

TEMASEK FINANCIAL (I) LIMITED

(Incorporated in Singapore. Registration Number: 200408713K)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

TEMASEK FINANCIAL (I) LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2009

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TEMASEK FINANCIAL (I) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 March 2009

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2009.

Directors

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

Gan Chee Yen
Leong Wai Leng
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:

Name of director and corporations in which interests held	Description of interests	Holdings registered in the name of director, spouse or infant children	
		At 01.04.2008	At 31.03.2009
<u>Gan Chee Yen</u>			
Chartered Semiconductor Manufacturing Ltd.	Ordinary shares	25,000	25,000
Eugenics Ltd.	Ordinary shares	30,000 ^{#1}	-
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	250,000	437,500

TEMASEK FINANCIAL (I) LIMITED**DIRECTORS' REPORT***For the financial year ended 31 March 2009***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 01.04.2008	At 31.03.2009
<u>Gan Chee Yen (continued)</u>			
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	-
Singapore Technologies Engineering Ltd	Ordinary shares	336,396	336,396
Singapore Telecommunications Limited	Ordinary shares	2,850	2,850
SP AusNet, a stapled group comprising SP Australia Networks (Finance) Trust, SP Australia Networks (Transmission) Ltd and SP Australia Networks (Distribution) Ltd	Stapled securities ^{#2}	80,000	80,000
StarHub Ltd.	Ordinary shares	15,730	15,730
Trusted Board Ltd	Options at \$1.00 each (exercisable from 07/06/2004 to 06/06/2008)	3,000	-
Vertex Technology Fund Ltd	Ordinary shares	20 ^{#3}	-
Vertex Technology Fund (II) Ltd	Ordinary shares	20 ^{#4}	20
	Redeemable preference shares	20.41 ^{#4}	20.41
<u>Leong Wai Leng</u>			
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	203,000	405,250
Singapore Airlines Limited	Ordinary shares	4,800	4,800

TEMASEK FINANCIAL (I) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 March 2009

Name of director and corporations in which interests held	Description of interests	Holdings registered in the name of director, spouse or infant children	
		At 01.04.2008	At 31.03.2009
<u>Leong Wai Leng (continued)</u>			
Singapore Telecommunications Limited	Ordinary shares	22,027	22,027
SMRT Corporation Ltd	Ordinary shares	4,000	4,000
SP AusNet, a stapled group comprising SP Australia Networks (Finance) Trust, SP Australia Networks (Transmission) Ltd and SP Australia Networks (Distribution) Ltd	Stapled securities ^{#2}	80,000	80,000
StarHub Ltd.	Ordinary shares	7,870	7,870

Wong Heng Tew

Singapore Telecommunications Limited	Ordinary shares	3,204	3,204
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#1 Held in the 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 Held in the name of HSBC Institutional Trust Services (Singapore) Limited

#4 Held in the 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 2009

Temasek Staff Co-Investment Plan

Gan Chee Yen, Leong Wai Leng 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.

Temasek Restricted Staff Co-Investment Plan

Gan Chee Yen and Leong Wai Leng have each received an award of units granted under the Temasek Restricted Staff Co-Investment Plan ("**R-SCOPE**") implemented by Temasek. 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 R-SCOPE.

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.

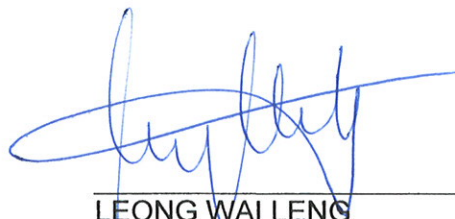
Auditors

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

On behalf of the directors



GAN CHEE YEN
Director



LEONG WAI LENG
Director

8 July 2009

TEMASEK FINANCIAL (I) LIMITED

STATEMENT BY DIRECTORS

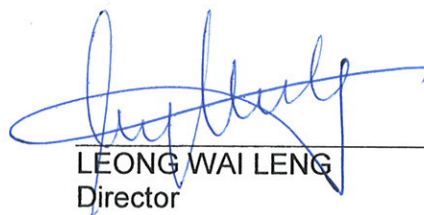
For the financial year ended 31 March 2009

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 8 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2009 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 July 2009



KPMG LLP
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Singapore 048581

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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 2009, 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 21.

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 2009 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 LLP
Public Accountants and
Certified Public Accountants

Singapore
8 July 2009

TEMASEK FINANCIAL (I) LIMITED**INCOME STATEMENT***For the financial year ended 31 March 2009*

	Note	2009 \$'000	2008 \$'000
Revenue	3	127,386	129,000
Other income	4	-	103,182
Expenses			
- Finance expenses	5	(115,539)	(117,821)
- Other	6	(120,522)	(25)
		<u>(236,061)</u>	<u>(117,846)</u>
(Loss)/Profit before income tax		(108,675)	114,336
Income tax expense	7	<u>(1,977)</u>	<u>(1,983)</u>
(Loss)/Profit for the year		<u>(110,652)</u>	112,353

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

TEMASEK FINANCIAL (I) LIMITED**BALANCE SHEET***As at 31 March 2009*

	Note	2009 \$'000	2008 \$'000
ASSETS			
Current asset			
Amount due from immediate holding company - non-trade	8	76,554	80,326
Non-current asset			
Loans to related companies	9	2,713,747	2,568,936
Total assets		2,790,301	2,649,262
LIABILITIES			
Current liabilities			
Accrued operating expenses	10	3,674	3,337
Current income tax		1,840	1,998
		5,514	5,335
Non-current liability			
Borrowings	11	2,652,144	2,400,632
Total liabilities		2,657,658	2,405,967
Net assets		132,643	243,295
EQUITY			
Share capital	12	*	*
Retained earnings		132,643	243,295
Total equity		132,643	243,295

* 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 2009*

	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2008	*	243,295	243,295
Total recognised gains for the financial year – loss for the year	-	(110,652)	(110,652)
Balance at 31 March 2009	*	132,643	132,643
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	*	243,295	243,295

* 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 2009*

	2009 \$'000	2008 \$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	(108,675)	114,336
Adjustments for:		
- Interest income	(127,386)	(129,000)
- Exchange loss/(gain)	107,763	(103,182)
- Interest expense	115,539	117,821
Operating cash flow before working capital changes	(12,759)	(25)
Change in operating assets and liabilities		
Amount due from immediate holding company	12,765	18
Accrued operating expenses	(6)	7
Cash used in operations	-	-
Net cash provided by operating activities	-	-
Cash flow from financing activities		
Interest paid	(115,922)	(114,000)
Repayment of loan from holding company	115,922	114,000
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of financial year	-	-
Cash and cash equivalents at end of financial year	-	-

Significant non-cash transactions during the year are as follows:

	2009 \$'000	2008 \$'000
Interest received on behalf by immediate holding company	127,050	125,298
Tax paid on behalf by immediate holding company	2,135	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 2009

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 July 2009.

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 2009

2.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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 2009

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

	2009 \$'000	2008 \$'000
Interest income on loan to related companies	125,336	126,945
Amortisation of premium on loan to related companies	2,050	2,055
	<u>127,386</u>	<u>129,000</u>

4. Other income

	2009 \$'000	2008 \$'000
Foreign exchange gains	<u>—</u>	<u>103,182</u>

TEMASEK FINANCIAL (I) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2009***5. Finance expenses**

	2009 \$'000	2008 \$'000
Interest expense		
- guaranteed notes	113,489	115,766
- amortisation of discount on guaranteed notes	2,050	2,055
	<u>115,539</u>	<u>117,821</u>

6. Other expenses

	2009 \$'000	2008 \$'000
Foreign exchange loss	107,763	-
Other operating expenses	12,759	25
	<u>120,522</u>	<u>25</u>

7. Income tax expense

	2009 \$'000	2008 \$'000
Current tax expense		
Current year	1,840	1,983
Under provision in prior periods	137	-
	<u>1,977</u>	<u>1,983</u>

Reconciliation of effective tax rate

(Loss)/Profit before income tax	(108,675)	114,336
Tax calculated at a tax rate of 17% (2008: 18%)	(18,475)	20,580
Income not subject to tax	-	(18,570)
Expenses not deductible for tax purposes	20,341	
Singapore statutory income exemption	(26)	(27)
Under provision in prior periods	137	-
	<u>1,977</u>	<u>1,983</u>

The Singapore corporate tax rate has been reduced from 18% to 17% with effect from the financial year ended 31 March 2009.

8. 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 2009*

9. Loans to related companies

	2009 \$'000	2008 \$'000
Loans to related companies	2,723,100	2,580,550
Unamortised premium	(13,281)	(15,331)
	2,709,819	2,565,219
Interest receivable	3,928	3,717
	2,713,747	2,568,936

The loans to related companies are unsecured, have a fixed interest of 4.75% (2008: 4.75%) per annum and are repayable in 2015.

The fair values of the loans to related companies at the balance sheet date are \$3,104,039,931 (2008: \$2,755,539,736).

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.

10. Accrued operating expenses

	2009 \$'000	2008 \$'000
Interest payable	3,664	3,322
Others	10	15
	3,674	3,337

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

11. 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 9).

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

	2009 \$'000	2008 \$'000
Face value of guaranteed notes issued at inception date	2,665,425	2,415,963
Unamortised discount	(13,281)	(15,331)
	<u>2,652,144</u>	<u>2,400,632</u>

The weighted average effective interest rate of borrowings at the balance sheet date is 4.5% (2008: 4.5%) per annum.

The fair value of the borrowings at the balance sheet date is \$2,719,168,091 (2008: \$2,376,670,758).

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

12. Share capital

	2009 \$	2008 \$
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.

13. 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 2009

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.

14. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The financial risk management of the Company is handled by the immediate holding company as part of the operations of Temasek group.

14.1 Market risk

Interest rate risks

The Company's exposure to interest rate risk relates primarily to its borrowings and loans to related companies which are interest bearing.

The exposure is managed by its immediate holding company as part of the operations of the Group by maintaining a mix of fixed and floating interest bearing assets and liabilities of various maturities and assessed using Value-at-Risk (VaR).

Foreign currency risks

The Company is exposed to foreign currency risks on the loan to related companies and the borrowings from bond issue which are denominated in United States dollar as follows:

	2009	2008
	\$'000	\$'000
Loans to related companies	1,523,100	1,380,550
Borrowings	2,652,144	2,400,632

For exposure on borrowings, the currency risk is assessed using Value-at-Risk (VaR) at Group level.

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

14.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as and when they fall due.

The Company manages its liquidity risk through an open credit line from its immediate holding company.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments.

	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Company					
2009					
Borrowings	<u>2,652,144</u>	<u>3,433,447</u>	<u>123,609</u>	<u>479,777</u>	<u>2,830,061</u>
2008					
Borrowings	<u>2,400,632</u>	<u>3,217,529</u>	<u>112,040</u>	<u>434,873</u>	<u>2,670,616</u>

14.3 Credit risk

The Company does not have significant concentration of credit risks.

14.4 Capital risk

The capital management process is determined and managed by the immediate holding company as part of the operations of the Group.

15. New accounting standards and interpretations not yet adopted

The Company has not applied the following accounting standards (including their consequential amendments) 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 23 (revised 2007) *Borrowing costs*
- Improvements to FRSs 2008

TEMASEK FINANCIAL (I) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

FRS 1 (revised 2008) will become effective for the Company's financial statements for the year ending 31 March 2010. 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 23 (revised 2007) will become effective for the Company's financial statements for the year ending 31 March 2010. FRS 23 (revised 2007) removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Improvements to FRSs 2008 will become effective for the Company's financial statements for the year ending 31 March 2010, except for the amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations which will become effective for the year ending 31 March 2011. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Company is in the process of assessing the impact of these amendments.

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.

