

The image features a vertical split background. The left side shows a vibrant night view of the Singapore skyline, with several skyscrapers illuminated against a deep blue sky. The right side shows a grayscale daytime view of a similar cityscape under a cloudy sky. A white circular graphic is positioned in the upper right quadrant, containing the text 'POWERING OUR NATION', '20/20', and 'BUILDING OUR FUTURE'.

POWERING OUR NATION

20/20

BUILDING OUR FUTURE

SINGAPORE POWER
ANNUAL REPORT 2014/15



*The black & white photo featured on the cover was obtained from the Kouo Shang-wei Collection 郭尚慰收集.
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Pictured from top to bottom

Picture 1

JONATHAN OOI WEI HSIN

Director, Legal & Corp Secretariat

MARY ELLAMAH ABISHAGAM

Senior Admin Assistant, Metering Data Management

Picture 2

YUSLANE BIN ISHAK

Engineering Officer, Singapore District Cooling

Picture 3

MUHAMMAD REDZUAN BIN SULAIMAN (STANDING)

Engineer, Gas Operations

THE SINGAPORE POWER GROUP

Singapore Power (SP) Limited is a leading energy utility company in Asia Pacific. One of Singapore's largest corporations, SP recorded revenues of S\$4.8 billion and assets of S\$15.6 billion in FY 14/15. SP owns and operates electricity and gas transmission and distribution businesses in Singapore and Australia. It also owns and operates the world's largest underground district cooling network in Singapore, and is setting up district cooling operations in China. More than 1.4 million industrial, commercial and

residential customers in Singapore benefit from SP's world-class transmission, distribution and market support services. The SP networks in Singapore are amongst the most reliable and cost-effective worldwide. In Australia, SP's 40 per cent-owned SGSPAA, a diversified energy utility company, and 31.1 per cent-owned AusNet Services, which is publicly listed on the Australian and Singapore Stock Exchanges, collectively serve 3.8 million customers.

OUR MISSION

We provide reliable and efficient energy utility services to enhance the economy and the quality of life.

OUR VALUES

COMMITMENT

- We commit to creating value for our customers, our people, and our shareholders.
- We uphold the highest standards of service and performance.

INTEGRITY

- We act with honesty.
- We practise the highest ethical standards.

PASSION

- We take pride and ownership in what we do.

TEAMWORK

- We support, respect and trust each other.
- We continually learn, and share ideas and knowledge.



From left to right

TAN HUNG KHING

*Principal Engineer, Electricity Operations,
SP PowerGrid*

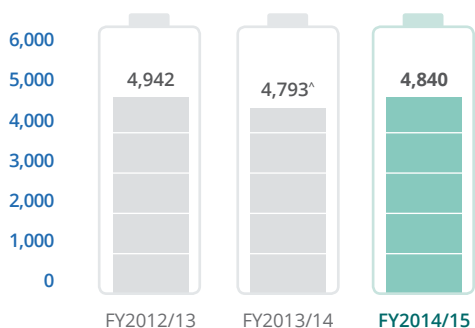
DR LYNDA YAO DAILIN

*Executive Engineer, Asset Management,
SP PowerGrid*

FINANCIAL HIGHLIGHTS

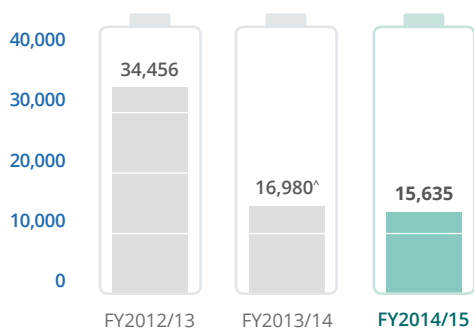
REVENUE FROM CONTINUING OPERATIONS

(S\$million)



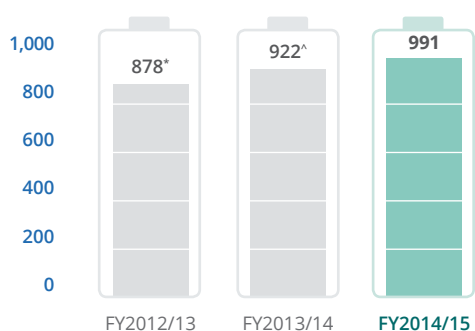
TOTAL ASSETS

(S\$million)



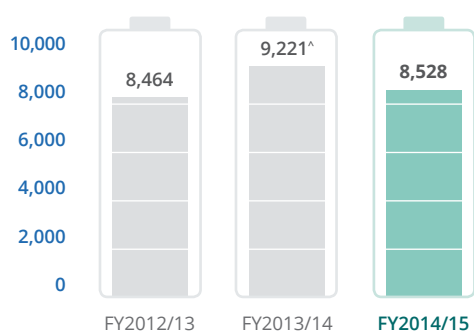
NET PROFIT AFTER TAX

(S\$million)



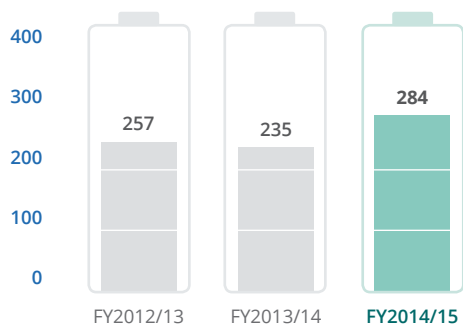
SHAREHOLDERS' EQUITY

(S\$million)



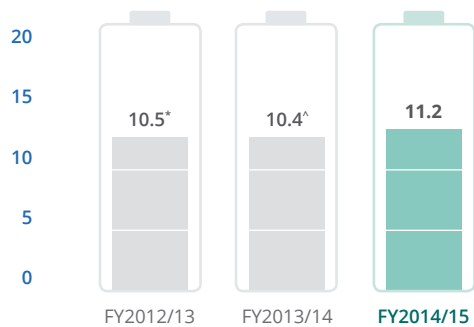
ECONOMIC VALUE ADDED (EVA)

(S\$million)



RETURN ON EQUITY

(%)



[^] Restated

^{*} Excludes exceptional items on impairment

THEN

ENERGISED FOR GROWTH

From lighting up *kampongs* to illuminating skyscrapers and powering high-tech industries, Singapore Power has grown alongside our nation, energising Singapore's dynamic landscape, and transforming the way we live, work and play.



A photograph of the Singapore skyline at dusk, with numerous skyscrapers illuminated and their lights reflecting on the water in the foreground. A blue circle containing the word 'NOW' is positioned in the upper right corner. A horizontal dotted line is located above the main text block.

NOW

More than 1.4 million industrial, commercial and residential customers in Singapore count on Singapore Power for reliable power supply and efficient services.

CHAIRMAN'S MESSAGE



Currently, Singapore's electricity and gas networks stand amongst the world's best in terms of reliability and efficiency.

As we celebrate our 50th National Day (SG50) and Singapore Power's 20th anniversary, let us reflect on and acknowledge the achievements of this young nation and the contributions made by the company. It is an honour for us to contribute to the economic growth of Singapore and the quality of life that we enjoy. We have planned a number of initiatives for the community, led by our employees, centred on bringing the Gift of Power to Singapore.

FINANCIAL PERFORMANCE

For the financial year 2014/15, the Group's net profit increased by 7.52 per cent to S\$991 million, largely due to the strong operating performance of our transmission and distribution businesses. However, the increase was partially offset by the lower profit contribution from our associate companies in Australia, particularly AusNet Services, which made several tax-related provisions in the financial year. During the year, the company made a S\$1 billion capital repayment to our shareholder and continued to invest in Singapore's electricity and gas networks.

INVESTING IN PEOPLE

Currently, Singapore's electricity and gas networks stand amongst the world's best in terms of reliability and efficiency. At the core of our service is our focus on

people – helping our employees achieve their highest potential, and ensuring that they work safely to deliver the quality and value expected by our customers and the community.

In October 2014, we established the Singapore Institute of Power and Gas to support the training and development needs of the power and gas sector. All major power players in Singapore will be invited to provide input into developing the curriculum. In the future, the institute can expand to provide training to power sector employees from around the region.

We awarded our second batch of SP Nithiah Nandan Polytechnic and ITE scholarships to 21 students. These scholarships will provide for the students education and a career with the company upon graduation. In developing the next generation of engineers, our EDGE (Engineering Development for Graduates) programme provides holistic, structured training and development for new graduates.

Within the group, a development plan of continuous learning for all staff ensures that staff capabilities are enhanced and that their skill sets remain relevant in a rapidly evolving industry.

RELIABILITY AND SERVICES

The economy of Singapore and lifestyle of its people depend on

reliable energy supply. As such, employees must be vigilant and disciplined in operating and maintaining our networks. In terms of reliability and efficiency, Singapore consumers enjoy the fewest and shortest outages in the world. We are happy to report that last year, the average electricity customer experienced 0.34 minute of electricity interruption – a 54 per cent improvement over the previous year – while the average gas customer experienced 0.14 minute of interruption, an improvement of 76 per cent.

In keeping up with the digital economy, we have taken steps towards making our services more accessible and convenient for our customers, who can now conduct utilities transactions via a mobile app at their convenience. Household customers are able to check their consumption of energy and water, and compare their usage against their neighbours'. Our goal is to help them manage their consumption more efficiently, and by doing so, save money and energy.

Our newly-opened Customer Service Centre at Cross Street and our Service Centres at Woodlands and HDB Hub in Toa Payoh offer improved facilities, including self-service kiosks.

At the national level, we continue to play a significant role in

the implementation of retail contestability, which provides flexibility to customers to choose the company they wish to buy their electricity from. We enhanced our back-end and IT systems and, as of 31 May this year, 45,000 smart meters have been installed. The smart meters relay energy use and pricing information to consumers and energy providers, and measure customers' usage at half-hourly intervals.

As testimony to our efforts to deliver service excellence, an independent customer satisfaction survey ranked SP Services as the best among Singapore's major service providers. Customers also rated our staff as the most courteous, helpful and knowledgeable among the eight service providers included in the survey.

In planning for the future and to enhance supply reliability, we recently completed the 230kV Upper Jurong substation to meet increasing demand and facilitate connections to customers and power generation companies. We reached a major milestone with the Singapore Power Cable Tunnel Project when our boring machines broke through in Paya Lebar and Rangoon in February 2015. This five-year project, scheduled for completion in 2018, is one our longest and largest infrastructural projects, and will

.....
Last year, the average electricity customer experienced 0.34 minute of electricity interruption – a 54 per cent improvement over the previous year – while the average gas customer experienced 0.14 minute of interruption, an improvement of 76 per cent
.....

ensure that Singapore continues to enjoy reliable power supply in the future.

A PART OF SINGAPORE'S SUSTAINABILITY VISION

Supporting the growth of new, environmentally friendly and sustainable power sources remains an important goal at Singapore Power.

Singapore District Cooling (SDC) is the largest underground district-cooling network in the world. Offering a more efficient cooling system than conventional building cooling systems, SDC helps its customers in the Marina Bay district achieve significant energy savings. SDC recorded zero accident and supply disruptions for the second

CHAIRMAN'S MESSAGE

consecutive year, a record for both reliability and quality of supply that we are proud of. During the year, we acquired the remaining 40 per cent of SDC. As a fully-owned subsidiary, SDC will be able to leverage our extensive technical and commercial networks, and strong and diverse bench strength to pursue new opportunities in and outside the country.

In May 2015, SDC signed an agreement with CapitaLand Limited (CapitaLand) to provide district cooling for the Raffles City Chongqing in China. We will design,

build, own and operate an advanced energy-efficient cooling system for the development.

In the renewable energy sector, we continue to support solar energy. We have reduced the processing time for PV integration into Singapore's grid from 27 days to seven days and established a PV registry to ensure grid stability. We continue to assist small PV users in selling excess power to the national grid by removing the need for them to register with the Energy Market Company.

In October 2014, we partnered with the Energy Market Authority to launch "Energy Heroes: It's Your Power", an energy efficiency campaign for school children. The campaign educates students on energy conservation in a fun and interactive way. We believe that by engaging with our younger consumers, we will create an "energy-aware" population for the future.

The Singapore Power Centre of Excellence (CoE) for Energy Development and Piloting was launched during the year. The CoE will drive the innovation and commercialisation of next-generation energy network technologies as we work towards greater reliability and efficiency of Singapore's infrastructure. Supported by the Singapore

Economic Development Board (EDB), the CoE will develop, test and integrate cutting-edge technologies such as remote sensors and intelligent drones into Singapore's infrastructure networks.

SAFETY CHAMPION

The safety of our employees, contractors and customers is of utmost importance to us, and we will continue to improve our performance in this area. During the year, our safety performance improved by 50 per cent compared to the previous year, as measured by the Lost Time Injury Frequency Rate (LTIFR).

Over the course of FY 14/15, we introduced various new safety initiatives including the Vehicle and Driving Safety Programme, and took steps to enhance the safety of our contractors as well. The Safety@SPPG (SP PowerGrid) programme, for example, is aimed at helping all workers on our sites learn how to perform common tasks safely. SP PowerGrid formed four safety committees to monitor various aspects of workplace safety.

In recognition of our efforts, SP PowerGrid received the bizSAFE Partner Award last year, while SP Services received the bizSAFE Star, the highest level of accreditation under the Workplace Safety and Health Council's BizSAFE framework.

*During the year,
our safety
performance improved
by 50 per cent compared
to the previous year,
as measured
by the Lost Time
Injury Frequency Rate
(LTIFR)*

GIVING BACK TO SINGAPORE

As part of the SG50 celebrations, the company undertook the following activities:-

We are providing mobile device charging stations at hospitals, libraries, tertiary institutions, supermarkets and other selected public places. Recognising that mobile devices have become a necessity of modern living, "Gift of Power" will provide easy access for the public to charge their devices.

We were the main sponsor and presenter of the "Love from the STARS" charity dinner and concert, which featured international artistes Jackie Chan, Wakin Chau, Jonathan Lee and Eric Tsang. This high profile event raised about S\$6.4 million for six local charities including the Singapore Power Heartware Fund, which supports the Community Chest's 31 programmes for the elderly. In total, we raised more than S\$1.2 million for the SP Heartware Fund in the last financial year, S\$600,000 of which was from our SP Charity Golf 2014, a record in the nine-year history of the event.

At the individual level, our employees volunteered a total of 5,000 hours to community service, far exceeding the 3,000 hours target.

IN APPRECIATION

We welcome to the senior management Chief Legal Officer Lena Chia, Chief Financial Officer Stanley Huang, SP Telecommunications CEO Poh Mui Hoon and Head of Group Safety and Health Samuel Tso. We thank former Chief Financial Officer Lim Lay Hong for her contributions to the company during her 10 years of service, until 31 March 2015.

On behalf of the Board of Directors, I would like to thank the management and the staff unions, as well as regulators and government agencies in Singapore and Australia for their valuable advice and support in the last financial year. To the members of the Board, thank you for your guidance and counsel.

To Singapore, all of us at Singapore Power wish you a Happy 50th Birthday. We look forward to many more years of Powering The Nation to new heights.



MOHD HASSAN MARICAN

Chairman
July 2015

As part of the SG50 celebrations... we are providing mobile device charging booths located at hospitals, libraries, tertiary institutions, supermarkets and other selected public places.

BOARD OF DIRECTORS



**TAN SRI MOHD
HASSAN MARICAN**

Tan Sri Mohd Hassan Marican is the Chairman of Singapore Power Ltd. 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 Gas Pte Ltd, Sembcorp Marine Ltd and Lan Ting Holdings Pte Ltd; and a Director of Sembcorp Industries Ltd, Regional Economic Development Authority of Sarawak, Sarawak Energy Berhad, Lambert Energy Advisory Ltd and mh Marican Advisory Sdn Bhd. He is also a Senior International Advisor of Temasek International Advisors, a subsidiary of Temasek Holdings.

Tan Sri Hassan was the President & CEO of Malaysia's Petroliaam Nasional (PETRONAS) from 1995 until his retirement in February 2010, with over 30 years of experience in the energy sector, finance and management.



HO TIAN YEE

Mr Ho Tian Yee joined the Board in May 2003. He is also a Director of AusNet Services Ltd (which became the new single head entity of AusNet Services in place of its triple-stapled structure).

Mr Ho is the Managing Director of Pacific Asset Management (S) Pte Ltd. He has been appointed as Investment Advisor of Blue Edge Advisors Pte Ltd and holds directorships in publicly-listed companies including DBS Group Holdings Ltd and DBS Bank Ltd. He is also a Director of Fullerton Fund Management Co Ltd and was formerly a Director of Fraser and Neave Ltd and Singapore Exchange Ltd.

Mr Ho has over 30 years' experience in managing global financial products and in organisational management.



TAN CHEE MENG

Mr Tan Chee Meng joined the Board in August 2005.

A Senior Counsel, Mr Tan is the Deputy Chairman of WongPartnership LLP. Mr Tan sits on the boards of Urban Redevelopment Authority, Jurong Town Corporation, St Gabriel's Foundation, All Saints Home, WOPA Services Pte Ltd and TJ Holdings (III) Pte Ltd. He is also the Chairman of the School Management Committee of Assumption English School.



CHOI SHING KWOK

Mr Choi Shing Kwok joined the Board in August 2006. He is the Permanent Secretary of the Ministry of the Environment and Water Resources.

Mr Choi was also the Chairman of PowerGas Ltd and a Director of SP PowerAssets Ltd.

Formerly the Permanent Secretary of the Ministry of Transport, Mr Choi has had a long career in government and was awarded the Meritorious Service Medal in 2000 and the Long Service Award in 2004 by the Government of Singapore. He has also received state awards from foreign governments.



OON KUM LOON

Mrs Oon Kum Loon joined the Board in April 2010.

She is also a Director on the boards of Keppel Corporation Ltd, Keppel Land Ltd and Jurong Port Pte Ltd. Mrs Oon is a member of the Securities Industry Council.

Mrs Oon has about 30 years of extensive experience with DBS Bank Ltd, and held positions including Chief Financial Officer, Managing Director and Head of Group Risk Management. During her career with the bank, she was responsible for treasury and markets operations, corporate finance, and credit management and for the development and implementation of a group-wide integrated risk management framework.

BOARD OF DIRECTORS



TAN PUAY CHIANG

Mr Tan Puay Chiang joined the Board in April 2012.

Mr Tan is the Chairman of SP Services Ltd and is also a Director on the boards of SP Services Ltd, Neptune Orient Lines Ltd, Keppel Corporation Ltd, and the Energy Studies Institute at the National University of Singapore.

Mr Tan was Chairman, ExxonMobil (China) Investments Co from 2001 to 2007. During his 37-year career with Mobil and later ExxonMobil, he held extensive executive management roles in Australia, Singapore and the United States. Mr Tan has been a member of various business and industry boards including the Australian Institute of Petroleum, the Washington, D.C.-based National Policy Association, and the American Chamber of Commerce in Hong Kong.



ONG YEW HUAT

Mr Ong Yew Huat joined the Board in February 2013.

He is the Chairman of United Overseas Bank Berhad, the National Heritage Board, Singapore Tyler Print Institute and the Tax Academy of Singapore. He also serves on the boards of United Overseas Bank Ltd, Singapore Mediation Center and Ascendas-Singbridge Pte Ltd.

Mr Ong, a former board member of the Singapore Accounting and Corporate Regulatory Authority, and the Public Accountants Oversight Committee, retired as the Executive Chairman of Ernst & Young Singapore after serving 33 years with the firm.



TIMOTHY CHIA CHEE MING

Mr Timothy Chia joined the Board in June 2014.

Mr Chia is Chairman of Gracefield Holdings Ltd and Hup Soon Global Corporation Ltd. A Senior Advisor of EQT Funds Management Ltd, Chairman – Asia for Coutts & Co. Ltd and a member of the Board of Trustees of Singapore Management University, Mr Chia also serves on the boards of several private and public-listed companies in Singapore as well as in the region.

Mr Chia was instrumental in the founding of Hup Soon Global. Prior to Hup Soon Group, Mr Chia was a director of PAMA Group Inc from 1986 to 2004 where he was responsible for private equity investments and from 1995 to 2004, he was President of PAMA. Mr Chia also previously served as Vice President of the Investment Department of American International Assurance Company Ltd, President of Unithai Oxide Company Ltd and Chairman – Asia for UBS Investment Bank.



NG KWAN MENG

Mr Ng Kwan Meng joined the Board in June 2014.

He is the Chairman of Aestiwood Pte. Ltd. and a Director of Tasek Jurong Limited.

Mr Ng retired in August 2013 as Managing Director and Head, Group Global Markets at United Overseas Bank after serving 30 years with the bank. He was also an Executive Director and Chief Executive Officer of UOB Bullion and Futures Ltd, and a Director of Tuas Power Ltd.

Mr Ng was involved in the promotion of the forex and debt capital markets in Singapore. He was a member of the Singapore Foreign Exchange Market Committee, the working group on Financial Industry Competency Standards and National Integration Working Group for the Community.



WONG KIM YIN

Mr Wong Kim Yin is the Group Chief Executive Officer of Singapore Power Ltd. He is also the Chairman of SP PowerAssets Ltd, PowerGas Ltd, SP Telecommunications Pte Ltd, SPI Management Services Pty Ltd and Enterprise Business Services (Australia) Pty Ltd as well as a Director of SP Services Ltd.

Mr Wong is also a Director of CITIC Resources Holdings Ltd and SeaTown Holdings Pte Ltd and a member of the Board of Governors, Singapore Polytechnic.

Mr Wong was formerly Senior Managing Director, Investments at Temasek International (Pte) Ltd, where he had been responsible for investments in various sectors, including the energy, transportation and industrial clusters. Prior to Temasek, he was with The AES Corporation, a global power company listed on the New York Stock Exchange.

SENIOR MANAGEMENT

IN ALPHABETICAL ORDER

AMELIA CHAMPION

Head
Corporate Affairs

JEANNE CHENG

Managing Director
SP Services

LENA CHIA

Chief Legal Officer &
General Counsel

MICHAEL CHIN

Managing Director
Special Projects
SP PowerGrid

CHUAH KEE HENG

Head
Strategic Development

MADALENE HEE¹

Head
Internal Audit

STANLEY HUANG²

Chief Financial Officer

JIMMY KHOO

Managing Director
Singapore District Cooling

PETER LEONG

Managing Director
SP PowerGrid

LIM CHOR HOON

Head
Human Resource

LIM HOWE RUN

Head
Regulatory Management and
Strategic Investments

LIM LAY HONG³

Chief Financial Officer

CHRIS LIM

Managing Director
SP Training and
Consultancy Company

POH MUI HOON

Chief Executive Officer
SP Telecommunications

SIM KWONG MIAN

Executive Vice President
Chairman, SP Engineering Board

TAN WEI KEONG⁴

Head
Internal Audit

SAMUEL TSO

Head
Group Safety and Health

WONG CHIT SIENG

Chief Information Officer

WONG KIM YIN

Group Chief Executive Officer

¹ Till 21 February 2015

² From 1 May 2015

³ Till 31 March 2015

⁴ From 13 March 2015

GROUP STRUCTURE



• SINGAPORE OPERATIONS

SP PowerAssets	Singapore District Cooling
SP Cross Island Tunnel Trust	SP Training and Consultancy Company
PowerGas	SP Telecommunications
SP PowerGrid	Power Automation (51%)
SP Services	

SINGAPORE OPERATIONS

We own and operate Singapore's electricity and gas transmission and distribution networks. We also provide meter reading, billing and customer service support for the utilities market.

SP PowerAssets owns the electricity transmission and distribution assets, while **PowerGas** owns the gas transmission and distribution assets.

SP Cross Island Tunnel Trust is a business trust with a portfolio comprising the North-South and East-West transmission cable tunnel assets.

SP PowerGrid manages the electricity and gas transmission and distribution networks owned by SP PowerAssets and PowerGas.

SP Services provides market support services to customers for electricity, gas, water and refuse removal, and facilitates electricity retail market competition.

Singapore District Cooling provides chilled water services for airconditioning in buildings.

SP Training and Consultancy Company provides consultancy and training, leveraging SP's expertise in developing and operating energy utility infrastructure and businesses.

SP Telecommunications provides telecommunication infrastructure services.

Power Automation is a joint-venture systems integration company providing power system control, smart grid/metering, protection system and substation automation solutions.

• AUSTRALIA OPERATIONS

SGSP (Australia) Assets (40%)
AusNet Services (31.1%)

AUSTRALIA OPERATIONS

SGSP (Australia) Assets (SGSPAA) and AusNet Services form the two main arms of our business in Australia. Together, their presence spans eastern Australia, and includes electricity and gas transmission and distribution ownership and operation, as well as related services.

SGSPAA comprises **Jemena**, which owns and operates gas transmission pipelines, and gas and electricity distribution networks in New South Wales, Queensland, Victoria and the Australian Capital Territory, and **Zinfra Group**, which provides engineering, operations, maintenance and construction services to Jemena and external clients.

AusNet Services (formerly known as SP AusNet) owns and operates Victoria's electricity transmission network, an electricity distribution network in eastern Victoria, and a gas distribution network in western Victoria.

THEN

SIMPLE JOYS, RICH TREASURES

The bell of the ice-cream man and his trusty peddle-cart meant a welcome respite from the heat. From sweet corn to strawberry, the flavours tasted best when shared.





NOW

Best friends stick by us through every season of life.
They light up a dark day, cheer us through our victories
and are right there with us through life's special moments.

From left to right

SALIMAH BINTE SULAIMAN
*Executive Assistant,
Customer Relationship Management,
SP Services*

KELLEY TAN YUE KEE
Manager, Finance, Singapore Power

CORPORATE GOVERNANCE

ETHICS & ACCOUNTABILITY

The Group endeavours to enhance shareholder value by ensuring the highest standards of corporate governance, transparency, accountability and integrity.

The Group adheres closely to the principles and guidelines set out in the Singapore Code of Corporate Governance 2012 (the Code) for listed companies.

The Company has adopted the Code as its guide for best practice standards and put in place an internal framework to ensure good corporate governance in its business practices and activities. The Whistleblower Policy, implemented in 2005, seeks to strengthen ethical business conduct in the Group.

SETTING DIRECTION

The Board provides broad strategic directions for the Group and undertakes key investment and funding decisions. In addition, the Board ensures that Management maintains a robust system of internal controls to protect the Group's assets and reviews the Group's financial performance. The Board meets at least four times a year to review the Group's business performance. Special Board meetings may be convened as and when necessary to consider urgent corporate actions or specific issues of

importance. During the financial year, the Board met four times and held a Board Strategic Review in November 2014. Directors with potential conflict in specific subject matter are recused from the relevant information flow, deliberation and decisions of such matters.

ACCESS TO INFORMATION

The Board is provided with relevant information prior to Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities. Board papers include management financial reports, annual budgets and performance against budget, updates on key outstanding issues and updates on new legislative developments.

The Board has separate and independent access to Senior Management. Should the Directors, whether as a group or individually, require independent professional advice to carry out their duties, the Company will arrange to appoint, at the Company's expense, professional advisors to render due advice.

Newly-appointed Directors attend an orientation programme to familiarise themselves with the Group's business and governance practices.

Directors are encouraged to attend appropriate courses, conferences and seminars so as to be better equipped to effectively discharge their duties as Directors.

BOARD COMPOSITION

There is a strong element of independence in the Board composition. Other than Mr Wong Kim Yin who is also the Group CEO, all the directors are independent.

The Nominating Committee reviews the independence of each Director annually and provides its views to the Board for the Board's consideration in accordance with the Code. It also evaluates the Board's performance on an annual basis.

The current Board size of 10 is appropriate for effective decision-making, taking into account the scope and nature of the Group's operations. Collectively, the Directors have a wealth of expertise and experience in the management of business at senior and international levels.

BOARD COMMITTEES

The SP 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 and 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 Board Executive Committee (ExCo) comprises five Directors, four of whom are independent. The ExCo assists the Board in overseeing the performance of the Company, 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 the Group.

The ExCo meets at least four times a year.

AUDIT COMMITTEE

Currently, the Audit Committee (AC) comprises five independent Directors. Members of the AC have recent and 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 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 accounts of the Group and the Company;
- Review of the independence and objectivity of the external auditors; and
- Nomination of external auditors for re-appointment

The AC holds at least three meetings a year.

BOARD RISK MANAGEMENT COMMITTEE

Currently, the Board Risk Management Committee (BRMC) comprises five members, four of whom are independent. The BRMC assists the Board in fulfilling its oversight responsibilities by reviewing:

- The type and level of business risks that the Company, its subsidiaries and associated companies undertake on an

integrated basis to achieve their business strategy;

- The policies, procedures and methodologies for identifying, assessing, quantifying (where appropriate), monitoring and managing risks

The BRMC is supported by the Group Risk Management Office in its risk governance responsibilities. While the BRMC oversees the SP Group's risk management framework and policies, the risk ownership remains with the business groups.

The BRMC meets at least three times a year.

NOMINATING COMMITTEE

The Nominating Committee (NC) comprises four Directors, all of whom are independent. The NC is responsible for formulating policies and guidelines on matters relating to Board appointments, reappointments, 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. New Directors are appointed by the Board after the NC has endorsed their appointment. New Directors must submit

CORPORATE GOVERNANCE (CONT'D)

themselves for re-election at the next Annual General Meeting (AGM) of the Company pursuant to the Articles of Association of the Company. The Articles of Association of the Company also require no less than one-third of the Directors to retire by rotation at every AGM.

The NC meets at least twice a year.

STAFF DEVELOPMENT AND COMPENSATION COMMITTEE

The Staff Development and Compensation Committee (SDCC) comprises four Directors, all of whom are independent Directors. The SDCC oversees the remuneration of the Group Chief Executive Officer and senior executives. The SDCC establishes and maintains an appropriate and

competitive level of remuneration to attract, retain and motivate senior executives to manage the Group successfully.

No Director is involved, or has participated, in any proceedings with respect to his or her own remuneration.

The SDCC meets at least twice a year.

COMPOSITION OF BOARD AND BOARD COMMITTEES AS AT 31 JULY 2015

Board Members	Audit Committee	Board Executive Committee	Board Risk Management Committee	Nominating Committee	Staff Development & Compensation Committee
Tan Sri Mohd Hassan Marican, <i>Chairman</i>	-	Chairman	-	Member	Chairman
Mr Ho Tian Yee	-	Member	Chairman	-	-
Mr Tan Chee Meng	Member	Member	-	Chairman	-
Mr Choi Shing Kwok	Member	-	-	Member	-
Mrs Oon Kum Loon	Member	-	Member	-	Member
Mr Tan Puay Chiang	-	Member	Member	-	-
Mr Ong Yew Huat	Chairman	-	-	Member	-
Mr Timothy Chia Chee Ming	-	-	Member	-	Member
Mr Ng Kwan Meng	Member	-	-	-	Member
Mr Wong Kim Yin, <i>non-independent</i>	-	Member	Ex-officio	-	-

RISK MANAGEMENT

The SP Group's guiding principle is that every employee is a risk manager in his respective area of work. Key risk issues and mitigation plans are proactively highlighted to the Risk Management Committees of the respective subsidiaries as well as to the BRMC.

We continue to promote a culture of risk awareness amongst staff through initiatives such as induction courses and workshops, publishing relevant articles in company periodicals, and regular interaction between risk management teams and risk owners.

KEY RISK MANAGEMENT INITIATIVES IN FY14/15

- Enhancement of existing risk management processes
- Update on the impact of Full Retail Contestability on SP Services
- Fraud Risk Assessment Review for SP Services, the Infocomm Technology Department (ITD) and the Finance Department (Treasury and Settlement)
- Review of SP PowerGrid's key operational risks – Network & Tunnel Construction
- Review of IT risk – Cyber Security & Personal Data Protection Act Compliance
- Review of Singapore District Cooling's key operational risk – Plant, piping and system network
- Participation as an observer and suggested areas for improvement in Business Continuity Management Exercises.

AWARDS & ACCOLADES

ISO 9001:2008 Certification For Quality Management System

SP PowerGrid

(Distribution Control & Customer Services Section) by Certification International, FY06/07 to present

SP PowerGrid

(Network Development) (Electricity) by Certification International, FY02/03 to present

SP PowerGrid

(Network Management) (Electricity) by Certification International, FY02/03 to present

SP PowerGrid

(Gas Operations) by SGS International Certification Services Singapore Pte Ltd, FY00/01 to present

SP Services

by BSI Management Systems, FY04/05 to present

ISO/IEC 17025:2005 in Electrical Testing for Electricity Meters

SP PowerGrid

by the Singapore Accreditation Council – Singapore Laboratory Accreditation Scheme, 2000 to present

ISO/IEC 17025:2005 in Electrical Testing for Current Transformers

SP PowerGrid

by the Singapore Accreditation Council – Singapore Laboratory Accreditation Scheme, 2000 to present

ISO/IEC 27001:2013 in Operations and Maintenance of Downstream Gas Transmission and Distribution

SP PowerGrid (Gas Operations)

by TÜV SÜD PSB Pte Ltd, 2014 to 2017

ISO/IEC 17025:2005 in Calibration and Measurement for Gas Flow Meters

SP PowerGrid

by the Singapore Accreditation Council – Singapore Laboratory Accreditation Scheme, 2005 to present

bizSAFE Partner Award

SP PowerGrid

by Workplace Safety and Health Council, 2015

SS506 Part 1:2009 BS OHSAS 18001:2007 Certification of Occupational Health & Safety Management System

SP PowerGrid

by Certification International, 2014 to 2017

SS506 Part 3:2013 Certification for Occupational Safety & Health Management System

SP PowerGrid (Gas Operations)

by Certification International, 2015 to 2018

Construction Excellence Award (For Submarine Gas Transmission Pipeline Crossing West Jurong Channel)

SP PowerGrid (Gas Operations)

by Building Construction Authority, 2015

Singapore Innovation Class Certification

SP Services

by SPRING Singapore, 2015 to 2018

Singapore Quality Class Certification (STAR)

SP Services

by SPRING Singapore, 2010 to 2018

Singapore Service Class Certification

SP Services

by SPRING Singapore, 2010 to 2018

BS OHSAS 18001:2007
Certification for
Occupational Health & Safety
Management System

SP Services

by Bureau Veritas, 2014 to 2017

Achiever Award, Work-Life
Excellence Awards

SP Services

by Tripartite Alliance for Fair
and Progressive Employment
Practices (TAFEP), 2014

'Best Companies For Mums'
SG50 Special Award

SP Services

by National Trades Union
Congress Women's Development
Secretariat (NTUC WDS) and
TAFEP

Most Innovative Use of
Infocomm Technology Award,
National Infocomm Awards

Singapore District Cooling

by IDA and SiTF, 2014

BS OHSAS 18001:2007
Certification for
Occupational Health & Safety
Management System

Singapore District Cooling

by TÜV SÜD PSB Pte Ltd,
2014 to 2017

People Developer Standard
Singapore Power, 2000 to 2017
SP PowerGrid, 2005 to 2017
SP Services, 2005 to 2018
by SPRING Singapore

NKF Extraordinary
Employer Award

Singapore Power

by National Kidney Foundation,
2014

Minister's Honour Roll (Star)

Singapore Power Group

by the Ministry of Home Affairs,
2013 to 2018

NS Advocate Award for
Organisations

Singapore Power Group

by the Ministry of Defence,
2015 to 2018

Singapore H.E.A.L.T.H.
Platinum Award

Singapore Power Group

by the Health Promotion Board,
2004 to 2018

10-Year Outstanding Special
Events Award

Singapore Power Group

by the Community Chest, 2015

Special Events Platinum
Award

Singapore Power Group

by the Community Chest, 2015

SHARE Corporate Silver
Award

Singapore Power Group

by the Community Chest, 2015

Prism awards:
Excellence Award in
Outstanding Internal
Communications Campaign

Singapore Power

by the Institute of Public
Relations of Singapore, 2015

Asia-Pacific Stevie Awards:
Gold Award,
Communications/PR
- Campaign: Internal
Communications

Singapore Power, 2015

International APEX awards
for spectrum staff magazine:
Grand Award, Design
& Illustration. (Feb/Mar 14)
Excellence Awards,
Most Improved Magazines
(Dec 14/Jan 15) and Feature
Writing (Dec 13/Jan 14)

Singapore Power

by Communications Concept,
Inc., 2015

THEN

SETTING ELECTRIFYING STANDARDS

Behind Singapore's resilient power infrastructure is a team that knows what goes into building a world-class system. They walk the ground, keep a keen eye on quality and safety, and anticipate the nation's power needs decades into the future.



NOW

Most customers in Singapore have never experienced an electricity disruption.

In 2014, the average person encountered just 20 seconds of outage a year, if at all. By monitoring the health of our network and drawing on advanced technologies, we've kept the lights on.

From left to right

MOHAMMED HAIKAL BIN ROSLAN
*Operation Officer, Electricity Operations,
SP PowerGrid*

KOH CHEE KEONG
*Head of Section, Electricity Operations,
SP PowerGrid*

TOK PEK CHEW
*Head of Section, Electricity Operations,
SP PowerGrid*

BUILDING ON TRUST



Mobilising and tracking the deployment of service crew for supply restoration are Assistant Operation Officer Rosli Bin Ramli (left) and Operation Officer Tan Chi Keong

Power disruptions in Singapore are already among the lowest in the world. In the last financial year FY14/15, SP reduced that even further, and continued to work towards further improving network reliability.

We have grown our electricity network capacity with the completion of the new 230kV Tembusu substation in Jurong Island. Three more transmission substations are currently under construction, and another three are being planned. As our electricity network expands, so will our ability to support Singapore's growth, including the next phase of development for the energy hub on Jurong Island.

We continue to embrace new technologies in our operations.

We have installed and improved upon a number of conditioning monitoring technologies that have helped to ensure the health of our various systems. More substations have been fitted out with wireless remote monitoring and control devices, which allows us to quickly check that they are performing as well as they should.

One of our largest investments to this effect, the Transmission Cable Tunnel Project, is now three years away from completion. Located 60 metres underground, deeper than the MRT tunnels, these two cross-island deep cable tunnels will help us maintain Singapore's electricity network as one of the most reliable in the world.

We continue to expand our gas network to ensure safe and secure

gas supply for our customers. This year, we are laying a new 14 km gas transmission pipeline from Jalan Bahar to Mandai that will deliver natural gas from the Singapore LNG Terminal to customers in the northern part of Singapore. The final portion of this new transmission pipeline is targeted for completion in September 2016.

OPERATIONAL EXCELLENCE

World-class Network Performance

Singapore's power supply, already one of the most reliable in the world, became more so last year.

In FY14/15, we have improved Singapore's electricity network

01

TWENTYPOWERFACTS

"GAS" HOW WE FIRST STARTED?

Singapore Power has its roots in the Singapore Gas Company, which was formed in 1864 to provide piped gas to light Singapore's street lamps. Back then, workers had to climb ladders to physically light the street lamps. When the locals first saw gas-lit street lights, they were mystified and would touch the posts gingerly in anticipation of finding them hot. At their peak, there were more than 4,000 gas-lit street lights in Singapore. It wasn't until 1956 that the last gas street lights were replaced by electric ones.



reliability, as measured by the System Average Interruption Duration Index (SAIDI), by 54 per cent. A customer in Singapore would have experienced 0.34 minute of supply interruption for the full year on average, compared to 0.74 minute the previous year.

This further strengthened Singapore's lead in the 2014 global benchmark study on network reliability conducted by DNV GL. By comparison, a customer residing in Hong Kong, Tokyo, New York City or London would have experienced supply interruptions lasting 2.3 minutes, 5 minutes, 14 minutes or 50 minutes, respectively, on average.

The performance of our gas network also fell within set targets. The SAIDI and SAIFI (System Average Interruption Frequency Index) scores for last year were 0.14 minute and 0.00073 interruptions per customer per year respectively.

Our customers in the heart of Singapore's financial district continued to enjoy an uninterrupted, cost-effective and reliable alternative to conventional cooling systems. For the second consecutive year, Singapore District Cooling (SDC) provided chilled water at a constant 6 degrees Celsius to buildings without any disruption, cooling the air within. SDC's safety record also remains unbroken, with zero accidents for the second consecutive year.

INVESTMENT IN INFRASTRUCTURE

Electricity Network Development

On 3 September 2014, we officially opened the Tembusu 230kV substation on Jurong Island. The S\$162 million facility is the first and only substation in Singapore that has installed 500MVA 230kV series reactors, which ensured safe and stable power supply in an area of high demand. The new substation will help meet the growing needs of Jurong Island's energy and petrochemicals industries.

The construction of a second major project, a 400kV substation, is still underway on the island. Scheduled to be completed in FY18/19, this new substation will decrease the load on the current substations serving Jurong,

TWENTYPOWERFACTS

02

WORLD-CLASS RELIABILITY

*Singapore has the shortest and fewest electricity outages in the world, according to a global benchmark study in 2014. The average customer in Singapore experienced a total of about **44 seconds** of unplanned electricity outage that year, compared to **5 minutes in Tokyo, 14 minutes in New York and 50 minutes in London.***



Deputy Prime Minister Teo Chee Hean talking to SP staff about mobilisation responses during power supply disruptions

BUILDING ON TRUST (CONT'D)

and help meet an anticipated increase in power demand from upcoming Jurong Island developments over the next five years. It will also supply power to Jurong and Tuas on the mainland via undersea cable tunnels.



The Changi East 230kV substation meets the rapidly growing demand in Eastern Singapore

- Upper Jurong II 230kV substation**
 This substation serves as a primary source to meet the demand growth at the Jurong area. It will also support the future Tuaspring power plant connection.
- Changi Expo 66kV underground substation**
 Our first underground substation will be located under Changi Business Park (CBP) in Singapore. It will power the proposed Downtown Line (DTL). The underground transformers at the Changi Expo substation are scheduled to be commissioned by end December 2015.

Gas Network Development

The natural gas network was extended by 5.66 km to connect to more industrial customers, while the town gas network was extended by 47.12 km to serve residential and commercial premises mainly in the Bukit Batok, Choa Chu Kang, Marina, Sengkang, Yishun, Punggol and Tampines housing estates.

Since the Liquefied Natural Gas (LNG) Terminal commenced operations in May 2013, SPPG has continued to extend the gas transmission pipeline connected to the LNG Terminal. This year, a new gas transmission pipeline of approximately 14 km is being laid from Bahar Offtake Station to Mandai Offtake Station II. The project is targeted for completion in September 2016. Intelligent

Other electricity projects in progress include:

- Changi East 230kV substation**
 This substation will meet the rapidly growing demand for power in eastern Singapore. The region is currently served by the Paya Lebar 230kV substation, which also serves the industrial and commercial parks in Changi South and Changi North, as well as other major developments in the vicinity including the Changi Water Reclamation Plant (CWRP), Changi General Hospital and St. Andrew's Community Hospital.

TWENTYPOWERFACTS

03

AROUND THE WORLD AND BACK

Singapore's electricity cable network has grown **almost 60 per cent** in the past 20 years – **from 16,610 km in 1995 to 26,458 km**



1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

1995
16,610 km

today. That's almost the distance from Singapore to San Francisco and back!



2015
26,458 km



For the construction of the cross-island cable tunnel, the tunnel boring machine excavates through soil and rock strata underground

Pigging was carried out for the newly commissioned gas transmission pipeline from Tuas South Offtake Station to Bahar Offtake Station. Two transmission customers, namely Sembcorp Tembusu Cogen and Evonik, were connected to the gas transmission network this year.

The Gas Market Operations Section of the Transporter manages the operations and transactions of market participants via the Gas Transportation IT System Solution (GTSS), an IT application system designed with the requirements of the Gas Network Code (GNC) in mind.

This year, SPPG implemented 27 GNC modifications that were approved by the Energy Market Authority. A major GTSS modification was undertaken to facilitate the changing of 4-hourly to 1-hourly gas nomination for injection at the SLNG Terminal.

Transmission Cable Tunnel Project
We made good progress on the Transmission Cable Tunnel Project, achieving two major milestones when the project team witnessed the Tunnel Boring Machine (TBM) breakthrough at the Paya Lebar and Rangoon shafts in February 2015. A five-year project scheduled to be completed in 2018, it is one of our longest and biggest infrastructural projects, and will ensure that Singapore continues to enjoy uninterrupted power for years to come.

When completed, the two 35 km tunnels being laid 60 m (about 18 storeys) underground will hold transmission cables sending power to households, offices and factories. Cables can be accessed through the two tunnels, allowing them to be maintained and replaced more easily, and reducing the need for excavation at ground level.

To overcome the construction complexities of this project, we employed new design and tunnelling techniques, and an Instrumentation Data Management System (IDMS) jointly developed by SP and our contractors. The IDMS provides real-time updates from the tunnels to all parties involved, and allows swifter and more coordinated responses, better risk management and the adoption of mitigation measures where necessary.

Improved Health Checks on Electricity Assets

We remained vigilant about conducting condition monitoring or “health checks” on our power networks, successfully pre-empting 72 network failures during FY14/15 which could have cost us S\$2.87 million. Condition monitoring is key in helping us prevent supply interruption. One of our condition monitoring technologies, the Oscillating Wave Test System (OWTS), has helped to avert 164 cases of potential cable failure from the time it was implemented in 2006 and the end of FY14/15.

We also took further steps to improve the reliability and performance of one of our most valuable assets, the Transmission Gas Insulated Switchgear (GIS). We fitted 25 extra high voltage transmission substations with online Partial Discharge Monitoring Systems (PDMS), which helps us detect GIS faults early and avoid equipment failure. We also installed

BUILDING ON TRUST (CONT'D)

online Dissolved Gas Analysis (DGA) monitoring systems for 36 transmission transformers and shunt reactors.

To aid surveillance and monitoring, we installed wireless remote monitoring and control devices for another 100 units of 6.6kV substations, bringing the total to 1,400 substations.

Asset Health Index System

We developed the Asset Health Index (AHI) System to assess the condition of our transmission network assets. The AHI System enables us to take a more objective and systematic approach to the planning and prioritising of the renewal of ageing assets.

Process Automation & Field Mobility

We embarked on many initiatives to improve productivity in SPPG. For example, the Touch2Plan project completed in June 2014, helped digitise the vetting process for substation drawings, eliminating the need for print outs to be physically circulated, and speeding up the entire process within the company.

We also followed up on the substation inspection app first launched in March 2014 with an improved version in November 2014. This new version comes with further enhancements such as flexible substation listing retrieval including for decommissioned substations. Section names are

accurately reflected, and there is an updated remarks column.

Better Condition Monitoring of Gas Assets

We improved the monitoring process for our gas pipelines, introducing a Pipeline Integrity Condition Monitoring System (PICMS) on 27 April 2015. Previously, gas pipeline data was collated and analysed manually.

PICMS analyses condition monitoring data and provides risk-based information, thereby supporting safe and reliable operations of our gas transmission assets. The system also pitches the integrity of our pipelines against established engineering standards, and analyses the cathode protection system's performance along the pipelines, providing a clear report of existing and potential issues.

One of our goals is to align maintenance and inspection activities to ensure effective operations.

Preventing and Managing Outages

Further steps were taken to reduce outage duration in Singapore. In December 2014, we introduced an Outage Management System (OMS) which enables us to respond and restore power faster in the event of a power failure. The OMS cuts our response time by 20 per cent.

04

TWENTYPOWERFACTS

NIPPING PROBLEMS IN THE BUD

*Why is electricity supply in Singapore so reliable? **Condition monitoring, or regular health checks of our equipment and infrastructure, has helped us avert more than 800 potential network incidents and disruptions since 2001.***



From Left: Gas Transmission Projects Technical Officer Mohamed Musa bin Abdul Majeed, Executive Engineer Lian Junyue, and Technical Officer Yakob Bin Mahdar preparing to carry out equipment maintenance works at an off-take station

With the OMS, several data systems are available at a single source. An officer can now take a customer call, find out which power zone the disruption is located in, dispatch a crew and record details of the power restoration from the same seat. OMS can also flag previous issues to indicate if the outage is a one-time occurrence or a chronic one that requires further investigation. Our future plans include equipping service teams with tablets, so they can receive information wirelessly and fix problems even more quickly.



Mr Jimmy Khoo, Managing Director of Singapore District Cooling, receiving the National Infocomm Award from Prime Minister Lee Hsien Loong

Improved Vehicle Tracking System

We replaced an ageing computer system used to track the movement of our vehicles with a new Utility Vehicle Management System (UVMS). It enables real-time tracking of all SPPG vehicles, and control centres can now monitor multiple vehicles on one screen. This lowers maintenance costs and improves our operations.

Pipeline And Riser Inspection System

SPPG embarked on a mobility solution known as the Pipeline And Riser Inspection System (PARIS) in October 2014 to improve productivity. PARIS allows remote assignment of gas riser inspection jobs to field inspectors through the use of electronic tablets. The system also allows inspectors to file inspection reports and site photographs remotely to the servers. This reduces the inefficiencies of manual job assignment and also minimises the use of paper. Since its implementation, PARIS has helped

to cut down waste and optimise the deployment of existing resources, achieving productivity and cost savings.

Greater Efficiency at Singapore District Cooling

An idea from a team at our Singapore District Cooling plant won a National Infocomm Award in the Most Innovative Use of Infocomm Technology (Private Sector – SME) category last year. The team came up with an idea called iTransform, which is a generator of simple apps, integrated with the innovative use of low-cost smart sensors.

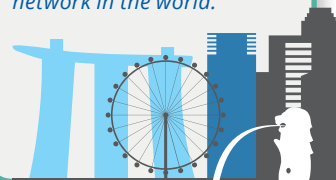
The initiative will allow technicians and operators to convert paper forms to electronic apps. This not only improves productivity but reduces the cumbersome use of paper forms. This digitisation and IT drive will enable SDC to be a “Smart” company, in line with Singapore’s Smart Nation vision.

05

TWENTYPOWERFACTS

COOLEST IN THE WORLD

*Singapore Power does not just power up the Marina Bay area, it also cools it down. Singapore District Cooling, a subsidiary of Singapore Power, produces chilled water at **6 degrees Celsius that is piped to Marina Bay Sands, Gardens by the Bay, Marina Bay Financial Centre** and many other buildings in the premium Marina Bay area for their air-conditioning systems. In fact, Singapore District Cooling runs the largest underground district cooling network in the world.*



THEN

STAR SERVICE

We believe in stellar service with a smile, at every encounter.

Despite evolving needs, our customers remain at the centre of all we do.



Far left

CHUA JIE YING

*Customer Care Officer,
SP Services*

NOW

Helping you manage your utilities transactions through just one phone call, one click of a mouse on the computer, one stop at our service centre, and all in one business day.



SERVING UP POWER WITH A SMILE

From a mobile app allowing customers to better manage their utilities at the touch of a button to supporting the use of greener energy options, SP Services' commitment to excellence enabled us to once again bring service levels to award-winning heights last year.

We were delighted to be awarded SPRING Singapore's Innovation Class (I-Class) award in recognition of our service innovations. Customers also enjoyed greater convenience with e-Kiosks at all our customer service centres, a new one-stop mobile app, and faster feedback mechanisms.



Customers can use one of the e-Kiosks at SP Services' Customer Service Centres to carry out their utilities transactions

We took our support for solar power generation a step further, and are excited about our participation in the Demand Response Scheme, a national initiative that will increase the reliability and efficiency of Singapore's energy sector.

The results speak for themselves: our customer satisfaction survey last year showed satisfaction at its highest level since we started commissioning the survey in 2005.

SERVICE EXCELLENCE

External Recognition

We were proud to bag the Innovation Class (I-Class) award in October last year from the national standards and accreditation body, SPRING Singapore. The award recognises how our creative new ideas have translated into better service for our customers. It joins other SPRING

awards we have received over the years, including the Singapore Quality Class Star, People Developer and Singapore Service Class (S-Class) awards. These awards relate not just to service, but also to business excellence – how our organisation is effectively run to serve our customers well, and to sustain strong business performance.

Staying Connected

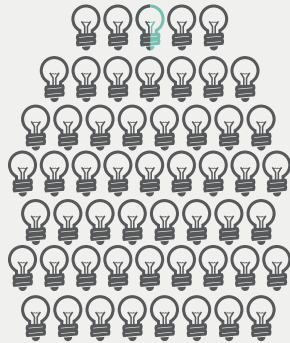
SP also continued to make a concerted effort to stay connected with our customers and in touch with their changing needs. We often meet with representatives from various industries to provide them with updates on our projects and to better understand their needs. In April, SP PowerGrid (SPPG) hosted the 5th Power Quality Interest Group meeting for the banking industry at the Labrador 230kV substation. Members of the group learnt about

TWENTYPOWERFACTS

06

ONCE IN A LIFETIME

Singapore consumers enjoyed a high level of power reliability experiencing 99.9999% interruption-free electricity supply. For most, that would be no more than one power outage in their lifetime.



the continuous improvements SPPG has made to its network performance and reliability, and were given a tour of the Power Quality Centre.

That same month, SPPG held the 9th Power Quality Advisory Panel meeting at Sentosa Golf Club. Members of the panel include senior management from various semiconductor, pharmaceutical, petrochemical and chemical companies in Singapore. The panel serves as an avenue for feedback from these industries, and promotes collaboration and knowledge sharing on power quality management.

Satisfaction Guaranteed

An independent annual customer satisfaction survey showed customer satisfaction levels at a record high. The survey of 1,202 respondents, conducted between October 2014 and February 2015, found that

88 per cent were “satisfied” or “very satisfied” with the service they received from SP Services, in areas including responsiveness and accuracy of information. SP’s satisfaction rankings were higher than those of seven other large Singapore service providers that our customers frequently interact with. We also outperformed utility providers both in Asia and other parts of the world.

ENHANCING CUSTOMER EXPERIENCES

Greater Convenience

After decades of being located off Orchard Road, SP Services’ Customer Service Centre left its Somerset home in March 2015 to move to the Raffles Place-Chinatown area. Customers can now access our services at our new service centre on Cross Street, conveniently located next to the Telok Ayer MRT station.



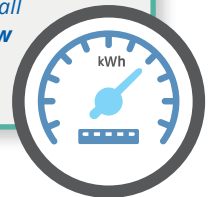
Mohamed Asadullah bin Mohd Khalid, Meter Reader, leveraging technology to ensure reliable meter data readings

TWENTYPOWERFACTS

07

MILLIONS OF METERS

Each of our **1.4 million** customers has meters to measure their electricity, water and gas usage. On average, SP Services’ meter readers read some **75,000 meters** a day while our SP technicians install close to **500 new meters** a day.



All three of our customer service centres – the other two are at Toa Payoh and Woodlands – now have self-service e-Kiosks where customers in a rush can apply for or terminate a residential utilities account, view and print utilities bills and payment slips, and submit meter readings, among other things.

SP On-the-Go

While we upgrade our physical locations, we continue to emphasise our digital channels. With more customers going mobile, SP Services has launched a host of service channels for users on the go, from self-service e-Kiosks and online FAQs to e-billing. In January 2015, we introduced a mobile app that will help users reduce their energy and water consumption, lower their utilities bill and do their part in conserving the environment.

SERVING UP POWER WITH A SMILE (CONT'D)



Teo Kai Zhi, Customer Care Officer (right), assisting a customer at the new SP Services Customer Service Centre at Cross Street

With the one-stop app, users can access their past bills, track their power consumption against their neighbours', find out which of their home utilities is consuming the most energy and water, set savings targets and find ways to reduce their bills. They can also submit meter readings and open or close a utilities account using the app.

The app was road-tested by 310,000 customers during the pilot phase in the last quarter of 2014 and was well-received.

Quicker Feedback Loop

In the pilot trial of our new Electronic Customer Feedback System, customers can look forward to a fuss-free and more convenient way

to provide feedback on our services. Instead of having to manually fill up forms, they will be able to send their feedback through a tablet. This touch-button convenience does away with paper forms and also allows for faster responses from SP Services staff.

Power to Pay less

SP Services has been working closely with the Energy Market Authority and the industry on a national programme that will improve the efficiency and reliability of Singapore's energy market.

The Demand Response (DR) programme will incentivise contestable consumers to adjust their electricity usage in response to

high energy prices. The programme will go live in December 15. All contestable consumers who are able to offer a load curtailment of at least 0.1MW can participate in the Demand Response programme.

TWENTYPOWERFACTS

08

ONE AND ONLY

*SP Services is the only utility company in the world that connects residential customers to **electricity, water and piped gas** within one business day of their application.*

Our key responsibility will be to provide reliable meter data on a daily basis for wholesale and retail settlement.

GIVING CUSTOMERS CHOICES

Supporting Contestability

In the last year, SP Services has provided support and transfer services to a growing pool of contestable customers – commercial or industrial consumers – who can buy electricity from the retailer of their choice or from the wholesale market. We provided retail settlement, meter reading, meter data management, and enabled them to switch seamlessly from one retailer to another to make electricity purchases from the competitive wholesale market.

Our recently introduced Advanced Metering Infrastructure (AMI) meters measure contestable customers' usage at half-hour intervals, yielding accurate data to help consumers decide on the best service provider for them. We have also improved our IT systems to provide reliable back-end support.

The number of contestable consumers is set to rise again as the contestability threshold is lowered in July 2015 to an average monthly consumption of at least 2,000 kWh. This will bring the pool of consumers eligible for contestability to 90,000, or 84 per cent of total electricity demand.

Electricity Futures

The EMA had decided to establish the Electricity Futures Market (EFM) to encourage new generation companies and independent retailers to enter into the Singapore electricity market. This will help to mitigate any market power concentration and further facilitate retail competition. SP Services has upgraded its IT system to support the smooth operation of the EFM.

SUPPORTING GREEN SOLUTIONS

In support of the increasing interest in solar energy adoption, SP now facilitates requests from contestable consumers who wish

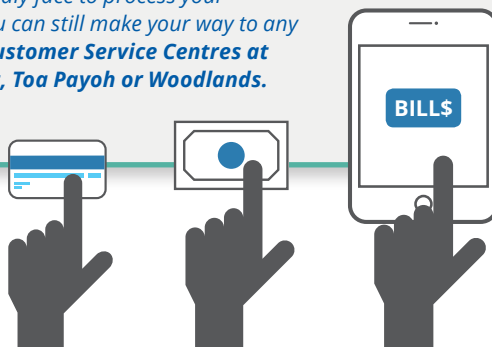
to sell excess solar energy to the national grid.

Previously, they would have had to first register with the Energy Market Company (EMC), an onerous process when the amount of energy to be sold was very small. Now, they have the option of receiving payments from SP Services, which will aggregate their meter readings and settle payment with the EMC on their behalf. This move is aimed at simplifying the administrative process for the generation of solar energy, which is classified as an Intermittent Generation Source (IGS). The IGS scheme was introduced in July 2014.

TWENTYPOWERFACTS

SPOILT FOR *CHOICE*

*Forty years ago, customers had to make a monthly trip to the former Municipal Building at City Hall to pay their utilities bills. Today, our customers have several payment modes to choose from, like **credit card, cheque, Giro and e-banking**. If you prefer a friendly face to process your payment, you can still make your way to any one of our **Customer Service Centres at Cross Street, Toa Payoh or Woodlands**.*

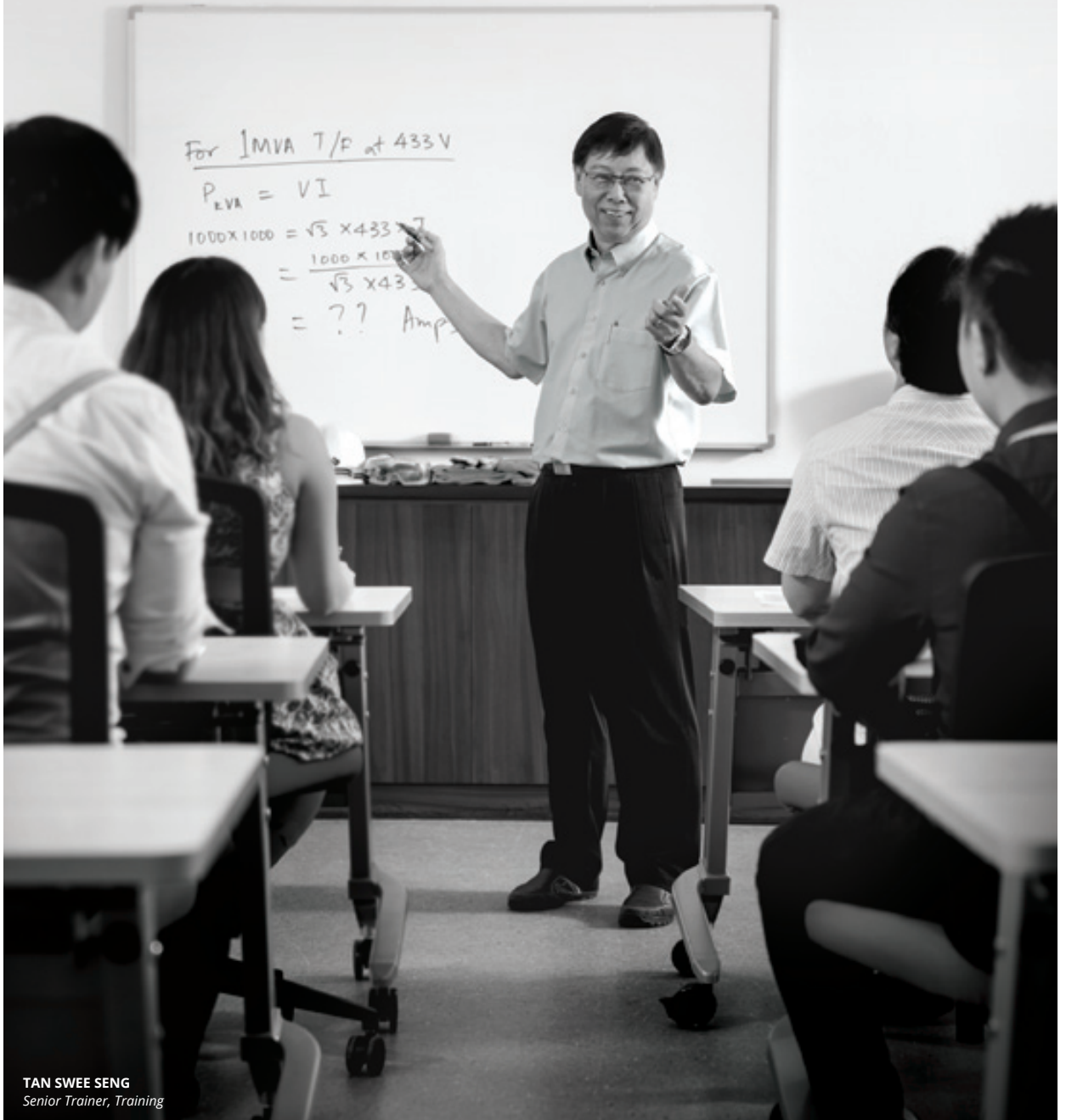


09

THEN

EMPOWERED TO EXCEL

From the classroom to the field, our people are armed with the knowledge, skills and exposure to give their best to their customers, company and country.





NOW

Singapore Power has awarded more than 570 higher education scholarships and sponsorships to emerging engineering talent, helms the Singapore Institute of Power and Gas, and is home to possibly the largest number of certified professional engineers in Singapore.

From Left

U KAR MING
Principal Engineer, Electricity Operations,
SP PowerGrid

MOHAMED AIDIL BIN SALIM
Senior Engineer, Electricity Operations,
SP PowerGrid

LEE PEIRU
Executive Engineer, Electricity Operations,
SP PowerGrid

SHIVA RAJ S/O RATHA KRISHNAN
Executive Engineer, Electricity Operations,
SP PowerGrid

POWER PEOPLE



SP Group CEO Wong Kim Yin with our second batch of SP Nithiah Nandan scholars at the SP Scholarship Award Ceremony 2015

At SP, we believe that people are our most important asset. We take pride in how we care for our people, channelling substantial resources into grooming and building existing and future talents. From nurturing youths in educational institutions, to developing the skills and leadership potential of our staff, our efforts are continuous, and driven by the conviction that it is our people that make us who we are.

Our people have been working to power up Singapore even before it was a nation. Last year, six of our power veterans, who joined the organisation in 1964 and 1965, were honoured with 50-years long service awards from SP. They are an inspiration not only to their colleagues, but to all workers in Singapore.

BUILDING OUR TALENT PIPELINE

Nurturing The Next Generation

To ensure a strong pipeline of talent for the power sector, SP awards scholarships, internships and book prizes to students from universities, polytechnics and the Institutes of Technical Education (ITEs) every year.

In FY14/15, we awarded Singapore Power undergraduate scholarships to 10 university undergraduates and our second batch of SP Nithiah Nandan scholarships to 21 students from polytechnics and Institutes of Technical Education (ITE). Once they graduate and join us, these scholars will benefit from structured training and job rotations, as well as rich and diverse professional exposure.

Since May 2013, we have given out a total of 72 book prizes to students of various tertiary institutions in our ongoing efforts to build mindshare in schools, and to reach out and inspire those with a passion for Engineering.

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TWENTYPOWERFACTS

LEAVE IT TO THE PROFESSIONALS

*Engineers looking to advance their careers would be in great company at Singapore Power. We have one of the **highest number of certified Professional Engineers (95)** in Singapore.*



That year, the scope of the SP Book Prize was expanded to include not just top performers in electrical and power engineering at universities, but also in ITEs and Polytechnics. Ultimately, this will expand the pool of potential engineers and technical staff for the power industry.

Hands On Experience

We also hosted a record 87 interns from universities, polytechnics, ITEs and junior colleges. The interns – who were assigned a ‘buddy’ to guide them along – were given insights and a first-hand feel of working in the power industry to spark an interest in a career with us.

Engineering the Right Skill Sets

Our in-house leadership development programme – the Engineering Development for

Graduates (EDGE) programme – started its third run for 30 engineers in July 2015. Since EDGE was started in July 2013, over 80 engineers have benefited from the structured programme that trains and develops a pool of multi-skilled engineers to meet SP’s business needs. This not only strengthens the practical engineering foundation of the fresh graduates, but also exposes them to a wide spectrum of our businesses and operations during their formative years.

Powering our Leaders

In June 2014, we extended a leadership development tool, the 360° Leadership Feedback Survey, to our Deputy Directors and Heads of Section. With this inclusion, 200 of our middle and senior managers are benefitting from feedback on

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TWENTYPOWERFACTS

LIFETIME OF COMMITMENT

*Through the years, our staff have worked hard to power the nation – even before we were a nation. In 2014, we had **three technicians and one meter reading inspector** who joined us before Singapore was declared independent in August 1965, back when we were still a part of the Public Utilities Board (PUB).*



Muhammad Redzuan Bin Sulaiman, Gas Operations, Dennis Khah, Electricity Operations, and Leong Qian Wei, Electricity Operations, are part of Singapore Powers EDGE leadership development programme

POWER PEOPLE (CONT'D)

the effectiveness of their leadership not just from their immediate supervisors, but also from their peers and subordinates.

We also conducted four runs of a customised Leadership Milestone Programme – Powering Leaders – to reinforce our leaders' development in the leadership competencies that address business and management challenges. Participants also benefitted from hearing SP's senior leaders share their personal leadership experiences relating to strategy, innovation and change management during the programme.

STAYING AHEAD WITH OUR LABOUR RELATIONSHIPS

In August 2014, SP became the first company in the power and gas

industry to sign a Memorandum of Understanding with the Union of Power and Gas Employees (UPAGE) to extend the scope of the union's representation in certain areas beyond Non-Executives, to include Executives, Engineers and Managers. This initiative was made in acknowledgement of the changing workforce profile in the SP Group of Companies where there has been a growing number of executive employees.

CARING FOR OUR PEOPLE

With an eye on our employees' well-being, we re-designed our employee wellness programme to the more holistic StepUp! programme. Launched last year, StepUp! encourages employees to take charge of their personal health and wellness by attending

programmes covering areas such as health, parenting, workplace bonding and financial planning. This more holistic approach to total wellness seeks to encourage healthy lifestyle habits within a total wellness framework.

Our inaugural Health and Wellness Celebration Week was held in October 2014. Participating staff members were given a healthy snackstarter pack and a pedometer to measure the number of steps they walked each day. They also took part in sporting activities, including a mass Telematch event at the Bedok Sports Hall, and the first-ever SP Games which saw more than 400 staff members participate in various competitive team sports.

MEETING INDUSTRY NEEDS

In September 2014, the Singapore Institute of Power and Gas (SIPG) was established as a one-stop training and development centre for professionals in the power and gas sector. One of the key milestones of SIPG was its recognition as an Approved Training Organisation by the Energy Market Authority (EMA) in June 2015. This will enable SIPG to leverage the Energy Training Fund administered by EMA.

To broaden existing training in the area of transmission and distribution (T&D) of electricity and gas, four new courses have been developed. We have started



NTUC Secretary-General Mr Chan Chun Sing (centre) interacting with SP's Management and UPAGE Delegates

new course development work not only in T&D but also for Power Generation Plants, with industry support. All courses in SIPG will be mapped to the National Energy Competency Framework launched by EMA to ensure that they meet the competency needs of the industry. In addition, to address the emerging and increasingly pervasive use of solar power in Singapore, SIPG has introduced a new course on the Installation and Commissioning of Grid Tied Photovoltaic System.

Over the past year, more than 280 training sessions across 100 courses have been organised to develop and deepen the skills of our staff and the industry.

SIPG is working with local and global industry players to enhance local capabilities for the present and future needs of the industry.

TWENTYPOWERFACTS

ALL AROUND YOU

*Have you ever noticed Singapore Power's substations or electricity overground boxes in your neighbourhood? There are more than **37,000 overground boxes** and almost **11,000 substations** across the nation that help to transmit and distribute electricity to our buildings and facilities – combined, that's 10 times more than the number of bus stops in Singapore.*



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Executive Engineer Zac Teo Zi Cheng (right) cheering his team on during the annual Sports for Life event

THEN

LIGHTING UP LIVES

A helping hand when it's least expected, and a smile when it matters most. The friends we can count on will get us through each day and are right by our side when we need them.



Right

TOH BEE HOON JANICE
*Executive Assistant, Regulatory Management,
Singapore Power*



NOW

We flex our muscles and reach out as far as we can
– to our pioneers, little ones and families-in-need.
Giving our time and energy to create joyful memories
that last a lifetime.

From left, in blue SP t-shirt

JONATHAN OOI WEI HSIN
*Director, Legal & Corp Secretariat,
Singapore Power*

KOON SWEE LING
*Manager, Finance,
Singapore Power*

INDRA SHUN
*Administrative Assistant, Electricity Operations,
SP PowerGrid*

POWERING WITH HEART

Just as we power the nation's growth and economy, SP is also proud to be able to light up the lives of those who need it most.

Our efforts centre around donations to the needy elderly through the Singapore Power Heartware Fund, and active volunteerism by employees who devote time to causes such as care for the needy elderly, energy efficiency and safety for the community.

Whether through the contribution of funds or time, we play our part in improving the quality of life of communities-in-need, and provide



Staff volunteers assembling Power Packs of food essentials, to be distributed to beneficiaries of the Singapore Power Heartware Fund

TWENTYPOWERFACTS

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POWERING THE HEART

*Powering the Nation is about more than just keeping the lights on and the gas flowing. It's also about improving the lives of the underprivileged. Since its inception in 2005, the Singapore Power Heartware Fund has supported the delivery of more than **4.9 million warm meals** to the doorsteps of needy seniors and made sure seniors were accompanied on more than **82,000 trips for medical and rehabilitation care.***



sustainable solutions that reinforce our commitment to nation-building.

RAISING FUNDS

SP Heartware Fund

Last year, the SP Heartware Fund reached out to 31,000 beneficiaries of 26 elderly programmes managed by the Community Chest. We were able to provide warm, nutritious meals and medical transport for those who live alone, dementia day care, hospice care, caregiver support, and living expenses for those who live in community homes.

In FY14/15, we raised over S\$1.2 million for the Fund. This was made possible by staff donations, fund-raising events and contributions from members of the public who

responded generously to our letters of appeal. Our annual Charity Golf Event, now in its 9th year, raised a record S\$600,000 for the Fund last September. Under the Care and Share movement, funds were matched dollar-for-dollar by the Government.

Our consistent efforts to raise funds for the Heartware Fund earned us the 2014 Special Events Platinum Award from the Community Chest.

More than 30 per cent of our staff make monthly contributions to the Community Chest's SHARE programme, which provides a stable source of funds to its beneficiaries. In recognition of these contributions, we received the SHARE Silver Award in September 2014.

GIVING TIME

Besides donating money, our staff were also generous with their time. In FY 14/15, SP staff members spent 5,000 volunteer hours giving back to the community, far exceeding the 3,000-hour target we set for the year.

The broad range of volunteer activities undertaken by our staff included presenting a charity gala dinner and concert, distributing emergency preparedness kits to Singapore households, and organising festive outings and celebrations for families from low-income backgrounds. One highlight was packing and distributing 3,000 Power Packs of food essentials for needy seniors across Singapore. More than 370 staff volunteers spent over 1,600 hours on this activity, some driving their own



SP volunteers bringing smiles to the faces of the elderly residents of All Saints Home through games and music

vehicles to deliver the kits to destinations island-wide.

Another first for SP was our Community Day event on 22 November 2014, held in partnership with Central Singapore and PEACE-Connect. More than 120 staff visited elderly residents living in North Bridge Road and cleaned their

one- and two-room rental flats, decluttering, giving the homes fresh coats of paint, and even fumigating to rid some units of bed bugs. We also gave the elderly advice on how to use their electrical appliances safely, and conducted an enjoyable terrarium-making workshop for them.



Volunteers and children alike enjoying the magic show during the outreach at Viva Foundation for Children with Cancer

POWERING WITH HEART (CONT'D)



SP Group CEO Wong Kim Yin (right) with representatives from various partners at the launch of our "Gift of Power" for SG50

CELEBRATING SG50

Free Charging Of Mobile Devices

To commemorate the nation's 50th birthday, SP is giving Singapore a "Gift of Power" to help people stay connected on the go. Two hundred mobile device charging stations are being set up at public hospitals and polyclinics, libraries, tertiary institutions and supermarkets throughout Singapore. These stations

offer free charging services for members of the public to give their mobile devices a power boost on us. The stations will also screen public service videos on safety, energy efficiency, charitable causes and other useful topics.

Love From The Stars

In May 2015, SP was the presenter and main sponsor of Love from the STARS, a charity gala dinner and concert held in conjunction



SP was the presenter and main sponsor of Love from the STARS which raised \$6.4 million for six charities

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TWENTYPOWERFACTS

NATURAL GOODNESS

Singapore generates **90 per cent of our electricity today** by burning natural gas, which is cleaner than fuel oil. This is up from just 10 per cent less than five years ago. We at Singapore Power are doing our part by transporting natural gas from our neighbours Malaysia and Indonesia through undersea pipes, and transporting it to the power generation companies.



with SG50. Proceeds from the event went to more than 160,000 beneficiaries of six local charities: Singapore Power Heartware Fund, All Saints Home, Sian Chay Medical Institution, Singapore University of Technology and Design scholarship fund, Thye Hua Kwan Moral Charities and Viva Foundation for Children with Cancer.

For the first time, international artistes Jackie Chan, Wakin Chau, Jonathan Lee and Eric Tsang collaborated on the same stage for a good cause. Guests included Guest of Honour President Tony Tan and Mrs Mary Tan, Emeritus Senior Minister Goh Chok Tong and Mrs Goh, corporate leaders, sponsors and donors, as well as beneficiaries and their families.

Singapore Power contributed more than S\$500,000 towards the operating expenses of Love from the Stars and ran the event secretariat, helping to organise and promote the event. SP staff also volunteered their time to bring cheer to the beneficiaries of the charities by organising entertaining activities for them.

Through the sale of dinner tables, an auction and outright donations, we helped to raise close to S\$6.4 million, exceeding the S\$6 million target.



Energy Efficiency Taskforce Co-Lead Mike Chan Siang Chin (left) and Electricity Efficiency Centre Executive Assistant Haameshwaran s/o Panirselvam (third from left) show Second Minister for Trade and Industry S Iswaran (second from left) how the Great Energy Challenge is played during the launch of the "Energy Heroes: It's your Power!" campaign at the Singapore International Energy Week

Energy Heroes: It's Your Power

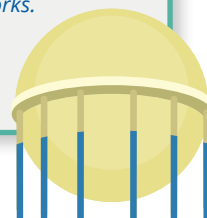
In October 2014, during the Singapore International Energy Week, SP launched a campaign to bring energy awareness to schools. Throughout 2015, some 16,000 students will be treated to an interactive roving exhibit where they will get the chance to learn about energy conservation through interactive games. This joint initiative by Singapore Power and the Energy Market Authority (EMA) is aimed at educating students in a fun and interactive way and inspiring them to take action in energy conservation.

TWENTYPOWERFACTS

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JUST IN CASE

*Have you ever noticed a giant, bright yellow metallic sphere in the Toh Tuck area? That iconic structure is the Toh Tuck gasholder, opened in 1998, which serves as a contingency store of town gas. The Toh Tuck gasholder **can supply the nation with gas for up to 6 to 8 hours**, should a backup be needed for the main gas supply from Senoko Gasworks.*



SAFETY FIRST

A PLEDGE TO SAFETY

Safety excellence is essential to the responsible delivery of energy. At all our staff events, we reaffirm our pledge to safety.

Safety is our highest priority. Every life is precious. Every accident is avoidable. We uphold safe practices and strive for zero accident.

While delivering a power network that stands amongst the world's best in terms of reliability and efficiency, we also emphasise the safety of our colleagues, our contractors and our community.


Last year, everyone from the senior management to workers on the ground continued to drive home

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TWENTYPOWERFACTS

FROM START *TO FINISH*

*SP Services processes about **31,000 requests monthly to open and close utilities accounts** - that's more than 1,000 a day on average. Powering the nation is busy work!*




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TWENTYPOWERFACTS

REACHING *DEEP*

*By 2018, Singapore Power will have built the deepest of any utilities or transportation tunnel in Singapore. Our tunnels for electricity transmission cables **reach up to 60 m deep** - more than the height of a 30-storey HDB block!*



the safety message by upholding rules and procedures, and through training, regular inspections and personal diligence. We pay special heed to road safety, ensuring that our workers navigate the roads without compromising their own safety or that of the public. Our efforts were recognised by the Workplace Safety and Health Council (WSHC) at their annual industry awards.

Taking Care of our People

In 2014, our safety performance improved by 50 per cent compared to 2013, as measured by the Lost Time Injury Frequency Rate (LTIFR).

Our safety efforts are led by line management, who walk the talk to demonstrate their commitment to safety. Each month, our senior management conducts safety walkabouts at our work sites.

This initiative has not only created traction with the rest of the line organisation but has also sent a strong message to both staff and contractors that we make safety a priority. In 2014, we conducted more than 50 senior management walkabouts, and over 15,000 safety observations group wide.

To keep an even tighter rein on safety, we expanded the window of reporting safety incidents to include those with injuries resulting in between one and three lost-work days, and also included those incidents in our safety performance. Previously, we only included incidents with injuries resulting in more than three lost-work days, in line with Ministry of Manpower requirements.

In 2014, we set up the Group Safety & Health department to further



Singapore Power Senior Management at a work-site safety walkabout

raise safety standards across SP. It develops and spearheads initiatives within the company. These include sharing of lessons learnt from past incidents and the enhancement of near-miss reporting. This new department's work complements the annual Safety Roadshow that our safety officers have rolled out at all district offices and the Safety Refresher Course that covered more than 1,700 workers last year.

TARGETED SAFETY MEASURES

For specific activities with high perceived risks, we implemented targeted safety measures to mitigate the risks.

Many of our employees have to be on the road as part of their work. In order to enhance driving safety,

we launched a group-wide Vehicle and Driving Safety Campaign in February 2015, where risk assessment, safety briefings and training were a key part. Contests were organised to encourage staff participation in the campaign.

Safety on the Move

We installed video cameras in our fleet of vehicles, including motor cars and motorcycles. The 'eye' in the vehicle encourages our drivers to drive more safely, while the high definition graphics captured provides an impartial record in the case of an accident.

A new guideline was also developed that requires all field staff with a driving or riding licence to attend defensive driving or riding training respectively once every five years

to refresh their skills. In future, the requirement will be extended to all employees who have driving licences.

Before setting off for work, the vehicles of the workers are inspected by their supervisor, to ensure that each vehicle does not pose a threat to the driver, passengers or other road-users.

Working at Heights Programme

We introduced a Work-at-Height (WAH) programme for staff who often perform tasks high above the ground, for example examining substation roofs or maintaining transformers and switchgears within our substations. The programme covers topics such as fall prevention measures and the safe use of work-at-height equipment like ladders. We also conducted briefings on related safety equipment and WAH regulations, and shared industry best practices.

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TWENTYPOWERFACTS

UNDER THE SEA

When an undersea tunnel linking Jurong Island to the mainland is completed in 2018, Singapore Power staff carrying out their work there will be able to walk under the sea to get to Jurong Island – all 4,500 steps or so.

TWENTYPOWERFACTS

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**CARVING
OUT SPACE**

*To construct two cross-island underground cable tunnels to house the high-voltage transmission cables of the future, we will have to excavate more than **1.1 million cubic metres** of dirt, soil and rocks – enough to **fill more than 450 Olympic-sized swimming pools!***



System Certifications

We were pleased to receive the following certifications in the past year, in recognition of our safety management system:

The safety management systems of both SP PowerGrid and SP Services were certified under SS 506 (Singapore Standard on Occupational Safety and Health Management System) and OHSAS 18001:2007 (International Standard on Occupational Health and Safety Management System). Both systems were subsequently awarded the bizSAFE Star, the highest level of certification under the Workplace Safety and Health Council's bizSAFE framework.

Taking Care of our Contractors

We continued to improve the safety of our contractors through frequent communication sessions, safety induction, safety orientation courses, safety inspections, and a post-contract performance evaluation at the end of each project. As part of our contractor safety efforts, our project and safety officers conducted regular safety audits and shared their findings with our contractors, who then carried out corrective actions to improve their own safety.

We also had regular dialogues with our contractors to identify areas that may pose a danger to their workers. Through these dialogues, we discovered that workers faced a higher risk of leg injury when doing road works with heavy machinery nearby. We have since installed both rear-view and other additional mirrors on our excavators to remove blind spots. This reduces the chances of excavator operators accidentally injuring their fellow workers performing jobs nearby. We also installed alarms that beep while the machines are in operation, so that surrounding workers are constantly aware that the machine is close by.

Safety programmes

In July 2014, we initiated a compulsory safety programme for our contractor workers. Safety@SPPG is conducted in the various native languages of the workers so



Safety is a concerted multi-level effort between SPPG, its partners and contractors

that the safety message is easily embraced by the workers. Our goal is to raise their safety awareness when performing common jobs like road works. Since the launch of the programme, we have trained more than 1,500 workers.

In February 2015, the SP Training Institute customised this course for workers involved in our transmission cable tunnel project. In addition to classroom training, the workers are taken on a tour of a cable tunnel site to see the two-storey-high Tunnel Boring Machine up close. This helps them better understand the need for safety. About 800 cable tunnel workers have undergone this course by the SP Training Institute.

We have also conducted briefings on the importance of wearing Personal Protective Equipment (PPE) – including helmets, reflective vests and safety boots – to standardise practices among our contractors.

AWARDS AND RECOGNITION

All contractors who work with us must join the bizSAFE programme, a nation-wide five-step safety programme run by the Workplace Safety and Health Council (WSHC). Since last year, we have required all our contractors and subcontractors to be at least bizSAFE Level 4-certified, up from our previous requirement of bizSAFE Level 3. To date, over 130 of our contractors



Mr Peter Leong (right) Managing Director, SP PowerGrid, receiving the bizSAFE Partner Award from then Manpower Minister Mr Tan Chuan-jin

have obtained at least bizSAFE Level 4 certification.

SP PowerGrid won the bizSAFE Partner Award in February 2015. The award is testimony to SP PowerGrid's continuous efforts in helping contractors and partners improve safety at both the company and national level.

Recognising Safety

To promote a culture of safety, we reward our contractor workers for adopting safe practices by giving them supermarket vouchers on the spot. We also give cash awards to those contractors who have made measurable progress in their safety performance.

We will be installing closed-circuit television (CCTV) cameras at critical work sites to encourage safe

behaviour among our workers as well as to identify and rectify unsafe practices. The footage will also help us share and learn from incidents and near-misses.

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TWENTYPOWERFACTS

A POWERFUL HISTORY

*Some of Singapore's most prominent arts and entertainment buildings used to be power facilities. One is **The Substation at Bras Basah**, and another is **St James Power Station** near Sentosa, which was Singapore's first coal-fired power plant.*

FINANCIAL SUMMARY CONTENTS

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SUMMARY DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

IMPORTANT NOTE

The summary financial statements as set out on pages 58 to 67 contains only a summary of the information in the directors' report and financial statements of Singapore Power Limited's (the "Company") annual report. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Company or of the Company and its subsidiaries (collectively the "Group"). The full annual report, including the independent auditor's report on those financial statements and the directors' report, can be found on the Group's website www.singaporepower.com.sg.

1. DIRECTORS

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

Tan Sri Mohd Hassan Marican

Mr Ho Tian Yee

Mr Tan Chee Meng

Mr Choi Shing Kwok

Mrs Oon Kum Loon

Mr Tan Puay Chiang

Mr Ong Yew Huat

Mr Timothy Chia Chee Ming (Appointed on 16 June 2014)

Mr Ng Kwan Meng (Appointed on 16 June 2014)

Mr Wong Kim Yin

2. PRINCIPAL ACTIVITIES

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.

3. UNUSUAL ITEMS DURING AND AFTER FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made, or render any item in the financial statements of the Group and the Company for the current financial year misleading, and/or affect the ability of the Group and the Company in meeting the obligations as and when they fall due, except as disclosed in the notes to the full financial statements.

SUMMARY DIRECTORS' REPORT

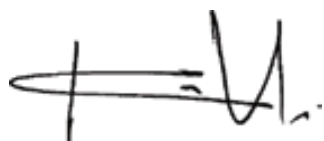
YEAR ENDED 31 MARCH 2015

The summary financial statements set out on pages 58 to 67 was approved by the Board of Directors on 11 June 2015 and was signed on its behalf by:



TAN SRI MOHD HASSAN MARICAN

Chairman



MR WONG KIM YIN

Group Chief Executive Officer/Director

11 June 2015

INDEPENDENT AUDITOR'S REPORT

ON THE SUMMARY FINANCIAL STATEMENTS

REPORT TO THE MEMBER OF SINGAPORE POWER LIMITED

The accompanying summary financial statements of Singapore Power Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2015, the consolidated income statement, statement of comprehensive income and statement of changes in equity of the Group and the income statement and statement of comprehensive income of the Company for the year then ended, and related notes as set out on pages 58 to 67, are derived from the audited financial statements of the Group for the year then ended. We expressed an unmodified audit opinion on those audited financial statements in our report dated 11 June 2015.

The summary financial statements do not contain all the disclosures required by the Singapore Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Group.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in note 1.

Auditors' responsibility

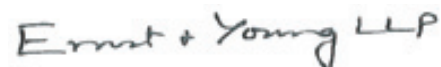
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing 810 "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the accompanying summary financial statements derived from the audited financial statements of the Group for the year ended 31 March 2015 are consistent, in all material respects, with those audited financial statements, on the basis described in note 1.

Other Matter

The summary financial statements of the Group and Company for the year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2014.



ERNST & YOUNG LLP

Public Accountants and
Chartered Accountants
Singapore

11 June 2015

BALANCE SHEETS

AS AT 31 MARCH 2015

	Group		Company	
	2015 \$ million	2014 \$ million (restated)*	2015 \$ million	2014 \$ million (restated)*
Non-current assets				
Property, plant and equipment	10,292.1	9,437.5	22.3	24.0
Intangible assets	117.7	106.6	7.6	7.6
Subsidiaries	-	-	6,854.9	6,779.5
Associates and joint venture	3,010.3	3,354.3	1.3	1.3
Other non-current assets	227.3	170.5	60.3	1.1
Deferred tax assets	8.3	12.1	-	-
Other investments	197.2	-	197.2	-
	13,852.9	13,081.0	7,143.6	6,813.5
Current assets				
Other investments	3.8	-	3.8	-
Inventories	53.0	48.3	-	-
Trade and other receivables	522.0	730.3	3,827.6	2,689.1
Cash and cash equivalents	1,203.3	3,120.4	544.6	2,872.4
	1,782.1	3,899.0	4,376.0	5,561.5
Total assets	15,635.0	16,980.0	11,519.6	12,375.0
Equity				
Share capital	2,911.9	3,911.9	2,911.9	3,911.9
Reserves	(265.9)	39.7	(0.6)	-
Accumulated profits	5,882.0	5,269.4	4,918.1	4,886.5
Equity attributable to owner of the Company	8,528.0	9,221.0	7,829.4	8,798.4
Non-controlling interests	-	46.9	-	-
Total equity	8,528.0	9,267.9	7,829.4	8,798.4
Non-current liabilities				
Bank loans	79.7	100.0	-	-
Debt obligations	3,174.5	3,715.3	-	-
Other financial liabilities	71.6	111.6	9.4	-
Other non-current liabilities	364.7	470.7	3.5	3.6
Deferred tax liabilities	1,150.9	1,099.8	0.4	1.4
	4,841.4	5,497.4	13.3	5.0
Current liabilities				
Trade and other payables	1,531.9	1,886.8	3,668.7	3,567.1
Debt obligations	582.4	162.1	-	-
Other financial liabilities	13.2	34.0	-	-
Current tax payable	138.1	131.8	8.2	4.5
	2,265.6	2,214.7	3,676.9	3,571.6
Total liabilities	7,107.0	7,712.1	3,690.2	3,576.6
Total equity and liabilities	15,635.0	16,980.0	11,519.6	12,375.0

* See note 2

INCOME STATEMENTS

YEAR ENDED 31 MARCH 2015

	Group		Company	
	2015 \$ million	2014 \$ million (restated)*	2015 \$ million	2014 \$ million
Continuing operations				
Revenue	4,840.3	4,793.1	477.3	198.3
Other income	191.7	265.6	5.0	10.3
Expenses				
- Purchased power	(2,873.4)	(3,202.7)	-	-
- Depreciation of property, plant and equipment	(502.4)	(456.2)	(4.9)	(5.8)
- Amortisation of intangible assets	(23.8)	(21.7)	(2.1)	(2.6)
- Maintenance	(87.4)	(97.4)	(5.9)	(4.6)
- Staff costs	(259.0)	(337.0)	(60.7)	(57.7)
- Property taxes	(44.1)	(56.3)	(0.3)	(0.3)
- Other operating expenses	(132.8)	(163.0)	(24.3)	(13.8)
Operating profit	1,109.1	724.4	384.1	123.8
Finance income	20.1	13.5	27.9	21.9
Finance costs	(88.8)	(82.5)	(4.8)	(6.9)
Share of profit of associates, net of tax	146.3	33.3	-	-
Share of profit of joint venture, net of tax	1.5	3.1	-	-
Profit before taxation	1,188.2	691.8	407.2	138.8
Tax (expense)/credit	(191.8)	(151.9)	(5.6)	4.9
Profit from continuing operations	996.4	539.9	401.6	143.7
Discontinued operations				
Profit from discontinued operations, net of tax	-	344.6	-	-
Exceptional items				
- Gain on derivatives used for economic hedge	-	129.0	-	-
Profit for the year	996.4	1,013.5	401.6	143.7
Profit attributable to:				
Owner of the Company	991.1	921.8	401.6	143.7
Non-controlling interests	5.3	91.7	-	-
Profit for the year	996.4	1,013.5	401.6	143.7

* See note 2

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2015

	Group		Company	
	2015 \$ million	2014 \$ million (restated)*	2015 \$ million	2014 \$ million
Profit for the year	996.4	1,013.5	401.6	143.7
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Defined benefit plan remeasurements, net of tax	-	58.5	-	-
Share of defined benefit plan remeasurements of associates	(11.5)	5.9	-	-
	(11.5)	64.4	-	-
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign operations	(327.5)	(950.9)	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	33.0	107.3	(2.7)	-
Net change in fair value of:				
- Cash flow hedges reclassified to profit or loss, net of tax	(9.4)	7.7	0.1	-
- Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	1.5	49.5	-	-
- Available-for-sale financial assets	2.0	-	2.0	-
Disposal of subsidiaries	-	741.1	-	-
Share of hedging reserves of associates	16.6	(9.2)	-	-
	(283.8)	(54.5)	(0.6)	-
Other comprehensive income for the year, net of tax	(295.3)	9.9	(0.6)	-
Total comprehensive income for the year	701.1	1,023.4	401.0	143.7
Attributable to:				
Owner of the Company	694.9	1,102.3	401.0	143.7
Non-controlling interests	6.2	(78.9)	-	-
Total comprehensive income for the year	701.1	1,023.4	401.0	143.7

* See note 2

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2015

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	Non-controlling interests \$ million	Total equity \$ million
At 1 April 2013	3,911.9	73.7	(159.7)	(115.7)	4,753.5	8,463.7	1,917.5	10,381.2
Total comprehensive income for the year								
Profit for the year, as restated (note 2)	-	-	-	-	921.8	921.8	91.7	1,013.5
Other comprehensive income								
Translation differences relating to financial statements of foreign operations	-	(731.4)	-	-	-	(731.4)	(219.5)	(950.9)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	76.0	-	-	76.0	31.3	107.3
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	-	-	6.9	-	-	6.9	0.8	7.7
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet, net of tax	-	-	44.9	-	-	44.9	4.6	49.5
Defined benefit plan remeasurements, net of tax	-	-	-	46.3	-	46.3	12.2	58.5
Disposal of subsidiaries	-	700.4	40.7	-	-	741.1	-	741.1
Share of other comprehensive income of associates	-	-	(9.2)	5.9	-	(3.3)	-	(3.3)
Total other comprehensive income	-	(31.0)	159.3	52.2	-	180.5	(170.6)	9.9
Total comprehensive income for the year, as restated	-	(31.0)	159.3	52.2	921.8	1,102.3	(78.9)	1,023.4
Transactions with owner, recognised directly in equity								
Contributions by and distribution to owner								
Dividends declared	-	-	-	-	(345.0)	(345.0)	-	(345.0)
Equity contribution by non-controlling interests	-	-	-	-	-	-	12.8	12.8
Dividends paid to non-controlling interests	-	-	-	-	-	-	(165.3)	(165.3)
Total transactions with owner	-	-	-	-	(345.0)	(345.0)	(152.5)	(497.5)
Changes in ownership interests in subsidiaries								
Disposal of subsidiaries	-	-	-	-	-	-	(1,630.5)	(1,630.5)
Other								
Transfer from other reserves to accumulated profits	-	-	-	60.9	(60.9)	-	-	-
Impact of new accounting standard (note 2)	-	-	-	-	-	-	(8.7)	(8.7)
At 31 March 2014, as restated	3,911.9	42.7	(0.4)	(2.6)	5,269.4	9,221.0	46.9	9,267.9

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2015

Group	Share capital	Currency translation reserve	Hedging reserve	Other reserves	Accumulated profits	Total equity attributable to owner of the Company	Non-controlling interests	Total equity
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
At 1 April 2014, as restated	3,911.9	42.7	(0.4)	(2.6)	5,269.4	9,221.0	46.9	9,267.9
Total comprehensive income for the year								
Profit for the year	-	-	-	-	991.1	991.1	5.3	996.4
Other comprehensive income								
Translation differences relating to financial statements of foreign operations	-	(327.5)	-	-	-	(327.5)	-	(327.5)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	33.1	-	-	33.1	(0.1)	33.0
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	-	-	(10.4)	-	-	(10.4)	1.0	(9.4)
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet, net of tax	-	-	1.5	-	-	1.5	-	1.5
Net change in fair value of available-for-sale financial assets	-	-	-	2.0	-	2.0	-	2.0
Share of other comprehensive income of associates	-	-	16.6	(11.5)	-	5.1	-	5.1
Total other comprehensive income	-	(327.5)	40.8	(9.5)	-	(296.2)	0.9	(295.3)
Total comprehensive income for the year	-	(327.5)	40.8	(9.5)	991.1	694.9	6.2	701.1
Transactions with owner, recognised directly in equity								
Contribution by and distribution to owner								
Capital reduction	(1,000.0)	-	-	-	-	(1,000.0)	-	(1,000.0)
Dividends declared	-	-	-	-	(370.0)	(370.0)	-	(370.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1.0)	(1.0)
Total transactions with owner	(1,000.0)	-	-	-	(370.0)	(1,370.0)	(1.0)	(1,371.0)
Other								
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(70.0)	(70.0)
Transfer from non-controlling interests to other reserves	-	-	-	(17.9)	-	(17.9)	17.9	-
Transfer from other reserves to accumulated profits	-	-	-	8.5	(8.5)	-	-	-
At 31 March 2015	2,911.9	(284.8)	40.4	(21.5)	5,882.0	8,528.0	-	8,528.0

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1 BASIS OF PREPARATION

The summary financial statements are derived from the audited financial statements of the Group for the year ended 31 March 2015. The full annual report, including the independent auditor's report on those financial statements and the directors' report, can be found on the Group's website www.singaporepower.com.sg.

2 CHANGES IN ACCOUNTING POLICIES

Adoption of new and revised FRSs and Interpretation to FRS

The Group has adopted all the new and revised FRSs and Interpretations to FRS (INT FRS) that became mandatory for the financial year beginning on 1 April 2014. Other than those discussed below, the adoption of these new FRSs and INT FRS did not have a significant impact to the Group.

FRS 110 – Consolidated Financial Statements

FRS 110 – *Consolidated Financial Statements* was effective from 1 January 2014, and the Group has accordingly applied equity-accounting for its investment in Power Automation Pte Ltd (PA), which was previously accounted for as a subsidiary.

Consequently, the quantitative impact of accounting for the investment in PA made to the balance sheet, income statement and consolidated statement of cash flows for the Group, and the balance sheet for the Company, and if it had been equity-accounted since its incorporation in 1995, is summarised below:

Group

Balance Sheet	Total assets \$ million	Total liabilities \$ million	Total equity \$ million	Equity attributable to owner of the Company \$ million
Balance as reported at 31 March 2014	16,991.3	7,716.8	9,274.5	9,218.9
Impact of new accounting standard	(11.3)	(4.7)	(6.6)	2.1
Restated balance at 31 March 2014	<u>16,980.0</u>	<u>7,712.1</u>	<u>9,267.9</u>	<u>9,221.0</u>

Income Statement	Profit attributable to:		
	Profit for the year \$ million	Owner of the Company \$ million	Non-controlling interests \$ million
As reported for year ended 31 March 2014	1,014.4	919.7	94.7
Impact of new accounting standard	(0.9)	2.1	(3.0)
Restated amount for year ended 31 March 2014	<u>1,013.5</u>	<u>921.8</u>	<u>91.7</u>

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

2 CHANGES IN ACCOUNTING POLICIES (continued)

Consolidated Statement of Cash Flows	Net cash from operating activities \$ million	Net cash from investing activities \$ million	Net cash from financing activities \$ million
As reported for year ended 31 March 2014	3,317.8	1,275.2	(3,275.9)
Impact of new accounting standard	(7.6)	(1.5)	6.1
Restated amount for year ended 31 March 2014	<u>3,310.2</u>	<u>1,273.7</u>	<u>(3,269.8)</u>

Company

Balance Sheet	Subsidiaries \$ million	Associates and joint venture \$ million	Total equity \$ million
Balance as reported at 31 March 2014	6,780.8	-	8,798.4
Impact of new accounting standard	(1.3)	1.3	-
Restated balance at 31 March 2014	<u>6,779.5</u>	<u>1.3</u>	<u>8,798.4</u>

The new accounting standard had an insignificant impact on financial statements for prior year ended 31 March 2013. Accordingly, the balance sheet as at 1 April 2013 was not presented as the effect of restatement is not material.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

3 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(In relation to AusNet Services)

(a) Australian Taxation Office (ATO) disputes

(i) Section 163AA impost

During August 2011, the ATO issued amended assessments to AusNet Services in respect of the 2001 to 2006 income years, disallowing deductions claimed in respect of fees imposed under Section 163AA of the Electricity Industry Act 1993(Vic) in the 1999 to 2001 tax years. Under the amended assessments, the amount of primary tax payable is A\$54.0 million.

In October 2011, AusNet Services paid A\$30.6 million under a part-payment arrangement agreed with the ATO. A general interest charge continues to accrue in respect of unpaid tax under the payment arrangement, in addition to the total amount disclosed on the amended assessments.

AusNet Services lodged a notice of appeal and other documents in the Federal Court, appealing the ATO's amended assessments. On 7 April 2014, the Federal Court delivered judgment against AusNet Services' appeal. On the basis of this ruling, AusNet Services recognised the full amount potentially payable in the financial statements net of the amount part-paid. As at 31 March 2015, the net tax potentially payable is A\$59.1 million.

On 12 December 2014, AusNet Services was granted special leave to appeal the High Court of Australia in relation to the decision of the Full Federal Court. The High Court heard the appeal on 9 April 2015, and judgment is expected in the first half of 2015. AusNet Services continues to believe that the fees imposed under Section 163AA are deductible.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

3 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

(In relation to AusNet Services)

(a) Australian Taxation Office (ATO) disputes (continued)

(ii) Intellectual Property

During September 2011 and October 2011, the ATO issued amended assessments to AusNet Services in respect of the 2001 to 2010 income years, disallowing deductions claimed in respect of intellectual property in each of those income years. Under the amended assessments, the amount payable is A\$44 million (representing A\$27.4 million of primary tax, plus an interest and administrative penalty component of A\$16.6 million).

In November 2011, AusNet Services lodged notices of objection in relation to the amended assessments issued, with AusNet Services making a part-payment of A\$17.1 million. A general interest charge continues to accrue in respect of unpaid tax under the payment arrangement, in addition to the total amount disclosed on the amended assessments. As at 31 March 2015, the total amount in dispute for intellectual property deductions, including additional accrued interest on the unpaid portion of the amended assessments, is A\$53.4 million.

AusNet Services lodged a notice of appeal and other documents in the Federal Court. The Federal Court delivered judgment in favour of AusNet Services on 25 March 2014. The ATO subsequently lodged a notice of appeal in the Federal Court on 15 April 2014.

The ATO appeal was heard in the Full Court of the Federal Court in November 2014. On 6 May 2015, the Full Court allowed the ATO appeal in respect of the pre-tax consolidation years, being 1998 to October 2005. The Federal Court's decision to remit the A\$2.3 million penalty imposed in respect of this period was not overturned. In relation to the post-tax consolidation years (being October 2005 to 2011), the Full Court ordered that the matter be remitted back to the primary judge of the Federal Court for further hearing and determination.

In light of this judgment from the Full Court, and the significant uncertainty that has arisen, AusNet Services has recognised an A\$84.1 million tax charge for the year ended 31 March 2015. This represents the net exposure of the total dispute, after taking into account the deductibility of the interest component and excluding the A\$2.3 million of penalties.

(b) Other

AusNet Services is involved in various other legal and administrative proceedings and various claims on foot, including two smaller bushfire class actions relating to fires that occurred in February 2014. In the opinion of AusNet Services, the ultimate resolution of these matters should not have a material effect on the combined financial position, results of operations or cash flows.

(c) Prior year contingent liabilities

As at 31 March 2014, the Kilmore East and Murrindindi bushfire litigation proceedings were considered to be contingent liabilities. During the year ended 31 March 2015, both matters were settled and as such are no longer contingent liabilities, with AusNet Services' share of each settlement being fully covered by insurance. Both settlements were reached without admission of liability by AusNet Services or any other party.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

4 REGULATORY RESET

In March 2015, SP PowerAssets Limited, SP Cross Island Tunnel Trust and PowerGas Limited received the regulatory price determination from Energy Market Authority for the early commencement of the next regulatory period from 1 April 2015 to 31 March 2020.

5 SUBSEQUENT EVENTS

On 4 June 2015, the Supreme Court of Victoria approved AusNet Services' (AusNet) proposal to restructure the business under a new entity AusNet Services Ltd.

Based on the AusNet Services Restructure Proposal (Proposal) dated 22 April 2015, the underlying business and assets of AusNet will not change. The restructure would result in an increase in the tax base of certain assets of AusNet upon tax consolidation, and a cancellation of tax losses. AusNet expects a one-off increase in its net profit after tax in the financial year in which the Proposal is implemented.

However, the financial effect cannot be fully established at this point of time as AusNet expects further detailed engagement with the Australian Tax Office.

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