astrea III

Accessing Private Equity

ASTREA III ANNUAL REPORT FY17/18

NOTES TO THE ANNUAL REPORT

1. Unless otherwise stated, all capitalised terms herein follow the same definitions as the Information Memorandum dated 21 June 2016 relating to the offering and issue of the Notes by Astrea III Pte. Ltd. (the "Information Memorandum").
2. Certain monetary amounts in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.
3. All figures are calculated based on the information available as at 31 March 2018.
4. All figures are in US$ unless otherwise stated.
5. Net Asset Value ("NAV") calculations are based on the most recent NAV of all Fund Investments as reported by the General Partner ("GP") or manager of the applicable Fund Investment, and adjusted for distributions received, capital calls made and other adjustments up to 31 March 2018.
6. Charts used in this report may not be to scale.
7. The date of this report is 28 May 2018.

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KEY FIGURES & HIGHLIGHTS

Note: All figures are in US$ unless otherwise stated.

Portfolio Net Asset Value ("NAV")
at 31 March Year End

2018: $904 million

2017: $1,070 million

Fund Investments Distributions
for the year ended 31 March 2018

$415 million

Total Notes Outstanding
at 31 March 2018

$524 million

Undrawn Capital Commitments
at 31 March Year End

2018: $123 million

2017: $134 million

Fund Investments Distributions
as % of Portfolio NAV at 31 March 2017

39%

Reserves Accounts Balances
At 31 March 2018

$224 million

Portfolio Gains Recognised in P&L
for the year ended 31 March 2018

$191 million

Fund Investments Capital Calls
for the year ended 31 March 2018

$57 million

Reserves Accounts Balances
as % of Class A-1 & A-2 Notes

65%

Net Profit
for the year ended 31 March 2018

$147 million

Fund Investments Net Distributions
for the year ended 31 March 2018

$358 million

Current Rating of Class A-1 Notes
by both Fitch and S&P

A+sf / A+ (sf)

ASTREA III

Summary

First listed bonds in Singapore backed by cash flows from Private Equity ("PE") Funds.

- Bonds launched in June 2016 with a total portfolio NAV of US$1.1 billion invested in 34 Fund Investments
- Four classes of Notes ("PE Bonds") totalling US$510[1] million were issued to investors
- Three classes of Notes were rated by Fitch Ratings (“Fitch”) and/or S&P Global Ratings (“S&P”)
- Principal amount of Class C Notes has increased by US$10.2 million due to the payment-in-kind (“PIK”) interest for the first three semi-annual periods

Summary of the Notes

Notes	Notes Issued	Notes Outstanding	Interest Rate (p.a.)	Interest Rate Step-Up[2] (p.a.)	Scheduled Maturity	Final Maturity	Ratings[3] (Fitch / S&P)
Class A-1	S$ 228,000,000	S$ 228,000,000	3.90%[4]	1.0%	8 July 2019	8 July 2026	A+sf / A+ (sf)
Class A-2	US$ 170,000,000	US$ 170,000,000	4.65%	1.0%	8 July 2021	8 July 2026	Asf / Not rated
Class B	US$ 100,000,000	US$ 100,000,000	6.50%	N/A	N/A	8 July 2026	BBBsf / Not rated
Class C	US$ 70,000,000	US$ 80,168,628[5]	9.25% PIK[6]	N/A	N/A	8 July 2026	Not rated

Third Distribution Date Payment

Astrea III Pte. Ltd. made its third semi-annual payment of interest on 8 January 2018 (“Third Distribution Date”). Please refer to the Semi-Annual Distribution Report to Noteholders for the Distribution Date of 8 January 2018 for further details. This report is available at: www.astrea.com.sg/a3.

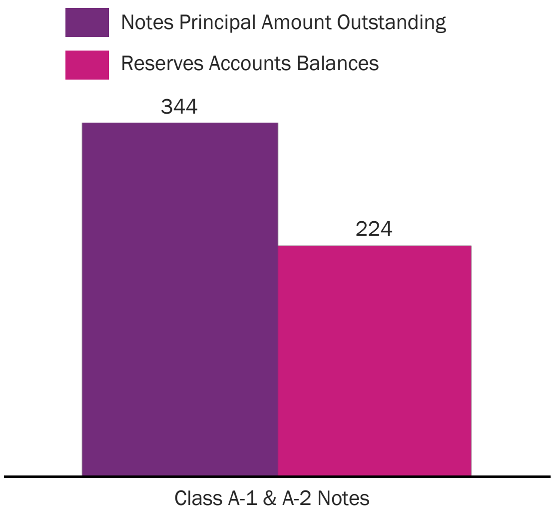
Reserves Accounts

Subsequent to the payments to the Reserves Accounts on the Third Distribution Date, the total balance in the Reserves Accounts is US$224 million which represents 65%[7] of the total combined principal amount of Class A-1 and Class A-2 Notes[8].

Ratings

Fitch and S&P upgraded Class A-1 Notes from Asf to A+sf in July 2017 and A (sf) to A+ (sf) in September 2017 respectively.

Class A-1 and A-2 Notes[7]

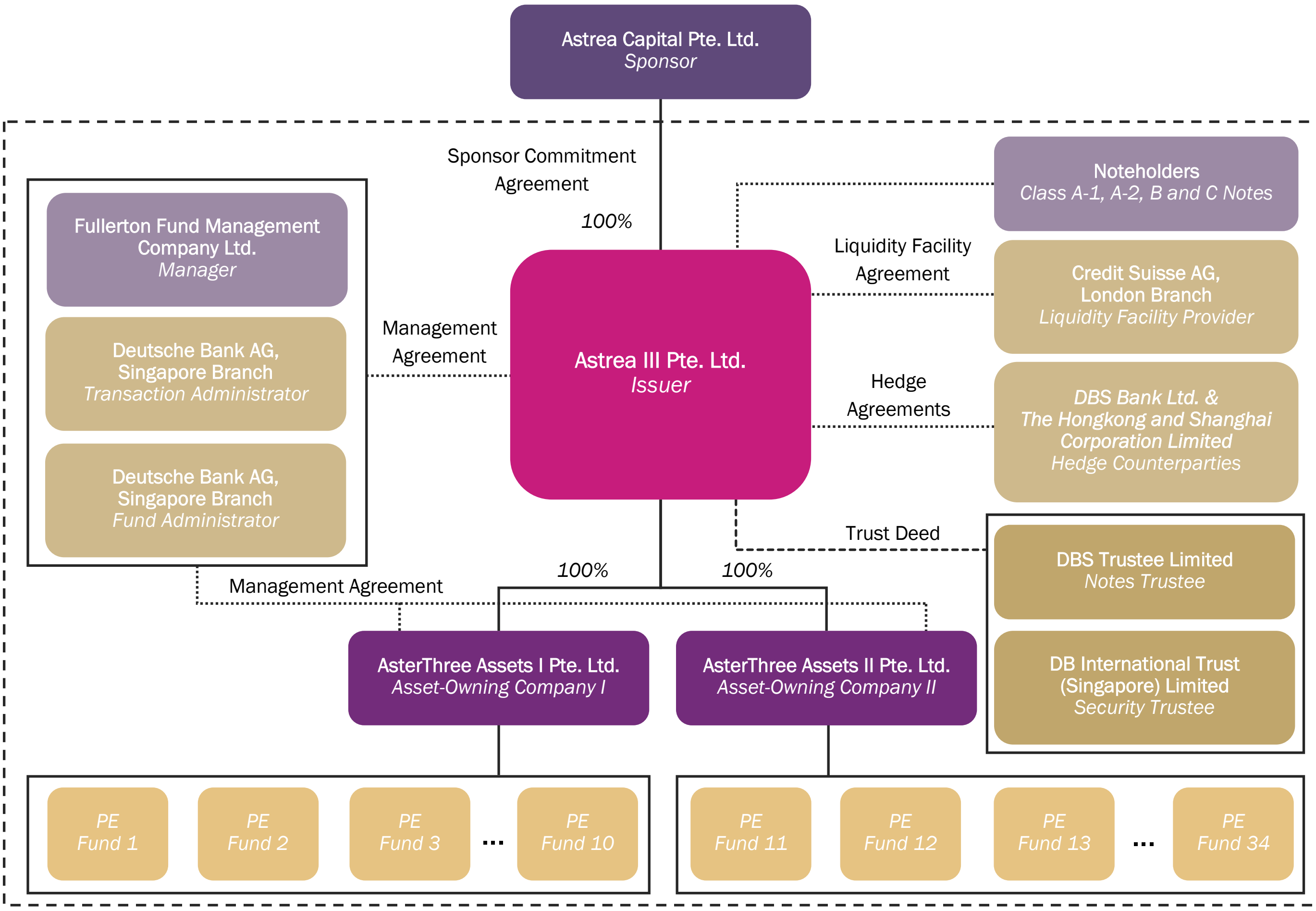


Note:

1. *Class A-1 Notes principal amount of S$228 million converted at USD:SGD exchange rate of 1:1.34035 as at launch date 21 June 2016*
2. *One-time interest rate step-up will apply if relevant Notes are not redeemed by the Scheduled Maturity date*
3. *Ratings are as at 28 May 2018*
4. *Potential Bonus Redemption Premium of up to 0.3% of the Class A-1 Notes principal amount as of 8 July 2019 if the Bonus Redemption Premium Threshold (as defined in the Information Memorandum) is exceeded*
5. *Inclusive of PIK interest*
6. *PIK interest per annum, compounded semi-annually*
7. *Class A-1 Notes principal amount of S$228 million converted at USD:SGD exchange rate of 1:1.31130 as at 31 March 2018*
8. *The total balance in the Reserves Accounts is co-mingled*

ASTREA III

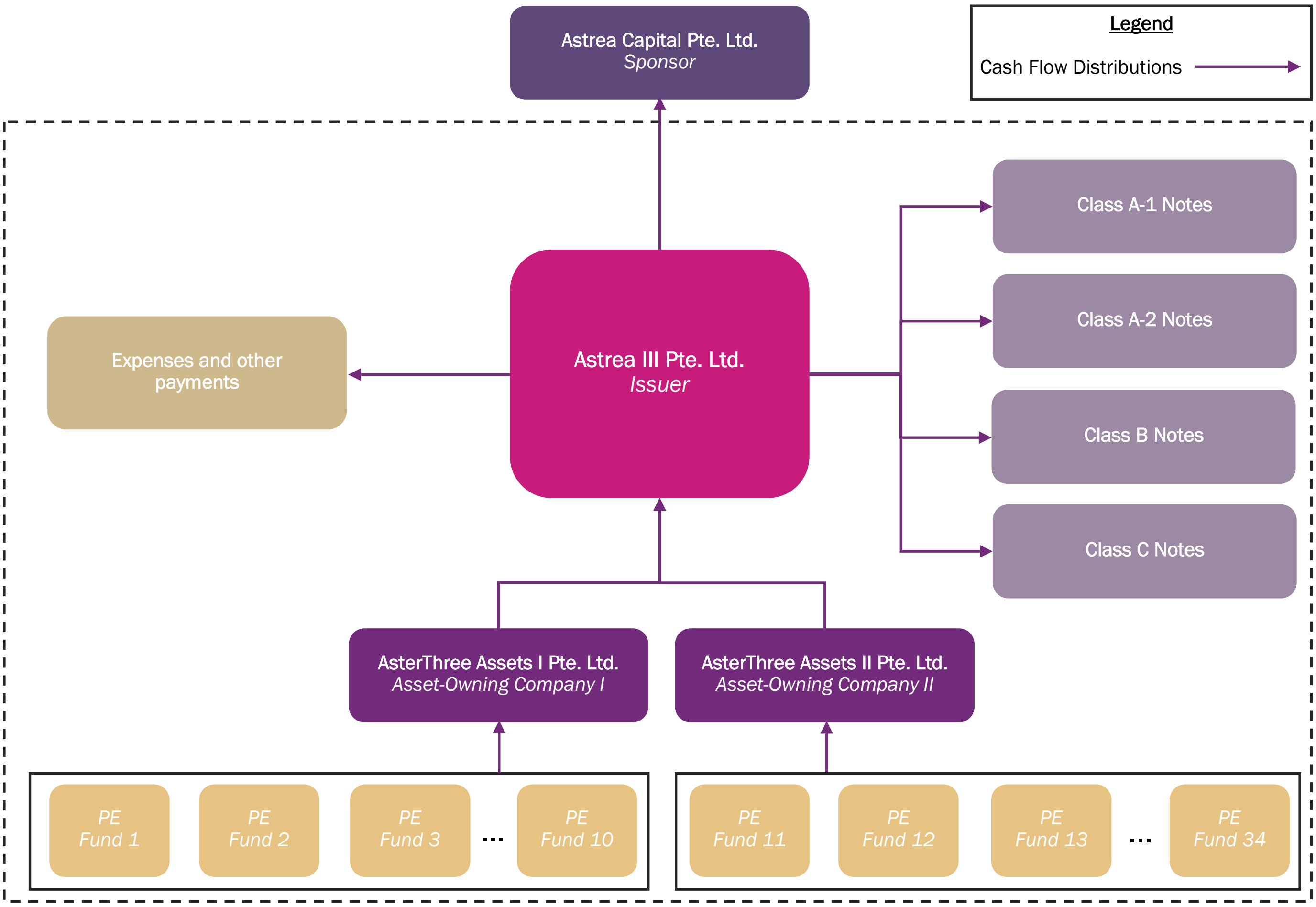
Structure



Sponsor	Astrea Capital Pte. Ltd., a company wholly-owned by Azalea Asset Management Pte. Ltd.
Issuer	Astrea III Pte. Ltd., a company incorporated in Singapore
Asset-Owning Companies (“AOCs”)	AsterThree Assets I Pte. Ltd. and AsterThree Assets II Pte. Ltd., which collectively hold the Fund Investments
Management & Service Providers	
Manager	Fullerton Fund Management Company Ltd. (“Fullerton”) acts as the manager of the overall transaction and provides management services to the Issuer and AOCs. Fullerton also supervises the performance of the Transaction Administrator and Fund Administrator
Fund Administrator	Deutsche Bank AG, Singapore Branch, provides administrative services for the Fund Investments
Transaction Administrator	Deutsche Bank AG, Singapore Branch, provides administrative services for the overall transaction
Notes Trustee	DBS Trustee Limited, as trustee for the Noteholders
Security Trustee	DB International Trust (Singapore) Limited, as trustee for the Secured Parties
Liquidity Facility Provider	Credit Suisse AG, London Branch, provides a facility arrangement which can be drawn if there is insufficient cash available to the Issuer to meet certain expenses and other amounts payable by the Issuer

ASTREA III

Cash Flows



Astrea III is backed by cash flows generated from the Fund Investments. Distributions from the Fund Investments will be used to fund capital calls. The net cash flows will be distributed up to the Issuer, Astrea III Pte. Ltd.

At each semi-annual Distribution Date, the cash balances held by the Issuer will be used to cover expenses and other payments as well as to pay for the interest and principal due on the Notes issued according to the Priority of Payments.


Maybank
STRAITS TRADING
HSBC

ASTREA III

Sponsor

Astrea Capital Pte. Ltd. is the sponsor of Astrea III Pte. Ltd. The Sponsor is a wholly-owned subsidiary of Azalea Asset Management Pte. Ltd. ("Azalea"). Azalea provides the Sponsor with management support via its subsidiary Azalea Investment Management Pte. Ltd.

Role of the Sponsor

The Sponsor, which is the parent company of the Issuer:

i) Has selected the Fund Investments for acquisition by the Asset-Owning Companies to form the Transaction Portfolio;

ii) Is committed through the Sponsor Commitment Agreement to provide funding to meet any capital calls arising from the Fund Investments should there be insufficient cash available to the Issuer for capital calls; and

iii) Is authorised by the Issuer to provide instructions to the Manager on certain key matters relating to the Fund Investments.

About Azalea Asset Management Pte. Ltd.

Azalea Asset Management Pte. Ltd. is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek") with an independent board. It is focused on developing the Astrea platform to broaden investor access to private equity.

BOARD OF DIRECTORS OF ASTREA III PTE. LTD.

The Manager, Fullerton Fund Management Company Ltd., reports to the Board. The Board approves the semi-annual Distribution Date Reports and regulatory reports. The Board of Astrea III Pte. Ltd. comprises 7 members.

Dr TEH Kok Peng

Chairman

Dr Teh Kok Peng is Senior Adviser of China International Capital Corporation Limited, a joint-venture investment bank listed on HKSE. Before his retirement in 2011, he was President of GIC Special Investments from April 1999 to June 2011. Prior to this, he was concurrently Deputy Managing Director of Monetary Authority of Singapore (MAS) and Deputy Managing Director of GIC. He began his career with the World Bank.

He is also the chairman of Lu International Pte Ltd as well as a board member of Sembcorp Industries Ltd, Fullerton Health Corporation and Taikang Life Insurance Co, Ltd. He also serves on the board of East Asian Institute, National University of Singapore. He is an Advisory Board Member/Adviser to CMC Corporation, Jasper Ridge Partners and Campbell & Lutyens.

Dr Teh did his undergraduate studies at La Trobe University, Melbourne, and his graduate studies at Oxford University.

Ms Margaret LUI-CHAN

Director

Ms Margaret Lui-Chan is Chief Executive Officer and Executive Director of Azalea since 2015. She successfully led the team to complete the development and launch of the Astrea III PE Bonds which is the first private equity based bonds to be listed on a major stock exchange. Ms Lui-Chan was previously with Temasek since 1985 in various investment roles including private equity, portfolio management, corporate finance and restructuring. Her last appointment at Temasek was Senior Managing Director. In 2010, she was seconded to SeaTown Holdings Pte Ltd as its Chief Operating Officer. Subsequently in 2012, she joined another Temasek affiliate, Pavilion Capital Pte Ltd as its COO. She was responsible for the start-up operations of both these investment management companies which are indirectly wholly-owned by Temasek.

She currently sits on the board of Sembcorp Industries Limited and chairs the Marine Services Supervisory Committee of PSA International. She also serves on the Board of Trustees and Finance Committee of the Singapore Institute of Technology and heads its investment committee. Ms Lui-Chan is also a member of the Singapore Exchange's Listing Advisory Committee.

Ms Lui-Chan holds a Bachelor of Accountancy degree from the National University of Singapore. She attended the Advanced Management Programme at Wharton School of the University of Pennsylvania.

Mr Adrian CHAN Pengee

Director

Mr Adrian Chan Pengee is Head of the Corporate Department and a Senior Partner at Lee & Lee.

He is a board member of the Accounting and Corporate Regulatory Authority and chairs its Panel of the Institute of Corporate Law. He is a member of the Legal Service Commission, the Pro-Enterprise Panel and serves as an independent director on several SGX-listed companies. The SGX has appointed him to the Catalist Advisory Panel to review Catalist Sponsor and Registered Professional applications and he was also the First Vice-Chairman of the Singapore Institute of Directors. He is a Council member of the Law Society of Singapore.

Mr Chan holds a Bachelor of Laws from the National University of Singapore.

Mr Kunna CHINNIAH

Director

Mr Kunna Chinniah retired in September 2013, as the Managing Director/Global Co-Head of Portfolio, Strategy & Risk Group with GIC Special Investments, the private equity arm of GIC. He joined GIC in 1989 and has held various positions with the Special Investments Department of GIC in their North American, European and Asian regions, including Regional Manager of the North America and European Divisions of the Special Investments Department. From 1997 to 2008, he was responsible for private equity investments in Asia.

His present appointments include being a director of Changi Airport International, Keppel Infrastructure Fund Management and some companies in India. He is also a

BOARD OF DIRECTORS OF ASTREA III PTE. LTD.

member of the Hindu Endowments Board in Singapore.

Mr Chinniah is a Chartered Financial Analyst and holds a Bachelor's Degree in Electrical Engineering from the National University of Singapore and a Master of Business Administration from the University of California, Berkeley.

Mr KAN Shik Lum

Director

Mr Kan Shik Lum spent 33 years with DBS Bank Ltd., of which 28 years were corporate finance-related. After helping to build DBS Bank Ltd.'s Capital Markets franchise in Singapore and Hong Kong, he retired from DBS Bank Ltd. on 31 May 2015.

Mr Kan is currently a Non-executive Independent Director of Mapletree Commercial Trust Management Ltd and a member of its Nominating and Remuneration Committee.

Mr Kan holds a Masters of Arts degree in Economics from Queen's University, Canada.

Mr WONG Heng Tew

Director

Mr Wong Heng Tew is currently an Advisory Director with Temasek International Advisors.

He joined Temasek in 1980 and over the next 27 years of his career his responsibilities included investments (direct, funds, listed and private equity), divestments, mergers and acquisitions, restructuring of companies, and corporate governance. He retired from Temasek in 2008 as Managing Director (Investments) and Temasek's Chief Representative in Vietnam.

He holds directorships in local and overseas companies such as Heliconia Capital Management, Mercatus Co-operative, and ASEAN Bintulu Fertilizer.

Mr Wong holds a Bachelor of Engineering degree from the University of Singapore and has completed the Program for Management Development at Harvard Business School.

Mr WANG Piau Voon

Director

Mr Wang Piau Voon was most recently the Co-Chief Investment Officer of Noah Holdings (Hong Kong) Ltd. and was responsible for its private market investments. Mr Wang was a Partner at Adams Street from 2002 till December 2015. He was involved in formulating the firm's private equity fund investment strategy for Asia and was a member of its Primary Investment Committee.

Prior to joining Adams Street, he was a Manager in the Global Corporate Finance Division of Arthur Andersen LLP, Investment Manager at Nikko Capital Singapore and Investment Officer at Indosuez Asset Management Singapore.

Mr Wang is a member of the Singapore CFA Institute and was a founding executive member of the Limited Partners Association of China. He is a Chartered Financial Analyst and holds a Bachelor of Accountancy from Nanyang Technological University.

The Board of Astrea III Pte. Ltd. except for Mr Wang Piau Voon also serves on the Board of Azalea Asset Management Pte. Ltd.

MANAGER'S REPORT

PRIVATE EQUITY MARKET OVERVIEW FOR FY17/18

Macroeconomic Backdrop – Resilient markets supported by fundamentals

The year in review had started off well, aided by strong macroeconomic tailwinds, and picked up where the previous year had left off. Equity markets continued their upward trajectory for the rest of 2017 as global expectations for growth increased ahead of the U.S. tax reform bill which was passed by Congress in December 2017.

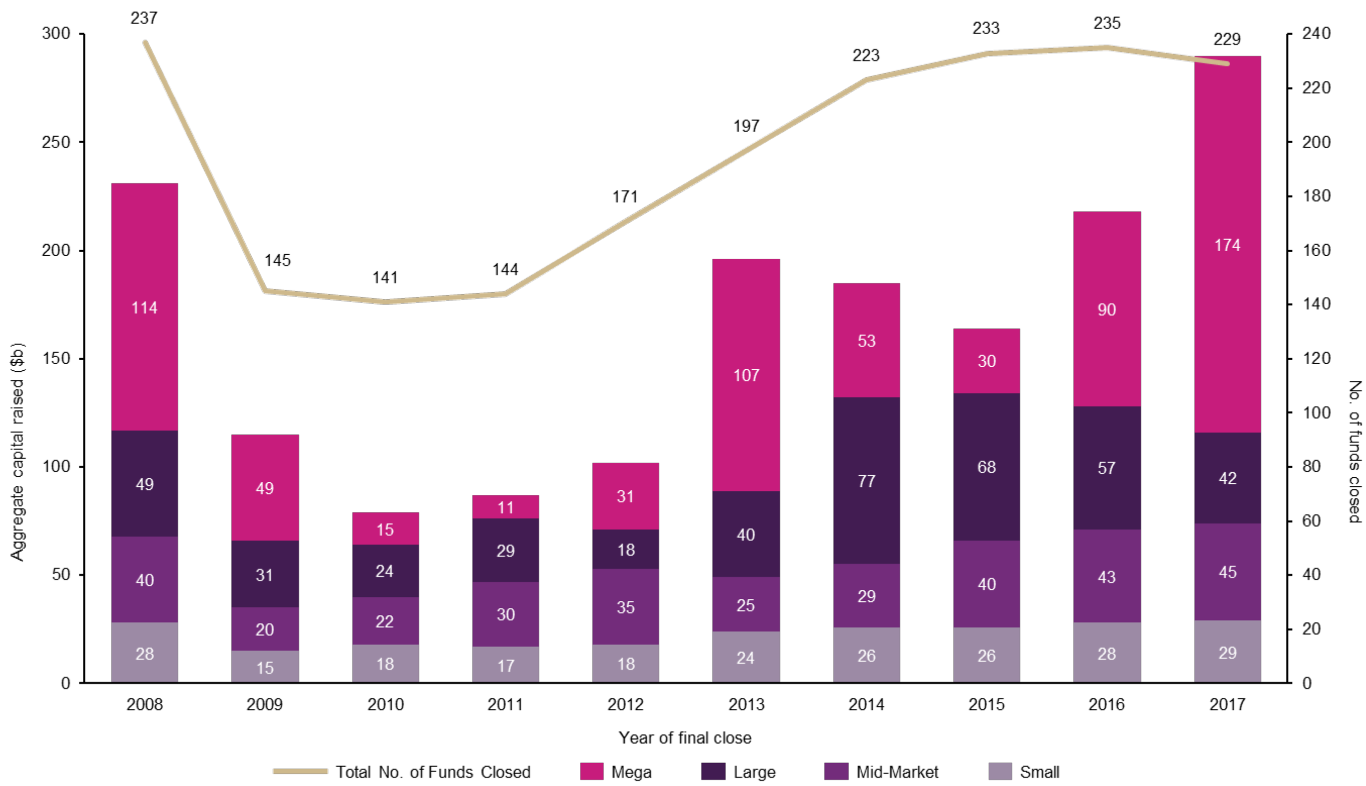
However, a combination of continued monetary tightening by the Federal Reserve, regulatory issues and scandals concerning large technology companies and the threats of trade war between U.S. and China have brought a renewed wave of volatility to the markets in the first quarter of 2018.

That said, markets generally remained resilient as fundamentals continue to be supported by corporate earnings growth in key global markets.

Fundraising – Buyout fund raising continues to be robust

A record amount of capital was raised by private equity funds in 2017, with buyout funds raising an aggregate of US$290 billion compared with US$214 billion a year before(1). The dominance of mega buyout funds (funds with more than US$4.5 billion in commitments) continued in 2017. These mega funds accounted for more than 60% of the total amount of capital raised by buyout funds globally, rising significantly from 41% in the previous year. (1) Notably, the largest single buyout fund raised in history (namely, Apollo with its US$24.7 billion Apollo Investment Fund IX) and the largest euro-denominated fund raised to date (namely, CVC Capital Partners with its EUR16 billion CVC Capital Partners Fund VII) were both raised in 2017. (2)

Annual Buyout Fundraising by Fund Size(1)



Note:

1. *Source: Preqin Private Equity Online*
2. *Source: Bain & Company Global Private Equity Report 2018*

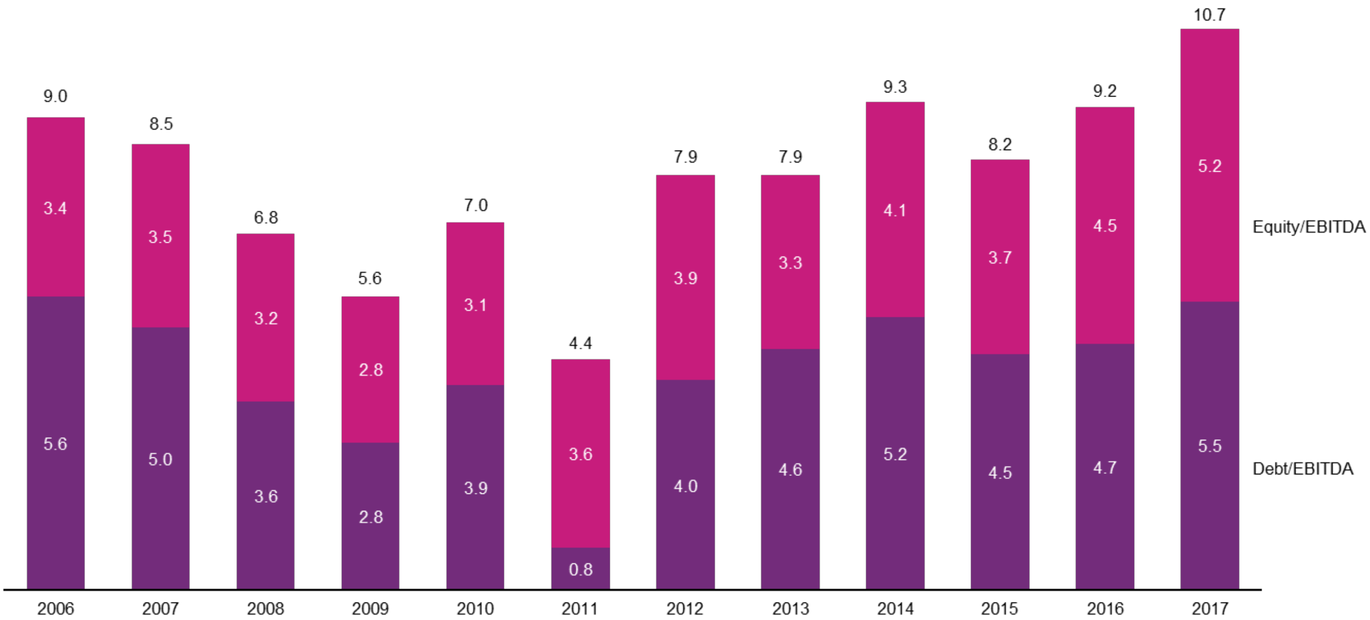
PRIVATE EQUITY MARKET OVERVIEW FOR FY17/18

Increased competition for deals and rising valuations

The strong fundraising environment has led to increased competition for deals amongst private equity firms as they seek to deploy their growing pool of capital. GPs also face increasing competition from corporate buyers, who often have a lower cost of capital and are willing to pay up for assets of strategic value.

The increased competition, coupled with the robust investor sentiment in the debt markets, have pushed valuation to new heights, with the median private equity deal multiples hitting the highest levels since 2006. The median acquisition enterprise value multiple rose from 9.2x in 2016 to 10.7x in 2017and the median debt multiple rose from 4.7x to 5.5x in the same period.[(1)]

Private equity acquisition enterprise value multiples continue to rise[(1)]



Note:

1. Source: McKinsey & Company, The rise and rise of private markets, McKinsey Global Private Markets Review 2018

PRIVATE EQUITY MARKET OVERVIEW FOR FY17/18

The private equity exit environment is stablising[(1)]

The exit environment saw a peak in 2014 and 2015 with more than 2,000 exits with aggregate value of more than US$400 billion in each of those years as GPs sold off a backlog of companies which were purchased before the financial crisis. These exits were delayed for years as the GPs waited for the markets to recover.

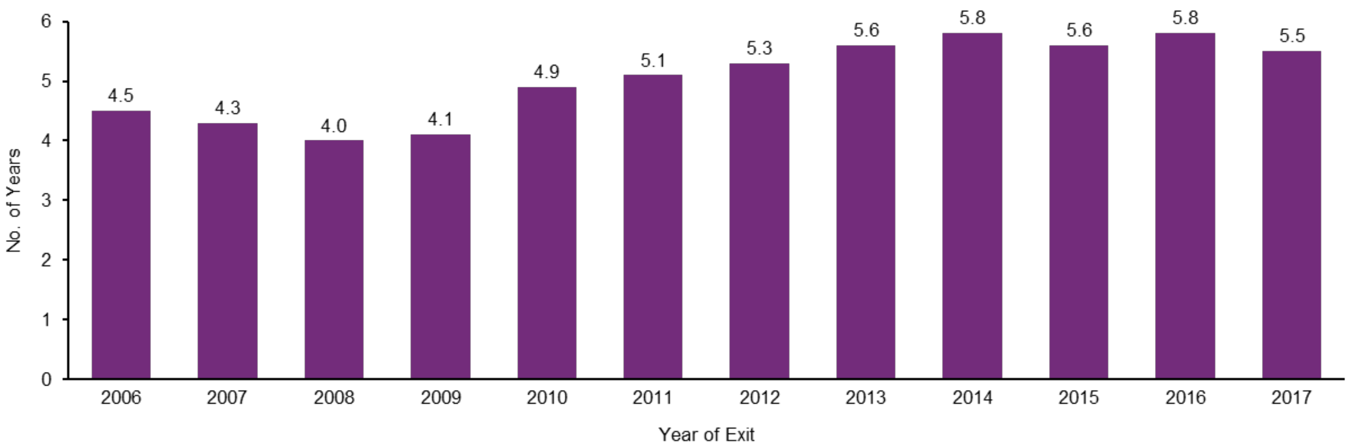
The number and value of exits have decreased for the third and second consecutive years respectively. There were 1,674 private equity-backed buyout exits in 2017 with an aggregate value of US$250 billion. Trade sales continued to form the largest proportion (58% by value) of the exits. The buyers are primarily corporations seeking strategic acquisitions in an attempt to boost growth. Sales to other GPs formed the second largest group, at 26% by value, as acquiring GPs seek to take companies through their next phase of value-creation. The exit volumes in 2017 represented more sustainable levels as 80%[(2)] of the exits in 2017 involved the sale of companies that were purchased after 2009.

Largest Private Equity-Backed Buyout Exits Announced Globally in 2017[(1)]

Portfolio Company	Investment Size (m)	Investment Date	Exit Date	Exit Type	Exit Value (m)	Location	Primary Industry
Lightower Fiber Networks, LLC.	US$ 2,000	Dec-12	Jul-17	Trade Sale	US$ 7,100	U.S.	Telecoms
Ista International GmbH	EUR 3,100	Apr-13	Jul-17	Trade Sale	EUR 4,500	Germany	Energy
West Corporation	US$ 4,100	May-06	May-17	Sale to GP	US$ 5,100	U.S.	IT
VWR International	US$ 3,500	May-07	May-17	Trade Sale	US$ 4,380	U.S.	Medical Instruments
USI Holdings Corporation	US$ 2,300	Nov-12	May-17	Sale to GP	US$ 4,300	U.S.	Insurance
AdvancePierre Foods Holdings, Inc.	Unavailable	Jul-10	Apr-17	Trade Sale	US$ 4,200	U.S.	Food
Signode Industrial Group LLC	US$ 3,200	Feb-14	Dec-17	Trade Sale	US$ 3,910	U.S.	Manufacturing
Husky Injection Molding Systems Ltd.	US$ 2,100	May-11	Dec-17	Sale to GP	US$ 3,850	Canada	Industrial
eviCore Healthcare	Unavailable	Jun-95	Oct-17	Trade Sale	US$ 3,600	U.S.	Healthcare IT
CH2M Hill, Inc.	US$ 200	May-15	Aug-17	Trade Sale	US$ 3,270	U.S.	Engineering

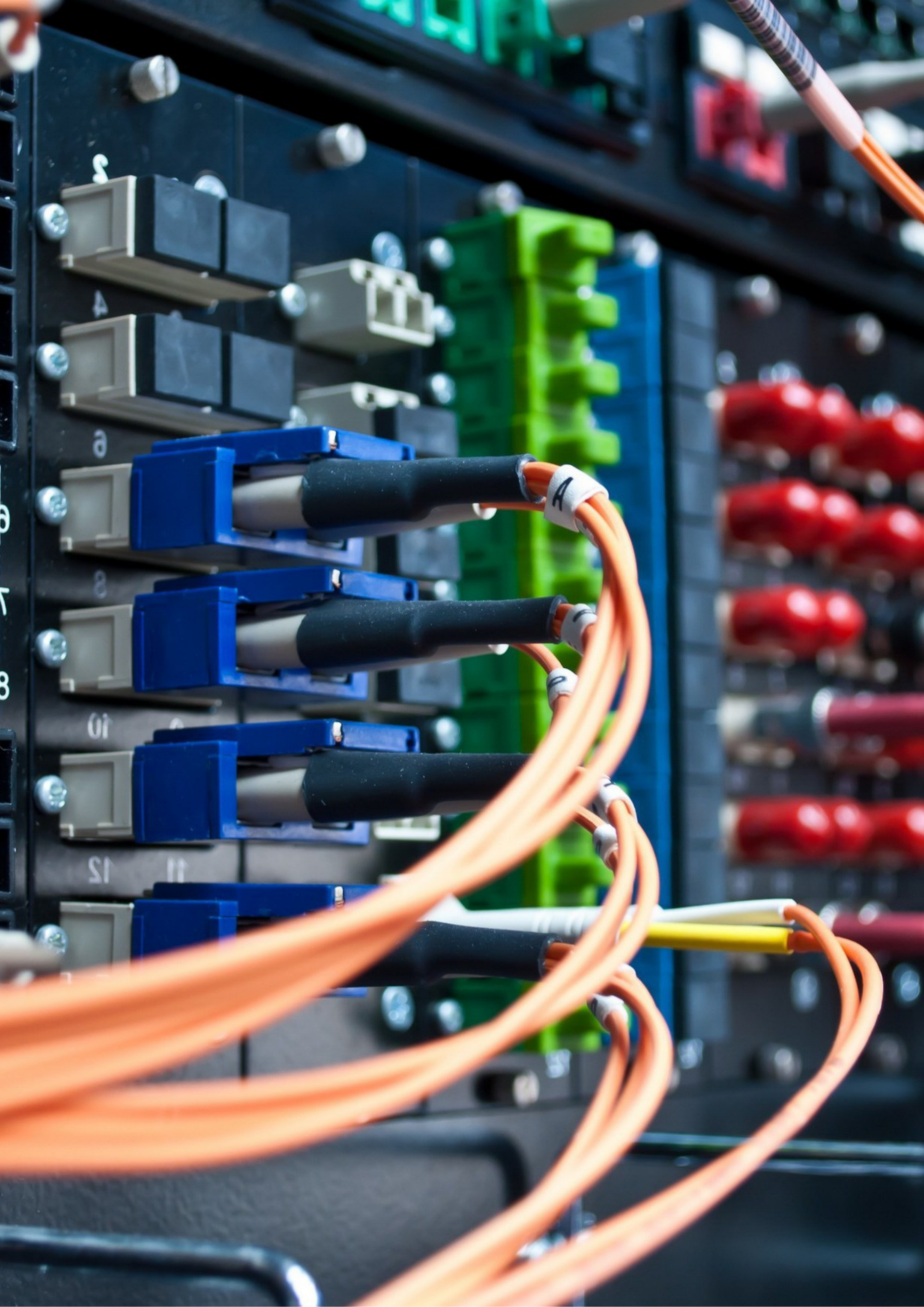
The average holding period of buyout investments remained relatively stable at 5.5 years, indicating that the industry is shifting to approximately 5-6 years as compared to the 4-5 years seen during the pre-crisis period.[(1)]

Average Global Buyout Holding Periods[(1)]



Note:

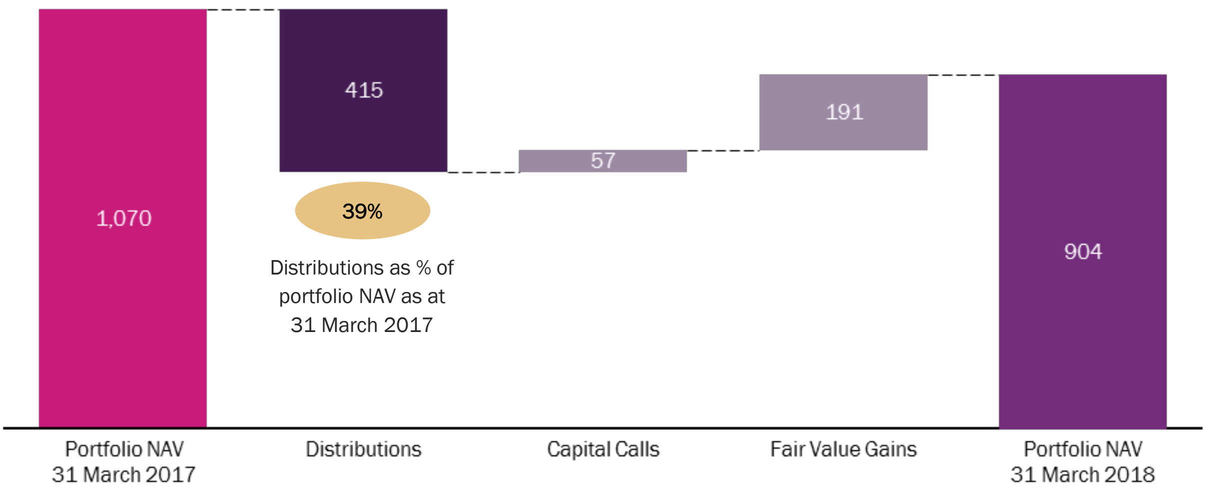
1. *Source: Preqin Private Equity Online*
2. *Source: Bain & Company Global Private Equity Report 2018*



ASTREA III ANALYSIS

Portfolio Movements

FY17/18 Private Equity Portfolio Movements (US$m)



Distributions totalled US$415 million

Astrea III recorded strong distributions throughout the financial year, amounting to US$415 million and representing 39% of the portfolio NAV as at 31 March 2017.

Sixty percent of these distributions were driven by U.S. funds. Some of the biggest contributors of distributions during the year included AEA Investors Fund V LP, DBAG Fund V International GmbH & Co. KG, and EQT VI (No. 1) Limited Partnership.

Capital calls totalled US$57 million

During the financial year, US$57 million was called. Eighty-six percent of the capital calls were for new or follow-on investments and the remainder was called for management fees and expenses.

As most of the Fund Investments are beyond their investment period, the distributions received are typically higher than the capital calls, thereby generating a positive cash flow profile on an aggregate basis.

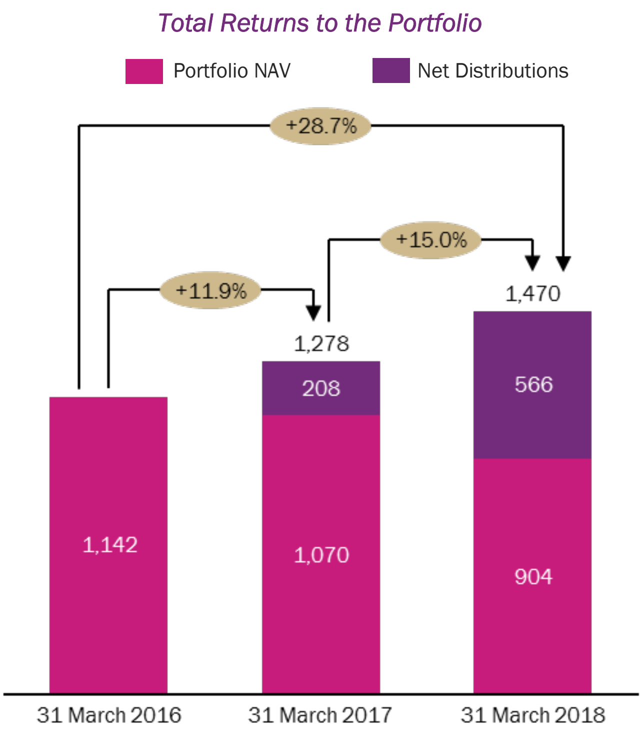
Fair value gains totalled US$191 million

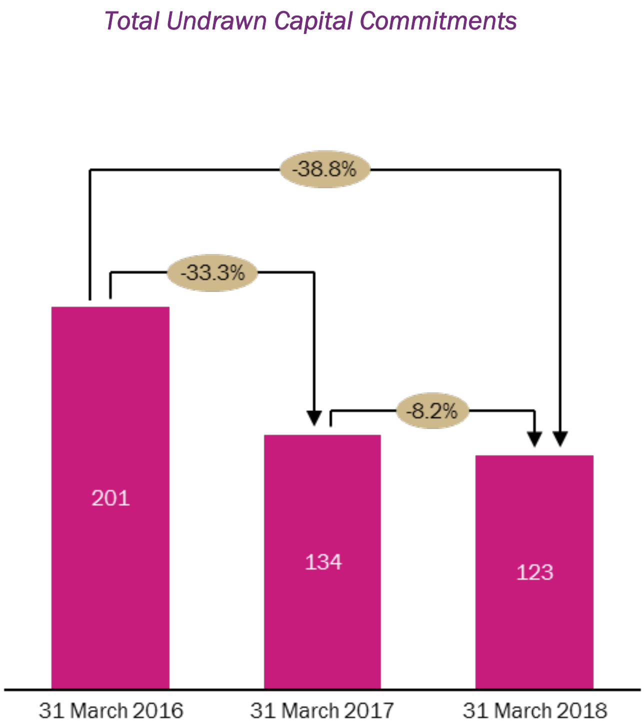
Fair value gains were primarily a result of accretion to the underlying investee companies held by the Fund Investments. These gains were US$191 million over the last 12 months.

ASTREA III ANALYSIS

Portfolio Highlights

FY17/18 Portfolio Highlights
(US$m)





Total portfolio returns were 15.0%

The portfolio grew 15.0% comprising fair value gains of US$191 million to US$1,470 million during the year. After net distributions of US$358 million, the portfolio NAV as at 31 March 2018 stood at US$904 million. When compared to 31 March 2016, total portfolio returns have since increased 28.7%.

Total undrawn capital commitments declined by 8.2%

During the financial year, the total undrawn capital commitments of the portfolio decreased by 8.2% from US$134 million to US$123 million due mainly to capital calls made for investments and expenses. Since 31 March 2016, total undrawn capital commitments have declined by 38.8%.

ASTREA III ANALYSIS

Portfolio Schedule

#	Funds	Vintage Year	Region	Strategy	NAV (US$m)(1),(2)		Undrawn Capital Commitments (US$m)(1),(2)	
					FY17/18	FY16/17	FY17/18	FY16/17
1	AEA Investors 2006 Fund L.P.	2006	U.S.	Buyout	16.1	10.4	2.5	2.7
2	AEA Investors Fund V LP	2011	U.S.	Buyout	59.7	63.3	6.8	7.5
3	Blackstone Capital Partners V L.P. and BCP V-S L.P.	2005	U.S.	Buyout	14.9	22.3	7.5	7.6
4	CITIC Capital China Partners II, L.P.	2010	Asia	Buyout	24.5	46.0	3.5	3.9
5	DBAG Fund V International GmbH & Co. KG	2006	Europe	Buyout	4.2	21.3	6.3	5.6
6	EQT Mid Market (No. 1) Feeder Limited Partnership	2012	Europe	Buyout	46.1	51.6	6.8	4.3
7	EQT VI (No. 1) Limited Partnership	2011	Europe	Buyout	42.3	55.6	3.8	5.0
8	Hahn & Company I L.P.	2011	Asia	Buyout	43.0	55.8	1.2	1.2
9	Hony Capital Fund V, L.P.	2011	Asia	Buyout	63.5	67.1	2.5	3.4
10	Kelso Investment Associates VIII, L.P.	2007	U.S.	Buyout	12.5	15.4	3.8	3.9
11	KKR 2006 Fund L.P.	2006	U.S.	Buyout	28.5	49.1	1.7	1.7
12	KKR North America Fund XI L.P.	2012	U.S.	Buyout	65.5	56.0	5.3	7.5
13	Lindsay Goldberg III L.P.	2008	U.S.	Buyout	12.0	14.7	1.2	1.3
14	Metalmark Capital Partners Cayman II, L.P.	2011	U.S.	Buyout	36.9	42.7	14.2	8.9
15	PAG Asia I LP	2011	Asia	Buyout	47.8	42.4	4.9	5.3
16	Permira IV L.P.2	2006	Europe	Buyout	8.6	12.6	1.0	0.9
17	Raine Partners I LP	2010	U.S.	Growth Equity	53.9	54.9	1.6	2.9
18	RRJ Capital Master Fund II, L.P.	2013	Asia	Growth Equity	28.8	36.7	6.8	6.9
19	Silver Lake Partners III, L.P.	2007	U.S.	Buyout	48.3	57.8	11.2	11.4
20	SL SPV-FEEDER I, L.P.(3)	2017	U.S.	Buyout	18.1	-	0.0	-
21	Summit Partners Growth Equity Fund VIII-A, L.P.	2012	U.S.	Growth Equity	28.9	33.9	7.5	3.9
22	TA Atlantic and Pacific VI L.P.	2008	U.S.	Growth Equity	15.7	28.4	0.6	0.6
23	TA XI, L.P.	2010	U.S.	Growth Equity	16.9	22.4	0.4	0.6
24	TPG Partners V, L.P.	2006	U.S.	Buyout	11.9	17.2	3.2	4.4
25	TPG Partners VI, L.P.	2008	U.S.	Buyout	41.0	53.1	4.5	7.0
26	Warburg Pincus Private Equity XI, L.P.	2012	U.S.	Growth Equity	69.5	77.5	2.3	8.5
27-35	Remaining 9 funds	2007	U.S.	Buyout	44.9	62.1	12.4	16.8
Total – Astrea III Portfolio		2010(4)			$904.0	$1,070.3	$123.5	$133.7

Note:

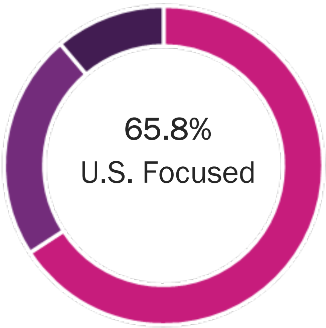
1. *NAV and undrawn capital commitments are based on most recent reported figures adjusted for capital calls, distributions and other adjustments to 31 March 2017 and 31 March 2018 respectively*
2. *EUR:USD exchange rate of 1:1.06955 as at 31 March 2017 and 1:1.22985 as at 31 March 2018*
3. *In Q3 2017, Silver Lake Partners III offered its Limited Partners the option to either retain their respective interests in one of its portfolio companies by rolling over its interest to a new special purpose vehicle (namely, SL SPV-Feeder I, L.P.), or sell their respective share of Silver Lake Partners III's investment in that portfolio company to a successor fund or its affiliates. AsterThree Assets II Pte. Ltd. opted to retain its pro-rata interest in the portfolio company via SL SPV-Feeder I, which will continue to be managed by Silver Lake*
4. *Vintage year value weighted by total NAV*

ASTREA III ANALYSIS

Fund Level

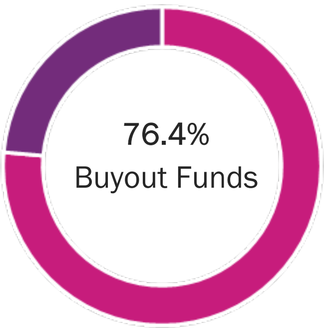
As at 31 March	2018	2017
Number of Funds	35	34
Number of General Partners ("GPs")	26	26
Largest Fund (% of NAV)	7.7% (Warburg Pincus Private Equity XI, L.P.)	7.2% (Warburg Pincus Private Equity XI, L.P.)
Largest GP (% of NAV)	10.4% (KKR & Co. L.P.)	10.0% (EQT Partners)

Fund Region (% of NAV)	2018	2017
U.S.	65.8	63.6
Asia	23.0	23.2
Europe	11.2	13.2



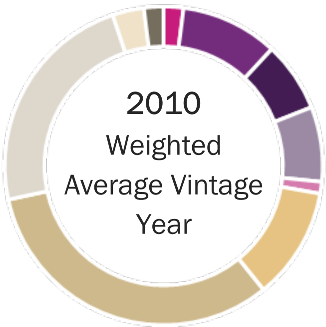
The Fund Investments were focused in the U.S., which had the most developed private equity market.

Fund Strategy (% of NAV)	2018	2017
Buyout	76.4	76.3
Growth Equity	23.6	23.7



The majority of the portfolio comprised buyout funds.

Fund Vintage Year (% of NAV)	2018	2017
2005 & Before	2.0	2.4
2006	9.9	13.1
2007	7.1	7.2
2008	7.6	9.0
2009	1.2	1.2
2010	11.4	12.7
2011	32.4	30.5
2012	23.2	20.5
2013	3.2	3.4
2017	2.0	-



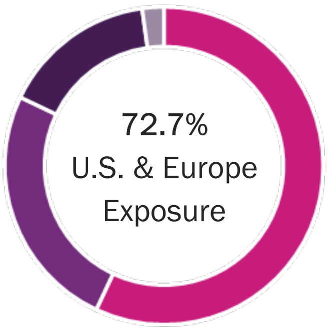
The majority of the portfolio comprised funds of 2007-2012 vintages. The large exposure to mature funds in harvesting stages ensured that the portfolio was able to provide strong distribution cash flows.

ASTREA III ANALYSIS

Investee Company Level

As at 31 December	2017	2016
Number of Investee Companies	487	562
% of Total NAV Publicly Listed	26.1%	26.8%
Largest Investee Company (% of NAV)	2.4%	1.9%
Weighted Average Holding Period	4.5 Years	4.0 Years

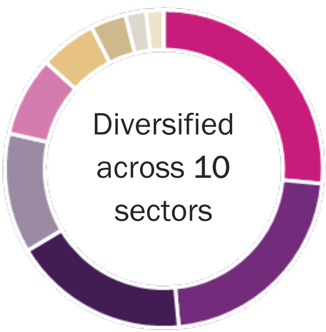
Investment Region (% of NAV)



	2017	2016
U.S.	57.0	55.8
Asia	25.1	25.6
Europe	15.7	16.3
Rest of World	2.2	2.3

The underlying investee companies were primarily located in the U.S. and Europe.

Investment Sector (% of NAV)



	2017	2016
Consumer Discretionary	26.5	24.4
Information Technology	22.0	20.7
Industrials	17.9	16.1
Healthcare	12.2	14.0
Financials	8.1	8.8
Energy	5.8	5.7
Consumer Staples	3.6	5.9
Telecommunication Services	2.1	1.5
Materials	1.8	2.7
Utilities	0.0	0.2

The underlying investee companies were well diversified across sectors.

Investment Holding Period (% of NAV)

	2017	2016
≤ 1 Yrs	0.0	7.0
1 to 2 Yrs	8.5	8.6
2 to 3 Yrs	12.8	21.2
3 to 4 Yrs	25.4	20.0
4 to 5 Yrs	17.8	15.2
5 to 6 Yrs	14.4	11.4
6 to 7 Yrs	10.2	6.1
7 to 8 Yrs	4.6	1.5
> 8 Yrs	6.3	9.0

The weighted average holding period of the underlying investee companies was 4.5 years.

ASTREA III ANALYSIS

Top General Partners(1) by NAV

AEA Investors ("AEA")

Founded by the Rockefeller, Mellon and Harriman family interests and S.G. Warburg & Co. in 1968, AEA Investors is a pioneer in the private equity industry with an unparalleled global network of investors, business leaders and sector-focused industry professionals. AEA's individual investors include more than 75 of the world's leading industrial families, business executives and former government leaders. AEA Investors currently manages funds that have approximately US$10 billion of invested and committed capital including the leveraged buyouts of middle market companies and small business companies and mezzanine and senior debt investing. AEA's network of relationships, experience and deep industry expertise in operating businesses helps it to evaluate investment opportunities and work with portfolio companies to achieve superior, risk-adjusted returns for investors. More information and details can be found on the website of AEA (www.aeainvestors.com).

EQT Partners ("EQT")

EQT is a leading global private equity group with approximately EUR50 billion in raised capital across 27 funds. EQT Funds have portfolio companies in Europe, Asia and the US with total sales of more than EUR19 billion and approximately 110,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership. More information and details can be found on the website of EQT (www.eqtpartners.com).

KKR & Co. L.P. ("KKR")

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds (www.kkr.com).

Note:

1. Information on the General Partners was sourced from their respective websites as at 28 May 2018

ASTREA III ANALYSIS

Top General Partners[1] by NAV

Silver Lake Partners ("Silver Lake")

Silver Lake was founded in 1999 and is the global leader in technology investing with about US$39 billion in combined assets under management and committed capital. Silver Lake has a team of approximately 100 investment and value creation professionals located around the world, including in Silicon Valley, New York, London, Hong Kong, and Tokyo. Dedicated to the thesis that the dynamism and rapid pace of innovation in global technology demand intensely focused domain expertise, Silver Lake differentiates itself from generalist investment firms by focusing on investments in the world's leading technology companies and tech-enabled businesses. More information and details can be found on the website of Silver Lake (www.silverlake.com).

Warburg Pincus ("Warburg Pincus")

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than US$44 billion in private equity assets under management. The firm's active portfolio of more than 150 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 17 private equity funds, which have invested more than US$60 billion in over 800 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. More information and details can be found on the website of Warburg Pincus (www.warburgpincus.com).

Note:

1. *Information on the General Partners was sourced from their respective websites as at 28 May 2018*

ASTREA III ANALYSIS

Investee Company Case Studies

The funds in the Transaction Portfolio continued to find exit opportunities in the last financial year. Two examples of investee company exits are highlighted below.

VANTAGE DATA CENTERS

By: Silver Lake Partners

Company: Vantage Data Centers

Summary[(1)]

Vantage Data Centers ("Vantage") is a leader in highly scalable, flexible and efficient data center solutions offering unique value through its commitment to exceptional customer service. Operating campuses in Silicon Valley, California, and Quincy, Washington, Vantage offers industry leading data center design solutions engineered to meet the unique requirements of enterprises, technology companies and service providers.

Vantage was launched in 2010 by Silver Lake with the purchase of a mixed-use property in Santa Clara, California, which was converted into what is now Vantage's state-of-the-art Silicon Valley data center campus. From 2010 to 2017, Silver Lake supported Vantage in business plan and strategy development, executive recruiting, key leasing operations, and capital structure management. In 2017, Vantage was acquired by a consortium including Digital Bridge Holdings, LLC, Public Sector Pension Investment Board and TIAA Investments.

Investment Thesis

- ♦ Broad based supply / demand imbalance in wholesale data center space
- ♦ Increasing use of outsourced data center solutions given operational and financial advantages vs. "do it yourself"
- ♦ Highly unique site located in attractive Silicon Valley, with favorable long-term demand trends

Value Creation Achieved

- ♦ Organically created and developed the company into a leading data center provider in the Silicon Valley market to service more than a dozen of the world's leading businesses on a long-term contracted basis
- ♦ Enhanced sales, marketing, and operations, leading to a series of key customer wins
- ♦ Positioned the company for continued growth in the industry, with plans to significantly expand its data center footprint in existing and new markets

UNIVERSAL STUDIOS JAPAN

By: PAG Asia Capital

Company: Universal Studios Japan

Summary[(2)]

Universal Studios Japan ("USJ") is an Osaka-based theme park featuring classic Universal attractions as well as attractions and shows specifically designed for the Asian market. It opened in 2001 as a Japanese company with a license from NBCUniversal and has since seen strong growth in popularity, attendance and revenue.

PAG invested in USJ in 2013, taking a US$250 million equity stake. In April 2017, PAG closed the sale of its interests in USJ to Comcast NBCUniversal. The sale is part of a larger US$2.3 billion transaction involving other shareholders of USJ. After the sale, Comcast NBCUniversal became the 100% owner of USJ. The transaction values USJ at US$7.4 billion, including assumption of net debt.

Investment Thesis

- ♦ Asia's second largest theme park in terms of attendance, with limited competition in Japan
- ♦ High barriers to entry with stable cash flows and quality management team
- ♦ Upside opportunity with planned Harry Potter expansion

Value Creation Achieved

- ♦ Introduction of various strategies to increase attendance and revenues per customer in order to drive sales growth
- ♦ Strong partnership with existing management team and strategic investor

Note:

1. *Source: www.vantagedatacenters.com, www.silverlake.com and Silver Lake reports*
2. *Source: www.pagasia.com/en/, corporate.comcast.com, www.usj.co.jp/e/ and PAG reports*

The Wizarding World of Harry Potter™
Universal Studios Japan

FY17/18 FINANCIAL REVIEW

Summary of Financial Results

Astrea III Pte. Ltd. and its subsidiaries (the “Group”) issued US$510 million of Astrea III Notes on 8 July 2016. As at 31 March 2018, the reported carrying amount of the Astrea III Notes was US$512 million which included the effect of the translation of the SGD-denominated Class A-1 Notes and remaining unamortised transaction cost incurred for the issuance of Astrea III Notes. At the end of the financial year, the outstanding principal amount of the Astrea III Notes, net of cash in the Reserves Accounts and Bonus Redemption Premium Reserves Accounts, was US$300 million. None of the Astrea III Notes are expected to be repaid within the next 12 months.

The Group ended the financial year on a positive note with a net profit of US$147 million. This was largely due to the fair value gain in the Group’s Fund Investments of US$191 million during the financial year. The Group also recognised finance expenses of US$31 million.

As at 31 March 2018, the value of the Fund Investments stood at US$904 million. The Fund Investments also generated strong distributions of US$415 million which enabled the Group to meet all its ongoing obligations. At the end of the financial year, the Group held cash of US$346 million, including US$224 million in the Reserves Accounts and Bonus Redemption Premium Reserves Accounts. The cash in the Reserves Accounts were placed into fixed deposits and certificates of deposits by the Manager.

As part of its liquidity risk management, the Group has an available liquidity facility from Credit Suisse AG, London Branch, which can be utilised to meet operating expenses including the payment of interest on Astrea III Notes. The Group also has a commitment from the Sponsor for funding capital drawdowns for its Fund Investments. Both the liquidity facility and the commitment from the Sponsor were not drawn on during the financial year. As at 31 March 2018, the liquidity facility and funding commitment from the Sponsor amounted to US$90 million and US$120 million respectively.

The Group has EUR exposure arising from its Fund Investments and SGD exposure arising from Class A-1 Notes. Both the EUR and SGD exposures are hedged by currency forward contracts entered with high credit quality counterparties.

The audited financial statements for the year ended 31 March 2018 can be found on page 25 onwards.

FY17/18 AUDITED FINANCIAL STATEMENTS

ASTREA III PTE. LTD. AND ITS SUBSIDARIES

(Incorporated in Singapore. Registration Number: 201523382N)

ANNUAL REPORT

For the financial year ended 31 March 2018

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

The directors present their statement to the member of Astrea III Pte. Ltd. (the "Company") and its subsidiaries (the "Group") together with the audited financial statements of the Group for the financial year ended 31 March 2018 and the balance sheet of the Company as at 31 March 2018.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group set out on pages 34 to 52 are drawn up so as to give a true and fair view of the financial position of the Company and Group as at 31 March 2018 and of the financial performance of the business, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Teh Kok Peng

Chan Ann Soo

Wong Heng Tew

Kan Shik Lum

Chinniah Kunnasagaran

Adrian Chan Pengee

Wang Piau Voon

Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

Directors' interests in shares or debentures

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

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2017	At 31 March 2018
Teh Kok Peng			
Ascendas Funds Management Limited	Unit Holdings	90,000	90,000
Ascendas Property Fund Trustee Pte. Ltd.	Unit Holdings	125,000	125,000
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Mapletree Logistics Trust Management Ltd.	Unit Holdings	224,397	246,836
Olam International Limited	Ordinary shares	100,000	118,674
	Warrants	18,076	-
Singapore Telecommunications Limited	Ordinary shares	1,360	1,360
Chan Ann Soo			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD1,250,000	SGD1,250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD400,000	USD400,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Mapletree Commercial Trust Management Ltd.	Unit Holdings	695,481	695,481
Mapletree Greater China Commercial Trust Management Ltd.	Unit Holdings	1,000	1,000
Mapletree Treasury Services Limited	4.45% 180307A	200,000	-
Olam International Limited	4.25% N190722	250,000	250,000
Singapore Airlines Limited	SIASP 3.145% N210408	-	250,000
Singapore Telecommunications Limited	Ordinary shares	3,780	3,780

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2017	At 31 March 2018
Wong Heng Tew			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Singapore Telecommunications Limited	Ordinary shares	3,204	3,204
Kan Shik Lum			
Singapore Telecommunications Limited	Ordinary shares	2,850	2,850
Chinniah Kunnasagaran			
Ascendas Property Fund Trustee Pte. Ltd.	Unit Holdings	546,000	546,000
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD250,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
	Class B 6.50% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Olam International Limited	Bonds 6% due August 2018	SGD750,000	SGD750,000
	Bonds 5.8% due July 2019	SGD750,000	SGD750,000
Singapore Airlines Limited	Ordinary shares	47,047	47,047
Singapore Telecommunications Limited	Ordinary shares	380	380
StarHub Ltd	Ordinary shares	50,000	50,000

Directors' interests in shares or debentures (continued)

Name of director and corporations in which interests are held	Description of interests	Holdings registered in the name of the director, or their spouse or infant children	
		At 1 April 2017	At 31 March 2018
Adrian Chan Pengee			
Astrea III Pte. Ltd.	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Mapletree Industrial Trust Management Ltd.	Unit Holdings	15,096	15,096
SIA Engineering Company Limited	Ordinary shares	2,000	2,000
Singapore Airlines Limited	Ordinary shares	3,740	3,740
Singapore Technologies Engineering Ltd	Ordinary shares	3,000	3,000
Singapore Telecommunications Limited	Ordinary shares	5,080	5,080
Wang Piau Voon			
Astrea III Pte. Ltd.	Class A-1 3.90% Secured Fixed Rate Notes due 2026	SGD250,000	SGD750,000
	Class A-2 4.65% Secured Fixed Rate Notes due 2026	USD200,000	USD200,000
Singapore Telecommunications Limited	Ordinary shares	190	190

Share options

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

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

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

Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Teh Kok Peng

Chan Ann Soo

11 May 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ASTREA III PTE. LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Astrea III Pte. Ltd. ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2018;
- the consolidated balance sheet of the Group and Company as at 31 March 2018;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASTREA III PTE. LTD. (CONTINUED)

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Valuation of private equity fund investments As at 31 March 2018, investments in private equity funds was stated at $903,972,000. This relates to the Group's interest in private equity funds ("investments") and accounted for 72% of the total assets. These investments are not publicly traded and their prices are not observable in the market. We focused on the valuation of these investments given the significant value of the investments, management's reliance on the quarterly capital account statements and management's judgement in making adjustments to ascertain the fair value. Refer to *Note 4 – Critical accounting estimates and judgements* and *Note 10 – Investments in private equity funds* for the disclosures relating to the existence and valuation of these investments.	We evaluated the reasonableness of management's estimate of the fair value of the investments by taking into consideration the following: • Latest available quarterly capital account statements and/or audited financial statements of the investments ("the Statements"); • Valuation details in the Statements provided by the fund managers; • Drawdowns and distributions made throughout the financial year; and • Adjustments made by the Group to the amounts reported by the fund managers to arrive at the fair value at the reporting date. We found no significant exceptions from performing these procedures.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASTREA III PTE. LTD. (CONTINUED)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong King Howe.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 11 May 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	Group 2018	Group 2017
		$'000	$'000
Gain on investments in private equity funds		**191,485**	137,162
Other income		**4,382**	995
Other (losses)/gains	5	**(13,080)**	4,841
Administrative expenses	6	**(4,328)**	(3,514)
Finance expenses	7	**(31,461)**	(22,356)
Other expenses		**-**	(219)
Profit before income tax		**146,998**	116,909
Income tax credit/(expense)	8	**114**	(24)
Profit for the year, representing total comprehensive income for the year		**147,112**	116,885

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

CONSOLIDATED BALANCE SHEET

As at 31 March 2018

		Group		Company	
	Note	2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Non-current assets					
Subsidiaries	9	-	-	20,000	20,000
Loans to subsidiaries	9	-	-	752,679	910,593
Investments in private equity funds	10	903,972	1,070,252	-	-
Derivative financial instruments	11	7,589	2,150	7,589	2,150
		911,561	1,072,402	780,268	932,743
Current assets					
Trade and other receivables	12	4,916	5,544	3,066	1,196
Cash and cash equivalents	13	345,790	203,351	345,790	203,351
Derivative financial instruments	11	247	1,244	247	1,244
		350,953	210,139	349,103	205,791
Total assets		1,262,514	1,282,541	1,129,371	1,138,534
Non-current liabilities					
Borrowings	14	512,399	491,370	512,399	491,370
Derivative financial instruments	11	6,691	4,127	6,691	4,127
		519,090	495,497	519,090	495,497
Current liabilities					
Other payables	15	7,654	7,627	7,071	7,013
Derivative financial instruments	11	3,579	483	3,579	483
		11,233	8,110	10,650	7,496
Total liabilities		530,323	503,607	529,740	502,993
Equity					
Share capital	16	50,000	50,000	50,000	50,000
Loan from immediate holding company	17	410,013	603,868	410,013	603,868
Accumulated profits/(losses)		272,178	125,066	139,618	(18,327)
		732,191	778,934	599,631	635,541
Total liabilities and equity		1,262,514	1,282,541	1,129,371	1,138,534

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

		Group			
	Note	Share capital	Loan from immediate holding company	Accumulated profits	Total equity
		$'000	$'000	$'000	$'000
2018					
Beginning of financial year		50,000	603,868	125,066	778,934
Net repayment of loan to immediate holding company	17	-	(193,855)	-	(193,855)
Profit for the year		-	-	147,112	147,112
End of financial year		50,000	410,013	272,178	732,191
2017					
Beginning of financial year		50,000	1,083,879	8,181	1,142,060
Net repayment of loan to immediate holding company	17	-	(480,011)	-	(480,011)
Profit for the year		-	-	116,885	116,885
End of financial year		50,000	603,868	125,066	778,934

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

		Group	
	Note	2018	2017
		$'000	$'000
Cash flows from operating activities			
Profit before income tax		146,998	116,909
Adjustments for:			
- Interest income		(4,382)	(995)
- Gain on investments in private equity funds		(191,485)	(137,162)
- Finance expenses		31,461	22,356
- Foreign exchange loss/(gain)		11,231	(5,703)
- Loss on derivative financial instruments		1,219	1,216
- Legal & professional expenses		-	332
		(4,958)	(3,047)
Changes in:			
Trade and other receivables		(272)	1,338
Other payables		(206)	(423)
		(5,436)	(2,132)
Interest received		2,652	374
Income tax refunded/(paid)		114	(24)
Cash used in operating activities		(2,670)	(1,782)
Cash flows from investing activities			
Drawdowns from investments in private equity funds		(56,829)	(95,914)
Distributions received from investments in private equity funds		417,225	297,570
Net cash provided by investing activities		360,396	201,656
Cash flows from financing activities			
Net (repayment of loan to)/loan from immediate holding company	17	(193,855)	8,965
Interest paid on borrowings		(20,999)	(10,536)
Net cash used in financing activities		(214,854)	(1,571)
Net increase in cash and cash equivalents		142,872	198,303
Cash and cash equivalents at beginning of financial year		203,351	5,472
Effects of currency translation on cash and cash equivalents		(433)	(424)
Cash and cash equivalents at end of financial year		345,790	203,351

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

1. General information

Astrea III Pte. Ltd. (The "Company") is incorporated and domiciled in Singapore. The address of the Company's registered office is 1 Wallich Street, #32-02 Guoco Tower, Singapore 078881.

The principal activities of the Group are that of investment holding.

The immediate, intermediate and ultimate holding companies at the end of the financial year are Astrea Capital Pte. Ltd., Azalea Asset Management Pte. Ltd. and Temasek Holdings (Private) Limited respectively. All companies are incorporated in Singapore.

The Company issued the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes (the "Astrea III Notes"[(1)]) on 8 July 2016 (Note 14).

The Group has delegated all management responsibilities to and appointed Fullerton Fund Management Company Ltd. to act as the Manager of the Group and, in such capacity, ensures the financial statements give a true and fair view in accordance with the provision of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards.

The Company has appointed Deutsche Bank AG, Singapore Branch as the transaction administrator and accounting service provider to provide transaction administration services and accounting services, respectively, under the supervision of the Manager. The Company's subsidiaries have also appointed Deutsche Bank AG, Singapore Branch as the fund administrator to provide fund administration services, under the supervision of the Manager.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in United States Dollar, which is the Company's functional currency and one which best reflects the primary economic environments in which the Group operates. All financial information presented in United States Dollar has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgement

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

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

Information on areas involving a high degree of judgement or areas where estimates are significant to the financial statements is set out in Note 4.

[(1)]A summary of the Astrea III Notes can be found in the Astrea III Notes' information memorandum, section "Summary of the Transaction".

2. Basis of preparation (continued)

2.5 Adoption of new and amendment FRS and interpretations of FRS

On 1 April 2017, the Group adopted new and amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial year.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 April 2018 and which the Group has not early adopted:

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

None of these are expected to have a significant effect on the consolidated financial statements of the Group and the Company.

3. Significant accounting policies

The accounting policies set out below has been applied consistently to all periods presented in these financial statements.

3.1 Consolidation

(a) Consolidation

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(b) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

3.2 Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit or loss.

3. Significant accounting policies (continued)

3.3 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in private equity funds, trade and other receivables, cash and cash equivalents and other payables.

Cash and cash equivalents comprise cash balances and bank deposits.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to the profit or loss. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal and enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

(a) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is acquired principally for the purpose of selling in the short-term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the profit or loss. Financial assets at fair value through profit or loss include investments in private equity funds.

Distributions received from financial assets at fair value through profit or loss are recognised as a repayment of investment cost. Any distribution in excess of investment cost are recognised in the profit or loss.

(b) Loans and receivables

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

(c) Other payables

Other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

(d) Borrowings

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

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

Non-derivative financial instruments (continued)

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual specific basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

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

Impairment losses in respect of financial assets measured at amortised cost are recognised in the profit or loss. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Impairment losses in respect of financial assets measured at amortised cost is reversed in the profit or loss if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Share Capital

(a) Ordinary shares

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

(b) Preference shares

Preference shares are classified as equity if they are not redeemable on a specific date, or if redeemable only at the option of the Company, or if dividend payments are discretionary.

Derivative financial instruments

Derivative financial instruments are recognised initially at fair value and attributable transaction costs are recognised in the profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are recognised in the profit or loss.

3.4 Impairment of non-financial instruments

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any objective evidence or indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (continued)

3.5 Income

Interest income comprises interest on cash balances and bank deposits and is recognised based on effective interest method.

3.6 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

3.7 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The change in fair value of such structured entities is included in the statement of comprehensive income.

3.8 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

3.9 Investments in subsidiaries

Investments in subsidiaries including loans to subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

4. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting policies that are deemed to be critical to the amounts recognised in the financial statements, or which involve a significant degree of judgement and estimation, are discussed below:

Fair value estimation

The Group invests in private equity fund investments which are managed by third-party fund managers. Fund managers provide quarterly statements and annual audited financial statements to the Group to report their assessment of the fair value of the underlying investments.

The Group relies on the fund managers' latest available quarterly capital account statements and/or audited financial statements to ascertain the fair value of its investments in the private equity funds and may make adjustments accordingly as described in Note 18(e).

Management believes that any change in the key assumptions used by the fund managers to determine the fair value estimation in these abovementioned statements may cause the fair values to be different and the difference could be material to the financial statements.

5. Other (losses)/gains

	Group	
	2018	2017
	$'000	$'000
Foreign exchange (loss)/gain	(11,861)	5,867
Loss on derivative financial instruments	(1,219)	(1,026)
	(13,080)	4,841

6. Administrative expenses

	Group	
	2018	2017
	$'000	$'000
Management fee to a related party	2,500	1,816
Others	1,828	1,698
	4,328	3,514

7. Finance expenses

	Group	
	2018	2017
	$'000	$'000
Interest expense on borrowings	28,065	19,988
Amortisation of transaction cost on borrowings	3,396	2,368
	31,461	22,356

8. Income tax credit/(expense)

	Group	
	2018	2017
	$'000	$'000
Tax credit/(expense)		
Current year	114	(24)
Reconciliation of effective tax rate		
Profit before income tax	146,998	116,909
Income tax using Singapore tax rate of 17% (2017: 17%)	24,989	19,875
Income not subject to tax	(33,297)	(24,493)
Expenses not deductible for tax purposes	8,308	4,618
Tax refunded/(paid)	114	(24)
	114	(24)

The Group has been approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act with effect from 29 April 2016. The tax exemption status will be for the life of the Group, provided that the Group continues to meet all conditions and terms.

9. Subsidiaries

	Company	
	2018	2017
	$'000	$'000
At cost		
Ordinary shares	2,000	2,000
Preference shares	18,000	18,000
Total cost of investment	20,000	20,000
Loans to subsidiaries	752,679	910,593

On 21 June 2016, the Company entered into shareholder loan agreements (the "Shareholder Loan Agreements") with its subsidiaries. Under the Shareholder Loan Agreements, loans to subsidiaries are unsecured and interest-free. On the 20th anniversary of the date of the Shareholder Loan Agreements, or earlier as agreed by all parties, the Company's subsidiaries have the option to repay in cash or issue ordinary shares at US$1 each which in aggregate is equal to the outstanding amount. As such, loans to subsidiaries are classified as non-current and stated at cost less accumulated impairment losses.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business	Country of incorporation	Percentage of equity held	
			2018	2017
			%	%
AsterThree Assets I Pte. Ltd.	Singapore	Singapore	100	100
AsterThree Assets II Pte. Ltd.	Singapore	Singapore	100	100

10. Investments in private equity funds

	Group	
	2018	2017
	$'000	$'000
Non-current		
Designated as fair value through profit or loss upon initial recognition	903,972	1,070,252

The Group has uncalled capital commitments of approximately $123,483,000 (2017: $133,662,000) as at 31 March 2018 in relation to its investments in private equity funds.

On 21 June 2016, the Company and its immediate holding company entered into the Sponsor Commitment Agreement[(2)]. The Company's immediate holding company shall make further investments in the Company through the loan from shareholder or through issue of new shares by the Company to fund any amount required in relation to the uncalled capital commitments in relation to the Group's interest in private equity funds in accordance to the conditions set out in the Astrea III Notes.

The Group's exposures to market risks and the fair value hierarchy information relating to the investments in private equity funds are disclosed in Note 18.

[(2)]Refer to Astrea III Notes' information memorandum for definition of "Sponsor Commitment Agreement". Also refer to section "Funding of Capital Calls" for more details.

10. Investments in private equity funds (continued)

Structured entities

The Group considers all its investments in private equity funds to be structured entities and does not have any power over these entities such that its involvement will vary its returns from these entities. These structured entities finance their operations through capital commitments from their investors.

The Group's maximum exposure to loss from its interests in structured entities is equal to the total fair value of its investments in these structured entities and any uncalled capital commitments.

Once the Group no longer holds interest in a structured entity, the Group ceases to be exposed to any risk from that entity.

11. Derivative financial instruments

Derivative financial instruments comprise net fair value loss of the Euro and Singapore Dollar currency forwards used to manage the exposures from the Group's investments in private equity funds and borrowings. The contracted notional principal amount of the derivatives outstanding at balance sheet date is $270,324,000 (2017: $323,259,000).

12. Trade and other receivables

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables	**1,620**	4,251	**-**	-
Other receivables	**3,232**	1,293	**3,002**	1,196
Other assets	**64**	-	**64**	-
	4,916	5,544	**3,066**	1,196

Trade receivables represent distributions pending receipt from investments in private equity funds.

The Group's and Company's exposure to credit risk relating to trade and other receivables is disclosed in Note 18(b).

13. Cash and cash equivalents

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at bank	**31,425**	26,862	**31,425**	26,862
Fixed deposits	**314,365**	176,489	**314,365**	176,489
	345,790	203,351	**345,790**	203,351

As at 31 March 2018, an amount of $224,365,000 (2017: $161,488,000), which was placed in fixed deposits, is accumulated and payable accordingly as Reserve Amounts for Class A-1 Notes and Class A-2 Notes in accordance to conditions set out in the Astrea III Notes.

14. Borrowings

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Non-current	512,399	491,370	512,399	491,370

Details of borrowings were as follows:

	Scheduled Maturity Date	Final Maturity Date	Interest Rate (per annum)	Interest Rate Step-Up (per annum)	Initial Principal Amount
Non-current					
Class A-1	8 July 2019	8 July 2026	3.90%	1.00%	SGD228million
Class A-2	8 July 2021	8 July 2026	4.65%	1.00%	USD170million
Class B	-	8 July 2026	6.50%	-	USD100million
Class C	-	8 July 2026	9.25%	-	USD 70million

	2018			2017		
	Principal Amount	Transaction Cost(#)	Carrying Amount	Principal Amount	Transaction Cost(#)	Carrying Amount
	$'000	$'000	$'000	$'000	$'000	$'000
Class A-1	173,873	(2,560)	171,313	163,172	(4,460)	158,712
Class A-2	170,000	(3,975)	166,025	170,000	(5,055)	164,945
Class B	100,000	(2,982)	97,018	100,000	(3,240)	96,760
Class C	80,169	(2,126)	78,043	73,238	(2,285)	70,953
	524,042	(11,643)	512,399	506,410	(15,040)	491,370

(#)Transaction costs were costs that were directly attributable to the issue of the Astrea III Notes. Such transaction costs were allocated between the different classes by the initial principal amount and recognised in the profit or loss over the shorter of scheduled maturity period or final maturity period. The figures presented in the table shows the remaining transaction cost to be recognised in the profit or loss.

The Astrea III Notes were issued on 8 July 2016 and have the following characteristics:

- A first fixed charge over all present and future shares held by the Company in its subsidiaries, and all present and future dividends in respect of such shares;
- A first fixed charge over the Company's present and future bank accounts and custody accounts;
- An assignment of all the Company's present and future rights, title and interest in and to the Shareholder Loan Agreements and the Sponsor Commitment Agreement (the "Agreements"), including all moneys payable to the Company and any claims, awards and judgement in favour of, receivable or received by the Company under or in connection with or pursuant to the Agreements; and
- A first floating charge over the Company's undertaking and all of its assets, both present and future.

The fair value of the borrowings as at balance sheet date is $523,433,000 (2017: $507,864,000).

15. Other payables

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Accrued operating expenses	**1,081**	1,297	**498**	683
Interest payable	**6,573**	6,330	**6,573**	6,330
	7,654	7,627	**7,071**	7,013

16. Share capital

	Company	
	2018	2017
	$'000	$'000
Ordinary shares	1,000	1,000
Preference shares	49,000	49,000
	50,000	50,000
	No. of shares	
Fully paid ordinary shares with no par value		
At beginning and end of the financial year	1,000,000	1,000,000
Fully paid preference shares with no par value		
At beginning and end of the financial year	49,000,000	49,000,000

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

The terms of the preference shares are contained in the Memorandum and Articles of Association of the Company and the main terms are summarised as follows:

- The holders shall be entitled, in preference to the holders of ordinary shares, to receive a preferential dividend determined by the Company from time to time.
- Upon liquidation, the holders shall have the right of repayment of capital in priority to the holders of ordinary shares and to participate equally with the holders of ordinary shares in any surplus assets.
- The holders shall have the same rights to attend, speak and vote at any general meeting of the Company as those conferred on the holders of ordinary shares.
- The Company shall have the sole right at any time and from time to time to redeem, in whole or in part, by giving not less than 30 days prior notice to the holders.

17. Loan from immediate holding company

On 21 June 2016, the Company entered into a shareholder loan agreement (the "Sponsor Shareholder Loan Agreement"(3)) with its immediate holding company. Under the Sponsor Shareholder Loan Agreement, loan from immediate holding company is unsecured and interest-free. On the 20th anniversary of the date of the Sponsor Shareholder Loan Agreement, or earlier as agreed by all parties, the Company has the option to repay in cash or issue ordinary shares at US$1 each which in aggregate is equal to the outstanding amount.

(3)Refer to the Astrea III Notes' information memorandum for definition of "Sponsor Shareholder Loan Agreement". Also refer to section "Funding of Capital Calls" for more details.

18. Financial risk management

The Group's activities expose it to a variety of financial risk: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Group's investments comprise a stable portfolio of private equity funds which are held for the long term. The Group's risk management approach is to minimise the potential adverse effects on the Group's financial performance. Specific investment guidelines on exposure to security types and concentration limits are in place for the Group at any time. The Group's strategy of investing in a diversified portfolio of funds with widely diversified underlying companies is part of the overall financial risk management.

(a) Market risk

(i) Currency risk

The Group's exposure to foreign currency risk arises from its financial assets and financial liabilities which are denominated in foreign currencies mainly in Singapore Dollar ("SGD") and Euro ("EUR").

The exposure is managed by the Group as part of its operations.

	Group		Company	
	SGD	EUR	SGD	EUR
	$'000	$'000	$'000	$'000
2018				
Investments in private equity funds	-	101,222	-	-
Trade and other receivables (excluding other assets)	240	718	235	-
Cash and cash equivalents	528	20,442	528	20,442
Other payables	(1,623)	-	(1,592)	-
Borrowings	(171,313)	-	(171,313)	-
	(172,168)	122,382	(172,142)	20,442
Currency forwards	178,041	(92,284)	178,041	(92,284)
Net currency exposure	5,873	30,098	5,899	(71,842)
2017				
Investments in private equity funds	-	141,098	-	-
Trade and other receivables (excluding other assets)	229	-	226	-
Cash and cash equivalents	50	1,229	50	1,229
Other payables	(1,651)	-	(1,604)	-
Borrowings	(158,712)	-	(158,712)	-
	(160,084)	142,327	(160,040)	1,229
Currency forwards	184,634	(138,625)	184,634	(138,625)
Net currency exposure	24,550	3,702	24,594	(137,396)

18. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

A 1% (2017: 1%) strengthening/weakening of the USD against the foreign currencies at balance sheet date would have increased/decreased profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
SGD	59	246	59	246
EUR	301	37	718	1,374

(ii) Price risk

Price risk is the risk arising from uncertainties on future prices of investments classified as investments in private equity funds. The Group does not hold quoted investments and therefore does not have exposure to price risk on quoted investments. The fair value information on its investments in private equity funds is presented in Note 18(e).

(iii) Interest rate risk

The Group does not have significant exposure to interest rate risk. The notes issued under the Astrea III Notes and the fixed deposits are at fixed rates and are independent of changes in market interest rates.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to financial instruments fails to meet its contractual obligations, and principally from the Group's loans and receivables.

This exposure is managed by diversifying its credit risks and dealing mainly with high credit quality counterparties assessed by international credit rating agencies.

The maximum exposure to credit risk at the balance sheet date was:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade and other receivables (excluding other assets)	4,852	5,544	3,002	1,196
Cash and cash equivalents	345,790	203,351	345,790	203,351
Total loans and receivables	350,642	208,895	348,792	204,547

Trade and other receivables at the balance sheet date were not past due and not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities and uncalled capital commitments (Note 10) that are settled by delivering cash or another financial assets.

The Group manages its liquidity risk through a combination of maintaining sufficient cash and cash equivalents, maintenance of credit facilities and funding from its immediate holding company through the Sponsor Commitment Agreement (Note 10). Excess funds are invested in short-term bank deposits.

18. Financial risk management (continued)

(c) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities:

		Cash flows			
	Carrying Amount	Contractual cash flows	Within 1 year	Between 1 to 5 years	More than 5 years
2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Other payables	**7,654**	**7,654**	**7,654**	**-**	**-**
Derivative financial liabilities	**10,270**	**10,270**	**3,579**	**6,691**	**-**
Borrowings	**512,399**	**524,042**	**-**	**343,873**	**180,169**
	530,323	**541,966**	**11,233**	**350,564**	**180,169**
2017					
Other payables	7,627	7,627	7,627	-	-
Derivative financial liabilities	4,610	4,610	483	4,127	-
Borrowings	491,370	506,410	-	333,172	173,238
	503,607	518,647	8,110	337,299	173,238

The expected contractual cash outflows of other payables fall within one year and were expected to approximate their carrying amount.

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal structure so as to maximise shareholder value. Capital is defined as equity attributable to the equity holders.

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(e) Fair value measurement

Assets and liabilities measured at fair value are classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

The tables below analyse fair value measurements for assets and liabilities:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2018				
Assets				
Investments in private equity funds	**-**	**-**	**903,972**	**903,972**
Derivative financial instruments	**-**	**7,836**	**-**	**7,836**
	-	**7,836**	**903,972**	**911,808**
Liability				
Derivative financial instruments	**-**	**(10,270)**	**-**	**(10,270)**
2017				
Assets				
Investments in private equity funds	-	-	1,070,252	1,070,252
Derivative financial instruments	-	3,394	-	3,394
		3,394	1,070,252	1,073,646
Liability				
Derivative financial instruments	-	(4,610)	-	(4,610)

18. Financial risk management (continued)

(e) Fair value measurement (continued)

There has been no transfer of the Group's financial assets to/from other levels in 2018 and 2017.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Derivative financial instruments

Derivative financial instruments include forward foreign currency contracts which are not traded in an active market and are classified under Level 2. The fair value of the derivative financial instruments are determined using forward currency rates at the balance sheet date.

Investments in private equity funds

The Group's investments in private equity funds are not publicly traded and are classified under Level 3. In determining the fair value of its private equity fund investments, the Group relies on fund managers' latest available quarterly capital account statements and/or audited financial statements to ascertain the fair value of such investments which are based on their respective valuation policy and process designed to subject the valuation to an appropriate level of consistency, oversight and review and followed applicable accounting standards requirements. The reported fair value of such investments is the net asset value of the private equity funds. The Group reviews the valuation details in the statements provided by the fund managers, and also considers the statement date and cash flows (drawdowns/distributions) since the date of statements provided.

The Group may make adjustments to the reported fair value per the statements provided by fund managers based on considerations such as:

- cash flow (drawdowns/distributions) since the date of the statements used;
- other significant observable or unobservable data that would indicate amendments are required.

The Group's investments in private equity funds hold both quoted as well as unquoted investments. On an overall investment portfolio basis, the underlying quoted component represents 26% (2017: 28%) of the total reported fair value of investments. If the reported net assets value of the Group's investments in the underlying private equity funds increased or decreased by 10% (2017:15%) on the quoted components and 30% (2017: 10%) on the unquoted components, the Group's investments in private equity funds would have been higher or lower by $23,503,000 (2017: $44,951,000) for the quoted components and $200,682,000 (2017: $77,058,000) for the unquoted components respectively.

The following table presents the changes in Level 3 instruments:

	Investments in private equity funds
	$'000
2018	
Beginning of the financial year	1,070,252
Drawdowns made	56,829
Distributions received	(414,594)
Gain recognised in profit or loss	191,485
End of financial year	903,972
Total gain recognised in profit or loss for assets held at end of financial year	191,425
2017	
Beginning of the financial period	1,141,906
Drawdowns made	91,503
Distributions received	(300,319)
Gain recognised in profit or loss	137,162
End of financial year	1,070,252
Total gain recognised in profit or loss for assets held at end of financial year	137,172

19. Segment information

The Board of Directors considers business from both a geographical and strategy perspective and the following table analyses the total assets and total income by geographical and strategy:

	Group		
	Buyout	Growth	Total
	$'000	$'000	$'000
2018			
Segment assets			
- United States of America	410,207	184,989	595,196
- Europe	101,222	-	101,222
- Asia	178,774	28,780	207,554
	690,203	213,769	903,972
Segment income			
- United States of America	81,830	39,645	121,475
- Europe	43,685	-	43,685
- Asia	23,034	3,291	26,325
	148,549	42,936	191,485
2017			
Segment assets			
- United States of America	464,088	216,994	681,082
- Europe	141,098	-	141,098
- Asia	211,364	36,708	248,072
	816,550	253,702	1,070,252
Segment income			
- United States of America	72,464	22,481	94,945
- Europe	22,058	-	22,058
- Asia	20,623	(464)	20,159
	115,145	22,017	137,162

A reconciliation of total net segmental assets and income to total assets and profit for the year is provided as follows:

	Group	
	2018	2017
	$'000	$'000
Total segment assets	903,972	1,070,252
Cash and cash equivalents	345,790	203,351
Trade and other receivables	4,916	5,544
Derivative financial instruments	7,836	3,394
Total assets	1,262,514	1,282,541
Total segment income	191,485	137,162
Other income	4,382	995
Other (losses)/gains	(13,080)	4,841
Administrative expenses	(4,328)	(3,514)
Finance expenses	(31,461)	(22,356)
Other expenses	-	(219)
Income tax credit/(expense)	114	(24)
Profit for the year	147,112	116,885

20. Authorisation of financial statements

These financial statements were authorised for issue by the Board of Directors on 11 May 2018.

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DISCLAIMER

Information provided herein (including statements of opinion and expectation) (the “Information”) is given as general information to holders (the “Noteholders”) of S$228,000,000 Class A-1 Secured Fixed Rate Notes due 2026 (the "Class A-1 Notes”), US$170,000,000 Class A-2 Secured Fixed Rate Notes due 2026 (the “Class A-2 Notes”), US$100,000,000 Class B Secured Fixed Rate Notes due 2026 (the “Class B Notes”) and US$70,000,000 Class C Secured Fixed Rate Notes due 2026 (the “Class C Notes”, and together with the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, the “Notes”) issued by Astrea III Pte. Ltd. (the “Issuer”).

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