(1,169.3)	(1,169.3)	–	–	–
Lease liabilities	(45.0)	(61.5)	(7.9)	(7.3)	(15.1)	(31.2)
Debt obligations	(5,581.1)	(6,147.9)	(946.5)	(196.0)	(1,558.8)	(3,446.6)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	560.8	555.5	63.5	64.0	230.8	197.2
Forward exchange contracts						
- Inflow		149.0	89.5	40.3	19.2	–
- Outflow		(145.6)	(87.2)	(39.5)	(18.9)	–
	3.3	3.4	2.3	0.8	0.3	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(76.4)	(111.2)	(21.9)	(11.5)	(54.6)	(23.2)
Forward exchange contracts						
- Inflow		818.2	798.4	11.4	8.4	–
- Outflow		(851.2)	(831.1)	(11.7)	(8.4)	–
	(32.9)	(33.0)	(32.7)	(0.3)	–	–
Total	(6,340.6)	(6,964.0)	(2,112.5)	(150.3)	(1,397.4)	(3,303.8)

Company **2021**	**Carrying amount** **$ million**	**Total contractual cash (outflows)/ inflows** **$ million**	**Within 1 year** **$ million**	**1 – 2 years** **$ million**	**2 – 5 years** **$ million**	**More than 5 years** **$ million**
Non-derivative financial liabilities						
Trade and other payables*	(41.8)	(41.8)	(41.8)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		1.5	1.1	0.4	–	–
- Outflow		(1.5)	(1.1)	(0.4)	–	–
	–#	–#	–#	–	–	–
Derivative liabilities						
Forward exchange contracts						
- Inflow		3.5	3.5	–	–	–
- Outflow		(3.6)	(3.6)	–	–	–
	–#	(0.1)	(0.1)	–	–	–
Total	(41.8)	(41.9)	(41.9)	–	–	–

Company 2020	**Carrying amount $ million**	**Total contractual cash (outflows)/ inflows $ million**	**Within 1 year $ million**	**1 – 2 years $ million**	**2 – 5 years $ million**	**More than 5 years $ million**
Non-derivative financial liabilities						
Trade and other payables*	(63.4)	(63.4)	(63.4)	–	–	–
Lease liabilities	(5.5)	(5.6)	(5.6)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		9.9	6.1	3.4	0.4	–
- Outflow		(9.6)	(5.9)	(3.3)	(0.4)	–
	0.3	0.3	0.2	0.1	–	–
Derivative liabilities						
Forward exchange contracts						
- Inflow		7.0	7.0	–	–	–
- Outflow		(7.1)	(7.1)	–	–	–
	(0.1)	(0.1)	(0.1)	–	–	–
Total	(68.7)	(68.8)	(68.9)	0.1	–	–

* Excluding advance receipts, liability for employee entitlements, provisions and deferred income
\# Amount is less than $0.1 million

For swap hedging instruments that are cash flow hedges, the tables above indicate the periods that they are expected to impact profit or loss.

Capital management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios and capital includes debt and equity items as disclosed in the table below.

	2021 $ million	2020 $ million
Gross borrowings	4,543.3	5,581.1
Less: Cash and cash equivalents	(1,187.2)	(1,673.4)
Net borrowings	3,356.1	3,907.7
Shareholder's funds	11,979.0	10,759.4
Total equity	11,979.0	10,759.4
Total borrowings and equity	16,522.3	16,340.5
Net borrowings and equity	15,355.1	14,667.1

There were no changes in the Group's approach to capital management during the financial year.

Neither the Company nor its subsidiaries are subject to any externally imposed capital requirement.

32 Fair values

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Debt obligations and derivative instruments

Fair values are measured using market observable data as at reporting date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

Financial guarantee contracts

The fair value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rate charged by the bank with this guarantee made available, with the estimated rate that the bank would have charged had this guarantee not been available.

The fair value of a financial guarantee provided by the Company to a supplier for the benefit of a related corporation is determined based on the difference in cash flows between the committed purchases from the supplier and committed sales to end-users at the inception of the financial guarantee. The fair value of the back-to-back guarantee issued to the subsidiary by the Company is recognised as a financial asset of the same fair value as the financial guarantee issued for the benefit of the related corporation.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and lease liabilities) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Fair values versus carrying amounts

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group's assets and liabilities that are carried at fair value mainly relate to debt investments at fair value through other comprehensive income, equity investments at fair value through profit or loss and derivative instruments which are measured using market observable data and as such are deemed as Level 1 and Level 2 respectively within the fair value hierarchy disclosure required under SFRS(I) 13 *Fair Value Measurement*, except for equity investments at fair value through profit or loss of $29.7 million (2020: $11.5 million) which are valued in accordance with the International Private Equity and Venture Capital guidelines (Level 3). The fair value and net fair value of remaining financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Appropriate transaction costs are included in the determination of net fair value.

The carrying amounts of the financial instruments carried at cost or amortised cost are deemed as Level 1 and Level 2. The financial instruments carried at cost or amortised cost approximates their fair values except as follows:

	2021		2020	
Group	**Carrying amount $ million**	**Fair value $ million**	**Carrying amount $ million**	**Fair value $ million**
Financial liabilities				
Fixed rate debt obligations	(4,201.0)	(4,339.2)	(5,377.9)	(5,324.7)

The table below sets out the comparison by category of carrying amounts of all the Group's financial instruments, shown in the balance sheets:

Group	**Amortised costs $ million**	**Fair value through profit or loss $ million**	**Derivatives used for hedging $ million**	**Fair value through other comprehensive income $ million**	**Other financial liabilities $ million**
2021					
Assets					
Equity investments at FVTPL	–	29.7	–	–	–
Finance lease receivables	7.9	–	–	–	–
Derivative assets	–	0.4	259.3	–	–
Convertible instrument	327.0	–	–	–	–
Other non-current receivables^	3.3	–	–	–	–
Trade and other receivables^	439.6	–	–	–	–
Cash and cash equivalents	1,187.2	–	–	–	–
	1,965.0	30.1	259.3	–	–
Liabilities					
Trade and other payables*	–	–	–	–	1,079.2
Lease liabilities	–	–	–	–	40.8
Derivative liabilities	–	0.9	108.0	–	–
Debt obligations	–	–	–	–	4,543.3
	–	0.9	108.0	–	5,663.3
2020					
Assets					
Debt investments at FVOCI	–	–	–	5.0	–
Equity investments at FVTPL	–	11.5	–	–	–
Finance lease receivables	8.4	–	–	–	–
Derivative assets	–	3.0	561.2	–	–
Convertible instrument	279.0	–	–	–	–
Other non-current receivables^	4.0	–	–	–	–
Trade and other receivables^	524.6	–	–	–	–
Cash and cash equivalents	1,673.4	–	–	–	–
	2,489.4	14.5	561.2	5.0	–
Liabilities					
Trade and other payables*	–	–	–	–	1,169.3
Lease liabilities	–	–	–	–	45.0
Derivative liabilities	–	1.4	108.0	–	–
Debt obligations	–	–	–	–	5,581.1
	–	1.4	108.0	–	6,795.4

Company	Amortised costs $ million	Fair value through profit or loss $ million	Derivatives used for hedging $ million	Fair value through other comprehensive income $ million	Other financial liabilities $ million
2021					
Assets					
Derivative assets	–	–	–#	–	–
Trade and other receivables^	3,067.5	–	–	–	–
Cash and cash equivalents	0.8	–	–	–	–
	3,068.3	–	–#	–	–
Liabilities					
Trade and other payables*	–	–	–	–	41.8
2020					
Assets					
Debt investments at FVOCI	–	–	–	5.0	–
Derivative assets	–	–	0.3	–	–
Trade and other receivables^	2,761.7	–	–	–	–
Cash and cash equivalents	6.3	–	–	–	–
	2,768.0	–	0.3	5.0	–
Liabilities					
Trade and other payables*	–	–	–	–	63.4
Lease liabilities	–	–	–	–	5.5
Derivative liabilities	–	–	0.1	–	–
	–	–	0.1	–	68.9

^ Excluding prepayments and finance lease receivables
* Excluding advance receipts, liability for employee entitlements, provisions and deferred income
# Amount is less than $0.1 million

33 Commitments

	Group		Company	
	2021 $ million	2020 $ million	2021 $ million	2020 $ million
Contracted but not provided for:				
- property, plant and equipment and intangible assets	496.7	828.1	9.6	11.0
- development of investment property	58.2	18.7	–	–
- others	21.4	20.0	–	–

Operating lease receivables

The table below sets out the maturity analysis of the undiscounted operating lease payments to be received after the reporting date:

	Group		Company	
	2021 $ million	**2020 $ million**	**2021 $ million**	**2020 $ million**
Within one year	1.1	1.6	0.5	0.5
One to two years	–	1.2	0.4	0.3
Two to three years	–	–	–	0.3
	1.1	2.8	0.9	1.1

34 Dividends

	Group and Company	
	2021 $ million	**2020 $ million**
Declared and paid during the financial year		
Dividends on ordinary shares		
- Final exempt (one-tier) dividend for year ended 31 March 2020: 13.9 cents (year ended 31 March 2019: 13.5 cents) per share	406.0	392.0

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Registration No. 199406577N

Singapore Power Limited and its subsidiaries

Annual Report
Year ended 31 March 2020

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Directors' statement

We are pleased to submit this annual report to the member of Singapore Power Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2020.

Opinion of the Directors

In our opinion,

(a) the financial statements set out on pages 10 to 99 are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries (the "Group") as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group and of the financial performance and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Tan Sri Mohd Hassan Marican
Mr Choi Shing Kwok
Mr Tan Puay Chiang
Mr Ong Yew Huat
Mr Timothy Chia Chee Ming
Mr Ng Kwan Meng
Mr Tan Kang Uei, Anthony
Ms Goh Swee Chen (appointed on 31 July 2019)
Mr Lee Kim Shin (appointed on 31 July 2019)
Mr Wong Kim Yin

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Tan Sri Mohd Hassan Marican		
Singapore Airlines Ltd - 3.13% Notes due 2026	S$250,000	S$250,000
CapitaLand Treasury Limited# - 4.076% Notes due 20 Sep 2022	–	USD200,000
Mr Choi Shing Kwok		
Singapore Telecommunications Limited	62,720	102,720
Singapore Technologies Engineering Limited	26,800	26,800
Ascendas Real Estate Investment Trust – units	40,000	47,000
CapitaLand Limited#	–	30,000
Mapletree Commercial Trust – units	–	54,000
Ascott Residence Trust – units	–	50,000
CapitaLand Commercial Trust# – units	–	35,000
CapitaLand Retail China Trust# – units	–	40,500
CapitaLand Mall Trust# – units	–	20,000
Mapletree Industrial Trust – units	–	40,000
Mapletree Logistics Trust – units	–	44,100

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Mr Tan Puay Chiang		
Singapore Airlines Limited	10,000	10,000
Singapore Technologies Engineering Limited	150,000	170,000
Singapore Telecommunications Limited	133,570	133,570
Mapletree Industrial Trust – units	12,000	12,000
Mapletree Commercial Trust Treasury Company Pte. Ltd. - 2.795% Fixed Rate Notes due on 15 Nov 2023	S$250,000	S$250,000
Singapore Technologies Telemedia Pte Ltd - 4.05% Notes due on 2 Dec 2025	S$250,000	S$250,000
ST Telemedia Global Data Centres Pte Limited - 3.59% Bonds due on 26 Sep 2024	–	S$250,000
Mr Ong Yew Huat		
Singapore Telecommunications Limited	50,000	–
Mr Timothy Chia Chee Ming		
Singapore Telecommunications Limited	2,070	2,070
Vertex Master Fund II (GP) Pte. Ltd. – Interest as limited partner in VMII Affiliates Fund LP	–	Commitment amount of USD250,000

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Mr Ng Kwan Meng		
Singapore Telecommunications Limited	45,350	45,350
Singapore Technologies Engineering Ltd	25,000	25,000
Starhub Ltd	6,000	6,000
Mapletree Commercial Trust – units	10,000	13,000
Mapletree North Asia Commercial Trust – units	22,000	22,000
Mapletree Industrial Trust – units	10,000	10,000
Ascendas Real Estate Investment Trust – units	10,000	10,000
CapitaLand Limited[#]	–	30,000
CapitaLand Commercial Trust[#] – units	–	32,200
CapitaLand Mall Trust[#] – units	–	40,000
Mr Tan Kang Uei, Anthony		
SIA Engineering Co Ltd	1,000	1,000
Singapore Airlines Limited	1,000	1,000
Singapore Telecommunications Limited	892	892
Astrea IV Pte. Ltd. - 4.35% Class-A1 Secured Bonds due 14 Jun 2028	S$5,000	S$5,000
Astrea V Pte. Ltd. - 3.85% Class-A1 Secured Bonds due 20 Jun 2029	–	**S$6,000**
Temasek Financial (IV) Private Limited - 2.7% T2023 Bond due on 25 Oct 2023	S$6,000	S$6,000
Singapore Airlines Limited - 3.03% S$ Bonds due 28 Mar 2024	S$30,000	S$30,000

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Ms Goh Swee Chen		
CapitaLand Limited[#]	20,217	20,217
Singapore Telecommunications Limited	5,000	5,000
Singapore Airlines Limited	–	1,300
Mr Lee Kim Shin		
CapitaLand Limited[#]	18,000	–
CapitaLand Commercial Trust[#] – units	120,000	–
Singapore Telecommunications Limited	1,550	190
Singapore Airlines Limited	–	5,300
Ascott Residence Trust - units	4,644	4,644
Mr Wong Kim Yin		
Singapore Telecommunications Limited	190	190
Mapletree Industrial Trust – units	30,506	30,506

[#] Related corporation with effect from 1 July 2019

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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

Share options

During the financial year, there were:

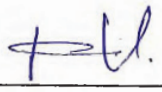
(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

On behalf of the Board of Directors

TAN SRI MOHD HASSAN MARICAN
Chairman



MR WONG KIM YIN
Director / Group Chief Executive Officer

4 June 2020

Building a better working world

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Independent Auditor's Report
For the financial year ended 31 March 2020

Independent Auditor's Report to the Member of Singapore Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Power Limited (the "Company") and its subsidiaries (the "Group") set out on pages 10 to 99, which comprise the balance sheets of the Group and the Company as at 31 March 2020, the income statements, statements of comprehensive income, statements of changes in equity of the Group and the Company and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of the financial performance, changes in equity of the Group and the Company and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the directors' statement.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

4 June 2020

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Balance sheets
As at 31 March 2020

	Note	Group 2020 $ million	Group 2019 $ million	Company 2020 $ million	Company 2019 $ million
Non-current assets					
Property, plant and equipment	4	13,522.7	13,039.9	22.9	14.4
Intangible assets	6	167.6	189.0	14.9	18.9
Investment property under development	7	721.6	713.1	–	–
Subsidiaries	8	–	–	5,608.3	5,907.3
Associates and joint ventures	9	2,302.3	2,635.7	45.4	45.4
Other non-current assets	10	291.1	320.0	–	–
Deferred tax assets	11	34.3	23.3	–	–
Derivative assets	12	558.9	104.2	0.2	–#
Investments in debt and equity securities	13	11.5	16.8	–	5.0
		17,610.0	17,042.0	5,691.7	5,991.0
Current assets					
Inventories	14	49.5	47.8	–	–
Trade and other receivables	15	544.2	509.2	2,763.8	2,393.6
Derivative assets	12	5.2	2.7	0.1	1.3
Cash and cash equivalents	16	1,673.4	1,720.5	6.3	621.2
Investments in debt and equity securities	13	5.0	144.5	5.0	144.5
		2,277.3	2,424.7	2,775.2	3,160.6
Total assets		19,887.3	19,466.7	8,466.9	9,151.6
Regulatory deferral accounts ("RDA") debit balances and related deferred tax assets	17	156.6	151.8	–	–
Total assets and RDA debit balances		20,043.9	19,618.5	8,466.9	9,151.6
Equity					
Share capital	18	2,911.9	2,911.9	2,911.9	2,911.9
Reserves	19	(1,073.2)	(652.6)	0.3	(1.4)
Accumulated profits		8,920.7	8,295.7	5,470.2	5,337.2
Total equity, attributable to owner of the Company		10,759.4	10,555.0	8,382.4	8,247.7
Non-current liabilities					
Debt obligations	20	4,785.2	5,064.2	–	–
Derivative liabilities	12	72.7	106.8	–	–#
Deferred tax liabilities	11	1,547.0	1,473.7	0.2	0.2
Other non-current liabilities	21	538.1	554.3	–	–
Lease liabilities	5	39.5	–	–	–
		6,982.5	7,199.0	0.2	0.2
Current liabilities					
Debt obligations	20	795.9	161.6	–	–
Derivative liabilities	12	36.6	17.2	0.1	5.7
Current tax payable		85.6	83.4	9.1	8.9
Trade and other payables	22	1,369.7	1,386.4	69.6	889.1
Lease liabilities	5	5.5	–	5.5	–
		2,293.3	1,648.6	84.3	903.7
Total liabilities		9,275.8	8,847.6	84.5	903.9
Total equity and liabilities		20,035.2	19,402.6	8,466.9	9,151.6
RDA credit balances and related deferred tax liabilities	17	8.7	215.9	–	–
Total equity, liabilities and RDA credit balances		20,043.9	19,618.5	8,466.9	9,151.6

Amount is less than $0.1 million

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

Income statements
Year ended 31 March 2020

	Note	Group		Company	
		2020 $ million	2019 $ million	2020 $ million	2019 $ million
Revenue	23	3,993.5	4,172.5	597.3	578.8
Other income	24	157.3	167.9	–	–
Expenses					
- Purchased power		(1,786.0)	(2,077.4)	–	–
- Depreciation of property, plant and equipment	4	(711.8)	(630.4)	(7.9)	(2.8)
- Amortisation of intangible assets	6	(57.2)	(52.2)	(2.7)	(3.8)
- Maintenance		(114.3)	(107.0)	(6.6)	(4.6)
- Staff costs		(309.2)	(310.2)	(75.0)	(92.0)
- Property taxes		(81.3)	(66.4)	(0.3)	(0.3)
- Other operating expenses		(168.0)	(159.6)	(22.5)	(29.4)
Operating profit		923.0	937.2	482.3	445.9
Finance income	25	71.8	61.6	51.3	70.5
Finance costs	26	(175.3)	(147.6)	(2.2)	(15.5)
Share of profits of associates, net of tax		150.8	169.6	–	–
Share of losses of joint ventures, net of tax		(1.9)	(1.2)	–	–
Profit before taxation		968.4	1,019.6	531.4	500.9
Tax expense	27	(164.0)	(166.5)	(6.4)	(6.5)
Profit for the year attributable to owner of the Company	28	804.4	853.1	525.0	494.4
Net movement in RDA balances related to profit or loss and the related deferred tax movement	17	212.0	127.1	–	–
Profit for the year and net movements in RDA balances, attributable to owner of the Company		1,016.4	980.2	525.0	494.4

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

Statements of comprehensive income
Year ended 31 March 2020

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Profit for the year and net movements in RDA balances	1,016.4	980.2	525.0	494.4
Other comprehensive income items that will not be reclassified to profit or loss:				
Share of defined benefit plan remeasurements of associates	(5.3)	(0.9)	–	–
Net change in fair value in investments in equity instruments at fair value through other comprehensive income	–#	(0.5)	–	–
	(5.3)	(1.4)	–	–
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign operations	(263.0)	(137.4)	–	–
Effective portion of changes in fair value of cash flow hedges, net of tax	(19.4)	(1.5)	(0.4)	(0.4)
Net change in fair value of:				
- Cash flow hedges reclassified to profit or loss, net of tax	11.2	10.1	0.2	(0.1)
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	0.3	1.9	0.3	0.4
- Debt instruments at fair value through other comprehensive income	—#	(0.6)	1.6	(0.7)
Share of hedging reserves of associates	(144.4)	(97.4)	–	–
	(415.3)	(224.9)	1.7	(0.8)
Other comprehensive income for the year, net of tax	(420.6)	(226.3)	1.7	(0.8)
Total comprehensive income for the year, attributable to owner of the Company	595.8	753.9	526.7	493.6

 # Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2020

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2018	2,911.9	(410.3)	(15.2)	26.9	7,710.6	10,223.9
Cumulative effects of adoption SFRS(I)	–	0.6	(28.3)	–	17.4	(10.3)
At 1 April 2018 (SFRS(I) framework)	2,911.9	(409.7)	(43.5)	26.9	7,728.0	10,213.6
Effects of adoption SFRS(I) 9	–	–	–	–	(2.5)	(2.5)
At 1 April 2018 (SFRS(I) framework)	2,911.9	(409.7)	(43.5)	26.9	7,725.5	10,211.1
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	980.2	980.2
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	(137.4)	–	–	–	(137.4)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	(1.5)	–	–	(1.5)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	10.1	–	–	10.1
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	1.9	–	–	1.9
- Investments in equity/debt instruments at FVOCI	–	–	–	(1.1)	–	(1.1)
Share of other comprehensive income of associates	–	–	(97.4)	(0.9)	–	(98.3)
Total other comprehensive income	–	(137.4)	(86.9)	(2.0)	–	(226.3)
Total comprehensive income for the year	–	(137.4)	(86.9)	(2.0)	980.2	753.9
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(410.0)	(410.0)
Total transactions with owner	–	–	–	–	(410.0)	(410.0)
At 31 March 2019	2,911.9	(547.1)	(130.4)	24.9	8,295.7	10,555.0

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

Statements of changes in equity
Year ended 31 March 2020

Group	Share capital $ million	Currency translation reserve $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total equity, attributable to owner of the Company $ million
At 1 April 2019	2,911.9	(547.1)	(130.4)	24.9	8,295.7	10,555.0
Effects of adoption of SFRS(I) 16	–	–	–	–	0.6	0.6
At 1 April 2019, adjusted	2,911.9	(547.1)	(130.4)	24.9	8,296.3	10,555.6
Total comprehensive income for the year						
Profit for the year and net movement in RDA balances	–	–	–	–	1,016.4	1,016.4
Other comprehensive income						
Translation differences relating to financial statements of foreign operations	–	(263.0)	–	–	–	(263.0)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	(19.4)	–	–	(19.4)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss, net of tax	–	–	11.2	–	–	11.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	0.3	–	–	0.3
- Investments in equity/debt instruments at FVOCI	–	–	–	–#	–	–
Share of other comprehensive income of associates	–	–	(144.4)	(5.3)	–	(149.7)
Total other comprehensive income	–	(263.0)	(152.3)	(5.3)	–	(420.6)
Total comprehensive income for the year	–	(263.0)	(152.3)	(5.3)	1,016.4	595.8
Transactions with owner, recognised directly in equity						
Distribution to owner						
Dividends declared (Note 34)	–	–	–	–	(392.0)	(392.0)
Total transactions with owner	–	–	–	–	(392.0)	(392.0)
At 31 March 2020	2,911.9	(810.1)	(282.7)	19.6	8,920.7	10,759.4

Amount is less than $0.1 million

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

Statements of changes in equity
Year ended 31 March 2020

	Share capital $ million	Hedging reserve $ million	Other reserves $ million	Accumulated profits $ million	Total $ million
Company					
At 1 April 2018	2,911.9	0.3	(0.9)	5,252.8	8,164.1
Cumulative effects of adoption SFRS(I)	–	–	–	–	–
At 1 April 2018 (SFRS(I) framework)	2,911.9	0.3	(0.9)	5,252.8	8,164.1
Total comprehensive income for the year					
Profit for the year	–	–	–	494.4	494.4
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges, net of tax	–	(0.4)	–	–	(0.4)
Net change in fair value of:					
- Cash flow hedges reclassified to profit or loss, net of tax	–	(0.1)	–	–	(0.1)
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	0.4	–	–	0.4
- Investments in debt instruments at FVOCI	–	–	(0.7)	–	(0.7)
Total other comprehensive income	–	(0.1)	(0.7)	–	(0.8)
Total other comprehensive income for the year	–	(0.1)	(0.7)	494.4	493.6
Transactions with owner, recognised directly in equity					
Dividends declared (Note 34)	–	–	–	(410.0)	(410.0)
Total transactions with owner	–	–	–	(410.0)	(410.0)
At 31 March 2019	2,911.9	0.2	(1.6)	5,337.2	8,247.7
Company					
At 1 April 2019	2,911.9	0.2	(1.6)	5,337.2	8,247.7
Total comprehensive income for the year					
Profit for the year	–	–	–	525.0	525.0
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges, net of tax	–	(0.4)	–	–	(0.4)
Net change in fair value of:					
- Cash flow hedges reclassified to profit or loss, net of tax	–	0.2	–	–	0.2
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	0.3	–	–	0.3
- Investments in debt instruments at FVOCI	–	–	1.6	–	1.6
Total other comprehensive income	–	0.1	1.6	–	1.7
Total other comprehensive income for the year	–	0.1	1.6	525.0	526.7
Transactions with owner, recognised directly in equity					
Dividends declared (Note 34)	–	–	–	(392.0)	(392.0)
Total transactions with owner	–	–	–	(392.0)	(392.0)
At 31 March 2020	2,911.9	0.3	–	5,470.2	8,382.4

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

Consolidated statement of cash flows
Year ended 31 March 2020

	Note	2020 $ million	2019 $ million
Cash flows from operating activities			
Profit for the year and net movements in RDA balances		1,016.4	980.2
Adjustments for:			
Deferred income		(21.0)	(21.5)
Regulatory deferral account debit or credit balances and related deferred tax assets or liabilities		(212.0)	(127.1)
Depreciation and amortisation		769.0	682.6
Finance costs	26	172.1	147.6
Finance income	25	(71.8)	(61.6)
Exchange loss	28	15.5	5.3
Loss/(gain) on disposal of property, plant and equipment and intangible assets		1.3	(0.7)
Loss on disposal of investment	26	1.6	–
Impairment loss on intangible assets and property, plant and equipment		0.3	0.7
Share of profit of associates and joint ventures, net of tax		(148.9)	(168.4)
Tax expense	27	164.0	166.5
Write off of inventory		3.7	9.6
Net fair value loss on equity investments at FVTPL	26	1.6	–
Others		5.1	5.0
		1,696.9	1,618.2
Changes in working capital:			
Inventories		(5.3)	(13.2)
Trade and other receivables		(21.5)	1.5
Balances with related parties (trade)		1.8	2.7
Trade and other payables		(30.0)	12.5
Cash generated from operations		1,641.9	1,621.7
Interest received		50.2	59.4
Net tax paid		(87.7)	(168.2)
Net cash generated from operating activities		1,604.4	1,512.9
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,124.3)	(1,254.5)
Purchase of intangible assets		(55.0)	(68.1)
Proceeds from disposal of property, plant and equipment and intangible assets		6.1	11.8
Dividends received from associates and joint venture		141.0	130.3
Proceeds from redemption of other investment		131.6	2.6
Acquisition of interest in associates		(52.5)	–
Disposal/(acquisition) of other investments		11.6	(6.0)
Additions to investment property		(8.5)	–
Net cash used in investing activities		(950.0)	(1,183.9)

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

Consolidated statement of cash flows (continued)
Year ended 31 March 2020

	Note	2020 $ million	2019 $ million
Cash flows from financing activities			
Proceeds from loans and debt obligations		–	812.1
Repayment of debt obligations		(170.5)	(516.1)
Dividends paid to owner of the Company		(392.0)	(410.0)
Interest paid		(153.4)	(143.7)
Commitment fees paid		(1.5)	–
Payment of principal portion of lease liabilities		(4.0)	–
Net cash generated used in financing activities		(721.4)	(257.7)
Net (decrease)/increase in cash and cash equivalents		(67.0)	71.3
Cash and cash equivalents at beginning of the year		1,720.5	1,634.6
Effect of exchange rate changes on balances held in foreign currencies		19.9	14.6
Cash and cash equivalents at end of the year	16	1,673.4	1,720.5

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 June 2020.

1 Domicile and activities

Singapore Power Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 2 Kallang Sector, SP Group Building, Singapore 349277. The immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The principal activities of the Company are that of investment holding and provision of management support services. Its subsidiaries are engaged principally in the transmission and distribution of electricity and gas, provision of related consultancy services and investments in related projects.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures (collectively referred to as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

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

In preparing these set of financial statements for the year, the Group has considered the impact of COVID-19 on the impairment of assets, expected credit losses on financial assets and going concern based on the information available as of the date of this report.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest 0.1 million, unless otherwise stated.

2.4 Use of estimates and judgements

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

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below:

Taxation

The Group is subject to taxes mainly in Singapore and Australia. Significant judgement is required in determining provision for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details are set out in Note 11 and Note 27.

Impairment of associates

Impairment reviews in respect of associates are performed at least annually or when there is any indication that the investment in associates may be impaired. More regular reviews are performed if changes in circumstances or the occurrence of events indicate potential impairment. The Group uses the present value of future cash flows to determine the recoverable amounts of the underlying cash generating units in the associates. In calculating the recoverable amounts, significant management judgement is required in forecasting cash flows of the cash generating units, in estimating the terminal growth values and in selecting an appropriate discount rate.

Estimating fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Note 32 sets out the basis of valuation of financial assets and liabilities.

Accrued revenue

Revenue accrual estimates are made to account for the unbilled period between the end-user's last billing date and the end of the accounting period. The accrual relies on detailed analysis of customers' historical consumption patterns, which takes into account base usage and sensitivity to consumption growth. The results of this analysis are applied for the number of days over the unbilled period.

Regulatory deferral accounts

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes (as set out in Note 3.17) and revenue earned for regulatory purposes. Revenue earned for regulatory purposes is estimated based on the revenue allowed by the Energy Market Authority ("EMA") (in accordance with the price regulation framework), taking into consideration the services rendered, sale and volume of electricity and

gas delivered to consumers. Note 3.15 sets out the accounting policy for regulatory deferral accounts.

2.5 Changes in accounting policies

Adoption of new and revised SFRS(I)s and Interpretation to SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. Except for the impact arising from the adoption of SFRS(I) 16 as described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated profits at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

As a lessee, the Group leases certain assets including land and offices. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application;
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets; and
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

On transition to SFRS(I) 16, the Group and Company recognised additional right-of-use assets in property, plant and equipment and additional lease liabilities. The impact on transition is summarised below:

- The Group and Company has existing leasehold land of $396.3 million and $2.7 million that were identified to be right-of-use assets.
- Additional right-of-use assets of $40.6 million relating to leasehold land, buildings and offices, plant and machinery and other plant and equipment were recognised by the Group. These were presented within property, plant and equipment.
- Correspondingly, additional lease liabilities of $40.6 million were recognised by the Group.
- The Group's associates measured right-of-assets in relation to certain property leases using the retrospective basis, as if SFRS(I) 16 had been applied since their lease commencement dates. Additionally, it was determined that certain customer contracts now meet the definition of finance lease and accounted for under SFRS(I) 16. These resulted in an increase of $0.6 million of the Group's share of accumulated profits from prior year.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 4.20%.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	Group $ million
Operating lease commitments at 31 March 2019 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	57.5
Discounted using the incremental borrowing rate at 1 April 2019	42.6
Less: Recognition exemption for leases of low-value assets	#
Less: Recognition exemption for leases with less than 12 months of lease term at transition	(2)
Lease liabilities recognised at 1 April 2019	40.6

Amount is less than $0.1 million

3 Significant accounting policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements, and have been consistently applied by the Group entities, which addresses changes in accounting policies due to the adoption of new and revised standards.

3.1 Basis of 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 profit or loss.

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.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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, when applicable, on the basis specified in another standard.

Any excess or deficiency of the purchase consideration over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is accounted for as goodwill or bargain purchase gain (see Note 3.4).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an equity investment at fair value through other comprehensive income depending on the level of influence retained.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out below.

Investments in associates and joint ventures (equity-accounted investees)

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees 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.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and joint ventures by the Company

Investments in subsidiaries and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

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. The functional currencies of the Group entities are mainly Singapore dollars and Australian dollars. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on 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 profit or loss, except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, an equity investment at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars for presentation in these financial statements at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. Capitalisation of borrowing costs will cease when the asset is ready for its intended use. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land and construction-in-progress are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	Over the term of the lease, ranging from 13 – 99 years
Buildings, office and tunnels	2 – 40 years or the lease term, if shorter
Plant and machinery	
- Mains (Electricity)	20 – 30 years
- Mains (Gas)	20 – 50 years
- Transformers and switchgear	20 – 30 years
Other plant and equipment (principally gas storage plant, remote control and meters)	2 – 40 years
Motor vehicles and office equipment	2 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, and adjusted if appropriate.

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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 profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense when incurred.

Intangible assets that have indefinite lives or that are not available for use are stated at cost less accumulated impairment losses.

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 3 to 5 years.

Deferred expenditure relates mainly to contributions paid by the Group in accordance with regulatory requirements towards capital expenditure costs incurred by electricity generation companies and onshore receiving facility operator, and is stated at cost less accumulated amortisation and accumulated impairment losses. Deferred expenditure is amortised on a straight-line basis over the period in which the Group derives benefits from the capital contribution payments, which is generally the useful life of the relevant equipment ranging from 7 to 19 years.

Research costs are expensed as incurred. Capitalised development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Following initial recognition of the capitalised development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Capitalised development costs have a finite useful life and are amortised over the period of 5 years on a straight line basis.

Intangible assets under construction are stated at cost. No amortisation is provided until the intangible assets are ready for use.

3.5 Investment property under development

Investment property under development is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property under development is measured at cost on initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property under development to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property under development (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property under development is accounted for at cost less accumulated depreciation and accumulated impairment losses. Investment property under development is not depreciated.

3.6 Financial instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are recognised in profit or loss incurred.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented on the balance sheets 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. The rights of offset must

not be contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract.

Ordinary shares

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

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

- fair value hedges when hedging the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit and loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company 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 issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.7 Impairment

Non-derivative financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Group considers a financial asset potentially in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting 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. Such reversal of impairment is recognised in profit or loss.

Goodwill that forms part of the carrying amount of an investment in an associate or a 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 a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3.8 Inventories

Spare parts, accessories and other consumables are measured at the lower of cost and net realisable value. Cost is determined based on the weighted average method, and includes expenditure in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Allowance for obsolete, deteriorated or damaged stocks is made when considered appropriate.

3.9 Accrued revenue

Revenue accrual estimates are made to account for the unbilled amount at the reporting date.

3.10 Employee benefits

Provision is made for the accrued liability for employee entitlements arising from services rendered by employees up to the reporting date. The provision represents the Group's total estimated liability at the reporting date for employee entitlements.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, including on-costs. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 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. Provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental

Environmental provision is made for the rehabilitation of sites based on the estimated costs of the rehabilitation. The liability includes the costs of reclamation, plant closure and dismantling, and waste site closure. The liability is determined based on the present value of the obligation. Annual adjustments to the liability are recognised in profit or loss over the estimated life of the sites. The costs are estimated based on assumptions of current legal requirements and technologies. Any changes in estimates are dealt with on a prospective basis.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.12 Government grant

Capital grant is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants. Operating grant is taken to profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.13 Deferred construction cost compensation

Deferred construction cost compensation received to defray costs relating to the construction of an asset are accounted for as a government grant. Note 3.12 sets out the government grant accounting policy.

3.14 Deferred income

Deferred income comprises (i) government grants for the purchase of depreciable assets, (ii) contributions made by certain customers towards the cost of capital projects received prior to 1 July 2009 and (iii) compensation received to defray operating expenses.

Government grants and customer contributions

Deferred income is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants and customers' contribution.

Compensation received to defray operating expenses

Deferred income is taken to profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.15 Regulatory deferral account ("RDA") debit or credit balances

Use of system charges, transportation of gas, district cooling services and Market Support Services fees

Regulatory deferral account debit or credit balances represent timing differences between revenue recognised for financial reporting purposes and revenue earned for regulatory purposes.

Movements in the regulatory deferral account debit or credit balances are recognised in profit or loss over the periods necessary to adjust revenue recognised for financial reporting purposes to revenue earned for regulatory purposes based on services rendered.

At the end of each regulatory period, adjustments for amounts to be recovered or refunded are taken to profit or loss as net movement in regulatory deferral account balances.

3.16 Price regulation and licence

The Group's operations in Singapore are regulated under the Electricity Licence for Transmission Licensee, Electricity Licence for Market Support Services Licensee, Gas Licence, and the District Cooling Services Licence issued by the Energy Market Authority ("EMA") of Singapore.

Allowed revenue to be earned from the supply and transmission of electricity, transportation of gas and the provision of market support services is regulated based on certain formulae and parameters set out in those licences, relevant acts and codes.

Allowed revenue for district cooling corresponds to the quantum which the Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services Licence issued by the Energy Market Authority of Singapore.

Revenue recognised for financial reporting purposes may differ from revenue earned for regulatory purposes due to revenue or volume variances. This may result in adjustments that may increase or decrease tariffs in succeeding periods. Amounts to be recovered or refunded are brought to account as adjustments to net movement in regulatory deferral account debit or credit balances in the income statement in the period in which the Group becomes entitled to the recovery or liable for the refund.

The Group's capital expenditure may vary from its regulatory plan and is subject to a review by the EMA. The results of the variances in capital expenditure may be translated into price adjustments, if any, in the following reset period.

The use of system charges, transportation of gas charges and allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period in accordance with the price regulation framework.

3.17 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of electricity

Revenue from the sale of electricity is recognised over time when electricity is delivered to consumers.

Use of system charges and transportation of gas

Revenue from use of system charges and transportation of gas is recognised over time based on tariff billings to customers when the volume of electricity and gas is delivered.

Revenue from take-or-pay arrangements relating to the transportation of gas is recognised when it is probable that such revenue is receivable.

District cooling service income

Income from services is recognised over time when the services are rendered.

Agency fees and Market Support Services fees

Agency fees from acting as billing agent and fees for services provided as the Market Support Services Licensee are recognised over time when the services are rendered.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Support service income and management fees

Support service income and management fees are recognised when the services are rendered.

3.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rental income under operating leases are recognised in profit or loss over the term of the lease.

Where assets are leased under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return. Contingent rental income is recognised in profit or loss in the accounting period in which they are incurred.

As lessee – policy from 1 April 2019

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement or on modification date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to Note 3.7 for the accounting policy.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As lessee – policy before 1 April 2019

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to 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.

Other leases are operating leases and are not recognised in the Group's balance sheet.

Determining whether an arrangement contains a lease – policy before 1 April 2019

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.19 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value gains or losses on financial assets and liabilities at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), gains or losses on hedging instruments that are recognised in profit or loss, amortisation of transaction costs capitalised and interest expense on lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.20 Tax expense

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, 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 they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The movement in a deferred tax asset or liability that arises from the temporary differences created as a result of recognising regulatory deferral account balances are presented in the income statement net of the movement in regulatory deferral account balances related to profit or loss.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.22 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 1 April 2019 have not been applied in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

- Amendments to References to the Conceptual Framework in SFRS(I) standards
- Amendments to SFRS(I) 3: *Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*
- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*

4 Property, plant and equipment

Group	Freehold land $ million	Leasehold land $ million	Buildings, office and tunnels $ million	Plant and machinery $ million	Other plant and equipment $ million	Motor vehicles and office equipment $ million	Construction-in-progress $ million	Total $ million
Cost								
At 1 April 2018	0.3	624.7	2,447.3	13,978.1	1,196.8	290.7	2,567.5	21,105.4
Additions	–	–	0.3	0.1	38.0	0.2	1,157.2	1,195.8
Impairment	–	–	–	–	–	–	(0.7)	(0.7)
Disposals	–	(0.2)	(0.2)	(135.7)	(18.4)	(8.2)	(1.1)	(163.8)
Transfers from/(to) intangible assets	–	–	–	0.1	–	1.0	1.1	
Reclassifications	–	2.5	1,070.3	327.6	335.3	41.0	(1,776.7)	–
Translation difference	–	–	–	–	–	–	(0.4)	(0.4)
At 31 March 2019	0.3	627.0	3,517.7	14,170.1	1,551.8	323.7	1,946.8	22,137.4
SFRS(I) 16 adjustment	–	16.4	3.7	18.4	2.1	–	–	40.6
At 1 April 2019, adjusted	0.3	643.4	3,521.4	14,188.5	1,553.9	323.7	1,946.8	22,178.0
Additions	–	13.1	8.4	0.1	27.7	4.5	1,115.7	1,169.5
Disposals	–	(13.4)	(1.0)	(145.5)	(27.7)	(9.3)	(0.7)	(197.6)
Transfers from/(to) intangible assets	–	–	2.3	–	(4.0)	–	6.0	4.3
Reclassifications	–	4.7	57.7	450.9	111.7	14.1	(639.1)	–
Translation difference	–	–	–	0.5	0.4	–	(0.8)	0.1
At 31 March 2020	0.3	647.8	3,588.8	14,494.5	1,662.0	333.0	2,427.9	23,154.3
Accumulated depreciation and impairment losses								
At 1 April 2018	–	216.5	836.2	6,847.0	570.2	149.9	–	8,619.8
Depreciation	–	14.3	70.0	435.4	88.5	22.2	–	630.4
Disposals	–	(0.1)	(0.1)	(130.8)	(15.1)	(6.6)	–	(152.7)
At 31 March 2019 and 1 April 2019	–	230.7	906.1	7,151.6	643.6	165.5	–	9,097.5
Depreciation	–	15.0	95.0	457.5	114.5	29.8	–	711.8
Disposals	–	(0.5)	(0.6)	(142.2)	(26.8)	(7.6)	–	(177.7)
Transfers from/(to) intangible assets	–	–	–*	–	–*	–	–	–*
Translation difference	–	–	–	–*	–*	–	–	–*
At 31 March 2020	–	245.2	1,000.5	7,466.9	731.3	187.7	–	9,631.6
Carrying amounts								
At 31 March 2019	0.3	396.3	2,611.6	7,018.5	908.2	158.2	1,946.8	13,039.9
At 31 March 2020	0.3	402.6	2,588.3	7,027.6	930.7	145.3	2,427.9	13,522.7

* Amount is less than $0.1 million

Company	Leasehold land $ million	Buildings and office $ million	Plant and equipment $ million	Motor vehicles and office equipment $ million	Construction -in-progress $ million	Total $ million
Cost						
At 1 April 2018	9.4	11.3	0.4	14.5	0.9	36.5
Additions	–	–	–	–	4.6	4.6
Disposals	–	–	–	(0.3)	–	(0.3)
Reclassifications	–	–	–	1.4	(1.4)	–
At 31 March 2019 and 1 April 2019	9.4	11.3	0.4	15.6	4.1	40.8
Additions	–	10.9	–	0.5	5.7	17.1
Disposals	–	(0.6)	(0.2)	(1.0)	–	(1.8)
At 31 March 2020	9.4	21.6	0.2	15.1	9.8	56.1
Accumulated depreciation						
At 1 April 2018	6.4	8.2	0.3	9.0	–	23.9
Depreciation	0.3	0.3	0.1	2.1	–	2.8
Disposals	–	–	–	(0.3)	–	(0.3)
At 31 March 2019 and 1 April 2019	6.7	8.5	0.4	10.8	–	26.4
Depreciation	0.3	5.8	–	1.8	–	7.9
Disposals	–	(0.2)	(0.2)	(0.7)	–	(1.1)
At 31 March 2020	7.0	14.1	0.2	11.9	–	33.2
Carrying amounts						
At 31 March 2019	2.7	2.8	–	4.8	4.1	14.4
At 31 March 2020	2.4	7.5	–	3.2	9.8	22.9

Expenses capitalised

The following expenses were capitalised in property, plant and equipment during the year:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Staff cost	74.5	70.1	–	–
Other expenses	3.4	5.7	–	–

The Group's and Company's property, plant and equipment includes right of use assets of $430.6 million and $7.8 million respectively relating to leasehold land, buildings and office, plant and machinery and other plant and equipment under leasing arrangements. Details are presented in Note 5.

5 Right-of-use assets/ Lease liabilities

Set out below are the carrying amounts of right-of-use assets classified within property, plant and equipment ("PPE") and the movements during the year:

Group	Leasehold land $ million	Buildings and office $ million	Plant and machinery $ million	Other plant and equipment $ million	Total $ million
At 1 April 2019	412.7	3.7	18.4	2.1	436.9
Additions	4.9	8.0	–	–	12.9
Depreciation	(15.0)	(1.4)	(2.0)	(0.8)	(19.2)
At 31 March 2020	402.6	10.3	16.4	1.3	430.6

Company	Leasehold land $ million	Office $ million	Total $ million
At 1 April 2019	2.7	–	2.7
Additions	–	10.9	10.9
Depreciation	(0.3)	(5.5)	(5.8)
At 31 March 2020	2.4	5.4	7.8

On 1 April 2019, the Group's and Company's leasehold land with net book value of $396.3 million and $2.7 million were presented within right-of-use assets upon the adoption of SFRS(I) 16.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group $ million	Company $ million
2020		
At 1 April	40.6	–
Additions	12.9	10.9
Accretion of interest	1.8	0.2
Payments	(10.3)	(5.6)
At 31 March	45.0	5.5
Current	5.5	5.5
Non-current	39.5	–
	45.0	5.5

The maturity analysis of lease liabilities are disclosed in Note 31.

The following are the amounts recognised in profit or loss:

	Group $ million	Company $ million
2020		
Depreciation expense of right-of-use assets	19.2	5.8
Interest expense on lease liabilities	1.8	0.2
Expense relating to short-term leases (included in other operating expenses)	3.2	0.6
	24.2	6.6

The Group and Company had total cash outflow for leases of $8.8 million and $6.2 million respectively as of 31 March 2020.

6 Intangible assets

	Group					Company			
Cost	**Software $ million**	**Deferred expenditure $ million**	**Capitalised development costs $ million**	**Assets under construction $ million**	**Total $ million**	**Software $ million**	**Capitalised development costs $ million**	**Assets under construction $ million**	**Total $ million**
At 1 April 2018	355.2	114.7	2.6	12.2	484.7	23.4	2.6	3.1	29.1
Additions	0.3	1.3	–	66.9	68.5	–	–	9.9	9.9
Disposals	(0.4)	–	–	–	(0.4)	(0.3)	–	–	(0.3)
Transfer (to)/from property, plant and equipment	1.2	–	–	(2.3)	(1.1)	–	–	–	–
Reclassifications	54.4	–	7.3	(61.7)	–	1.4	7.3	(8.7)	–
At 31 March 2019	410.7	116.0	9.9	15.1	551.7	24.5	9.9	4.3	38.7
Additions	1.8	0.4	2.7	36.0	40.9	–	–	7.9	7.9
Impairment	(0.3)	–	–	–	(0.3)	(0.3)	–	–	(0.3)
Disposals	(3.8)	–	(0.5)	–	(4.3)	(2.4)	(9.9)	(0.5)	(12.8)
Transfer (to)/from property, plant and equipment	1.7	–	–	(6.0)	(4.3)	–	–	–	–
Reclassifications	20.6	–	–	(20.6)	–	5.0	–	(5.0)	–
At 31 March 2020	430.7	116.4	12.1	24.5	583.7	26.8	–	6.7	33.5

	Group					Company			
	Software $ million	Deferred expenditure $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million	Software $ million	Capitalised development costs $ million	Assets under construction $ million	Total $ million
Accumulated amortisation and impairment losses									
At 1 April 2018	212.7	97.9	0.3	–	310.9	16.0	0.3	–	16.3
Amortisation	45.9	5.0	1.3	–	52.2	2.5	1.3	–	3.8
Disposals	(0.4)	–	–	–	(0.4)	(0.3)	–	–	(0.3)
At 31 March 2019	258.2	102.9	1.6	–	362.7	18.2	1.6	–	19.8
Amortisation	52.2	4.3	0.7	–	57.2	2.7	–	–	2.7
Disposals	(3.8)	–	–*	–	(3.8)	(2.3)	(1.6)	–	(3.9)
Transfer (to)/from property, plant and equipment	–*	–	–	–	–*	–	–	–	–
At 31 March 2020	306.6	107.2	2.3	–	416.1	18.6	–	–	18.6
Carrying amounts									
At 31 March 2019	152.5	13.1	8.3	15.1	189.0	6.3	8.3	4.3	18.9
At 31 March 2020	124.1	9.2	9.8	24.5	167.6	8.2	–	6.7	14.9

* Amount is less than $0.1 million

Expenses capitalised

The following expenses were capitalised in intangible assets during the year:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Staff cost	16.6	9.6	–	4.4
Other expenses	0.7	1.3	–	–

7 Investment property under development

	Group	
	2020	**2019**
	$ million	**$ million**
Investment property under development		
At 1 April	713.1	712.9
Additions	8.5	0.2
At 31 March	721.6	713.1

The investment property under development relates to development of a commercial building for leasing purposes.

At 31 March 2020, the fair value of the investment property under development approximates the carrying value.

8 Subsidiaries

	Company	
	2020	**2019**
	$ million	**$ million**
Unquoted equity shares, at cost	3,905.2	3,903.2
Unquoted unit, at cost	– *	– *
Amount due from subsidiaries	1,720.1	2,021.1
Impairment losses	(17.0)	(17.0)
	5,608.3	5,907.3

* Amount is less than $0.1 million

The Company has entered into an arrangement with subsidiaries whereby the repayment of these amounts due from subsidiaries will be at the sole discretion of the subsidiaries. Accordingly, these amounts are classified as investment in subsidiaries.

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective interest held by the Group	
			2020 %	2019 %
SP PowerAssets Limited	Transmission and distribution of electricity	Singapore	100	100
PowerGas Limited	Transportation of piped gas	Singapore	100	100
SP PowerGrid Limited	Provision of management services to related corporations	Singapore	100	100
SP Services Limited	Sale of electricity and provision of customer services relating to utilities supply	Singapore	100	100
SP Cross Island Tunnel Trust	Construction, development, ownership, operation and maintenance of the cross island electricity tunnels in Singapore	Singapore	100	100
Singapore Power International Pte Ltd	Investment holding	Singapore	100	100
Singapore District Cooling Pte Ltd	Ownership, operation, maintenance and management of district cooling systems	Singapore	100	100
SP Group Treasury Pte Ltd	Provision of financing, treasury and settlement services to related corporations	Singapore	100	100
Labrador Real Estate Pte Ltd	Holding of land and commercial real estate development	Singapore	100	100

9 Associates and joint ventures

	Group		Company	
	2020 $ million	**2019 $ million**	**2020 $ million**	**2019 $ million**
Investment in associates				
- quoted equity shares	1,064.4	1,201.2	–	–
- unquoted equity shares	1,189.1	1,382.7	–	–
Investment in joint ventures	48.8	51.8	45.4	45.4
	2,302.3	2,635.7	45.4	45.4
Fair value of interest in investment of associates for which there is a published price quotation – AusNet Services*	1,783.5	2,016.4	–	–

* AusNet Services is listed on the Australian Stock Exchange. Based on its closing price of A$1.710 (2019: A$1.775) on the Australian Stock Exchange, the fair value of the Group's investment is $1.783 billion (2019: $2.016 billion).

Name of associates	**Principal activities**	**Place of incorporation**	**Effective interest held by the Group**	
			2020 %	**2019 %**
AusNet Services Ltd and its subsidiaries (collectively referred to as AusNet Services)	Electricity transmission and distribution and gas distribution	Australia	32.1	31.1
SGSP (Australia) Assets Pty Ltd and its subsidiaries (collectively referred to as SGSPAA)	Infrastructure services, and distribution of electricity and gas	Australia	40.0	40.0

The summarised financial information in respect of AusNet Services and SGSPAA, based on its International Financial Reporting Standards ("IFRS") financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements not adjusted for the percentage of ownership held by the Group are as follows:

	Associates			
	AusNet Services		*SGSPAA*	
	2020 $ million	**2019 $ million**	**2020 $ million**	**2019 $ million**
Assets and liabilities				
Current assets	779.0	736.4	321.7	394.8
Non-current assets	11,674.4	11,592.4	10,488.0	10,612.6
Total assets	12,453.4	12,328.8	10,809.7	11,007.4
Current liabilities	1,194.3	1,351.0	360.9	418.8
Non-current liabilities	8,638.9	7,813.7	7,476.1	7,131.9
Total liabilities	9,833.2	9,164.7	7,837.0	7,550.7
Net assets	2,620.2	3,164.1	2,972.7	3,456.7
Net assets, excluding goodwill	2,620.2	3,164.1	2,972.7	3,456.7
Proportion of the Group's ownership	32.1%	31.1%	40%	40.0%
Group's share of net assets	841.1	984.0	1,189.1	1,382.7
Goodwill on acquisition	223.3	217.2	–	–
Carrying amount of the investment	1,064.4	1,201.2	1,189.1	1,382.7

In March 2020, the Group acquired an additional 1% of interest in AusNet Services through open market at a consideration of $52.5 million. Following the provisional assessment on the fair value of AusNet Services' net assets, a provisional goodwill of $26.6 million was determined. The provisional goodwill is subject to further adjustment upon finalisation of the fair value of the identifiable assets and liabilities.

The summarised statements of comprehensive income in respect of AusNet Services and SGSPAA, based on its IFRS financial statements, not adjusted for the percentage ownership held by the Group, are as follows:

	Associates			
	AusNet Services		*SGSPAA*	
	2020 $ million	**2019 $ million**	**2020 $ million**	**2019 $ million**
Results				
Revenue	1,843.0	1,839.8	1,677.0	1,777.5
Profit after taxation	271.0	250.9	166.2	229.1
Other comprehensive income	309.7	(199.3)	(126.4)	(90.1)
Total comprehensive income	580.7	51.6	39.8	139.0

The Group recorded dividend income of $187.8 million (2019: $159.4 million) from AusNet Services and SGSPAA, of which $140.3 million (2019: $128.8 million) was settled by cash and the balance was settled by subscribing to shares issued by AusNet Services and incurrence of withholding taxes.

The summarised financial information in respect of Power Automation Pte Ltd ("PA") and SP Telecommunications Pte Ltd ("SP Tel"), based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements, not adjusted for the percentage ownership held by the Group are as follows:

	Joint ventures			
	PA		*SP Tel*	
	2020 $ million	**2019 $ million**	**2020 $ million**	**2019 $ million**
Assets and liabilities				
Current assets	21.4	20.3	52.5	78.4
Non-current assets	9.6	2.5	73.6	30.0
Total assets	31.0	22.8	126.1	108.4
Current liabilities	10.8	8.3	27.9	21.0
Non-current liabilities	6.3	–	18.9	2.5
Total liabilities	17.1	8.3	46.8	23.5
Net assets	13.9	14.5	79.3	84.9
Net assets, excluding goodwill	13.9	14.5	79.3	84.9
Proportion of the Group's ownership	51%	51%	49%	49%
Group's share of net assets	7.1	7.4	38.9	41.6
Goodwill	–	–	2.8	2.8
Carrying amount of the investment	7.1	7.4	41.7	44.4

The summarised statement of comprehensive income in respect of PA and SP Tel not adjusted for the percentage ownership held by the Group, are as follows:

	Joint ventures			
	PA		*SP Tel*	
	2020 $ million	**2019 $ million**	**2020 $ million**	**2019 $ million**
Results				
Revenue	36.0	33.4	28.8	21.1
Profit/(loss) after taxation	2.9	1.9	(5.6)	(3.5)
Other comprehensive income	–	–	–	–
Total comprehensive income	2.9	1.9	(5.6)	(3.5)

The Group recorded dividend income of $1.7 million (2019: $1.5 million) from PA.

10 Other non-current assets

	Group	
	2020	**2019**
	$ million	**$ million**
Amount due from associate:		
- convertible instrument	279.0	307.8
Finance lease receivables	8.1	7.4
Other receivables	4.0	4.8
	291.1	320.0

The non-current amount due from associate of $279.0 million (2019: $307.8 million) represents the face value of the convertible instrument. The convertible instrument is interest bearing at the fixed rate of 10.25% per annum and is convertible into ordinary shares at the discretion of the Group until mandatory conversion in 2050. The convertible instrument is convertible into a variable number of shares, which precludes the convertible instrument from being recognised as equity, and is recognised as a non-current receivable. The Group has a 40% holding in both the convertible instrument and ordinary shares issued by SGSPAA.

Finance lease receivables

In the prior years, the Group entered into arrangements to transport a minimum volume of piped gas to its customers using certain pipelines. Although the arrangements are not in the legal form of a lease, the Group concluded that the arrangements contain in substance leases of the submarine pipelines, because the minimum lease payments amount to substantially all the fair value of the leased assets. The lessees assume substantially all the risks and rewards of ownership. Accordingly, these leases were classified as finance lease. The Group continues to be the legal owner of the pipelines and therefore claims capital allowances for the pipelines. The interest rate implied in each lease is determined at the commencement date of the lease.

Following the adoption of SFRS(I) 16, the Group continues the existing finance lease accounting for the arrangements above.

The carrying amount of the finance lease receivables at the reporting date approximates its fair value, based on discounting the cash flows at the market rate.

	Group	
	2020 $ million	**2019 $ million**
Minimum lease payment receivables from leased pipelines and plants	15.5	15.0
Unearned income in leased pipelines and plants	(7.1)	(7.3)
Net receivables	8.4	7.7
Current (Note 15b)	0.3	0.3
Non-current	8.1	7.4
	8.4	7.7

	Minimum lease payment receivables $ million	**Unearned income $ million**	**Present value of lease payment receivables $ million**
2020			
Within one year	1.1	(0.8)	0.3
One to two years	1.1	(0.8)	0.3
Two to three years	1.1	(0.8)	0.3
Three to four years	1.1	(0.7)	0.4
Four to five years	1.1	(0.7)	0.4
After five years	10.0	(3.3)	6.7
	15.5	(7.1)	8.4
2019			
Within one year	1.0	(0.7)	0.3
After one year but within five years	4.4	(3.4)	1.0
After five years	9.6	(3.2)	6.4
	15.0	(7.3)	7.7

The interest rate implied in each lease is determined at the commencement date of the lease. The effective interest rates on the finance lease receivables ranges from 9.74% to 9.80% (2019: 7.35% to 9.80%).

11 Deferred taxation

Group	At 1 April 2018 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2019 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2020 $ million
Deferred tax assets							
Property, plant and equipment	–	–	–	–	0.8	–	0.8
Other financial liabilities	6.2	–	(5.3)	0.9	–	5.7	6.6
Trade and other payables and provisions	2.5	0.2	–	2.7	0.5	–	3.2
Deferred income	52.7	(3.1)	–	49.6	(3.3)	–	46.3
Others	0.5	–	3.4	3.9	4.5	–	8.4
	61.9	(2.9)	(1.9)	57.1	2.5	5.7	65.3
Set off of tax	(40.7)			(33.8)			(31.0)
Net deferred tax assets	21.2			23.3			34.3
Deferred tax liabilities							
Property, plant and equipment	(1,385.3)	(73.6)	–	(1,458.9)	(70.5)	–	(1,529.4)
Intangible assets	(28.1)	(1.7)	–	(29.8)	4.1	–	(25.7)
Trade and other receivables	(1.9)	0.5	–	(1.4)	–	–	(1.4)
Other financial assets	(0.2)	–	0.1	(0.1)	–	(5.0)	(5.1)
Undistributed earnings of associates	(17.0)	3.3	–	(13.7)	0.9	–	(12.8)
Others	(3.6)	–	–	(3.6)	–	–	(3.6)
	(1,436.1)	(71.5)	0.1	(1,507.5)	(65.5)	(5.0)	(1,578.0)
Set off of tax	40.7			33.8			31.0
Net deferred tax liabilities	(1,395.4)			(1,473.7)			(1,547.0)

Company	At 1 April 2018 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2019 $ million	Recognised in profit or loss $ million	Recognised in other comprehensive income $ million	At 31 March 2020 $ million
Deferred tax assets							
Other financial liabilities	0.5	–	0.5	1.0	–	(1.0)	–
Trade and other payables and provisions	0.4	0.3	–	0.7	(0.1)	–	0.6
	0.9	0.3	0.5	1.7	(0.1)	(1.0)	0.6
Set off of tax	(0.9)			(1.7)			(0.6)
Net deferred tax assets	–			–			–
Deferred tax liabilities							
Property, plant and equipment	(0.7)	0.4	–	(0.3)	–*	–	(0.3)
Intangible assets	(0.9)	–	–	(0.9)	0.7	–	(0.2)
Other financial assets	(0.5)	–	(0.2)	(0.7)	–	0.4	(0.3)
	(2.1)	0.4	(0.2)	(1.9)	0.7	0.4	(0.8)
Set off of tax	0.9			1.7			0.6
Net deferred tax liabilities	(1.2)			(0.2)			(0.2)

* Amount is less than $0.1 million

12 Derivative assets and liabilities

	2020			2019		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Group						
Current:						
Cross-currency interest rate swaps	–	–	–	210.1	0.6	(13.4)
Interest rate swaps	3,429.1	2.9	(3.8)	815.0	1.0	(1.4)
Foreign exchange forwards	882.3	2.3	(32.8)	1,047.8	1.1	(2.4)
		5.2	(36.6)		2.7	(17.2)
Non-current:						
Cross-currency interest rate swaps	3,583.3	530.0	(28.0)	3,583.3	83.0	(87.1)
Interest rate swaps	2,701.1	27.9	(44.6)	3,706.1	20.8	(19.6)
Foreign exchange forwards	66.5	1.0	(0.1)	16.3	0.4	(0.1)
		558.9	(72.7)		104.2	(106.8)

	2020			2019		
	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million	Outstanding notional amounts $ million	Assets $ million	Liabilities $ million
Company						
Current:						
Cross-currency interest rate swaps	–	–	–	114.6	0.5	(4.3)
Foreign exchange forwards	12.9	0.1	(0.1)	426.1	0.8	(1.4)
		0.1	(0.1)		1.3	(5.7)
Non-current:						
Foreign exchange forwards	3.7	0.2	–	3.7	–*	–*

* Amount is less than $0.1 million

Offsetting financial assets and financial liabilities

The Group's and Company's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. The ISDA agreements create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group, the Company or the counterparties. As such, these agreements do not meet the criteria for offsetting under SFRS(I) 1-32 *Financial Instruments: Presentation*.

The Group, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously but have the right to set off in the case of default and insolvency or bankruptcy.

The Group's and Company's financial assets and liabilities subject to an enforceable master netting arrangement that are not otherwise set-off are as follows:

Types of financial assets	Gross amounts of recognised financial assets $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Group			
2020			
Derivative assets	564.1	(32.9)	531.2
2019			
Derivative assets	106.9	(49.9)	57.0

Types of financial liabilities	Gross amounts of recognised financial liabilities $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Group			
2020			
Derivative liabilities	109.3	(32.9)	76.4
2019			
Derivative liabilities	124.0	(49.9)	74.1

Types of financial assets	Gross amounts of recognised financial assets $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2020			
Derivative assets	0.3	–	0.3
2019			
Derivative assets	1.3	(1.3)	–

Types of financial liabilities	Gross amounts of recognised financial liabilities $ million	Related amounts not offset in the balance sheet – financial instruments $ million	Net amounts $ million
Company			
2020			
Derivative liabilities	0.1	–	0.1
2019			
Derivative liabilities	5.7	(1.3)	4.4

The gross and net amounts of financial assets and financial liabilities as presented in the balance sheet that are disclosed in the above tables are measured at fair value.

Hedge Accounting

As at 31 March 2020 and 2019, the Group and the Company held various types of derivative financial instruments and formally designated a portion of them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of SFRS(I) 9. The following table summarises the derivative financial instruments in the balance sheets and the effects of hedge accounting on the Group's and the Company's financial position and performance.

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
Group 2020	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	Financial statement line item	Carrying amount of assets/ (liabilities) $ million	Financial statement line that includes the hedged item	Accumulated amount of fair value adjustments $ million	Hedging instrument $ million	Hedged item $ million	Hedge ineffectiveness recognised in profit or loss $ million	Hedge rates	Maturity (Year)
Cash flow hedge											
Interest rate risk – Finance cost	9,269.2	6.7	Derivative Assets/ Liabilities	–	–	–	105.2	(114.0)	(8.4)	0.4137% - 2.775%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	948.8	(29.6)	Derivative Assets/ Liabilities	–	–	–	1.7	(1.7)	–	CHF: S$ 1.392 – 1.408 CNY: S$ 0.187 – 0.200 EUR: S$ 1.5198 – 1.6308 JPY: S$ 0.011 – 0.013 MYR: S$ 3.016 – 3.078 USD: S$ 1.262 – 1.455 AUD: S$ 0.8628 – 0.9245	Up to 2020 Up to 2023 Up to 2023 Up to 2023 Up to 2020 Up to 2022 Up to 2020
Fair value hedge											
Interest rate risk	375.0	26.2	Derivative Assets/ Liabilities	(302.8)	Debt obligations	(28.4)	14.7	(15.1)	(0.4)	6 month SOR	Up to 2029
Foreign exchange risk	2,959.6	449.9	Derivative Assets/ Liabilities	(3,335.5)	Debt obligations	(449.8)	317.3	(334.8)	(17.5)	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Hedged item			Changes in fair value used for calculating hedge ineffectiveness				
	Outstanding notional amounts $ million	Assets/ (liabilities) $ million	**Financial statement line item**	**Carrying amount of assets/ (liabilities) $ million**	**Financial statement line that includes the hedged item**	**Accumulated amount of fair value adjustments $ million**	**Hedging instrument $ million**	**Hedged item $ million**	**Hedge ineffectiveness recognised in profit or loss $ million**	**Hedge rates**	**Maturity (Year)**
Group **2019**											
Cash flow hedge											
Interest rate risk – Finance income	114.6	(3.8)	Derivative Assets/ Liabilities	–	–	–	(0.4)	0.4	–	3.35% - 4.31%	Up to 2020
Interest rate risk – Finance cost	8,001.0	(84.8)	Derivative Assets/ Liabilities	–	–	–	62.0	(74.6)	(12.0)	0.4137% - 2.760%	Up to 2029
Foreign exchange risk – Refer to Note 31 under *Foreign currency risk*	884.0	(1.0)	Derivative Assets/ Liabilities	–	–	–	1.7	(1.7)	–	IDR: S$ 0.0000946 CHF: S$ 1.361 - 1.478 JPY : S$ 0.011 - 0.013 USD: S$ 1.262 - 1.4263 EUR: S$ 1.535 - 1.6308 CNY: S$ 0.187 - 0.215	Up to 2019 Up to 2019 Up to 2019 Up to 2021 Up to 2021 Up to 2022
Fair value hedge											
Interest rate risk	375.0	11.5	Derivative Assets/ Liabilities	(290.1)	Debt obligations	(15.8)	6.5	(6.6)	(0.1)	6 months SOR	Up to 2029
Foreign exchange risk	2,959.6	53.1	Derivative Assets/ Liabilities	(2,863.8)	Debt obligations	(47.9)	86.4	(89.7)	(3.3)	Refer to footnotes of Note 20	Up to 2029

	Hedge instrument			Changes in fair value used for calculating hedge ineffectiveness				
Company	**Outstanding notional amounts $ million**	**Assets/ (liabilities) $ million**	**Financial statement line item**	**Hedging instrument $ million**	**Hedged item $ million**	**Hedge ineffectiveness recognised in profit or loss $ million**	**Hedge rates**	**Maturity (Year)**
2020								
Cash flow hedge								
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	16.3	0.2	Derivative Assets/ Liabilities	0.8	(0.8)	–	EUR: S$: 1.5399 – 1.55023 USD: S$ 1.34503 – 1.42626 AUD: S$ 0.8628 – 0.9245	Up to 2020 Up to 2022 Up to 2020
2019								
Cash flow hedge								
Interest rate risk	114.6	(3.8)	Derivative Assets/ Liabilities	(0.4)	0.4	–	3.35% – 4.31%	Up to 2020
Foreign exchange risk - Refer to Note 31 under *Foreign currency risk*	429.8	(0.6)	Derivative Assets / Liabilities	0.4	(0.4)	–	EUR: S$: 1.5399 – 1.5344 USD: S$ 1.3551 – 1.4263	Up to 2019 Up to 2020

13 Investments in debt and equity securities

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Non-current				
Quoted debt securities investment – FVOCI	–	5.0	–	5.0
Unquoted equity investment – FVTPL (2019: FVOCI)	11.5	11.8	–	–
	11.5	16.8	–	5.0
Current				
Quoted debt securities investment – FVOCI	5.0	144.5	5.0	144.5

14 Inventories

	Group	
	2020 $ million	2019 $ million
Cables	30.0	29.1
Pipes and fittings	7.3	4.9
Spare parts and accessories	2.1	3.4
Other consumables	10.1	10.4
	49.5	47.8

In 2020, inventories recognised as an expense in the income statement amounted to $6.1 million (2019: $4.1 million). The write-down of inventories to net realisable value by the Group amounted to $3.7 million (2019: $9.6 million). There was no reversal of write-down of inventories by the Group as of 31 March 2020 (2019: $0.6 million).

15 Trade and other receivables

	Note	Group		Company	
		2020 $ million	2019 $ million	2020 $ million	2019 $ million
Trade receivables:					
- Third parties		222.1	246.0	0.1	–
- Subsidiaries		–	–	27.3	51.7
- Associates		0.1	–	0.1	–
- Joint ventures		2.4	1.0	0.1	0.3
- Related corporations		16.0	17.7	0.9	–
	15a	240.6	264.7	28.5	52.0
Accrued revenue		222.2	213.9	1.0	–
Other receivables, deposits and prepayments	15b	73.6	23.2	4.9	5.4
Amounts due from (non-trade):					
- Subsidiaries	15c	–	–	2,729.4	2,336.2
- Associate	15c	7.4	7.0	–	–
- Related corporations		0.4	0.4	–	–
		544.2	509.2	2,763.8	2,393.6

15a Trade receivables

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Trade receivables	255.3	277.0	28.5	52.0
Impairment losses	(14.7)	(12.3)	–	–
	240.6	264.7	28.5	52.0

$133.2 million (2019: $152.4 million) of trade receivables are interest-bearing. The average credit term is between 5 to 30 business days (2019: 5 to 30 business days). An allowance has been made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and collective portfolio.

Collateral in the form of bank guarantees, letters of credit and deposits are obtained from counterparties where appropriate. The amounts called upon during the current and previous financial year were insignificant and no item is individually significant.

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the evaluation of collectability and ageing analysis of trade receivables and on the estimation of the management. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. The Group has considered the impact of COVID-19 outbreak and has assessed that no additional allowance for expected credit losses is required on its trade receivables.

The Group categorises trade receivables for potential write-off on the trade receivables of disconnected consumer accounts and trade receivables of contestable and non-contestable consumers which are overdue and that have failed to make contractual payments for more than 90 days and 180 days, respectively. Where trade receivables have been impaired or written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The maximum exposure to credit risk for trade receivables at the reporting date by types of customer is as follows:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Contestable transmission/ distribution customers	118.4	114.4	–	–
Non-contestable transmission/ distribution customers	70.0	102.7	–	–
Project-based customers	16.4	8.0	–	–
Others	35.8	39.6	28.5	52.0
	240.6	264.7	28.5	52.0

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Singapore	240.6	264.7	28.5	52.0

There is no significant concentration of credit risk of trade receivables.

The Group has policies in place to monitor its credit risk. Contractual deposits are collected and sufficient collateral is obtained to mitigate the risk of financial loss from defaults. The Group's customers are spread across diverse industries and ongoing credit evaluation is performed on the financial condition of receivables to ensure minimal exposure to bad debts.

The ageing of trade receivables at the reporting date is as follows:

Group	2020 Gross $ million	2020 Impairment losses $ million	2019 Gross $ million	2019 Impairment losses $ million
Not past due	192.3	(0.8)	207.9	(0.5)
Past due 0-30 days	32.1	(0.8)	38.8	(1.0)
Past due 31-90 days	14.2	(1.5)	18.5	(2.5)
Past due 91-180 days	6.3	(3.1)	4.4	(2.3)
Past due more than 180 days	10.4	(8.5)	7.4	(6.0)
	255.3	(14.7)	277.0	(12.3)

Company	2020 Gross $ million	2019 Gross $ million
Not past due	26.7	48.4
Past due 0-30 days	0.9	0.2
Past due 31-90 days	0.9	1.5
Past due 91-180 days	–	1.9
	28.5	52.0

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
At 1 April	12.3	7.7	–	–
Impairment loss recognised	2.4	4.6	–	–
At 31 March	14.7	12.3	–	–

Receivables are denominated mainly in the functional currencies of the respective Group entities.

15b Other receivables, deposits and prepayments

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Prepayments	19.3	11.9	2.1	1.6
Interest receivables	21.5	5.7	0.2	3.3
Finance lease receivables	0.3	0.3	–	–
Deposits	5.0	1.9	0.2	0.3
Grant receivables	18.7	–	2.4	–
Others	8.8	3.4	–	0.2
	73.6	23.2	4.9	5.4

Other receivables, deposits and prepayments are denominated mainly in the functional currencies of the respective Group entities.

15c Balances with subsidiaries and associate (non-trade)

Balances with subsidiaries are unsecured, repayable on demand, and denominated in Singapore dollars.

Non-trade amounts due from subsidiaries of $2,729.4 million (2019: $2,212.2 million) bear interest at rates ranging from 0.75% to 2.063% (2019: 2.59% to 3.47%) per annum. All other amounts are non interest-bearing.

The current amount due from associate is denominated in Australian dollars and represents the convertible instrument interest receivable which is due every six months.

16 Cash and cash equivalents

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Fixed deposits	1,569.2	1,536.5	–	540.2
Cash at bank and in hand	104.2	184.0	6.3	81.0
	1,673.4	1,720.5	6.3	621.2

The interest rates per annum relating to fixed deposits at the reporting date for the Group ranged from 0.55% to 3.01% (2019: 1.68% to 3.13%). In 2019, the interest rates relating to fixed deposits for the Company ranged from 2.07% to 3.13%.

Cash and cash equivalents are denominated mainly in:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Singapore dollars	740.0	892.0	6.1	200.9
United States dollars	786.8	711.5	0.2	420.3
Australian dollars	144.9	115.6	–	–
Others	1.7	1.4	–	–
	1,673.4	1,720.5	6.3	621.2

17 Regulatory deferral accounts

	Group	
	2020 $ million	2019 $ million
Net movement in RDA balances related to profit or loss	256.4	152.1
RDA related deferred tax movement	(44.4)	(25.0)
Net movement in RDA balances related to profit or loss and the related deferred tax movement	212.0	127.1

RDA debit balances and related deferred tax assets	At 1 April 2019 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2020 $ million
Deferral of revenue based on service rendered	110.2	(264.7)	178.2	91.9	115.6
Under recovery of revenue/volume variance	5.0	49.7	32.9	(46.6)	41.0
RDA related deferred tax assets	36.6	(36.6)	–	–	–
	151.8	(251.6)	211.1	45.3	156.6

RDA credit balances and related deferred tax liabilities	At 1 April 2019 $ million	Reclassification $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2020 $ million
Deferral of revenue based on service rendered	(264.7)	264.7	–	–	–
Over recovery of revenue/volume variances	49.7	(49.7)	–	–	–
RDA related deferred tax liabilities	(0.9)	36.6	(36.7)	(7.7)	(8.7)
	(215.9)	251.6	(36.7)	(7.7)	(8.7)

RDA debit balances and related deferred tax assets	At 1 April 2018 $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2019 $ million
Deferral of revenue based on service rendered	109.3	0.5	0.4	110.2
Under recovery of revenue/volume variance	0.9	4.8	(0.7)	5.0
RDA related deferred tax assets	60.8	(18.9)	(5.3)	36.6
	171.0	(13.6)	(5.6)	151.8

RDA credit balances and related deferred tax liabilities	At 1 April 2018 $ million	Balances arising in the period $ million	(Recovery)/ reversal $ million	At 31 March 2019 $ million
Deferral of revenue based on service rendered	(360.1)	60.8	34.6	(264.7)
Amount to be refunded	(17.3)	–	17.3	–
Over recovery of revenue/volume variances	15.3	54.2	(19.8)	49.7
RDA related deferred tax liabilities	(0.1)	(0.8)	–	(0.9)
	(362.2)	114.2	32.1	(215.9)

The recovery/reversal period of RDA debit and credit balances are directed by the EMA.

SP PowerAssets Limited is currently the sole electricity transmission and distribution company in Singapore, and PowerGas Limited is currently the sole gas transmission and distribution company in Singapore. The EMA may not terminate SP PowerAssets Limited's Transmission Licence or PowerGas Limited's Gas Transporter Licence except by giving 25 years' notice, or otherwise revoking the Transmission Licence or the Gas Transporter Licence in accordance with the Electricity Act or the Gas Act, respectively (including where the EMA is satisfied that SP PowerAssets Limited or PowerGas Limited (as the case may be) has gone into compulsory liquidation or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or the public interest or security of Singapore requires). The Group therefore considers the exposure on recovery of regulatory deferral debit balances over the next 1 year to be minimal.

SP Services Limited is currently the sole Market Support Services Licensee in Singapore. Allowed revenue to be recovered from Market Support Services fees are approved by the EMA for a 5-year regulatory period from 1 April 2018 to 31 March 2023 in accordance with the price regulation framework.

Singapore District Cooling Pte Ltd ("SDC") principal activities relates to the provision of district cooling service. The revenue corresponds to what SDC is entitled to under Condition 13 of its District Cooling Services License issued by EMA. The over/under recovery of revenue variances arises from the difference between tariff billings and the entitled revenue and is recovered over the next 12 months or 24 months period subject to EMA's agreement. Given that the majority of the customers are in a mandated zone where they have to subscribe to cooling services from SDC, we consider the exposure on recovery of regulatory deferral debit balances to be minimal for the Group.

18 Share capital

	Company	
	2020 No. of shares million	2019 No. of shares million
Ordinary shares		
Issued and fully-paid, with no par value		
At 1 April and at 31 March	2,911.9	2,911.9

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

19 Reserves

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Currency translation reserve	(810.1)	(547.1)	–	–
Hedging reserve	(282.7)	(130.4)	0.3	0.2
Other reserves	19.6	24.9	–	(1.6)
	(1,073.2)	(652.6)	0.3	(1.4)

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions.

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Hedging reserves				
At beginning of year	(130.4)	(43.5)	0.2	0.3
Effective portion of changes in fair value of cash flow hedges:				
- Interest rate risk	(20.5)	(1.4)	(0.8)	(0.3)
- Foreign exchange risk	1.1	(0.1)	0.4	(0.1)
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax:				
- Interest rate risk	11.2	10.1	0.2	(0.1)
Net change in fair value of cash flow hedges, on recognition of the hedged items on balance sheet, net of tax:				
- Foreign exchange risk	0.3	1.9	0.3	0.4
Share of associates' hedging reserve	(144.4)	(97.4)	–	–
At end of year	(282.7)	(130.4)	0.3	0.2

Other reserves comprise of the following:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Actuarial reserve	21.0	26.3	–	–
Fair value reserve	–	–	–	(1.6)
Revaluation reserve	16.5	16.5	–	–
Others	(17.9)	(17.9)	–	–
	19.6	24.9	–	(1.6)

Others in other reserve is the difference amount of $17.9 million, between the cash consideration of $70.0 million and the value of minority interests of $52.1 million, which arose from an equity transaction for the acquisition of the remaining 40 per cent shareholding in a subsidiary, Singapore District Cooling Pte Ltd, on 30 March 2015.

20 Debt obligations

Principal amount	Date of maturity	Group 2020 $ million	Group 2019 $ million
Fixed rate notes			
HKD 500 million [1]	May 2019	–	86.4
SGD 75 million	May 2019	–	75.2
SGD 500 million	May 2020	499.9	499.6
SGD 280 million	August 2020	280.7	282.6
SGD 100 million	August 2022	105.1	102.7
USD 500 million [2]	September 2022	709.9	676.0
JPY 15 billion [3]	April 2024	203.7	191.2
SGD 75 million	May 2024	81.6	79.8
USD 700 million [4]	November 2025	1,078.4	946.4
JPY 7 billion [5]	October 2026	97.1	90.5
USD 600 million [6]	September 2027	947.3	797.4
USD 600 million [7]	February 2029	1,009.0	838.3
SGD 100 million	May 2029	116.1	107.6
SGD 250 million	September 2032	249.1	249.1
		5,377.9	5,022.8
Floating rate loan			
EMA loan [8]	By June 2024	203.2	203.0
		5,581.1	5,225.8

(1) HKD 500 million swapped to SGD 95.5 million
(2) USD 500 million swapped to SGD 623.8 million
(3) JPY 15 billion swapped to SGD 230.0 million
(4) USD 700 million swapped to SGD 996.0 million
(5) JPY 7 billion swapped to SGD 114.7 million
(6) USD 600 million swapped to SGD 808.5 million
(7) USD 600 million swapped to SGD 810.5 million
(8) The Group acts as an intermediary in administering the market settlement for a regulatory scheme. The EMA has entered into loan agreements with the Group in facilitating the above arrangement. The loan agreements are only for the purpose of settling payments, collections and costs for the implementation of the regulatory scheme. The floating rate SGD loan is unsecured, bears interest at rates ranging from 0.69% to 2.36% (2019: 1.36% to 2.24%) per annum and is repayable monthly based on net collection under the regulatory scheme until loan maturity or full repayment whichever is earlier.

Interest rates on debt obligations denominated in Singapore dollars range from 0.69% to 5.07% (2019: 1.36% to 5.07%) per annum. Interest rates on foreign currency debt obligations range from 1.95% to 3.38% (2019: 1.95% to 4.01%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	2019	Cash flows	Non-cash changes						2020
	$ million	$ million	Additions $ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans									
Current	161.6	(170.5)	–	9.1	–	(0.2)	–	795.9	795.9
Non-current	5,064.2	–	–	180.9	349.9	(13.9)	–	(795.9)	4,785.2
Lease liabilities									
Current	–	–	–	–	–	–	–	5.5	5.5
Non-current	–	(5.6)	48.8	–	–	–	1.8	(5.5)	39.5
	5,225.8	(176.1)	48.8	190.0	349.9	(14.1)	1.8	–	5,626.1

	2018	Cash flows	Non-cash changes					2019
	$ million	$ million	Foreign exchange movement $ million	Changes in fair value $ million	Amortisation $ million	Interest $ million	Reclassification $ million	$ million
Notes and loans								
Current	532.3	(516.1)	2.8	–	(9.2)	–	151.8	161.6
Non-current	4,239.1	812.1	80.0	96.3	(13.4)	1.9	(151.8)	5,064.2
	4,771.4	296.0	82.8	96.3	(22.6)	1.9	–	5,225.8

21 Other non-current liabilities

	Note	Group 2020 $ million	Group 2019 $ million
Deferred income	21a	277.6	294.1
Deferred construction costs compensation	21b	259.3	259.3
Provisions	21c	1.2	0.9
		538.1	554.3

21a Deferred income

	Group 2020 $ million	Group 2019 $ million	Company 2020 $ million	Company 2019 $ million
Government grants	92.0	68.9	2.4	–
Compensation for operating expenses	15.0	15.0	–	–
Customer contributions	565.2	565.2	–	–
	672.2	649.1	2.4	–
Accumulated accretion:				
Government grants	(51.0)	(48.6)	–	–
Customer contributions	(324.9)	(306.4)	–	–
	(375.9)	(355.0)	–	–
	296.3	294.1	2.4	–
Current (Note 22a)	18.7	–	2.4	–
Non-current (Note 21)	277.6	294.1	–	–
	296.3	294.1	2.4	–

Movements in accumulated accretion are as follows:

	Group 2020 $ million	Group 2019 $ million
Government grants		
At 1 April	48.6	46.8
Accretion	2.4	3.1
Written off during the financial year	–	(1.3)
At 31 March	51.0	48.6
Customer contributions		
At 1 April	306.4	288.0
Accretion	18.5	18.4
At 31 March	324.9	306.4

21b Deferred construction cost compensation

	Group	
	2020	**2019**
	$ million	**$ million**
Deferred construction cost compensation	259.3	259.3

21c Provisions

	Group			Company
	Restoration	**Others**	**Total**	**Restoration**
	$ million	**$ million**	**$ million**	**$ million**
At 1 April 2018	3.1	0.6	3.7	0.1
Provision made	0.1	–	0.1	–
At 31 March 2019	3.2	0.6	3.8	0.1
Provision made	0.7	–	0.7	–
Provision reversed	(0.4)	(0.1)	(0.5)	–
At 31 March 2020	3.5	0.5	4.0	0.1

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$ million	**$ million**	**$ million**	**$ million**
Current (Note 22a)	2.8	2.9	0.1	0.1
Non-current (Note 21)	1.2	0.9	–	–
	4.0	3.8	0.1	0.1

Restoration

A provision for restoration cost is recognised when a Group entity has a legal or constructive obligation to make good and restore a site. The expected future restoration cost is discounted using a pre-tax rate which is the basis of the provision recognised. The unwinding of the discount increases the net present value of the expected liability over time, which is recognised as an accretion expense in profit or loss.

Others

Other provisions relate mainly to the general operations of the business.

22 Trade and other payables

	Note	Group		Company	
		2020 $ million	2019 $ million	2020 $ million	2019 $ million
Customers' deposits		240.5	260.9	–	–
Trade payables					
- Third parties		256.7	280.1	8.4	9.2
- Subsidiaries		–	–	20.2	14.0
- Associates		–	0.1	–	–
- Joint ventures		1.3	4.5	–	–
- Related corporations		9.0	5.9	1.2	0.2
Other payables and accruals	22a	846.3	820.2	36.3	41.9
Liability for employee entitlements		15.9	14.7	3.5	3.9
Amounts due to (non-trade):					
- Subsidiaries		–	–	–	819.9
		1,369.7	1,386.4	69.6	889.1

Payables are denominated mainly in the functional currencies of the respective Group entities.

Balances with related corporations are unsecured, with credit terms ranging from 7 to 30 days (2019: 7 to 30 days) and are denominated in Singapore dollars.

Balances with subsidiaries are unsecured, repayable on demand and denominated in Singapore dollars. As at 31 March 2019, non-trade amounts due to subsidiaries of $819.9 million bear interest at 2.00% per annum. The amounts were fully repaid in the current year. All other amounts are non interest-bearing.

22a Other payables and accruals

	Note	Group		Company	
		2020 $ million	2019 $ million	2020 $ million	2019 $ million
Accrued operating and capital expenditure		526.3	559.0	33.6	41.5
Advance receipts		163.0	156.1	0.2	0.3
Amounts due to utility suppliers		87.9	54.8	–	–
Interest payable		30.3	32.0	–	–
Deferred income	21a	18.7	–	2.4	–
Provisions	21c	2.8	2.9	0.1	0.1
Others		17.3	15.4	–	–
		846.3	820.2	36.3	41.9

Payables are denominated mainly in the functional currencies of the respective Group entities.

23 Revenue

a) Disaggregation of revenue

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Sale of electricity	2,147.0	2,600.2	–	–
Use of system charges and transportation of gas	1,493.5	1,254.2	–	–
Market Support Services fees	167.4	149.8	–	–
Agency fees	106.2	100.2	–	–
District cooling service income	79.4	68.1	–	–
Support service income	–	–	93.6	98.6
Revenues from services	3,993.5	4,172.5	93.6	98.6
Rental income	–	–	1.2	1.0
Dividend income from subsidiaries and joint ventures	–	–	500.9	478.5
Others	–	–	1.6	0.7
	3,993.5	4,172.5	597.3	578.8

Revenue is recognised when the services are transferred over time.

b) Transaction price allocated to remaining performance obligations

The Group has applied the practical expedient not to disclose information about its remaining performance obligations as the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

24 Other income

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Income relating to diversion jobs	39.2	49.7	–	–
Income relating to supply of telecommunication systems	1.0	–	–	–
Sale of scrap	18.4	19.9	–	–
Customer contribution	21.0	21.5	–	–
Finance lease income	20.8	18.3	–	–
Rental income	4.4	4.4	–	–
Others	52.5	54.1	–	–
	157.3	167.9	–	–

25 Finance income

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Interest income receivable or received from:				
- Subsidiaries	–	–	46.7	57.0
- Associates	30.6	32.4	–	–
- Banks	37.5	22.8	2.0	7.9
- Finance lease	0.8	0.7	–	–
- Investments in debt and equity securities	2.6	5.6	2.6	5.6
Others	0.3	0.1	–	–
	71.8	61.6	51.3	70.5

26 Finance costs

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Interest expense payable or paid to:				
- Subsidiaries	–	–	–	15.0
- Banks	4.1	4.1	–	–
- Debt obligations	140.1	134.4	–	–
Net change in fair value of cash flow hedges reclassified from equity	5.1	0.2	0.2	–
Loss/(gain) arising from financial assets and liabilities in a fair value hedge				–
- Hedged items	349.9	96.3	–	–
- Hedging instruments	(332.0)	(92.9)	–	–
Net change in fair value of financial assets and liabilities designated at fair value through profit or loss	6.4	5.8	–	–
Loss on disposal of investments	1.6	–	1.6	–
Net fair value loss on equity investments at FVTPL	1.6	–	–	–
Amortisation of transaction costs capitalised	3.8	3.5	–	–
Ineffective portion of changes in fair value of cash flow hedges reclassified from equity	8.4	12.0	–	–
Amortisation of fair value adjustments on fair value hedges	(17.6)	(19.1)	–	–
Commitment fees	1.5	2.7	–	–
Interest on lease liabilities	1.8	–	0.2	–
Others	0.6	0.6	0.2	0.5
	175.3	147.6	2.2	15.5

27 Tax expense

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Tax recognised in profit or loss				
Current tax expense				
Current year	102.5	102.3	8.3	8.2
Over provision in respect of prior years	(1.5)	(10.2)	(1.3)	(1.0)
	101.0	92.1	7.0	7.2
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	62.8	68.2	(0.6)	(0.7)
Under provision in respect of prior years	0.2	6.2	–	–
	63.0	74.4	(0.6)	(0.7)
Total tax expense	164.0	166.5	6.4	6.5

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Reconciliation of effective tax rate:				
Profit before tax from continuing operations	968.4	1,019.6	531.4	500.9
Tax calculated using Singapore tax rate of 17%	164.6	173.3	90.3	85.2
Non-deductible expenses	28.5	35.4	5.0	7.5
Effects of results of associates and joint ventures, net of tax	(18.3)	(20.2)	–	–
(Over)/under provision in respect of prior years:				
- current tax	(1.5)	(10.2)	(1.3)	(1.0)
- deferred tax	0.2	6.2	–	–
Non-taxable income and tax allowances	(8.6)	(17.5)	(84.8)	(81.3)
Current year losses for which no deferred tax asset was recognised	0.1	–	–	–
Benefits from group relief	–	–	(2.2)	(3.1)
Others	(1.0)	(0.5)	(0.6)	(0.8)
	164.0	166.5	6.4	6.5

Tax recognised in other comprehensive income	2020 Before tax $ million	2020 Tax credit / (expense) $ million	2020 Net of tax $ million	2019 Before tax $ million	2019 Tax credit / (expense) $ million	2019 Net of tax $ million
Group						
Translation differences relating to financial statements of foreign operations	(263.0)	–	(263.0)	(137.4)	–	(137.4)
Effective portion of changes in fair value of cash flow hedges	(22.7)	3.3	(19.4)	(1.8)	0.3	(1.5)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss	13.5	(2.3)	11.2	12.1	(2.0)	10.1
- Cash flow hedges on recognition of the hedged items on balance sheet	0.4	(0.1)	0.3	2.2	(0.3)	1.9
- Investments in equity/debt securities at FVOCI	0.2	(0.2)	–	(1.3)	0.2	(1.1)
Share of other comprehensive income of associates	(149.7)	–	(149.7)	(98.3)	–	(98.3)
	(421.3)	0.7	(420.6)	(224.5)	(1.8)	(226.3)

	2020 Before tax $ million	2020 Tax credit / (expense) $ million	2020 Net of tax $ million	2019 Before tax $ million	2019 Tax credit / (expense) $ million	2019 Net of tax $ million
Company						
Effective portion of changes in fair value of cash flow hedges	(0.1)	(0.3)	(0.4)	(0.6)	0.2	(0.4)
Net change in fair value of:						
- Cash flow hedges reclassified to profit or loss	0.2	–	0.2	(0.3)	0.2	(0.1)
- Cash flow hedges on recognition of the hedged items on balance sheet	0.4	(0.1)	0.3	0.5	(0.1)	0.4
- Investments in equity/debt securities at FVOCI	1.8	(0.2)	1.6	(0.7)	–	(0.7)
	2.3	(0.6)	1.7	(1.1)	0.3	(0.8)

28 Profit for the year

The following items have been included in arriving at profit for the year:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Fees paid to non-executive directors of the Company	1.7	1.7	1.7	1.7
Fees paid to non-executive directors of subsidiaries of the Group	0.3	0.3	–	–
Operating lease expense	–	5.6	–	5.7
Exchange loss, net	15.5	5.3	0.5	0.8
Contributions to defined contribution plans included in staff costs	44.5	43.0	5.7	7.1

29 Related parties

For the purpose of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"), which is its holding company and is incorporated in the Republic of Singapore. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. Accordingly, all the subsidiaries of Temasek are related corporations and are subject to common control. The Group and the Company engage in a wide variety of transactions with related corporations in the normal course of business on terms similar to those available to other customers. Such transactions include but are not limited to sales and purchases of power, provision of consultancy and engineering services, leasing of cables and ducts, agency services and financial and banking services. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

All transactions with companies in Temasek group are related party transactions. The Temasek group has extensive interests in a large number of companies. As the Group's rates for use of system charges, transportation of gas, sales of electricity and Market Support Services fees are based on posted tariffs approved by EMA, the Group has concluded that it is not meaningful to present such information.

Other than electricity sales and transactions to related corporations included under Temasek group and those sales and transactions disclosed elsewhere in the financial statements, significant transactions with related parties are as follows:

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Related corporations				
- Agency fee income	5.0	5.4	–	–
- Revenue from leasing of ducts and substations	0.3	2.9	–	–
- Contingent rent from finance lease	20.7	15.3	–	–
Subsidiaries				
- Dividend income	–	–	499.2	477.0
- Support service income	–	–	93.6	98.6
- Interest income	–	–	46.7	57.0
- Interest expense	–	–	–	(15.0)
Associates				
- Dividend income	187.8	159.4	–	–
- Interest income	–	–	2.0	7.9
Joint ventures				
- Dividend income	1.7	1.5	1.7	1.5
- Revenue and ancillary service from leasing of ducts and substations	7.1	4.1	–	–

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Key management compensation				
- Short-term employee benefits	22.6	22.3	18.9	19.3

30 Operating segments

(a) Analysis by business segments

The Group is organised into four main reportable segments, namely:

- Singapore Transmission & Distribution ("T&D") segment – Includes transmission and distribution of electricity and transportation of gas. This reportable segment has been formed by aggregating the electricity transmission and distribution segment and transportation of gas segment, which are regarded by management to exhibit similar economic characteristics. In making this judgement, management considers the services offered by these segments such as use of system charges and transportation of gas as being common areas.

- Australia segment – Includes mainly the transmission and distribution of electricity and gas and asset management business.

- Market support business segment – Includes sales of electricity, market support services to the electricity market and provision of support services for mainly the local utility suppliers and waste collection service providers.

- Others – Includes investment holding services, management consultancy services, leasing of ducts and substations, district cooling services, engineering and commission services in the field of power quality monitoring system, protection systems and power systems substation control system.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Information about reportable segments

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2020						
External revenue	1,493.5	–	2,420.5	79.5	–	3,993.5
Inter-segment revenue	411.1	–	42.5	–	(453.6)	–
	1,904.6	–	2,463.0	79.5	(453.6)	3,993.5
Segment result	1,556.3	–	160.9	474.4	(499.6)	1,692.0
Depreciation	(665.3)	–	(16.9)	(29.6)	–	(711.8)
Amortisation	(13.1)	–	(37.6)	(6.5)	–	(57.2)
Finance income	3.7	–	12.6	156.9	(101.4)	71.8
Finance costs	(223.0)	–	(4.8)	(48.9)	101.4	(175.3)
Share of profits of associates	–	150.8	–	–	–	150.8
Share of losses of joint ventures	–	–	–	(1.9)	–	(1.9)
Profit/(loss) before taxation	658.6	150.8	114.2	544.4	(499.6)	968.4
Tax (expense)/credit	(122.4)	–	(19.0)	(22.6)	–	(164.0)
Profit/(loss) for the year	536.2	150.8	95.2	521.8	(499.6)	804.4
Net movement in RDA balances related to profit or loss and the related deferred tax movement	220.2	–	(4.8)	(3.4)	–	212.0
Profit for the year and net movements in RDA balances, attributable to owner of the Company	756.4	150.8	90.4	518.4	(499.6)	1,016.4

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2020						
Segment assets and liabilities						
Other assets	14,016.1	–	1,194.3	6,428.5	(3,897.3)	17,741.6
Associates and joint ventures	–	2,253.5	–	48.8	–	2,302.3
Segment assets	14,016.1	2,253.5	1,194.3	6,477.3	(3,897.3)	20,043.9
Segment liabilities	10,313.6	–	766.4	2,101.8	(3,897.3)	9,284.5
Capital expenditure	1,114.6	–	28.2	67.6	–	1,210.4

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2019						
External revenue	1,254.2	–	2,850.2	68.1	–	4,172.5
Inter-segment revenue	565.5	–	43.9	–	(609.4)	–
	1,819.7	–	2,894.1	68.1	(609.4)	4,172.5
Segment result	1,495.1	–	141.7	459.6	(476.6)	1,619.8
Depreciation	(591.1)	–	(14.4)	(24.9)	–	(630.4)
Amortisation	(14.2)	–	(33.8)	(4.2)	–	(52.2)
Finance income	5.7	–	12.5	113.4	(70.0)	61.6
Finance costs	(196.0)	–	(4.3)	(17.3)	70.0	(147.6)
Share of profits of associates	–	169.6	–	–	–	169.6
Share of losses of joint ventures	–	–	–	(1.2)	–	(1.2)
Profit/(loss) before taxation	699.5	169.6	101.7	525.4	(476.6)	1,019.6
Tax (expense)/credit	(123.8)	–	(18.0)	(24.7)	–	(166.5)
Profit/(loss) for the year	575.7	169.6	83.7	500.7	(476.6)	853.1
Net movement in RDA balances related to profit or loss and the related deferred tax movement	122.6	–	0.9	3.6	–	127.1
Profit for the year and net movements in RDA balances, attributable to owner of the Company	698.3	169.6	84.6	504.3	(476.6)	980.2

	Singapore T&D segment $ million	Australia segment $ million	Market support business segment $ million	Others $ million	Inter-segment elimination $ million	Total $ million
2019						
Segment assets and liabilities						
Other assets	13,258.2	–	1,237.8	5,975.4	(3,488.6)	16,982.8
Associates and joint ventures	–	2,583.9	–	51.8	–	2,635.7
Segment assets	13,258.2	2,583.9	1,237.8	6,027.2	(3,488.6)	19,618.5
Segment liabilities	9,909.6	–	842.4	1,799.5	(3,488.0)	9,063.5
Capital expenditure	1,135.5	–	74.0	54.8	–	1,264.3

(b) Analysis by types of services

Revenue is based on services rendered regardless of geographical areas of the operations or assets.

	2020 $ million	2019 $ million
Sales of electricity	2,147.0	2,600.2
Use of system charges	1,234.1	1,028.6
Transportation of gas	259.4	225.6
Market Support Services fees	167.4	149.8
Agency fees	106.2	100.2
District cooling service income	79.4	68.1
	3,993.5	4,172.5

(c) Analysis by geographic areas

Revenue is based on location of the operations. Non-current assets information presented below consist of property, plant and equipment, investment property under development, intangible assets and investments in associates based on location of those assets as presented in the consolidated balance sheets.

	Revenue		Non-current assets	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Singapore	3,989.6	4,172.5	14,417.3	13,963.1
Australia	–	–	2,253.5	2,583.9
China	3.9	–	43.4	30.7
	3,993.5	4,172.5	16,714.2	16,577.7

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial year ended 31 March 2019 and 31 March 2020.

31 Financial risk management

The Group's activities expose it to foreign currency, interest rate, market price, credit and liquidity risks which arise in the normal course of business. The Group manages its exposure to these risks in accordance with its risk management policies. The Executive Committee and Board Risk Management Committee review and approve risk management policies. The Board Risk Management Committee assists the Board of Directors in managing the risks of the Group.

The 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.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risks.

Foreign currency risk

The Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, cash and cash equivalents and trade creditors which are denominated in currencies other than Singapore dollars (or the functional currency in the case of foreign subsidiaries).

The objective of the Group's risk management policies is to mitigate foreign exchange risk by utilising various hedging instruments. The Group therefore considers avoidable currency risk exposure to be minimal for the Group.

The Group enters into cross-currency interest rate swaps to manage exposures arising from foreign currency borrowings including the US dollar, Hong Kong dollar and Japanese Yen. Under cross-currency interest rate swaps, the 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 the 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 dollars or the functional currency of the subsidiary concerned. For foreign exchange swaps that do not meet the requirements of hedge accounting, changes in fair value are recorded in profit or loss.

The 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 forecasted 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.

The Group's investments in its overseas subsidiaries, which are denominated in foreign currencies, are managed on a case-by-case basis.

As at 31 March 2020, the Group has outstanding forward foreign exchange contracts and foreign exchange swaps with notional amounts of approximately $948.8 million (2019: $1,064.1 million). The net fair value of forward foreign exchange contracts and foreign exchange swaps for the Group as at 31 March 2020 was $29.6 million net liabilities (2019: $1.0 million net liabilities) comprising assets of $3.3 million (2019: $1.5 million) and liabilities of $32.9 million (2019: $2.5 million). These amounts were recognised as derivative assets and liabilities respectively.

Sensitivity analysis for foreign currency risk

As at 31 March 2020 and 2019, if the SGD 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:

	Group		Company	
	Profit before tax $ million	Equity (hedging reserve) $ million	Profit before tax $ million	Equity (hedging reserve) $ million
Judgements of reasonably possible movements – (decrease)/increase:				
2020				
US Dollar				
Increase of the SGD by 7 per cent against US Dollar	–	(0.7)	–	(0.5)
Decrease of the SGD by 7 per cent against US Dollar	–	0.7	–	0.5
Euro				
Increase of the SGD by 9 per cent against Euro	–	(3.0)	–	–
Decrease of the SGD by 9 per cent against Euro	–	3.0	–	–
Japanese Yen				
Increase of the SGD by 10 per cent against Japanese Yen	–	(5.7)	–	–
Decrease of the SGD by 10 per cent against Japanese Yen	–	5.7	–	–
Australian Dollar				
Increase of the SGD by 11 per cent against Australian Dollar	(16.6)	0.8	–	0.8
Decrease of the SGD by 11 per cent against Australian Dollar	16.6	(0.8)	–	(0.8)
Chinese Yuan Renminbi				
Increase of the SGD by 7 per cent against Chinese Yuan Renminbi	(1.8)	(0.6)	–	–
Decrease of the SGD by 7 per cent against Chinese Yuan Renminbi	1.8	0.6	–	–
United Kingdom Pounds				
Increase of the SGD by 13 per cent against United Kingdom Pounds	(1.0)	–	–	–
Decrease of the SGD by 13 per cent against United Kingdom Pounds	1.0	–	–	–
Malaysian Ringgit				
Increase of the SGD by 10 per cent against Malaysian Ringgit	–	0.4	–	–
Decrease of the SGD by 10 per cent against Malaysian Ringgit	–	(0.4)	–	–

	Group		Company	
Judgements of reasonably possible movements – (decrease)/increase:	**Profit before tax $ million**	**Equity (hedging reserve) $ million**	**Profit before tax $ million**	**Equity (hedging reserve) $ million**
2019				
US Dollar				
Increase of the SGD by 7 per cent against US Dollar	(0.1)	(4.3)	–	(0.3)
Decrease of the SGD by 7 per cent against US Dollar	0.1	4.3	–	0.3
Euro				
Increase of the SGD by 10 per cent against Euro	(0.3)	(0.6)	–	–
Decrease of the SGD by 10 per cent against Euro	0.3	0.6	–	–
Japanese Yen				
Increase of the SGD by 12 per cent against Japanese Yen	–	(3.1)	–	–
Decrease of the SGD by 12 per cent against Japanese Yen	–	3.1	–	–
Australian Dollar				
Increase of the SGD by 10 per cent against Australian Dollar	(12.4)	–	–	–
Decrease of the SGD by 10 per cent against Australian Dollar	12.4	–	–	–
Chinese Yuan Renminbi				
Increase of the SGD by 8 per cent against Chinese Yuan Renminbi	(0.9)	(0.8)	–	–
Decrease of the SGD by 8 per cent against Chinese Yuan Renminbi	0.9	0.8	–	–
Malaysian Ringgit				
Increase of the SGD by 10 per cent against Malaysian Ringgit	–	1.0	–	–
Decrease of the SGD by 10 per cent against Malaysian Ringgit	–	(1.0)	–	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) of the best and worst expected outcomes having regard to actual historical exchange rate data over the previous five years. Management considers that past movements are a reasonable basis for estimating possible movements in foreign currency exchange rates.

Interest rate risk

The Group manages its interest rate exposure by maintaining a significant portion of its debt at fixed interest rates. This is done by the (i) issuance of fixed rate debt; (ii) use of interest rate swaps to convert floating rate debt to fixed rate debt; or (iii) 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.

As at 31 March 2020, the Group has interest rate and cross-currency interest rate swaps with a notional amount of $9,713.5 million (2019: $8,314.5 million). The Group classifies these swaps as cash flow and fair value hedges except for swaps of notional amount of $1,410.0 million (2019: $1,260.0 million) that do not meet the requirements of hedge accounting in which case, changes in fair value are recorded in the profit or loss. The net fair value of swaps of the Group as at 31 March 2020 was $484.4 million net assets (2019: $16.1 million net liabilities) comprising assets of $560.8 million (2019: $105.4 million) and liabilities of $76.4 million (2019: $121.5 million). These amounts are recognised as derivative assets and liabilities respectively. The Group's excess funds are principally invested in bank deposits of varying maturities to match its cash flow needs.

At the reporting 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:

	Group		Company	
	Profit before tax $ million	**Equity (hedging reserve) $ million**	**Profit before tax $ million**	**Equity (hedging reserve) $ million**
Judgements of reasonably possible movements – increase/(decrease):				
2020				
Increase with all other variables held constant	6.9	46.5	–	–
Decrease with all other variables held constant	(8.6)	(46.7)	–	–
2019				
Increase with all other variables held constant	8.5	33.6	3.1	–
Decrease with all other variables held constant	(6.3)	(36.0)	(3.1)	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) best and worst expected outcomes having regard to actual historical interest rate data over the previous five years based on the six-month Singapore swap offer rate (for Singapore operations), three-month Hong Kong interbank offer rate, three-month USD London interbank offer rate ("LIBOR") and six-month JPY LIBOR. Management considers that past movements are a reasonable basis for estimating possible movements in interest rates. As at 31 March 2020, the movements in interest rates used in the table above are as follows:

- Singapore interest rates – 89 basis points (2019: 81 basis points)
- United States interest rates – 93 basis points (2019: 62 basis points)
- Japan interest rates – 9 basis points (2019: 8 basis points)
- Hong Kong interest rates – nil basis points (2019: 62 basis points)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from its investment in fixed income securities. These securities are mainly listed in Singapore and are classified as investment in debt securities.

For such investments classified as investment in debt and equity securities, a 5 per cent increase in market price would have increased the Group's and the Company's equity by $0.2 million after tax (2019: $6.2 million after tax); an equal change in the opposite direction would have decreased the Group's and the Company's equity by $0.2 million after tax (2019: $6.2 million).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

The Group provides for lifetime ECL for all trade receivables using a provision matrix as disclosed in Note 15. The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. As at 31 March 2020, other receivables have been assessed to be subject to immaterial ECL.

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. The Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk. The Group held cash and cash equivalents of $1,673.4 million (2019: $1,720.5 million) which represents its maximum exposure on these assets.

Counterparty risks on derivatives are generally restricted to any gain or loss when marked to market, and not on the notional amount transacted. As a prudent measure, the 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 receivables. 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, the Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The 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 programmes.

As disclosed in Note 35, the COVID-19 outbreak has brought about significant level of uncertainty to businesses. The Group has assessed its liquidity requirement and is of the view that there are sufficient resources available to support liquidity needs.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group 2020	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(1,169.3)	(1,169.3)	(1,169.3)	–	–	–
Lease liabilities	(45.0)	(61.5)	(7.9)	(7.3)	(15.1)	(31.2)
Debt obligations	(5,581.1)	(6,147.9)	(946.5)	(196.0)	(1,558.8)	(3,446.6)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	560.8	555.5	63.5	64.0	230.8	197.2
Forward exchange contracts						
- Inflow		149.0	89.5	40.3	19.2	–
- Outflow		(145.6)	(87.2)	(39.5)	(18.9)	–
	3.3	3.4	2.3	0.8	0.3	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(76.4)	(111.2)	(21.9)	(11.5)	(54.6)	(23.2)
Forward exchange contracts						
- Inflow		818.2	798.4	11.4	8.4	–
- Outflow		(851.2)	(831.1)	(11.7)	(8.4)	–
	(32.9)	(33.0)	(32.7)	(0.3)	–	–
Total	(6,340.6)	(6,964.0)	(2,112.5)	(150.3)	(1,397.4)	(3,303.8)

Group 2019	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(1,212.7)	(1,212.7)	(1,212.7)	–	–	–
Debt obligations	(5,225.8)	(6,227.0)	(328.2)	(939.0)	(1,318.8)	(3,641.0)
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	105.4	168.0	25.9	23.9	98.6	19.6
Forward exchange contracts						
- Inflow		420.6	407.8	3.8	9.0	–
- Outflow		(419.1)	(406.6)	(3.7)	(8.8)	–
	1.5	1.5	1.2	0.1	0.2	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(121.5)	(164.0)	(23.8)	(5.7)	2.2	(136.7)
Forward exchange contracts						
- Inflow		1,016.6	1,000.7	3.0	12.9	–
- Outflow		(1,019.1)	(1,003.1)	(3.0)	(13.0)	–
	(2.5)	(2.5)	(2.4)	–	(0.1)	–
Total	(6,455.6)	(7,436.7)	(1,540.0)	(920.7)	(1,217.9)	(3,758.1)

Company 2020	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(63.4)	(63.4)	(63.4)	–	–	–
Lease liabilities	(5.5)	(5.6)	(5.6)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		9.9	6.1	3.4	0.4	–
- Outflow		(9.6)	(5.9)	(3.3)	(0.4)	–
	0.3	0.3	0.2	0.1	–	–
Derivative liabilities						
Forward exchange contracts						
- Inflow		7.0	7.0	–	–	–
- Outflow		(7.1)	(7.1)	–	–	–
	(0.1)	(0.1)	(0.1)	–	–	–
Total	(68.7)	(68.8)	(68.9)	0.1	–	–

Company 2019	Carrying amount $ million	Total contractual cash (outflows)/ inflows $ million	Within 1 year $ million	1 – 2 years $ million	2 – 5 years $ million	More than 5 years $ million
Non-derivative financial liabilities						
Trade and other payables*	(884.8)	(884.8)	(884.8)	–	–	–
Derivatives						
Derivative assets						
Interest rate swaps/cross-currency interest rate swaps	0.5	0.6	0.6	–	–	–
Forward exchange contracts						
- Inflow		63.5	63.5	–	–	–
- Outflow		(62.7)	(62.7)	–	–	–
	0.8	0.8	0.8	–	–	–
Derivative liabilities						
Interest rate swaps/cross-currency interest rate swaps	(4.3)	(4.5)	(4.5)	–	–	–
Forward exchange contracts						
- Inflow		366.3	362.6	2.0	1.7	–
- Outflow		(367.7)	(364.0)	(2.0)	(1.7)	–
	(1.4)	(1.4)	(1.4)	–	–	–
Total	(889.2)	(889.3)	(889.3)	–	–	–

* Excluding advance receipts, liability for employee entitlements, provisions and deferred income

For swap hedging instruments that are cash flow hedges, the tables above indicate the periods that they are expected to impact profit or loss.

Capital management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios and capital includes debt and equity items as disclosed in the table below.

	2020 $ million	2019 $ million
Gross borrowings	5,581.1	5,225.8
Less: Cash and cash equivalents	(1,673.4)	(1,720.5)
Net borrowings	3,907.7	3,505.3
Shareholder's funds	10,759.4	10,555.0
Total equity	10,759.4	10,555.0
Total borrowings and equity	16,340.5	15,780.8
Net borrowings and equity	14,667.1	14,060.3

There were no changes in the Group's approach to capital management during the financial year.

Neither the Company nor its subsidiaries are subject to any externally imposed capital requirement.

32 Fair values

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Debt obligations and derivative instruments

Fair values are measured using market observable data as at reporting date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

Financial guarantee contracts

The fair value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rate charged by the bank with this guarantee made available, with the estimated rate that the bank would have charged had this guarantee not been available.

The fair value of a financial guarantee provided by the Company to a supplier for the benefit of a related corporation is determined based on the difference in cash flows between the committed purchases from the supplier and committed sales to end-users at the inception of the financial guarantee. The fair value of the back-to-back guarantee issued to the subsidiary by the Company is recognised as a financial asset of the same fair value as the financial guarantee issued for the benefit of the related corporation.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and lease liabilities) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Fair values versus carrying amounts

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group's assets and liabilities that are carried at fair value mainly relate to debt investments at fair value through other comprehensive income, equity investments at fair value through profit or loss and derivative instruments which are measured using market observable data and as such are deemed as Level 1 and Level 2 respectively within the fair value hierarchy disclosure required under SFRS(I) 13 *Fair Value Measurement*, except for equity investments at fair value through profit or loss of $11.5 million which are valued in accordance with the International Private Equity and Venture Capital guidelines (Level 3). The fair value and net fair value of remaining financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Appropriate transaction costs are included in the determination of net fair value.

The carrying amounts of the financial instruments carried at cost or amortised cost are deemed as Level 1 and Level 2. The financial instruments carried at cost or amortised cost approximates their fair values except as follows:

	2020		2019	
Group	**Carrying amount $ million**	**Fair value $ million**	**Carrying amount $ million**	**Fair value $ million**
Financial liabilities				
Fixed rate debt obligations	(5,377.9)	(5,324.7)	(5,022.8)	(5,074.7)

The table below sets out the comparison by category of carrying amounts of all the Group's financial instruments, shown in the balance sheets:

Group	**Amortised costs $ million**	**Fair value through profit or loss $ million**	**Derivatives used for hedging $ million**	**Fair value through other comprehensive income $ million**	**Other financial liabilities $ million**
2020					
Assets					
Debt investments at FVOCI	–	–	–	5.0	–
Equity investments at FVTPL	–	11.5	–	–	–
Finance lease receivables	8.4	–	–	–	–
Derivative assets	–	3.0	561.2	–	–
Convertible instrument	279.0	–	–	–	–
Other non-current receivables#	4.0	–	–	–	–
Trade and other receivables#	524.6	–	–	–	–
Cash and cash equivalents	1,673.4	–	–	–	–
	2,489.4	14.5	561.2	5.0	–
Liabilities					
Trade and other payables*	–	–	–	–	1,169.3
Lease liabilities	–	–	–	–	45.0
Derivative liabilities	–	1.4	108.0	–	–
Debt obligations	–	–	–	–	5,581.1
	–	1.4	108.0	–	6,795.4
2019					
Assets					
Debt investments at FVOCI	–	–	–	149.5	–
Equity investments at FVOCI	–	–	–	11.8	–
Finance lease receivables	7.7	–	–	–	–
Derivative assets	–	10.3	96.6	–	–
Convertible instrument	307.8	–	–	–	–
Other non-current receivables#	4.8	–	–	–	–
Trade and other receivables#	497.0	–	–	–	–
Cash and cash equivalents	1,720.5	–	–	–	–
	2,537.8	10.3	96.6	161.3	–
Liabilities					
Trade and other payables*	–	–	–	–	1,212.7
Derivative liabilities	–	2.4	121.6	–	–
Debt obligations	–	–	–	–	5,225.8
	–	2.4	121.6	–	6,438.5

Company	Amortised costs $ million	Fair value through profit or loss $ million	Derivatives used for hedging $ million	Fair value through other comprehensive income $ million	Other financial liabilities $ million
2020					
Assets					
Debt investments at FVOCI	–	–	–	5.0	–
Derivative assets	–	–	0.3	–	–
Trade and other receivables#	2,761.7	–	–	–	–
Cash and cash equivalents	6.3	–	–	–	–
	2,768.0	–	0.3	5.0	–
Liabilities					
Trade and other payables*	–	–	–	–	63.4
Lease liabilities	–	–	–	–	5.5
Derivative liabilities	–	–	0.1	–	–
	–	–	0.1	–	68.9
2019					
Assets					
Debt investments at FVOCI	–	–	–	149.5	–
Other non-current assets	–	–	–	–	–
Derivative assets	–	–	1.3	–	–
Trade and other receivables#	2,392.0	–	–	–	–
Cash and cash equivalents	621.2	–	–	–	–
	3,013.2	–	1.3	149.5	–
Liabilities					
Trade and other payables*	–	–	–	–	884.8
Derivative liabilities	–	–	5.7	–	–
	–	–	5.7	–	884.8

Excluding prepayments and finance lease receivables
* Excluding advance receipts, liability for employee entitlements, provisions and deferred income

33 Commitments

	Group		Company	
	2020 $ million	2019 $ million	2020 $ million	2019 $ million
Contracted but not provided for:				
- property, plant and equipment and intangible assets	828.1	1,776.7	11.0	5.0
- development of investment property	18.7	5.7	–	–
- others	20.0	13.3	–	–

Operating lease receivables

The table below sets out the maturity analysis of the undiscounted operating lease payments to be received after the reporting date:

	Group 2020 $ million	Company 2020 $ million
Within one year	1.6	0.5
One to two years	1.2	0.3
Two to three years	–	0.3
	2.8	1.1

	Group 2019 $ million	Company 2019 $ million
Within one year	0.8	0.7
After one year but within five years	0.1	1.2
	0.9	1.9

Lease payments

As at 31 March 2019, the Group and Company have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 $ million	Company 2019 $ million
Within one year	5.6	–
After one year but within five years	15.6	–
After five years	36.3	–
	57.5	–

As disclosed in Note 2.5, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 31 March 2020, except for short-term and low value leases.

34 Dividends

	Group and Company	
	2020	2019
	$ million	$ million
Declared and paid during the financial year		
Dividends on ordinary shares		
- Final exempt (one-tier) dividend for year ended 31 March 2019: 13.5 cents (year ended 31 March 2018: 14.0 cents) per share	392.0	410.0

35 Impact of COVID-19

On 7 April 2020, Singapore entered into the 'Circuit Breaker' period in its fight against COVID-19 and most business activities were suspended, workplaces forced to close and people had to work from home. With the rate of infection declining, the Government put in place a three-phased approach from 2 Jun 2020 to lift the Circuit Breaker and gradually allow business activities to resume and workplaces to reopen.

As the effects of COVID-19 continue to evolve, the Group is unable to reasonably estimate the impact such effects may have on the results of operations or cash flows in the future. The situation is being monitored closely and business continuity plans have been implemented to minimise disruptions to our operations.

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ANNEX A

GLOSSARY

Terms referred to in this Offering Circular and commonly used in (amongst others) the electricity and gas transmission and distribution industries are set out below.

22kV SARFI90	System Average RMS (Variation) Frequency Index, which System Average RMS (Variation) Frequency Index, which represents the average number of voltage dips per year that a consumer experiences where the remaining voltage is less than 90.0% of nominal voltage 22kV
Affected Shares	Shall have the meaning ascribed to the term in the section "Controlling Shareholder — Control of Equity Interests — Gas Act"
ampere	A unit of electrical current
barg	A unit of gauge pressure
bbtu	One Billion (1,000,000,000) British Thermal Unit (Btu); Btu is the amount of heat equal to 1,055.06 Joules
Capacity Charge	Shall have the meaning ascribed to the term in paragraph 1.5.1(c) of Section B of the Gas Network Code
City Energy	City Energy Pte Ltd
Contracted Capacity	A charge applicable to the monthly total supply capacity (in kW) requested by the consumer at a metered intake supply point
commodity variance	The difference between the quantities of gas treated as injected into, and offtaken from, the Transmission Network by the Shipper, as defined in the Gas Network Code
contestable consumers	Consumers who may choose their Retail Licensee, buy electricity directly from the wholesale electricity market or buy electricity from the wholesale electricity market via the MSSL
DCC	Distribution Control Center, as described in more detail in the section "Business of SP Group — Electricity T&D Business – Transmission and Distribution Business in Singapore — Operation and Control of Electricity Transmission and Distribution Network — Distribution"
Distribution Charge	Shall have the meaning ascribed to the term in paragraph 1.5.1(e) of Section B of the Gas Network Code
District Cooling Act	District Cooling Act 2001 of Singapore, as amended or modified from time to time
District Cooling Services Economic Regulation Formula	The economic regulation formula stipulated in condition 13 of the District Cooling Services Licence

District Cooling Services Business.....	The business (through SDC, a wholly-owned subsidiary of SP) of providing of district cooling services under the District Cooling Services Licence
District Cooling Services Licence	District Cooling Services Licence granted by the EMA to SDC under section 10 of the District Cooling Act on April 1, 2006
District Cooling Services Licensee.....	A person holding a licence granted under section 10 of the District Cooling Act to provide district cooling services to a service area
District Cooling Supply Code.....	The code of practice required to be drawn up by SDC and approved by the EMA that describes the minimum standards of performance in accordance with which SDC is required to perform district cooling services
District Cooling System Development.....	The plan which is required to be submitted to the EMA Plan pursuant to, and in accordance with, paragraph 2 of Condition 9 of the District Cooling Services Licence
E-factor	Exogenous costs to PowerGas which are beyond PowerGas' control (e.g. changes in regulatory directives or changes in tax, licence conditions, codes or industry framework)
Electricity Act	Electricity Act 2001 of Singapore, as amended or modified from time to time
Electricity Act Prescribed Limits.....	Shareholding limits prescribed by the Electricity Act and/or any other legislation to which SPPA or SP PowerGrid (as the case may be) is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of conduct promulgated or issued thereunder from time to time
Electricity Authorized Business.....	The business of providing electricity transmission and distribution services in Singapore, and includes the interconnector business and the planning, development, construction, operation, and maintenance of the transmission system or any refurbishment or augmentation thereof as may be required to enable the provision of transmission services
Electricity Licensee.....	A person granted a licence under section 9 of the Electricity Act
Electricity Market Rules	The Market Rules established under section 46 of the Electricity Act, as amended or modified from time to time
Electricity T&D Business	The Electricity Authorized Business and the business of constructing, developing, owning, operating, maintaining and managing the Tunnels
EMA.....	Energy Market Authority of Singapore
EMC.....	Energy Market Company of Singapore
End User	Shall have the meaning ascribed to the term in paragraph 2.1.1 of Annexure 2 to the Gas Network Code
EU	European Union

Firm Capacity Right	Shall have the meaning ascribed to the term in paragraph 2.1.1 of Section B of the Gas Network Code
FFO	Funds from operations
FY	The respective financial years of SP Group ended March 31
GAAP	Generally Accepted Accounting Principles
Gas Act	Gas Act 2001 of Singapore, as amended or modified from time to time
Gas Act Prescribed Limits	Limits as to equity interests or voting power prescribed by the Gas Act and/or any other legislation to which PowerGas or SP PowerGrid (as the case may be) is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of conduct promulgated or issued thereunder from time to time
Gasholder station	A spherical tank in which gas is stored at a higher pressure than the network, and used in times of need, such as during an emergency or peak shaving purposes
Gas Importer Licensee	A person holding a licence granted under Section 7(3)(h) of the Gas Act to import natural gas or liquefied natural gas
Gas Licensee	A person holding a licence granted under Section 7 of the Gas Act
Gas Network Code or GNC	The code issued by the EMA or modified under Section 61B of the Gas Act
Gas Retailer Licensee	A person holding a licence granted under Section 7(3)(d) of the Gas Act to retail gas on or after such date as the Minister for Trade and Industry may, by order published in the *Gazette*, specify
Gas Shipper Licensee	A person holding a licence granted under Section 7(3)(c) of the Gas Act to ship gas on or after such date as the Minister for Trade and Industry may, by order published in the *Gazette*, specify
Gas T&D Business	The business (through PowerGas, a wholly-owned subsidiary of SP) of providing gas transportation and distribution services in Singapore, and the management and operation of any onshore receiving facilities described in Schedule 1 of the Gas Transporter Licence (which currently include the "Sakra NG Station" located at 70 Sakra Road and the "Attap Valley NG Station" at 21 Attap Valley Road)
Gas Transporter Licence	Gas licence for Gas Transporter Licensee granted by the EMA to PowerGas under Section 7(3)(a) of the Gas Act on July 16, 2021 and which supersedes the Gas licence for Gas Transporter Licensee granted by the EMA to PowerGas under Section 7(3)(a) of the Gas Act on January 28, 2008

Gas Transporter Licensee	A person holding a licence granted under Section 7(3)(a) of the Gas Act to convey gas (i) through a gas pipeline or gas pipeline network to any premises, or (ii) to a gas pipeline or gas pipeline network owned by, or under the management or control of, a Gas Transporter Licensee
Gas Transport Agent Business	The business (through SP PowerGrid, a wholly-owned subsidiary of SP) of providing gas conveyance services and the planning, development, construction, operation, and maintenance of the gas pipeline network owned by or under the management or control of PowerGas or any refurbishment or augmentation thereof as may be required to enable the provision of gas conveyance services, for and on behalf of PowerGas
Gas Transport Agent Licence	Gas Licence for Gas Transport Agent Licensee granted by the EMA to SP PowerGrid under Section 7(3)(b) of the Gas Act on July 16, 2021 and which supersedes the Gas Licence for Gas Transport Agent Licensee granted by the EMA to SP PowerGrid under Section 7(3)(b) of the Gas Act on June 20, 2008
Gas Transport Agent Licensee	A person holding a licence granted under Section 7(3)(b) of the Gas Act to convey gas for or on behalf of a Gas Transporter Licensee (other than as an employee of the Gas Transporter Licensee)
Gazette	The *Gazette* published in electronic or other form by order of the Government and includes any supplement thereto and any *Gazette* Extraordinary so published
GEMS	Gas and Electricity Mapping System, as described in more detail in the section "Business of SP Group — Electricity T&D Business — Transmission and Distribution Business in Singapore — Operation and Control of Electricity Transmission and Distribution Network — Distribution" and "Business of SP Group — Gas T&D Business — Operation and Control of Gas Transmission and Distribution Network — Gas and Electric Mapping System"
Generation Licensee	A person holding a licence granted under Section 9(1)(a) of the Electricity Act to generate electricity
GWh	One gigawatt-hour, 1,000,000,000 watt-hours or 1,000 megawatt-hours of electrical energy
GST	Goods and services tax
hr	Hour
Impressed Current Cathodic Protection System	A system that uses external power supply to drive current through the metal pipe to prevent corrosion
Independent Representative	Shall have the meaning ascribed to the term in paragraph 2.1.1 of Annexure 2 to the Gas Network Code
IT	Information technology

joule	A unit of electrical energy equal to the work done when a current of one ampere is passed through a resistance of one ohm for one second
km	One kilometer or 1,000 meters
kW	One kilowatt or 1,000 watts
kWh	One kilowatt-hour, a standard unit for measuring energy produced or used over time
kV	One kilovolt, 1,000 units of electric potential energy
kVA	One kilovolt-ampere
kVArh	One kilovolt-ampere reactive hour or 1,000 volt-ampere reactive hours
LNG	Liquefied natural gas
Locational	Locational refers to the exit capacity being dependent on the distance of the pipeline between the gas receiving terminal or gas injection point to the gas offtake point or the end user's premises
m	meter
mm	millimeter
Management Services Agreements	Collectively, the SPPA Management Services Agreement and the PowerGas Management Services Agreement
Market Company	The market company licensed by EMA to operate and administer Singapore's wholesale electricity market. The Energy Market Company is currently the sole market company licensed by the EMA
Market Participant	A person authorized by an electricity licence and registered in accordance with the Electricity Market Rules to trade in any wholesale electricity market and includes a Transmission Licensee and any department of the Government which generates electricity before April 1, 2001
Market Support Services Business	The business (through SP Services, a wholly-owned subsidiary of SP) of providing market support services to consumers in the electricity retail market and to Electricity Licensees
Market Support Services Code	The code of practice issued by the EMA that describes the minimum standards of performance in accordance with which a MSSL is required to perform market support services for Electricity Licensees and contestable consumers
Market Support Services Economic Regulation Formula	The economic regulation formula stipulated in condition 25 of the Market Support Services Licence

Market Support Services Licence	Electricity Licence for Market Support Services Licensee granted by the EMA to SP Services under Section 9(1)(e) of the Electricity Act on January 29, 2021 and which replaces the Electricity Licence for Market Support Services Licensee granted by the EMA to SP Services under Section 9(1)(e) of the Electricity Act on June 30, 2011
Metering Code	The code of practice issued by the EMA that describes the minimum standards of performance in accordance with which a metering services provider is required to perform metering services
microgrid	An energy system separate from the main electricity grid with distributed energy sources such as renewable energy. It can operate in parallel with or independent from the main power grid
Minister	Minster for Trade and Industry
MMBtu	One million Btu
MSSL	A person holding a licence granted under Section 9(1)(e) of the Electricity Act to provide market support services
Mtpa	Million tonne per annum
MW	One megawatt or 1,000 kilowatts
MWh	One megawatt-hour, 1,000,000 watt-hours or 1,000 kilowatt-hours of electrical Energy
New Entrant	Shall have the meaning ascribed to the term in paragraph 2.1.1 of Annexure 2 to the Gas Network Code
NMACS	Network Management and Customer Service, as described in more detail in the section "Business of SP Group — Electricity T&D Business — Transmission and Distribution Business in Singapore — Operation and Control of Electricity Transmission and Distribution Network — Distribution"
non-contestable consumers	Consumers who choose to pay at regulated tariffs
Non-Firm Capacity Right	Shall have the meaning ascribed to the term in paragraph 2.1.2 of Section B of the Gas Network Code
OEM	Open Electricity Market, as described in more detail in the section "Industry and Regulation — Electricity Industry in Singapore — Summary of the Restructured Electricity Industry in Singapore — Contestability"
ohm	A unit of electrical resistance equal to the resistance between two points on a conductor when a potential difference of one volt between them produces a current of one ampere

Onshore Receiving Facility Operator	A person holding a licence granted under Section 7(3)(e) of the Gas Act to manage or operate any offshore receiving facility whether for himself or as principal, or for and on behalf of any other person (other than as an employee)
Operating Capacity	The portion of the LNG terminal capacity that is required to serve their throughput demand
ORF	Onshore receiving facility
OS-factor	Open season process and the connection of new consumers in the gas networks
PowerGas	PowerGas Limited
PowerGas Management Services Agreement	The management services agreement between PowerGas and the Manager dated June 17, 2008, and subsequently amended and restated with effect from April 1, 2010
PSCC	Power System Control Center, as described in more detail in the section "Business of SP Group — Electricity T&D Business — Transmission and Distribution Business in Singapore — Operation and Control of Electricity Transmission and Distribution Network — Transmission"
PSO	Power System Operator, as described in more detail in the section "Industry and Regulation — Electricity Industry in Singapore — Summary of the Restructured Electricity Industry in Singapore"
PUB	Public Utilities Board of Singapore
reactive power	A form of power which arises when alternating current and voltage do not remain in phase within a transmission or distribution network, which is inevitably present in such networks and must be carefully controlled in order to maintain network stability and optimize the operation of such networks. Reactive power provides no useful energy and is expressed in volt-amperes reactive (VAr)
Reactive Power Charge	A charge applicable to the amount of kVArh in excess of 62.0% of the consumer's total monthly consumption
Refrigeration Tons	The rate of heat transfer that results in the melting of 1 ton (2,000 lb; 907 kg) of pure ice at 0°C in 24 hours
Regulated Supply Service Code	The code of practice issued by the EMA that describes the minimum standards of performance in accordance with which a MSSL is required to supply and sell electricity and provide other associated market support services to non-contestable consumers under Section 21 of the Electricity Act
Retail Licensee	A person holding a licence granted under Section 9(1)(c) of the Electricity Act to retail electricity

Retailer of Last Resort	the retailer of electricity to a consumer in the event that such consumer's existing Retail Licensee becomes unable or loses the right to retail electricity to its consumers by virtue of one or more of the events prescribed in the Code of Conduct for Retail Electricity Licensees
SAIDI	System Average Interruption Duration Index, which represents the average unplanned outage duration experienced per consumer per annum
SAIFI	System Average Interruption Frequency Index, which represents the average number of unplanned interruptions per consumer per annum
SCADA	Supervisory Control and Data Acquisition, as described in more detail in the section "Business of SP Group — Electricity T&D Business — Transmission and Distribution Business in Singapore — Operation and Control of Electricity Transmission and Distribution Network — Distribution"
SDC	Singapore District Cooling Pte Ltd
SEP	Singapore Electricity Pool, as described in more detail in the section "Industry and Regulation — Electricity Industry in Singapore — Regulatory History of the Singapore Electricity Industry"
SGSPAA	SGSP (Australia) Assets Pty Ltd
Shipper	Shall have the meaning ascribed to the term in paragraph 4.1.1(q) of Section A of the Gas Network Code
SP	Singapore Power Limited
SP Digital	SP Digital Pte. Ltd.
SLNG	Singapore LNG Corporation Pte Ltd
SP PowerGrid or SPPG	SP PowerGrid Limited
SP Services	SP Services Limited
SPPA	SP PowerAssets Limited
SPPA Management Services Agreement	The management services agreement between SPPA and the Manager dated October 8, 2003, as further supplemented on November 3, 2003 and subsequently amended and restated with effect from April 1, 2010
substation	Electrical plant, containing or comprising one or more transformers and/or switchgear, that steps down electricity voltage between transmission cables and distribution cables
switchgear	Electrical plant or equipment in a transmission and distribution network used to connect components of that network and which can disconnect parts of that network automatically if overload or a fault occurs

Temasek	Temasek Holdings (Private) Limited
Throughput Capacity	Peak regasification and send-out capacity of the LNG terminal
TNB	Tenaga Nasional Berhad
TOD meters	Time-of-Day meters, as described in more detail in the section "Business — Electricity T&D Business — Transmission and Distribution Business in Singapore — SPPA's Electricity Transmission and Distribution Network Assets — Meters"
transformer	Electrical plant or equipment in a transmission and distribution network used to alter the level of voltage and current
Transmission Agent Business	The business (through SP PowerGrid, a wholly-owned subsidiary of SP) of providing transmission services, and includes the interconnector business and the planning, development, construction, operation, and maintenance of the transmission system or any refurbishment or augmentation thereof as may be required to enable the provision of transmission services, for and on behalf of SPPA
Transmission Agent Licence	Electricity Licence for Transmission Agent Licensee granted by the EMA to SP PowerGrid under Section 9(1)(ba) of the Electricity Act on July 16, 2021 and which supersedes the Electricity Licence for Transmission Agent Licensee granted by the EMA to SP PowerGrid under Section 9(1)(ba) of the Electricity Act on July 27, 2006
Transmission Agent Licensee	A person holding a licence granted under Section 9(1)(ba) of the Electricity Act to transmit electricity for or on behalf of a Transmission Licensee
Transmission Charge	Shall have the meaning ascribed to the term in paragraph 1.5.1(a) of Section B of the Gas Network Code
Transmission Licence	Electricity Licence for Transmission Licensee granted by the EMA to SPPA under Section 9(1)(b) of the Electricity Act on July 16, 2021 and which supersedes the Electricity Licence for Transmission Licensee granted by the EMA to SPPA under Section 9(1)(b) of the Electricity Act on November 3, 2003
Transmission Licensee	A person holding a licence granted under Section 9(1)(b) of the Electricity Act to transmit electricity
Transporter Incentive/Rebate Payment	The payments to be made to PowerGas in accordance with paragraphs 7.2 and 7.3 of Section E of the Gas Network Code
Trustee-Manager	SPPA (in its capacity as trustee-manager of the SPCIT Trust)
Uncontracted Capacity Charge	A charge applicable to the monthly maximum electricity demand (in kW) in excess of the consumer's indicated Contracted Capacity. The excess demand is limited to 20.0% of the Contracted Capacity for consumers who choose to cap their electricity demand on the network

Uncontracted Standby Capacity Charge	A charge applicable to consumers who choose to cap their demand from the network under the following two schemes: <u>Capped Capacity Scheme</u> Where monthly electricity demand capacity (in kW) exceeds 120.0 % of contracted capacity for more than 10 seconds continuously <u>Extended Capped Capacity Scheme</u> Tier 1: Where monthly electricity demand capacity (in kW) is between 120.0% and 200.0% of the contracted capacity for more than 100 seconds continuously Tier 2: Where monthly electricity demand capacity (in kW) exceeds 200.0% of the contracted capacity for more than 10 seconds continuously
Use of system charges	Charges for the use of the transmission and distribution system, which is used to transmit electricity to the consumer's premises
V.....	Volt is a standard measure used for measuring electrical potential, electrical pressure or electromotive force which forces an electrical current to flow within a circuit. One volt is equal to the difference of electric potential between two points on a conducting wire carrying a constant current of one ampere when the power dissipated between the points is one watt. All voltages referred to in this Offering Circular are nominal or declared voltages and at any time the actual voltage may differ by a small amount
VAr.....	One volt-ampere reactive or a unit of reactive power
WACC	Weighted average cost of capital
watt.....	A common measure of electrical power equal to one joule per second or the power dissipated by a current of one ampere flowing across a resistance of one ohm
watt-hour	A measure of energy production or consumption equal to one watt produced or consumed for one hour

ANNEX B

GLOBAL CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of CDP, DTC, 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. The Issuer, SP, any Arranger, Dealer, Trustee, Agent or party to the Indenture and/or Supplemental Trust Deed will not be held responsible nor 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 each 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 "clearance 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. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. 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 makes payments only in U.S. dollars.

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 will 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

Clearance and Settlement under the Depository System. 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 ("Depository System") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing 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.

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 ("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 ("Depository Agents") approved by CDP under the Companies Act to main 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, SP, the Issuing and 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 Issuing and 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 in respect of any Bearer Series of Notes. In respect of Bearer Notes, as may be specified in the applicable 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 depositary for 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 Global Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Regulation S Global Note, as may be specified in the applicable Pricing Supplement. Each Regulation S Global Note will have an ISIN or Common Code, and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions".

The Issuer will make applications to DTC for acceptance in its book-entry settlement system of the Restricted Global Notes. Each Restricted Global Note will have a CUSIP number. Each Restricted Global Note 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 Global Notes and Transfer Restrictions".

The custodian with whom the Restricted Global Notes are deposited (the "Custodian") and DTC will electronically record the principal amount of the Restricted Notes held within the DTC system. Investors in Notes of such series may hold their interests in a Regulation S Global Note only through CDP, Euroclear or Clearstream, as the case may be. Investors may hold their interests in the Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations that are participants in such system.

Payments of principal and interest in respect of 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 Restricted Global Note. 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 Restricted Global Note as shown on the records of DTC or its nominee. 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 Exchange Agent on behalf of the nominee who will make payment of all or part of the amount to the beneficial holders of interests in such 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 also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Note held through such DTC participants will be governed by standing instructions and customary practices, as is now 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.

Neither the Issuer, SP, the Trustee nor 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.

Individual Definitive Registered Notes

Registration of title to Registered Notes in a name other than CDP or its nominee or a depositary for Euroclear and Clearstream or DTC will not be permitted unless (i) in the case of Restricted Notes, an event of default with respect to such series has occurred and is continuing or DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the 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, (ii) in the case of Regulation S Global Notes deposited with a common depositary 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, an event of default with respect to such series has occurred and is continuing or, CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), CDP has announced an intention permanently to cease business and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the application form dated October 25, 2018 signed by the Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein, (the "Depository Services Agreement", as amended, varied, supplemented and/or replaced from time to time) and no alternative clearing system is available or (iv) the 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 Trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the Trustee to obtain possession of the Notes. In such circumstances, the Issuer will cause sufficient individual Definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holder(s) of the Notes.

A person having an interest in a Registered Global Note must provide the Registrar with:

(i) written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Definitive Registered Notes; and

(ii) in the case of a 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. Individual 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

Transfers of interests in Registered Global Notes within CDP, DTC, Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant system. The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer a beneficial interest in a Registered Global Note to such persons may require that such interests be exchanged for Notes in definitive form. 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 require that such interests be exchanged for Definitive Registered Notes. 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.

Trading Between Clearance Systems

Trading between Euroclear or Clearstream seller and 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 will 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 depositary to deliver the interests in the Registered Global Note to the 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 participants' 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 DTC seller and 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 participant to the account of a Euroclear or Clearstream participant, the purchaser will 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 instruct its respective depositary 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 depositary 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.

Day traders that use Euroclear or Clearstream to purchase interests in a Regulation S Global Note from participants for delivery to Euroclear or Clearstream participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(i) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear or Clearstream accounts) in accordance with the Clearance System's customary procedures;

(ii) borrowing the interests in the United States from a participant no later than one day prior to settlement, which would give the interests sufficient time to be reflected in their Euroclear or Clearstream account in order to settle the sale side of the trade; or

(iii) staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the participant is at least one day prior to the value date for the sale to the Euroclear or Clearstream participant.

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, participants can employ their usual procedures for transferring interests in 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 participants, a cross market transaction will settle no differently from a trade between participants.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, Registered Notes held through participants or indirect participants will trade in DTC's Same-Day Funds Settlement System until the earliest of maturity or redemption, and secondary market trading activity in such Registered Notes will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlements in immediately available funds on trading activity in such Registered Notes.

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. Neither the Issuer, SP, the Trustee nor any Agent will have any responsibility for the performance by DTC, CDP, Euroclear or Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Note is lodged with DTC or the Custodian, Restricted Notes represented by individual Definitive Registered Notes will not be eligible for clearance or settlement through DTC, Euroclear or Clearstream.

ANNEX C

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each series, subject only to the deletion of non-applicable provisions, will be in substantially the form set out below:

Pricing Supplement dated

SP Group Treasury Pte. Ltd.
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
Unconditionally and irrevocably guaranteed by Singapore Power Limited
Under the 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 must be read in conjunction with such Offering Circular. This Pricing Supplement applies to the terms and conditions set out on the reverse side of the Note. Terms defined in (i) the Offering Circular, [(ii) the Amended and Restated Indenture, dated as of September 26, 2019, entered into among the Issuer, the Guarantor and the Trustee, (the "Indenture"),] [(iii) the Amended and Restated Supplemental Trust Deed (the "Supplemental Trust Deed"), dated September 26, 2019, entered into among the Issuer, the Guarantor and the Trustee, and which is supplemental to the Indenture,] and (iv) the Note to which this Pricing Supplement applies shall have the same meaning in this Pricing Supplement, and (unless the context otherwise requires) references to Sections herein are references to the Sections of the terms and conditions set out on the reverse side of the Note to which this Pricing Supplement applies.

The issue of the Notes was authorized by a resolution of the Board of Directors of SP Group Treasury Pte. Ltd. dated .

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

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") [AND THE NOTES COMPRISE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS]. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE [OFFERED OR SOLD/OFFERED, SOLD OR DELIVERED] WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") OR UNDER U.S. TAX LAW). THIS PRICING SUPPLEMENT HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES: (I) OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S [AND (II) WITHIN THE UNITED STATES TO [PERSONS 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 U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT") AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND THE EXCLUSION PROVIDED BY SECTION 3(C)(7) UNDER THE INVESTMENT COMPANY ACT] [PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A]. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING CIRCULAR, SEE THE SECTIONS ENTITLED "PLAN OF DISTRIBUTION" AND "NOTICE TO PURCHASERS AND HOLDERS OF REGISTERED GLOBAL NOTES AND TRANSFER RESTRICTIONS" IN THE OFFERING CIRCULAR.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person in the EEA who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [(1)]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person in the UK who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] [(2)]

[**MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [(3)]

[**UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [(4)]

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(1) Include only where "Prohibition of Sales to EEA Retail Investors" below is specified as "Applicable". Delete legend where "Prohibition of Sales to EEA Retail Investors' below is specified as "Not Applicable".

(2) Include only where "Prohibition of Sales to UK Retail Investors" below is specified as "Applicable". Delete legend where "Prohibition of Sales to UK Retail Investors' below is specified as "Not Applicable".

(3) Include only where one or more Managers on the drawdown is a MiFID Firm manufacturer.

(4) Include only where one or more Managers on the drawdown is a MiFIR Firm manufacturer.

[*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA*]

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

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

1	(i)	Issuer:	SP Group Treasury Pte. Ltd.
	(ii)	Guarantor:	Singapore Power Limited
2	Series Number:		
3	Specified Currency or Currencies (Section 2):		
4	Aggregate Nominal Amount or Principal Amount:		
5	(i)	Series:	
	(ii)	Tranche:	
	(iii)	Issue Price:	per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
	[(iv)	Net proceeds:	*(Required only for listed issues)*]
6	Specified Denomination(s)[(5)]:		
7	(i)	Original Issue Date:	
	(ii)	[Interest Commencement Date (if different from the Original Issue Date):]	
8	Maturity Date or Stated Maturity:		[*specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year*]
9	Interest Rate Basis:		[per cent. Fixed Rate] [Amortizing] [CD Rate] [Commercial Paper Rate] [Prime Rate] [Federal Funds Rate] [LIBOR] [EURIBOR] [SIBOR] [Average Swap Rate] [Variable Rate] [Treasury Rate] [CMT Rate] [Other Floating Rate Note (*specify reference rate*)] +/- per cent.

(5) Notes [(including Notes denominated in sterling) 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 and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

			[Zero Coupon] [Indexed Interest (*specify*)] [Other (*specify*)] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at par] [Make Whole Redemption] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*specify*)]
11	Option to Receive Payments in Specified Currency:		[Not Applicable]
12	Change of Interest or Redemption/Payment Basis:		[Not Applicable] [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
13	Put/Call/Purchase Options:		[Investor Put] [Investor Call] [Issuer's Purchase Option] [Holder 's VRN Purchase Option/Other (*state Holder's VRN Purchase Option Period and annex relevant terms and conditions*)] [None/(further particulars specified below)]
14	(i)	Status of the Notes:	[Senior/Other]
	(ii)	Status of the Guarantee	[Senior/Other]
15	Listing:		[SGX-ST/ Other (*specify*)/None]
16	Method of distribution:		[Syndicated/Non-syndicated]
17	**Fixed Rate Note Provisions:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Interest Rate:	per cent. per annum [payable annually/ semiannually/quarterly/ monthly in arrear]

	(ii)	Interest Payment Date(s):	[Annually on of each year and at Maturity] [Semiannually on and of each year and at Maturity] [specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day"]/not adjusted] *(For Bearer Global Note: For the purposes of any payments made in respect of a Bearer Global Note, the relevant place of presentation shall be disregarded in the definition of "Business Day" set out in the Indenture.)*
	(iii)	Day Count Fraction:	[360-day year of twelve 30-day months] [365-day year] *(Consider if day count fraction for fixed rate euro denominated issues should be on an Actual/ Actual- ISDA, Actual/Actual-ISMA or other basis)*
	(iv)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
18	**Floating Rate Note and Variable Rate Note Provisions (Section 3A):**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Interest Rate Basis:	[CD Rate] [Commercial Paper Rate] [Prime Rate] [Federal Funds Rate] [LIBOR] [EURIBOR] [SIBOR] [Swap Rate] [Variable Rate] [Treasury Rate] [CMT Rate] [Other (*specify reference rate*)] +/- per cent.
	(ii)	Definition of [CD Rate] [Commercial Paper Rate] [Prime Rate] [Federal Funds Rate] [LIBOR] [EURIBOR] [SIBOR] [Average Swap Rate] [Variable Rate] [Treasury Rate] [CMT Rate] [Other (*specify reference rate*)] (if different from that set out in terms and conditions of Note and Indenture):	[Not Applicable/*give details*]
	(iii)	Interest Maturity:	
	(iv)	Spread (Plus or Minus):	
	(v)	Spread Multiplier:	
	(vi)	Initial Interest Rate:	
	(vii)	Maximum Interest Rate (if any):	[Not Applicable]
	(viii)	Minimum Interest Rate (if any):	[Not Applicable]
	(ix)	Interest Payment Period(s):	
	(x)	Interest Payment Month(s):	
	(xi)	Interest Payment Date(s):	
	(xii)	Interest Reset Period:	[Daily] [Weekly] [Monthly] [Quarterly] [Semiannually] [Annually] [Others]

(xiii)	Interest Reset Date(s):	[(*Specify only if modified*)] [(or the next succeeding Market Day)] [*(For LIBOR Notes only)*, (*Specify only if modified*) (or the next succeeding Market Day, or if the next succeeding Market Day falls in the next succeeding calendar month, the immediately preceding Market Day]
(xiv)	[Not Applicable]Interest Reset Month(s):	[(*Specify*)] [Not Applicable]
(xv)	[Not Applicable]Initial Interest Reset Date(s):	[Each Market Day] [Wednesday of each week] [Tuesday of each week *(for Treasury Rate Notes)*] [Third Wednesday of each month] [Third Wednesday of March, June, September and December] [Third Wednesday of [(insert month] and [(insert month)]] [of each year] [Other *(Specify)*]
(xvi)	Interest Determination Date(s):	[(*Specify only if modified*)]
(xvii)	Calculation Date(s):	[(*Specify only if modified*)]
(xviii)	Index Maturity:	
(xix)	Redemption Price:	per cent.
(xx)	Calculation Agent (if other than the Issuing and Paying Agent):	
(xxi)	Exchange Agent (if other than the Issuing and Paying Agent):	
(xxii)	Screen Rate Determination:	[Applicable] [Not Applicable (*Refer to row (xxv), (xxvi), or (xxvii) below)*]
	– Interest Period	See above.
	– Screen Page	[LIBOR-LIBO] [*Specify relevant LIBO screen page*] [LIBOR] [*Specify relevant LIBOR 01 screen page*] [Not Applicable]
	– Reference Banks	[*Specify four*]
(xxiii)	CMT Reuters Page:	[Reuters Screen [FRBCMT/FEDCMT] Page] [Not Applicable]
(xxiv)	Designated CMT Maturity Index:	[[1] [2] [3] [5] [7] [10] [20] [30] years] [Not Applicable]
(xxv)	Provisions for SIBOR Notes:	[Applicable] [Not Applicable]
	– Interest Period	[Specify]
	– Screen Page	[Give details]
	– Reference Banks	[Specify three]
(xxvi)	Provisions for Swap Rate Notes:	[Applicable] [Not Applicable]
	– Interest Period	[Specify]
	– Reference Banks	[Specify three]
	– Discount/Premium	[Specify three]

	(xxvii)	Provisions for Variable Rate Notes:	[Applicable] [Not Applicable] [Specify]
		– Interest Period	[SIBOR, Average Swap Rate or other benchmark]
		– Benchmark	
		– Reference Banks	[Specify three]
		– Relevant Dealer	
	(xxviii)	Other terms relating to Floating Rate Notes:	[Not Applicable/give details]
19	**Amortizing Note Provisions:** *(For Fixed Rate Notes or Zero Coupon Notes only)* (If Applicable, provisions relating to the Amortizing Note series to which this Pricing Supplement relates are set out in Clause of Annex to this Pricing Supplement)		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortization Amount:	
	(ii)	Amortization Date:	
	(iii)	Amortization Yield:	per cent. per annum
	(iv)	Day Count Fraction:	
	(v)	Any other formula/basis of determining amount payable:	
20	**Indexed Note Provisions:** (If Applicable, provisions relating to the Indexed Note series to which this Pricing Supplement relates are set out in Clause of Annex to this Pricing Supplement)		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula:	[Give or annex details]
	(ii)	Calculation Agent, if any, 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)/Specified:	
	(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 Center(s):	(*For Bearer Global Note: For the purposes of any payments made in respect of a Bearer Global Note, the relevant place of presentation shall be disregarded in the definition of "Business Day" set out in the Indenture*)

(viii) Minimum Interest Rate: per cent. per annum

(ix) Maximum Interest Rate: per cent. per annum

(x) Day Count Fraction:

21 **Dual Currency Note Provisions:** [Applicable/Not Applicable]
(If Applicable, provisions relating to the Dual Currency Note series to which this Pricing Supplement relates are set out in Clause of Annex to this Pricing Supplement) *(If not applicable, delete the remaining sub-paragraphs 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:

22 **Original Issue Discount Notes:** [Applicable/Not Applicable]
(If Applicable, the following will be completed solely for the purpose of applying the United States federal income tax original issue discount ("OID") rules) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Yield to Maturity:

(ii) Total Amount of OID:

(iii) OID as a percentage of Principal Amount:

(iv) Short Accrual Period OID:

PROVISIONS RELATING TO REDEMPTION

23 **General Provisions Relating to Redemption**

(i) Redemption Date(s):

(ii) Redemption Price:

24 **Call Option:** [Applicable/Not Applicable]

24A ***Optional Redemption***

[(1) Reference rate for determining Make Whole Amount ("Make Whole Call Reference Rate") [*Specify*]]

	[(2)] Amount of spread to be added to the [Make Whole Call Reference Rate] [reference rate provided in the terms of the Notes] in determining the Make Whole Amount:	
24B	***Call Option from non-QIB/QP holder***	[See the section entitled "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions — Ability of the Issuer to Compel Sale of or Redeem Restricted Global Note" in the Offering Circular.][Not Applicable]
[24C	***Additional Call Option***	
	(i) Additional Call Option Optional Redemption Date(s):	[*Insert date that is three/six/applicable months prior to maturity date*]
	(ii) Additional Call Option Optional Redemption Amount(s) of each Note:	100 per cent. of the Principal Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per [●] in nominal amount
	(b) Maximum Redemption Amount:	[●] per [●] in nominal amount
	(iv) Additional Call Option Notice Period:	The Issuer may, on giving not less than [15] nor more than [30] days' irrevocable notice to the Noteholders, redeem all or some of the Notes on the Additional Call Option Optional Redemption Date.]
25	**Issuer's Purchase Option:** Issuer's Purchase Option Period	[Applicable/Not Applicable] [Specify maximum and minimum number of days for notice period and specify dates]
26	**Put Option (Section 6):**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Redemption Date(s) (Option of Holder):	[Not Applicable]
	(ii) Range(s) of Redemption Date(s) (Option of Holder):	[Not Applicable]
	(iii) Redemption Price (Option of Holder):	per Note of specified denomination
	(iv) Description of any other Noteholders' option:	[Specify]
	(v) Notice period: additional business days[(5)]	
27	Holder's Purchase Option: Holder's VRN Purchase Option Period	[Applicable/Not Applicable] [Specify maximum and minimum number of days for notice period and specify dates]
28	Final Redemption Amount:	[per Note of specified denomination/ Other/See Appendix]

29	**Optional Tax Redemption by the Issuer (Section 6):**		[Applicable] [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Early redemption amount(s) of each Note payable on redemption for taxation reasons (Redemption Price):	[100% of the Principal Amount] [The Amortized Face Amount (*use only for Original Issue Discount Note*)]
	(ii)	Unmatured Coupons to become void upon early redemption (Bearer Notes only):	[Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

30	Form of Notes:		**Bearer Notes/Registered Notes** [*Delete as appropriate*] [Definitive Registered Notes] [Regulation S Global Notes] [Restricted Global Note] [Not Applicable/*give details*] [Definitive Bearer Note(6)] [Global Bearer Note (6)]
	(i)	Temporary or Permanent Global Note/ Certificate:	[Temporary Global Note/Certificate exchangeable for a Permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/Certificate]* [Temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on days' notice] [Permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/ Certificate]* *(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000". In addition, the "limited circumstances specified in the Permanent Global Note" option may have to be amended to permit such Specified Denomination construction. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
	(ii)	Applicable TEFRA exemption:	[TEFRA C/TEFRA D/Not Applicable (TEFRA not applicable may only be used in the case of Notes in registered form or which have maturities of 365 days or less (including any unilateral rights to rollover or extend the maturity)]*

(6) Payments of principal and interest (if any) in respect of Bearer Definitive Notes and Bearer Notes represented by any bearer global Note will be made against presentation or surrender, as the case may be, of such Bearer Definitive Note or bearer global Note at the specified office of any Issuing and Paying Agent outside of the United States.

* Where TEFRA D is applicable, a Note must be issued in the form of a Temporary Global Note exchangeable upon U.S. tax certification for a Permanent Global Note or for Definitive Notes.

31	Financial Center(s) or other special provisions relating to payment dates:		[Not Applicable/Give details. Note that this item relates to the date and place of payment, and not interest period end dates]
32	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):		[Yes/No. If yes, give details]
33	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		[Not Applicable/give details]
34	Details relating to Instalment Notes:		[Not Applicable/give details]
	(i)	Instalment Amount(s):	
	(ii)	Instalment Date(s):	
	(iii)	Minimum Instalment Amount:	
	(iv)	Maximum Instalment Amount:	
35	Redenomination, renominalization and reconventioning provisions:		[Not Applicable/The provisions as further detailed in this Pricing Supplement apply]
36	Consolidation provisions:		[Not Applicable/The provisions as further detailed in this Pricing Supplement apply]
37	Use of proceeds:		
38	Other terms or special conditions[7]:		[Not Applicable/give details]

DISTRIBUTION

39	(i)	If syndicated, names of Managers:	[Not Applicable/give names]
	(ii)	Stabilizing Manager (if any):	[Not Applicable/give name]
40	If non-syndicated, name of Dealer:		[Not Applicable/give name]

[7] If full terms and conditions are to be used, please add the following here:

"The full text of the Description of the Notes which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Description of the Notes replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Description of the Notes will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Description of the Notes should be attached to and form part of the pricing supplement.

41	Additional selling restrictions:	[Not Applicable/give details] [The Notes are offered and sold in reliance on Rule 144A under the Securities Act and Regulation S under the Securities Act. Neither the Issuer nor the Guarantor is or will be registered under the Investment Company Act in reliance on the exclusion provided by Section 3(c)(7) of the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The selling and transfer restrictions described in the sections entitled "Plan of Distribution — Selling Restrictions — United States" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions" in the Offering Circular with respect to such Notes apply.][The Notes are offered and sold in reliance on Regulation S under the Securities Act only. The selling and transfer restrictions described in the sections entitled "Plan of Distribution – Selling Restrictions – United States – With respect to Notes offered and sold in reliance on Regulation S only" and "Notice to Purchasers and Holders of Registered Global Notes and Transfer Restrictions" in the Offering Circular with respect to such Notes apply.]
42	Purchase obligation:	[Joint/Several]

OPERATIONAL INFORMATION

43	ISIN:	
44	Common Code:	
45	CUSIP:	
46	CINS number (Regulation S CUSIP):	
47	Any clearing system(s) other than Euroclear, Clearstream and CDP and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)] [Other clearing information]
48	Depository:	[CDP/DTC/common depositary for Euroclear and Clearstream/others]
49	Delivery:	Delivery [against/free of] payment
50	The Agents appointed in respect of the Notes are:	

GENERAL

51	The aggregate principal amount of Notes issued has been translated into Singapore dollars at the rate of, producing a sum of (for Notes not denominated in Singapore dollars):	[Not Applicable/S$]

52	Additional requirements for Singapore Dollar Notes:	[Give details]
53	Applicable Governing Document:	[Amended and Restated Indenture dated as of September 26, 2019 among the Issuer, the Guarantor and the Trustee] [Amended and Restated Supplemental Trust Deed dated September 26, 2019 among the Issuer, the Guarantor and the Trustee]
54	Governing law of Note:	[New York] [Singapore]
55	Ratings:	[The Notes to be issued [have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*][Not Applicable]
56	Prohibition of Sales to EEA Retail Investors	[Applicable]/[Not Applicable]
57	Prohibition of Sales to UK Retail Investors	[Applicable]/[Not Applicable]
58	Legal Entity Identifier	[Give details]

[**Listing Application**]

[This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the S$10,000,000,000 Global Medium Term Note Program of SP Group Treasury Pte. Ltd.].

[**Stabilization**]

[In connection with this issue, [insert name of Stabilizing Manager] (the "Stabilizing Manager") or any person acting for him may over-allot 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 issue date. However, there is no obligation on the Stabilizing Manager or any agent of his to do this. Such stabilizing action, if commenced, may be discontinued at any time and must be brought to an end after a limited period.]

[**Material Adverse Change Statement**]

[[Except as disclosed herein, there/There] has been no material adverse change in the financial position of SP Group (taken as a whole) in the context of the issue and offering of the Notes since [insert date of last published annual accounts.]][(8)]

Signed on behalf of SP Group Treasury Pte. Ltd.

as Issuer

By: _____
Duly authorized

Signed on behalf of Singapore Power Limited

as Guarantor

By: _____
Duly authorized

(8) If any change is disclosed in the Pricing Supplement, it may require approval by the relevant stock exchange(s) on which the Notes are listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

THE COMPANY

SP Group Treasury Pte. Ltd.
2 Kallang Sector
Singapore 349277

THE GUARANTOR

Singapore Power Limited
2 Kallang Sector
Singapore 349277

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Singapore 048583

Morgan Stanley Asia (Singapore) Pte.
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#16-01 Capital Square
Singapore 049481

DEALERS

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Singapore 049481

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#03-05 OCBC Centre East
Singapore 049514

The Hongkong and Shanghai Banking Corporation Limited
10 Marina Boulevard
#45-01 Marina Bay Financial
Centre Tower 2
Singapore 018983

United Overseas Bank Limited
80 Raffles Place
#03-01 UOB Plaza 1
Singapore 048624

TRUSTEE AND EXCHANGE AGENT, ISSUING AND PAYING AGENT (DTC), NOTE REGISTRAR AND TRANSFER AGENT (DTC)

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
United States of America

ISSUING AND PAYING AGENT (CDP)

The Bank of New York Mellon, Singapore Branch
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#02-01
Millenia Tower
Singapore 039192

ISSUING AND PAYING AGENT (EUROCLEAR/CLEARSTREAM)

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London E14 5AL
United Kingdom

NOTE REGISTRAR AND TRANSFER AGENT (EUROCLEAR/CLEARSTREAM)

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INDEPENDENT AUDITORS TO THE GUARANTOR IN RESPECT OF FINANCIAL YEARS 2020, 2021 AND 2022
Ernst & Young LLP
Level 18 North Tower One
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Doing Our Part in Creating a Low Carbon Smart Energy Singapore

- My Tengah, Singapore's Eco-friendly Smart Energy Town

Aiming to be a Leading Sustainable Energy Solutions Player in Asia Pacific

- Renewable Solar Project in Jinan City, Shandong Province, China

SPgroup
Empowering the Future of Energy