

RatingsDirect®

Clifford Capital's US\$1 Billion Euro MTN Program Assigned 'AAA' Rating

Primary Credit Analyst:

YeeFarn Phua, Singapore (65) 6239-6341; yeefarn_phua@standardandpoors.com

Secondary Contact:

Takahira Ogawa, Singapore (65) 6239-6342; takahira_ogawa@standardandpoors.com

SINGAPORE (Standard & Poor's) Nov. 9, 2012--Standard & Poor's Ratings Services today assigned its 'AAA' foreign currency issue rating to Clifford Capital Private Limited's proposed US\$1 billion euro medium-term note program. The government of Singapore (unsolicited ratings AAA/Stable/A-1+; axAAA/axA-1+) unconditionally and irrevocably guarantees all principal and interest payments related to notes under the program. The rating on the program is subject to our review of the final documentation.

We have equalized the issue rating with the sovereign credit rating on Singapore because of the sovereign guarantee to the notes. The strong reporting, liquidity, and operational arrangements between Clifford Capital (a project financing firm) and the government also support our view. In our opinion, these arrangements address certain gaps between our criteria and the terms of the guarantee. For example, although the terms state that payments to noteholders will be made within 15 business days should the guarantee be called, we expect the payments would be made within five business days from the due date, as in line with our rating criteria.

Debt instruments that Clifford Capital issues through the program will be the company's senior unsecured obligations. The company may also issue market-linked notes, such as index-linked notes, from the program. Under Standard & Poor's criteria, we do not rate bonds if the principal payments are linked to fluctuations in equity or commodity prices, or to equity or commodity indices. Conversely, we may rate the bonds if only the interest payments are linked to prices of equity or commodities. In this case, the

ratings will be at the same level as those on the guarantor.

Clifford Capital was formed following the ministerial-level Economic Strategies Committee's recommendation to address gaps in large and long-tenure project financing for cross-border projects. The company focuses on providing long-term financing for Singapore-based companies engaged in emerging markets projects globally. It will initially focus on the general infrastructure (including the power, waste and water treatment and transport areas) as well as the offshore and marine segments.

The unsolicited sovereign ratings on Singapore reflect the country's extensive fiscal and external strengths, its solid record of prudent macroeconomic management, and political stability. The ratings also reflect the challenges that Singapore's small and open economy faces.

RELATED CRITERIA AND RESEARCH

- Full Analysis: Singapore (Republic of), Sept. 3, 2012
- Sovereign Government Rating Methodology And Assumptions, June 30, 2011
- Timeliness of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings, Dec. 23, 2010
- Criteria Update: Commodity- And Equity-Linked Notes, Dec. 10, 2009
- Rating Sovereign-Guaranteed Debt, April 6, 2009

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2018 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

McGRAW-HILL