

TEMASEK FINANCIAL (I) LIMITED

(Incorporated in Singapore. Registration Number: 200408713K)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

TEMASEK FINANCIAL (I) LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2008

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TEMASEK FINANCIAL (I) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 March 2008

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2008.

Directors

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

Gan Chee Yen
Leong Wai Leng
Vijay Parekh
Rajagopalan Shyamsunder
Wong Heng Tew

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares and debentures

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

<u>Name of director and corporations in which interests held</u>	<u>Description of interests</u>	<u>Holdings registered in the name of director, spouse or infant children</u>	
		<u>At 01.04.2007</u>	<u>At 31.03.2008</u>
<u>Gan Chee Yen</u>			
Chartered Semiconductor Manufacturing Ltd.	Ordinary shares	25,000	25,000
Eugenics Ltd.	Ordinary shares	30,000 ^{#1}	30,000 ^{#1}
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	250,000	250,000
Neptune Orient Lines Limited	Options at \$2.98 each (exercisable between 31/12/05 to 30/12/09)	48,000	48,000
Singapore Food Industries Limited	Ordinary shares	11,000	11,000

TEMASEK FINANCIAL (I) LIMITED**DIRECTORS' REPORT***For the financial year ended 31 March 2008***Directors' interests in shares and debentures (continued)**

Name of director and corporations in which interests held	Description of interests	Holdings registered in the name of director, spouse or infant children	
		At 01.04.2007	At 31.03.2008
<u>Gan Chee Yen (continued)</u>			
Singapore Technologies Engineering Ltd	Ordinary shares	336,396	336,396
Singapore Telecommunications Limited	Ordinary shares	2,850	2,850
SP AusNet	Stapled securities ^{#2}	80,000	80,000
StarHub Ltd.	Ordinary shares	17,150	15,730
STATS ChipPAC Ltd.	Options at \$3.554 each (exercisable between 09/02/00 to 21/11/09)	NA ^{#3}	20,000
	Options at \$6.93 each (exercisable between 20/04/01 to 19/04/10)	NA ^{#3}	40,000
	Options at \$1.592 each (exercisable between 24/04/02 to 23/04/11)	NA ^{#3}	20,000
	Options at \$2.885 each (exercisable between 29/04/03 to 28/04/12)	NA ^{#3}	20,000
Trusted Board Ltd	Options at \$1.00 each (exercisable from 07/06/2004 – 06/06/2008)	3,000	3,000
Vertex Technology Fund Ltd	Ordinary shares	20 ^{#4}	20 ^{#4}
Vertex Technology Fund (II) Ltd	Ordinary shares	20 ^{#5}	20 ^{#5}
	Redeemable preference shares	19.81 ^{#5}	20.41 ^{#5}

TEMASEK FINANCIAL (I) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 March 2008

Name of director and corporations in which interests held	Description of interests	Holdings registered in the name of director, spouse or infant children	
		At 01.04.2007	At 31.03.2008
<u>Leong Wai Leng</u>			
Mapletree Logistics Trust Management Ltd.	Unit holdings	203,000	203,000
Singapore Airlines Limited	Ordinary shares	5,000	4,800
Singapore Telecommunications Limited	Ordinary shares	19,177	22,027
SMRT Corporation Ltd	Ordinary shares	4,000	4,000
SP AusNet	Stapled securities ^{#2}	80,000	80,000
StarHub Ltd.	Ordinary shares	8,580	7,870

Wong Heng Tew

Singapore Telecommunications Limited	Ordinary shares	3,204	3,204
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#1 Held in name of ST Trustees Ltd

#2 Each stapled security in SP AusNet consists of:
- A unit in SP Australia Networks (Finance) Trust;
- A share in SP Australia Networks (Transmission) Ltd; and
- A share in SP Australia Networks (Distribution) Ltd.

#3 STATS ChipPAC Ltd became a subsidiary as at 13 April 2007.

#4 Held in name of HSBC Institutional Trust Services (Singapore) Limited.

#5 Held in name of DBS Vickers Securities Nominees (Singapore) Pte Ltd.

Directors' contractual benefits

Since the end of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except that the directors have employment relationships with the holding company and have received remuneration in those capacities.

TEMASEK FINANCIAL (I) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 March 2008

Temasek Staff Co-Investment Plan

Gan Chee Yen, Leong Wai Leng, Vijay Parekh, Rajagopalan Shyamsunder and Wong Heng Tew have each received an award of units granted under the Temasek Staff Co-Investment Plan (the "**Plan**") implemented by Temasek Holdings (Private) Limited ("**Temasek**"), the holding company of the Company, subject to certain performance conditions being met by Temasek and other terms and conditions. The units confer the right, when exercised, to receive cash payments, the value of which is based on the compounded total shareholders' return of Temasek over the period commencing from the financial year of Temasek during which the commencement date occurs and ending on the financial year of Temasek immediately preceding the exercise date, as calculated in accordance with the provisions of the Plan.

Share options

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

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditors

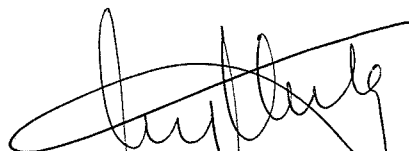
At the last Annual General Meeting of the Company held on 28 September 2007, KPMG were appointed as auditors of our Company in place of PricewaterhouseCoopers.

The auditors, KPMG, have expressed their willingness to accept re-appointment.

On behalf of the directors



GAN CHEE YEN
Director



LEONG WAI LENG
Director

8 September 2008

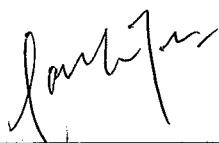
TEMASEK FINANCIAL (I) LIMITED

STATEMENT BY DIRECTORS

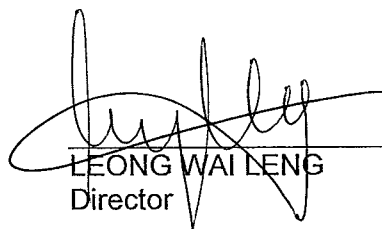
For the financial year ended 31 March 2008

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 8 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2008 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended; 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.



GAN CHEE YEN
Director



LEONG WAI LENG
Director

8 September 2008



KPMG
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Member of the Company
Temasek Financial (I) Limited

We have audited the financial statements of Temasek Financial (I) Limited (the Company), which comprise the balance sheet as at 31 March 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20. The financial statements for the year ended 31 March 2007 were audited by another firm of certified public accountants whose report dated 8 August 2007 expressed an unqualified opinion on those financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes:

- (a) selecting and applying appropriate accounting policies; and
- (b) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2008 and the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



KPMG
Public Accountants and
Certified Public Accountants

Singapore
8 September 2008

TEMASEK FINANCIAL (I) LIMITED**INCOME STATEMENT***For the financial year ended 31 March 2008*

	Note	2008 \$'000	2007 \$'000
Revenue	3	129,000	135,200
Other income	4	103,182	75,980
Expenses			
- Finance expenses	5	(117,821)	(124,901)
- Other		(25)	(12)
		(117,846)	(124,913)
Profit before income tax		114,336	86,267
Income tax (expense)/credit	6	(1,983)	83
Profit for the year		112,353	86,350

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

TEMASEK FINANCIAL (I) LIMITED**BALANCE SHEET***As at 31 March 2008*

	Note	2008 \$'000	2007 \$'000
ASSETS			
Current assets			
Amount due from immediate holding company - non-trade	7	80,326	71,054
Non-current assets			
Loans to related companies	8	2,568,936	2,704,334
Total assets		2,649,262	2,775,388
LIABILITIES			
Current liabilities			
Accrued operating expenses	9	3,337	3,660
Current income tax		1,998	2,022
		5,335	5,682
Non-current liabilities			
Borrowings	10	2,400,632	2,638,764
Total liabilities		2,405,967	2,644,446
Net assets		243,295	130,942
EQUITY			
Share capital	11	*	*
Retained earnings		243,295	130,942
Total equity		243,295	130,942

* less than \$1,000

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

TEMASEK FINANCIAL (I) LIMITED**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2008*

	<u>Share capital</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2007	*	130,942	130,942
Total recognised gains for the financial year - profit for the year	-	112,353	112,353
Balance at 31 March 2008	<hr/> *	<hr/> 243,295	<hr/> 243,295
Balance at 1 April 2006	*	44,592	44,592
Total recognised gains for the financial year - profit for the year	-	86,350	86,350
Balance at 31 March 2007	<hr/> *	<hr/> 130,942	<hr/> 130,942

* less than \$1,000

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

TEMASEK FINANCIAL (I) LIMITED**CASH FLOW STATEMENT***For the financial year ended 31 March 2008*

	2008 \$'000	2007 \$'000
Cash flows from operating activities		
Profit before income tax	114,336	86,267
Adjustments for:		
- Interest income	(129,000)	(135,200)
- Exchange gain	(103,182)	(75,980)
- Interest expense	117,821	124,901
Operating cash flow before working capital changes	(25)	(12)
Change in operating assets and liabilities		
Amount due from immediate holding company	18	-
Accrued operating expenses	7	12
Cash used in operations	-	-
Net cash provided by operating activities	-	-
Cash flow from financing activities		
Interest paid	(114,000)	(123,093)
Repayment of loan from holding company	114,000	123,093
Net cash provided by/(used in) financing activities	-	-
Net increase/decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of financial year	-	-
Cash and cash equivalents at end of financial year	-	-

The following are the significant non-cash transactions during the year:

	2008 \$'000	2007 \$'000
Interest received on behalf by immediate holding company	125,298	143,649
Tax paid on behalf by immediate holding company	2,006	-

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

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

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

The financial statements were authorised for issue by the directors on 8 September 2008.

1. General

Temasek Financial (I) Limited (the "Company") is incorporated and domiciled in Singapore. The address of the Company's registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The principal activity of the Company is that of financing.

The immediate and ultimate holding company during the financial year is Temasek Holdings (Private) Limited, incorporated in the Republic of Singapore.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

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

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

The accounting policies set out below have been applied consistently by the Company for all periods presented in these financial statements.

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

2.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. 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 at the date on which the fair value was determined.

2.3 Non-derivative financial instruments

Non-derivative financial instruments comprise loans and receivables, borrowings and trade and other payables.

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

(i) Loans and receivables

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

(ii) Borrowings

Borrowings are carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

(iii) Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest method.

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

All impairment losses are recognised in the income statement.

Impairment losses in respect of financial assets measured at amortised cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Share capital

Ordinary shares are classified as equity.

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

2.4 Revenue recognition

Revenue comprises interest income. Interest income is recognised on a time proportion basis using the effective interest method.

2.5 Finance expenses

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.6 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary and associated companies, partnerships and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the 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 to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Revenue

	2008 \$'000	2007 \$'000
Interest income on loan to related companies	126,945	133,150
Amortisation of premium on loan to related companies	2,055	2,050
	129,000	135,200

4. Other income

	2008 \$'000	2007 \$'000
Foreign exchange gains	103,182	75,980

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

5. Finance expenses

	2008 \$'000	2007 \$'000
Interest expense		
- guaranteed notes	115,766	122,851
- amortisation of discount on guaranteed notes	2,055	2,050
	<u>117,821</u>	<u>124,901</u>

6. Income tax expense

	2008 \$'000	2007 \$'000
Current tax expense		
Current year	1,983	1,824
Adjustment for prior periods	-	198
	<u>1,983</u>	<u>2,022</u>
Deferred tax expense		
Adjustment for prior periods	-	(2,105)
	<u>1,983</u>	<u>(83)</u>

Reconciliation of effective tax rate

Profit before income tax	114,336	86,267
Tax calculated at a tax rate of 18% (2007: 18%)	20,580	15,528
Income not subject to tax	(18,570)	(13,677)
Singapore statutory income exemption	(27)	(27)
Overprovision of deferred tax in prior periods	-	(2,105)
Underprovision of current tax in prior periods	-	198
	<u>1,983</u>	<u>(83)</u>

7. Amount due from immediate holding company – non-trade

The non-trade amount due from its immediate holding company is unsecured, interest-free and repayable on demand. At the balance sheet date, the carrying amount approximated its fair value and is denominated in Singapore Dollars.

TEMASEK FINANCIAL (I) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2008*

8. Loans to related companies

	2008 \$'000	2007 \$'000
Loans to related companies	2,580,550	2,717,800
Unamortised premium	(15,331)	(17,386)
	2,565,219	2,700,414
Interest receivable	3,717	3,920
	2,568,936	2,704,334

The loans to related companies are unsecured, have a fixed interest of 4.75% per annum (2007: 4.75% per annum) and are repayable in 2015.

The fair values of the loans to related companies at the balance sheet date are \$2,755,539,736 (2007: \$2,661,088,876).

The fair values are determined from a discounted cash flow analysis, using a discount rate based upon the borrowing rates which the directors expect would be available to the Company at the balance sheet date.

9. Accrued operating expenses

	2008 \$'000	2007 \$'000
Interest payable	3,322	3,652
Others	15	8
	3,337	3,660

At the balance sheet date, the carrying amounts of accrued operating expenses approximated their fair values and are denominated in Singapore Dollars.

10. Borrowings

On 21 September 2005, the Company issued US\$1.75 billion 4.5% of guaranteed notes due 2015. The issuance is part of a US\$5.0 billion Guaranteed Global Medium Term Note Program (the "Program"). Under the Program, notes issued by the Company are fully and unconditionally guaranteed by its immediate holding company. Proceeds from the issuance were loaned out to the related companies (Note 8).

TEMASEK FINANCIAL (I) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2008*

	2008 \$'000	2007 \$'000
Face value of guaranteed notes issued at inception date	2,415,963	2,656,150
Unamortised discount	(15,331)	(17,386)
	<u>2,400,632</u>	<u>2,638,764</u>

The weighted average effective interest rate of borrowings at the balance sheet date is 4.5% (2007: 4.5%).

The fair value of the borrowings at the balance sheet date is \$2,376,670,758 (2007: \$2,531,853,000).

The fair values are based on the current bid prices at the balance sheet date and are denominated in United States Dollars.

11. Share capital

	2008 \$	2007 \$
Fully paid ordinary shares with no par value		
Beginning and end of the financial year	<u>2</u>	<u>2</u>

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

12. Significant related party transactions

The Company is a subsidiary of Temasek Holdings (Private) Limited, which is an investment holding company.

For the purposes of these financial statements, parties are considered to be related to the Company if they are subsidiaries or associates of the Temasek group, or if they are directors or key executives of the Company.

The Company engages in various transactions in the ordinary course of business with companies related to or associated with the Temasek group at their prevailing market rates or prices and on customary terms and conditions.

These related party transactions would have been required to be, and could have been, replaced with transactions with other parties on similar terms.

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

Transactions with key management personnel

The Company's directors are employees of the holding company and no consideration is paid to the holding company for the services rendered by the directors.

13. Financial risk management

The financial risk management of the Company is handled by the immediate holding company as part of the operations of Temasek group, and these processes and policies are described in the financial statements of the immediate holding company.

The Company is exposed to interest rates and foreign currency risks in relation to its loan to related companies and interest-bearing borrowings.

Interest rate risks

The Company manages its interest rate risk by maintaining all its borrowings in fixed rate instruments.

Foreign currency risks

The currency giving rise to this risk is the United States dollars.

	2008	2007
	\$'000	\$'000
Loans to related companies	1,380,550	1,517,800
Borrowings	2,400,632	2,638,764

The Company is not exposed to other significant financial risks.

14. New accounting standards and interpretations not yet adopted

The Company has not applied the following relevant accounting standards and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 107 *Financial Instruments: Disclosures and Amendments to FRS 1 Presentation of Financial Statements: Capital Disclosures*

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2008

FRS 1 (revised 2008) will become effective for the Company's financial statements for the year ending 31 March 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Company's financial position or results.

FRS 107 and the amendment to FRS 1, which will become effective for the Company's financial statements for the year ending 31 March 2009, will require extensive additional disclosures with respect to the Company's financial instruments and share capital. This standard does not have any impact on the Company's financial position or results.

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Company's financial statements. The Company has not considered the impact of accounting standards issued after the balance sheet date.

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