

# Extending Pathways

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Temasek Review 2012



TEMASEK



## Extending Pathways

Temasek was born barely a decade after Singapore's independence. There were no models to emulate, no pathways to follow. We knew only that we must stay relevant to survive, and build for the next generation.

We learnt and reinvented ourselves over the years, always seeking to understand, quietly working to deliver results, even as we stepped into the unknown. Sometimes, we wandered into cul-de-sacs. At other times, we paid the price for being pioneers.

Each step an adventure and a learning; each footfall a commitment and an aspiration.

We stepped forward, shoulder to shoulder with Singapore in our early years. Ten years ago, we ventured forth into an emerging Asia. Today, we continue to extend our pathways.

Our people and their families featured in this *Temasek Review* symbolise the past, present and future of the pathways we create as Temasek. They reflect the many who contributed to Temasek in our 38 year journey as an investor, a forward looking institution and a trusted steward.

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"Over 100 years ago, this was a mud-flat, swamp.  
Today, this is a modern city.  
Ten years from now, this will be a metropolis. Never fear."

Lee Kuan Yew  
Founding Prime Minister, Republic of Singapore  
*Speech at the Sree Narayana Mission in Sembawang*  
12 September 1965

# Temasek Charter

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## **Temasek is an active investor and shareholder.**

We deliver sustainable value over the long term.

## **Temasek is a forward looking institution.**

We act with integrity and are committed to the pursuit of excellence.

## **Temasek is a trusted steward.**

We strive for the advancement of our communities across generations.



# Year in Review

(as at 31 March)

Our portfolio remained resilient in a volatile year. We continued to build our people and capabilities as an investor and shareholder, as an institution, and as a steward.

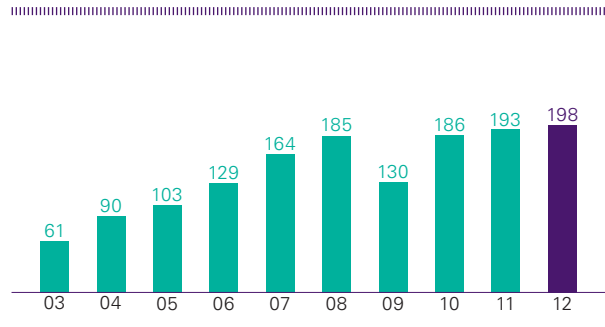
## Portfolio Value

Our portfolio grew by S\$121 billion since March 2002.

# S\$198b

Portfolio value

## Portfolio Value (S\$b)



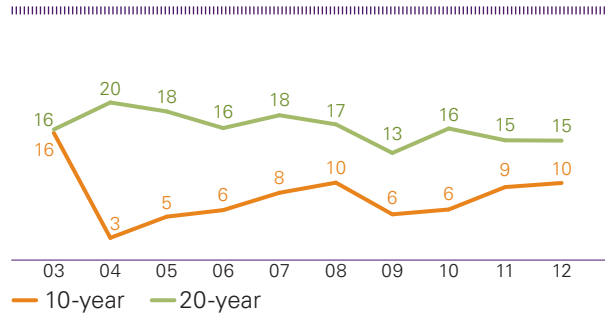
## Total Shareholder Return

Three-year annualised compounded return to our shareholder was 15%.

# 1.50%

One-year return

## Rolling S\$ Total Shareholder Return (%)



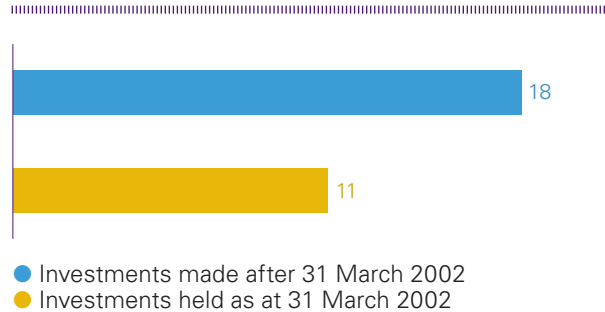
## Returns to Temasek

Post-2002 investments contributed significantly to our total returns.

# 18%

Returns on post-2002 investments

## 10-year Annualised S\$ Returns to Temasek (%)





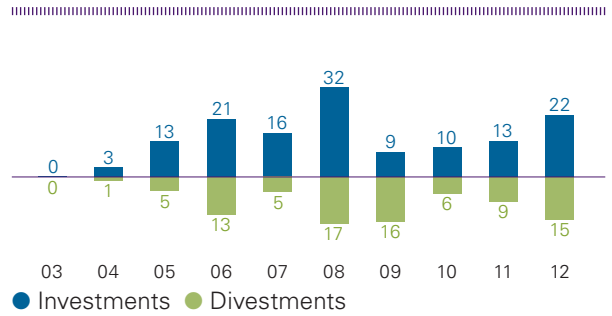
### Investment Activities

We invested S\$139 billion and divested S\$87 billion over the decade.

# S\$7b

Net investments for the year

### Investments & Divestments (S\$b)



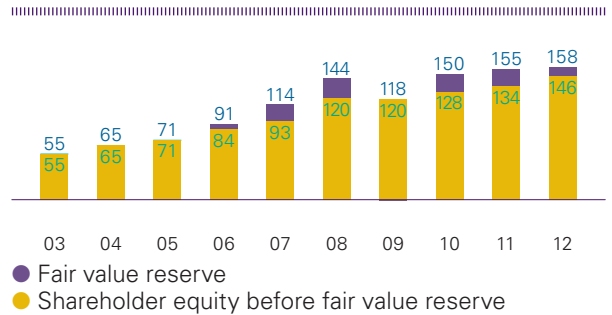
### Group Financial Highlights

Group shareholder equity was S\$158 billion.

# S\$11b

Group net profit

### Group Shareholder Equity (S\$b)



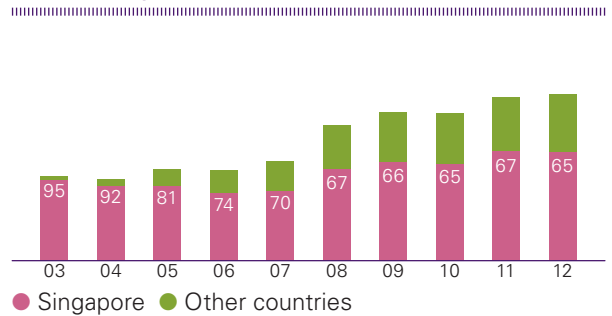
### Our People

Our diverse team of over 400 is the heartbeat of Temasek.

# 19

Nationalities

### Staff Composition (%)



# From Our Chairman

**The global economy remains vulnerable to further shocks, with more challenges in Europe over the next 12–24 months. Further out in this decade, both Asia and the USA will have their own sets of challenges.**

Meanwhile, the steady global recovery of 2010 faltered with the Arab Spring unrest of early 2011, followed by the Eurozone debt spasm of late 2011.

Amidst this volatility, our portfolio remained resilient. We closed the year ended 31 March 2012 with a steady S\$198 billion portfolio, including a comfortable net cash position.

## Portfolio Highlights

Total Shareholder Return (TSR) measures returns to our shareholder as if it held our portfolio directly. This includes dividends to our shareholder and excludes capital injections from our shareholder.

Our TSR in Singapore dollar denomination was 1.50% for the year.

Three-year TSR was 15% compounded annually, with longer term 10-year and 20-year TSRs at 10% and 15% respectively. TSR since inception in 1974 was 17%.

Group shareholder equity last financial year was at a record S\$158 billion, including fair value reserve of S\$12 billion, while group net profit was a healthy S\$11 billion.

## Investing for Our Future Generations

In the 10 years since March 2002, we invested almost S\$140 billion, and divested just under S\$90 billion as an active investor in Asia.

In the process, we reshaped our portfolio from one largely focused on Singapore to one riding on the twin transformations of Asia and Singapore, growing it from S\$77 billion at end March 2002 to S\$198 billion a decade later.

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**10%**

Ten-year TSR

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**17%**

TSR since inception

Investments made since March 2002 delivered over 18% annualised returns to Temasek over the last 10 years, while blue chip investments we held as at end March 2002, such as SingTel and Singapore Airlines, delivered a steady 11% annualised returns to Temasek over the same period.

Based on a theoretical simulation of key holdings, had we kept our portfolio as at 31 March 2002 unchanged, and not stepped out actively into Asia, it would have grown to a lower S\$165 billion in March 2012.

Last year, we invested a total of S\$22 billion, and divested S\$15 billion, with net investments of S\$7 billion.

As at end March 2012, our exposure to Asia based on the underlying assets of our investments was 72%, down from 77% a year ago. This included our Singapore exposure, steady at around one third over the last five years.

In Singapore, we partnered leading international financial institutions to establish Clifford Capital to undertake project financing in the region.

We collaborated with the Singapore Ministry of Finance to sponsor Heliconia Capital Management, to seed growth capital for Singapore-based small and medium-sized enterprises.

A major investment in the year was the 60:40 joint venture between Malaysia's Khazanah Nasional Berhad and Temasek to develop land parcels in Singapore. These commercial land parcels were a swap from the Singapore Government in return for Singapore railway land previously used by Malayan Railway<sup>1</sup>.

Separately, Temasek partnered Khazanah to develop two wellness-related projects in the southern Malaysian state of Johor, with a gross development value of approximately RM3 billion.

Temasek's stakes in our joint ventures with Khazanah were funded by a capital injection from the Singapore Government. The projects should complete within a three to five year time frame.



**S\$198b**

Portfolio value



**S\$158b**

Group shareholder equity

<sup>1</sup> Keretapi Tanah Melayu Berhad, commonly known as KTM or Malayan Railway, ceased train services into downtown Singapore on 1 July 2011, and relocated its service terminal to northern Singapore, under a Malaysia–Singapore agreement.

The banking sector in China remains a good proxy to the growing Chinese economy and expanding middle income population.

During the year ended March 2012, we added to our stake in China Construction Bank. Post 31 March 2012, we rebalanced our overall banking exposure, including an investment of over S\$3 billion in Industrial and Commercial Bank of China.

In total, our exposure to the financial services sector fell from 36% to 31%, mostly reflecting the fall in market valuations.

Australia and New Zealand increased to 14% of our portfolio, while our exposure to North America and Europe increased from over 8% a year ago to above 11%, largely through investments in the energy and resources sector. Our nascent 1% exposure to Latin America grew more than 20%.

Investments in the USA energy and resources sector last year included S\$2 billion in FTS International, a shale energy production service provider, and over S\$1 billion in The Mosaic Company, a fertiliser producer. These were followed by a S\$300 million investment in May this year in Cheniere Energy, the first American company to obtain all relevant regulatory approvals for the export of liquefied natural gas to USA Free Trade Agreement partners, including Singapore.

Other investments post March 2012 in this sector included Kunlun Energy of China, and Ivanhoe Mines, an international mining company with assets in Asia and Australia.

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**S\$22b**

Investments

Over the last few years, we cautiously broadened our exposure beyond equities. As at 31 March 2012, we had a gross notional S\$600 million of put and call options, reflecting our longer term interest in their underlying equities, and some S\$1.3 billion investment in credit funds.

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**S\$15b**

Divestments

### Expanding Our Stakeholder Base

We have expanded our stakeholder base methodically over the years as part of our intent to foster good governance and long term institutional discipline.

In 2004, our 30<sup>th</sup> anniversary year, we initiated the publication of our annual *Temasek Review* to share our key financial and portfolio performance. Credit ratings by Standard & Poor's and Moody's in 2004 were a prelude to our maiden 10-year Temasek Bond in 2005.

To date, we have issued S\$10 billion of triple-A rated Temasek Bonds in Singapore dollars, US dollars and British pounds sterling, with tenors of up to 40 years.

We launched our US\$5 billion Euro-commercial Paper (ECP) Programme in 2011 to enhance our short end funding options. This has been assigned the highest short term ratings.

Our Temasek Bond and ECP Programmes underpin our financing framework, providing a flexible balance of long and short term funding options.

Our annual *Temasek Review*, international credit ratings and Temasek Bonds are more than just public markers of our credit quality. They expand our stakeholder engagement to include the Singapore public and international investors, and help foster financial discipline over the long term.

On the community front, Temasek dedicated two endowments, of S\$35 million each, to honour the late Dr Balaji Sadasivan and Dr Ee Peng Liang. These support training and capability building in healthcare and social services respectively, and were funded from a portion of our excess returns above our risk-adjusted hurdles in previous years.

The non-profit philanthropic organisations supported through our community endowments via Temasek Trust further extend our stakeholder base.

### Preparing for Volatility Ahead

The global contagion risks from Europe over the next 12–24 months are not insignificant. Other medium term risks include a tepid recovery in the USA and its substantial debt burden as well as structural challenges in Asia. These may trim the growth potential of Asia, and heighten volatility in this decade. Growth in general will be more tentative.

The steroids of liquidity in Europe, the USA and elsewhere in recent years have provided symptomatic relief for the years of profligacy and overspending. These bought time for serious reforms to be effected, failing which the systemic risks will continue to snowball.

In the near term, inflationary pressures are expected to be low to moderate due to overcapacity, except in growth markets where inflation is anticipated to be structurally higher. Over the longer term, there are significant risks of inflation arising from the expansionary policy responses in the major economies.

18%

Ten-year annualised returns to Temasek from investments made since March 2002

Overall, our investment themes remain relevant:

- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

Long term growth potential in Asia remains healthy, despite risks along the way. Sectorally, we began shading our preferences over the last two years towards technology, energy and resources as well as consumer and other middle income needs.

### Strengthening the Institution for the Future

During the year, we reviewed and updated our Temasek Charter to distil our roles as an active investor and shareholder, a forward looking institution and a trusted steward.

Temasek was built through the strength of character and commitment of generations of Board and management since 1974. Our core assets have been our people, passion and purpose to build a Temasek for our future generations.

We strengthened our bench to include several well respected industry leaders, while key Temasek stalwarts have moved to Temasek-linked platforms to help extend our capacity and reach in the different markets. We bade farewell to other colleagues, some of whom were selected by the boards of operating companies for CEO and other leadership roles.

Younger colleagues at all levels add to our verve and vitality as an institution, as we continue to nurture them as leaders.

Apart from renewing and expanding our team, we continue to build our systems and capabilities for the future.

Over the last two years, we have been developing a long term expected returns model relevant to Temasek as an owner investor. Built bottom up from our assessment of the longer term global outlook, the model simulates the range and likelihood of returns expected over a 20 year horizon. Further development of the model will continue as we add capabilities to analyse the effects of changes in our portfolio character and mix, and sensitivities to shifts in economic conditions.

We continue to refine our simulation tools for investment risk evaluation, while new tools such as *T-Mint* have been developed to track macro signals and lead indicators, as we prepare for a more volatile decade ahead.

.....  
Growth in general will be more tentative.

.....  
Inflationary pressures are expected to be low to moderate, except in growth markets.

## Recognising Friends and Fellow Board Members

Changes to our Board included the retirement of Simon Israel and Hsieh Fu Hua last year from both their Board and executive roles.

I thank them for their service and appreciate their continued engagement in their personal capacities as Chairmen of SingTel and Fullerton Fund Management Company respectively.

On 31 May 2012, Kwa Chong Seng retired as Deputy Chairman after 15 years on our Board. I am deeply grateful to him for his invaluable insights, and his contributions working closely with management as we transformed and repositioned Temasek for the future. I am very pleased that he continues to play an active role as the Chairman of NOL.

We warmly welcomed two new members to our Board: Cheng Wai Keung and Lim Boon Heng. Wai Keung joined in September last year, bringing a wealth of experience in shipping, property investment and hospitality management. Boon Heng, who joined us in June this year, combines a rare suite of deep personal experience in shipping, union leadership and government.

I sincerely appreciate the board members, management and staff, past and present, of Temasek and our portfolio companies, for their contributions. They helped to build Temasek and our portfolio companies as sustainable institutions and outstanding businesses.

In addition, I extend my personal thanks to past and present members of the Temasek International Panel (TIP), the Temasek Advisory Panel, and TIP emeritus members. They have been most generous in sharing their deep insights and rich experiences in an increasingly connected and complex world.

Finally, I thank all our stakeholders – our shareholder, bondholders, business partners, advisors, investors, regulators, philanthropic organisations, friends, vendors and the broader public. Their trust in us through the years gave us the courage and encouragement to create and extend pathways. It is for them and our future generations that we do things today as an investor, as an institution and as a steward, always with tomorrow in mind.



S DHANABALAN  
Chairman

July 2012

Our core assets  
have been our people,  
passion and purpose  
to build a Temasek  
for our future  
generations.



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## Portfolio Highlights

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“Making investments  
that will benefit  
both my generation  
and the next.”

Shane Xu, Associate Director, Investment

Photo (left to right):

Camila de Almeida, Associate, Brazil;  
Ricardo Hallack, Director, Brazil;  
Renato Fairbanks Ribeiro, Associate Director, Brazil.

# Portfolio Highlights

(as at 31 March)

Temasek has a net portfolio of S\$198 billion, comprising mostly equities. It has an underlying exposure that is balanced between mature economies and growth regions.



## Global Exposure<sup>1</sup>

**42%**

Asia ex-Singapore

**30%**

Singapore

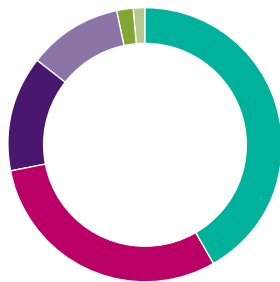
**25%**

Australia &  
New Zealand,  
North America  
& Europe

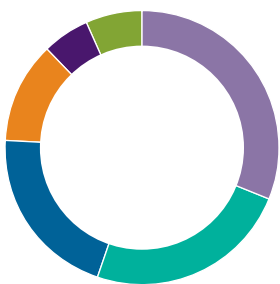
**3%**

Latin America,  
Africa, Central Asia  
& the Middle East

<sup>1</sup> Distribution based on underlying assets.

Geography<sup>1</sup> (%)

	2012	2011
Asia ex-Singapore	42	45
Singapore	30	32
Australia & New Zealand	14	12
North America & Europe	11	8
Africa, Central Asia & the Middle East	2	2
Latin America	1	1

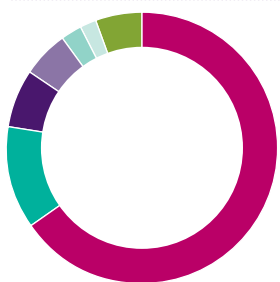
Sector<sup>1</sup> (%)

	2012	2011
Financial Services	31	36
Telecommunications, Media & Technology	24	22
Transportation & Industrials	21	23
Life Sciences, Consumer & Real Estate	12	11
Energy & Resources	6	3
Others	6	5

## Liquidity (%)



	2012	2011
Listed large blocs (≥20% share)	37	39
Liquid & sub-20% listed assets	36	39
Unlisted assets	27	22

Currency<sup>2</sup> (%)

	2012	2011
Singapore dollars	65	65
Hong Kong dollars	12	15
US dollars	7	4
British pounds sterling	6	6
Indonesian rupiah	2	3
Indian rupees	2	3
Others	6	4

<sup>2</sup> Distribution based on currency of denomination.

# Portfolio Value since Inception

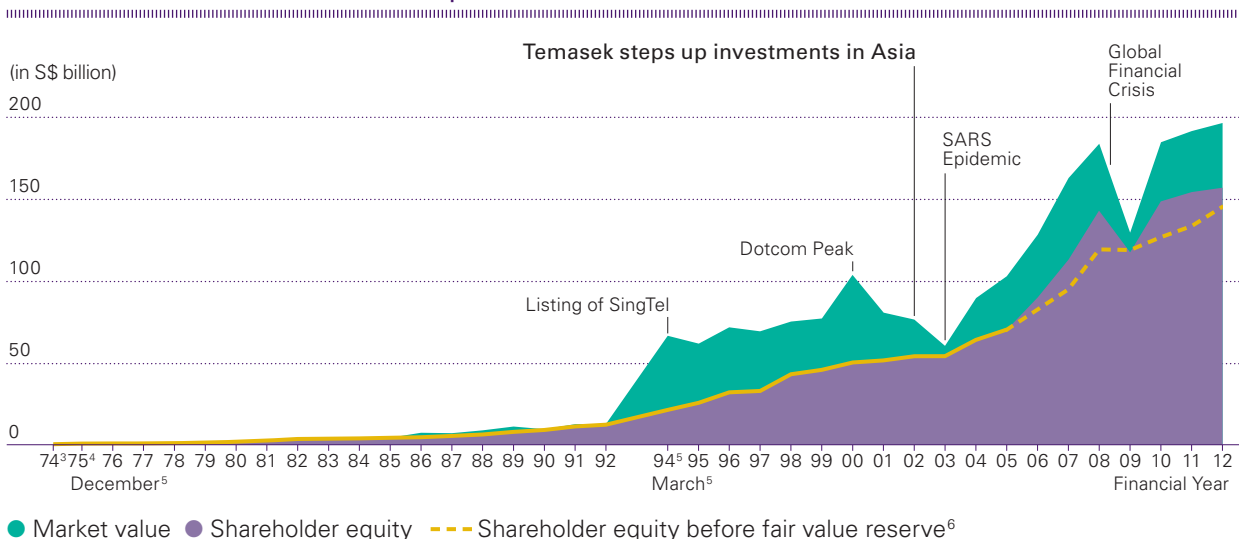
Temasek was incorporated in 1974 with an initial portfolio valued at S\$354 million.

Comprising 35 companies and other investments, these were mostly startups<sup>1</sup> ranging from a bank to a sugar refiner. Companies such as Singapore Airlines and DBS Bank have since grown to become international and regional brands, while others such as NatSteel<sup>2</sup> have been divested.

In the 1990s, four statutory entities, SingTel, PSA, Singapore Power and MediaCorp, were corporatised and acquired by Temasek. This was part of the policy intent by the Singapore Government to devolve itself from the provision of commercial services, or to further liberalise the market. Some, like port operator PSA and telecommunications provider SingTel, have transformed into global and regional players. Others such as Singapore Power have been restructured into several operating businesses, including three power generation companies which were sold a decade later in the late 2000s.

From a portfolio of S\$77 billion in March 2002, Temasek began actively investing in Asia and beyond. The portfolio has grown to a record S\$198 billion in March 2012, with a net cash position.

## Temasek Portfolio Value since Inception



<sup>1</sup> See the list of companies in the initial portfolio on page 96.

<sup>2</sup> Formed to produce iron and steel in Singapore, NatSteel Ltd (formerly known as National Iron & Steel Mills Ltd) was first divested in 1986. Temasek reinvested in NatSteel in 1998 in support of their investment in Brazil. Temasek divested NatSteel in 2002 when NatSteel initiated a sale process.

<sup>3</sup> Incorporation of Temasek on 25 June 1974.

<sup>4</sup> Financial year 75 began on 25 June 1974 and ended 31 December 1975.

<sup>5</sup> Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.

<sup>6</sup> FRS39 *Financial Instruments: Recognition and Measurement*, introduced during year ended 31 March 2006, requires available-for-sale financial assets to be measured at fair value.

# Total Shareholder Return

Total Shareholder Return (TSR) measures compounded annual returns to our shareholder as if it held our portfolio directly. It includes dividends to our shareholder and excludes capital injections from our shareholder.

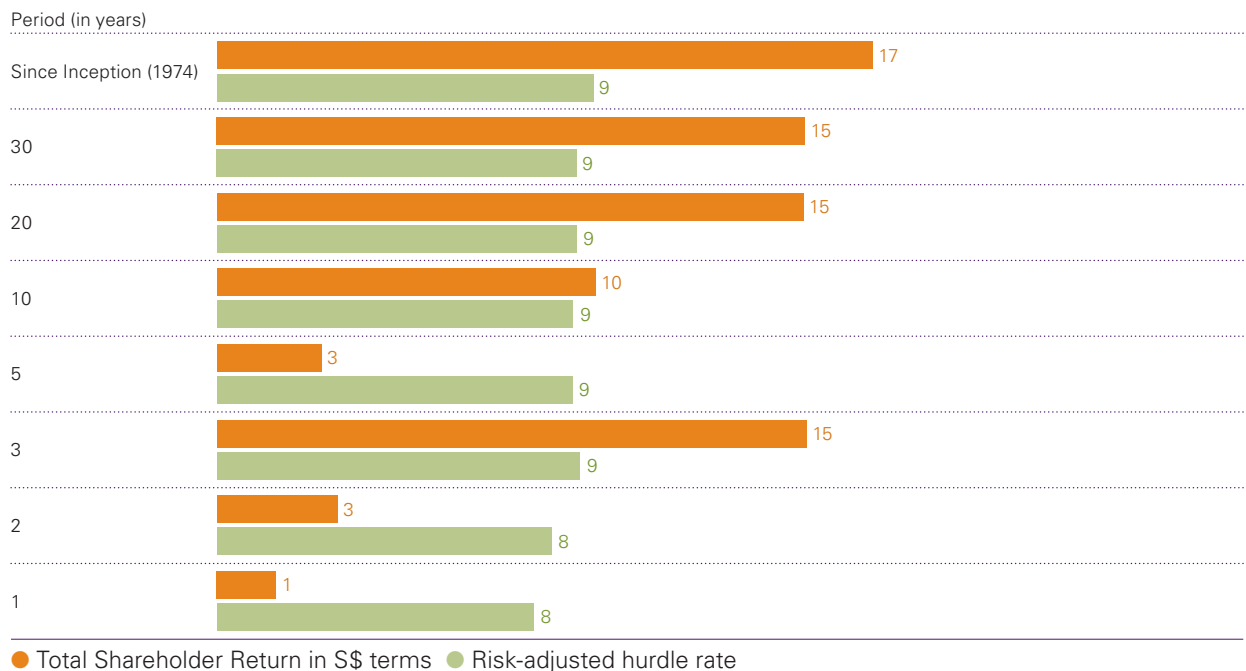
For the financial year ended 31 March 2012, our one-year TSR in Singapore dollar denomination<sup>7</sup> was 1.50%, while our three-year TSR was 14.86%.

Longer term TSR for 10, 20 and 30 years was 10%, 15% and 15% respectively. TSR since inception was 17% compounded over 38 years.

The average risk-adjusted hurdle rates for Temasek were about 9% through the years. Annualised core inflation in Singapore was under 2%<sup>8</sup> over the past 10 years.

## S\$ Total Shareholder Return vs Risk-adjusted Hurdle Rate (%)

(as at 31 March 2012)



<sup>7</sup> TSR in US\$ terms was 2%, 22%, 14%, 16%, 17%, and 19% for 1, 3, 10, 20, 30 and 38-year periods respectively.

<sup>8</sup> As of the year ended March 2012, annualised core inflation in Singapore was 2.5%, 1.3%, 1.8% and 1.7% for 1, 3, 10 and 20-year periods respectively (computed using data from the *Monetary Authority of Singapore*).





## Group Financial Summary

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## Financing Framework

“It’s all about doing the right thing, even when no one is watching.”

Chong Hui Min, Associate Director, Investor Relations

**Photo:**

Law Heng Dean,  
Associate Director, Strategic Relations,  
and his son, Tao Yu.

# Statement by Auditors

We are the auditors of Temasek Holdings (Private) Limited (“Temasek”). We have audited the statutory consolidated financial statements of Temasek and its subsidiary companies (the “Group”) for the financial years ended 31 March 2008, 2009, 2010, 2011 and 2012 and have issued unqualified audit reports<sup>1</sup>. The audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004, 2005, 2006 and 2007 were audited by PricewaterhouseCoopers LLP<sup>2</sup> whose auditors’ reports<sup>3</sup> were also unqualified.

Under the Singapore Companies Act, Chapter 50, Temasek is an exempt private company and is not required to publish its audited statutory consolidated financial statements.

Management is responsible for the preparation and presentation of the Group Financial Summary for the financial years ended 31 March 2004 to 2012 set out from pages 24 to 29. The Group Financial Summary consists of the Group Financial Highlights, Group Income Statements, Group Balance Sheets and Group Cash Flow Statements as at and for the financial years ended 31 March 2004 to 2012 and Group Statements of Changes in Equity for the financial years ended 31 March 2011 and 2012, which is prepared and presented based on the audited statutory consolidated financial statements. The Group Financial Summary does not contain all the disclosures required by Singapore Financial Reporting Standards applied in the preparation of the audited statutory consolidated financial statements of the Group. Reading the Group Financial Summary, therefore, is not a substitute for reading the audited statutory consolidated financial statements of the Group.

Our responsibility is to express an opinion on the Group Financial Summary based on our procedures, which were conducted in accordance with Singapore Standard on Auditing (SSA) 810 – *Engagements to Report on Summary Financial Statements*.

In our opinion, the Group Financial Summary is summarised and presented consistently, in all material respects, with the audited statutory consolidated financial statements of the Group.



## KPMG LLP

Public Accountants and Certified Public Accountants  
Singapore

27 June 2012

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<sup>1</sup> Dated 16 July 2008, 15 July 2009, 1 July 2010, 29 June 2011 and 27 June 2012 respectively.

<sup>2</sup> PricewaterhouseCoopers LLP was converted from a partnership to a limited liability partnership on 1 January 2009.


<sup>3</sup> Dated 24 June 2004, 15 July 2005, 13 July 2006 and 5 July 2007 respectively.



# Statement by Directors

Our auditors, KPMG LLP, have expressed unqualified opinions on the audited statutory consolidated financial statements of Temasek Holdings (Private) Limited and its subsidiary companies (the "Group") for the financial years ended 31 March 2008 to 2012. Our auditors for the financial years ended 31 March 2004 to 2007, PricewaterhouseCoopers LLP<sup>2</sup>, have expressed unqualified opinions on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2007.

On behalf of the directors



**S DHANABALAN**

Chairman

27 June 2012



**HO CHING**

Executive Director & Chief Executive Officer

27 June 2012

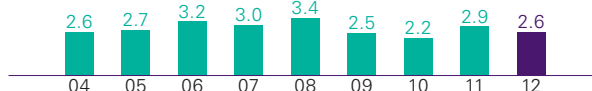
# Group Financial Highlights<sup>1</sup>

(for year ended 31 March)

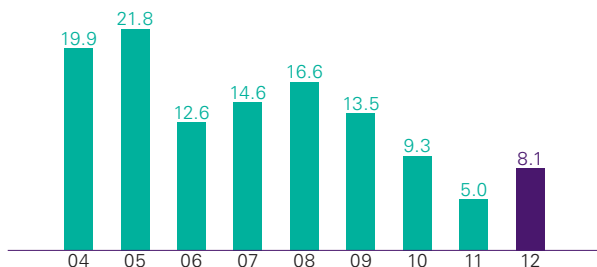
## Profit Margin<sup>2</sup> (%)



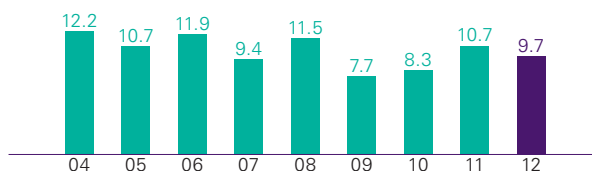
## VA/Employment Cost<sup>3</sup>



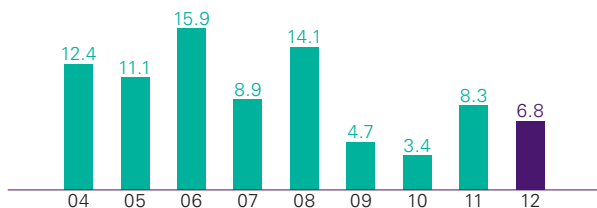
## Net Debt to Capital<sup>4</sup> (%)



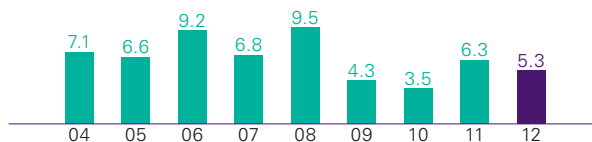
## EBITDA Interest Coverage<sup>5</sup>



## Return on Average Equity<sup>6</sup> (%)



## Return on Average Assets<sup>7</sup> (%)



<sup>1</sup> The Group Financial Summary, including highlights as set out from pages 24 to 29, is prepared and presented based on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2012.

<sup>2</sup> Profit before share of results of associated companies, partnerships and joint ventures, expressed as a percentage of revenue.

<sup>3</sup> Gross value added per dollar of employment cost.

<sup>4</sup> Net debt expressed as a percentage of the sum of shareholder equity, non-controlling interests and net debt.

<sup>5</sup> Profit before income tax, finance expenses, depreciation, amortisation and impairment loss on property, plant and equipment and intangibles divided by finance expenses.

<sup>6</sup> Profit attributable to equity holder of the Company expressed as a percentage of average shareholder equity.

<sup>7</sup> Total profit, add back finance expenses, expressed as a percentage of average total assets.

## Group Income Statements (in S\$ billion)

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue	56.5	67.5	79.8	74.6	83.3	79.6	76.7	83.5	<b>83.5</b>
Profit before income tax	11.8	12.2	19.0	14.3	25.5	10.4	8.5	17.8	<b>14.8</b>
<b>Profit attributable to equity holder of the Company</b>	<b>7.4</b>	<b>7.5</b>	<b>12.8</b>	<b>9.1</b>	<b>18.2</b>	<b>6.2</b>	<b>4.6</b>	<b>12.7</b>	<b>10.7</b>

## Group Balance Sheets (in S\$ billion)

As at 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total assets	180.8	199.1	213.7	242.4	295.5	247.9	284.8	297.9	<b>302.6</b>
Shareholder equity before fair value reserve	64.5	70.9	83.6	92.9	120.2	119.9	127.8	134.6	<b>146.4</b>
Fair value reserve <sup>8</sup>	–	–	7.0	21.1	23.9	(1.5)	21.9	20.9	<b>11.8</b>
<b>Shareholder equity</b>	<b>64.5</b>	<b>70.9</b>	<b>90.6</b>	<b>114.0</b>	<b>144.1</b>	<b>118.4</b>	<b>149.7</b>	<b>155.5</b>	<b>158.2</b>
Net debt <sup>9</sup>	21.9	26.9	16.7	23.6	33.8	22.1	17.8	9.5	<b>16.1</b>

<sup>8</sup> Prior to the financial year ended 31 March 2006, long term investments were stated at cost less allowance for diminution in value. With the introduction of FRS39 *Financial Instruments: Recognition and Measurement* during the financial year ended 31 March 2006, available-for-sale financial assets (AFS) were required to be measured at fair value. At each reporting date, AFS are remeasured at their fair value. Changes in fair value, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS are disposed. Impairment losses are recognised in the income statement.

<sup>9</sup> Total debt less cash and cash equivalents.

# Group Income Statements

In S\$ million

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue	56,468	67,520	79,822	74,563	83,284	79,615	76,658	83,519	<b>83,548</b>
Cost of sales	(37,659)	(43,780)	(53,309)	(49,282)	(53,290)	(57,477)	(50,679)	(52,992)	<b>(56,306)</b>
Gross profit	18,809	23,740	26,513	25,281	29,994	22,138	25,979	30,527	<b>27,242</b>
Other operating income	5,874	4,099	9,391	8,370	15,870	16,198	4,518	4,855	<b>6,285</b>
Expenses:									
Selling & Distribution	(3,559)	(3,939)	(4,086)	(4,278)	(5,197)	(5,042)	(5,318)	(5,758)	<b>(5,669)</b>
Administrative	(5,722)	(7,003)	(8,040)	(8,104)	(8,619)	(8,068)	(8,723)	(7,322)	<b>(7,960)</b>
Finance	(1,724)	(2,120)	(2,415)	(2,611)	(3,207)	(2,727)	(2,432)	(2,598)	<b>(2,586)</b>
Other operating expenses	(4,164)	(5,009)	(4,805)	(5,053)	(8,681)	(15,333)	(9,937)	(6,260)	<b>(7,138)</b>
Profit before share of results of associated companies, partnerships and joint ventures	9,514	9,768	16,558	13,605	20,160	7,166	4,087	13,444	<b>10,174</b>
Share of results of associated companies and partnerships	1,472	1,410	1,163	(830)	3,187	1,333	2,374	2,604	<b>3,009</b>
Share of results of joint ventures	787	1,037	1,263	1,566	2,182	1,870	2,013	1,727	<b>1,580</b>
Profit before income tax	11,773	12,215	18,984	14,341	25,529	10,369	8,474	17,775	<b>14,763</b>
Income tax expense	(2,050)	(1,837)	(2,518)	(1,381)	(3,055)	(1,280)	(1,682)	(1,953)	<b>(1,395)</b>
Profit from continuing operations	9,723	10,378	16,466	12,960	22,474	9,089	6,792	15,822	<b>13,368</b>
Profit from discontinued operations	–	31	67	16	–	–	–	–	<b>–</b>
<b>Total profit</b>	<b>9,723</b>	<b>10,409</b>	<b>16,533</b>	<b>12,976</b>	<b>22,474</b>	<b>9,089</b>	<b>6,792</b>	<b>15,822</b>	<b>13,368</b>

Profit attributable to:

<b>Equity holder of the Company</b>	<b>7,365</b>	<b>7,521</b>	<b>12,827</b>	<b>9,112</b>	<b>18,240</b>	<b>6,183</b>	<b>4,593</b>	<b>12,668</b>	<b>10,730</b>
Non-controlling interests	2,358	2,888	3,706	3,864	4,234	2,906	2,199	3,154	<b>2,638</b>
<b>Total profit</b>	<b>9,723</b>	<b>10,409</b>	<b>16,533</b>	<b>12,976</b>	<b>22,474</b>	<b>9,089</b>	<b>6,792</b>	<b>15,822</b>	<b>13,368</b>

# Group Balance Sheets

In S\$ million

As at 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011	2012
Shareholder equity before fair value reserve	64,522	70,890	83,555	92,946	120,209	119,850	127,772	134,580	<b>146,401</b>
Fair value reserve <sup>1</sup>	–	–	7,075	21,012	23,849	(1,452)	21,971	20,900	<b>11,765</b>
<b>Shareholder equity</b>	<b>64,522</b>	<b>70,890</b>	<b>90,630</b>	<b>113,958</b>	<b>144,058</b>	<b>118,398</b>	<b>149,743</b>	<b>155,480</b>	<b>158,166</b>
Non-controlling interests	23,862	25,325	25,412	24,447	25,786	22,555	23,409	24,062	<b>23,495</b>
	88,384	96,215	116,042	138,405	169,844	140,953	173,152	179,542	<b>181,661</b>
Property, plant and equipment	61,558	69,268	65,552	65,486	75,302	68,206	67,974	66,778	<b>67,791</b>
Intangibles	13,543	14,714	14,481	14,805	21,382	19,891	19,147	18,857	<b>17,923</b>
Investments in associated companies, partnerships and joint ventures	15,664	16,976	27,137	34,965	39,513	41,105	44,610	42,054	<b>49,474</b>
Financial assets	11,675	13,829	27,529	52,341	73,850	40,234	64,181	65,296	<b>60,704</b>
Investment properties	8,159	7,848	1,817	3,632	5,035	5,331	6,535	7,144	<b>7,854</b>
Properties under development	370	453	518	158	626	759	187	176	<b>433</b>
Other non-current assets	6,488	8,266	9,972	10,446	9,393	9,505	10,241	11,302	<b>10,650</b>
Deferred tax assets	1,645	2,138	1,735	1,628	1,849	1,960	1,809	1,745	<b>1,496</b>
Net current assets/(liabilities)	15,874	14,713	12,574	8,308	(3,130)	11,809	21,904	27,648	<b>32,816</b>
Current assets	61,695	65,614	64,987	58,979	68,568	60,958	70,109	84,559	<b>86,311</b>
Current liabilities	(45,821)	(50,901)	(52,413)	(50,671)	(71,698)	(49,149)	(48,205)	(56,911)	<b>(53,495)</b>
	134,976	148,205	161,315	191,769	223,820	198,800	236,588	241,000	<b>249,141</b>
Non-current liabilities	(46,592)	(51,990)	(45,273)	(53,364)	(53,976)	(57,847)	(63,436)	(61,458)	<b>(67,480)</b>
	88,384	96,215	116,042	138,405	169,844	140,953	173,152	179,542	<b>181,661</b>

<sup>1</sup> Prior to the financial year ended 31 March 2006, long term investments were stated at cost less allowance for diminution in value. With the introduction of FRS39 *Financial Instruments: Recognition and Measurement* during the financial year ended 31 March 2006, available-for-sale financial assets (AFS) were required to be measured at fair value. At each reporting date, AFS are remeasured at their fair value. Changes in fair value, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS are disposed. Impairment losses are recognised in the income statement.

# Group Cash Flow Statements

In S\$ million

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating cash flow before working capital changes	13,936	16,854	18,661	17,557	21,213	14,072	16,428	20,177	<b>16,835</b>
Change in working capital	(2,535)	(4,353)	2,577	2,508	(287)	1,484	(4,155)	(2,902)	<b>(1,655)</b>
Cash generated from operations	11,401	12,501	21,238	20,065	20,926	15,556	12,273	17,275	<b>15,180</b>
Income tax paid	(1,151)	(1,480)	(1,558)	(1,592)	(1,942)	(1,826)	(1,260)	(1,250)	<b>(2,022)</b>
Net cash inflow from operating activities	10,250	11,021	19,680	18,473	18,984	13,730	11,013	16,025	<b>13,158</b>
Net cash (outflow)/inflow from investing activities	(7,701)	(4,765)	(16,509)	(23,344)	(30,431)	95	(5,285)	(4,888)	<b>(14,762)</b>
Net cash inflow/(outflow) from financing activities	6,770	(4,793)	(238)	2,259	13,277	(6,398)	(196)	(1,697)	<b>(1,415)</b>
Net increase/(decrease) in cash and cash equivalents held	9,319	1,463	2,933	(2,612)	1,830	7,427	5,532	9,440	<b>(3,019)</b>

# Group Statements of Changes in Equity

In S\$ million

	Attributable to Equity Holder of the Company				Total
	Share Capital and Other Reserves	Revenue Reserve	Currency Translation Reserve	Non- controlling Interests	
<b>Opening balance at 1 Apr 2011</b>	69,353	90,121	(3,994)	24,062	<b>179,542</b>
Total profit	–	10,730	–	2,638	<b>13,368</b>
Others, net <sup>1</sup>	(5,225)	(2,496)	(323)	(3,205)	<b>(11,249)</b>
<b>Closing balance at 31 Mar 2012</b>	<b>64,128</b>	<b>98,355</b>	<b>(4,317)</b>	<b>23,495</b>	<b>181,661</b>
<b>Opening balance at 1 Apr 2010</b>	70,718	81,656	(2,631)	23,409	<b>173,152</b>
Total profit	–	12,668	–	3,154	<b>15,822</b>
Others, net <sup>1</sup>	(1,365)	(4,203)	(1,363)	(2,501)	<b>(9,432)</b>
<b>Closing balance at 31 Mar 2011</b>	<b>69,353</b>	<b>90,121</b>	<b>(3,994)</b>	<b>24,062</b>	<b>179,542</b>

<sup>1</sup> Comprise movements during the financial year including but not limited to:

- Issuance of ordinary shares;
- Change in fair value of financial assets;
- Dividends to shareholder;
- Share of associated companies' and joint ventures' reserves; and
- Currency translation differences.

# Financing Framework

**Our annual *Temasek Review*, credit ratings by international agencies, and Temasek Bonds are public markers of our credit quality and financial discipline.**

We have been rated AAA/Aaa since 2004 by Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's) respectively.

Our US\$10 billion Global Guaranteed Medium Term Note (MTN) Programme was launched in 2005.

As at 31 March 2012, there were 11 outstanding Temasek Bonds in Singapore dollars, US dollars and British pounds sterling, issued with tenors of up to 40 years. They totalled nearly S\$10 billion<sup>1</sup>, with a weighted average maturity of about 15 years.

We established our US\$5 billion Euro-commercial Paper (ECP) Programme last year to enhance our short end funding flexibility. Our total outstanding ECP as of 31 March 2012 was over S\$1 billion<sup>2</sup>, with a weighted average maturity of about four months.

Our MTN Programme and all outstanding Temasek Bonds have been assigned long term ratings of AAA/Aaa by S&P and Moody's respectively. Our ECP Programme has been assigned the highest short term ratings of A-1+ by S&P and P-1 by Moody's.

Our MTN and ECP Programmes provide us a cost effective, efficient and flexible balance between long and short term funding.

## Temasek Credit Ratings

	Standard & Poor's Ratings Services	Moody's Investors Service
Corporate Credit Rating	AAA	Aaa
MTN Programme	AAA	Aaa
Temasek Bonds	AAA	Aaa
ECP Programme	A-1+	P-1

<sup>1</sup> Approximately US\$8 billion as at 31 March 2012.

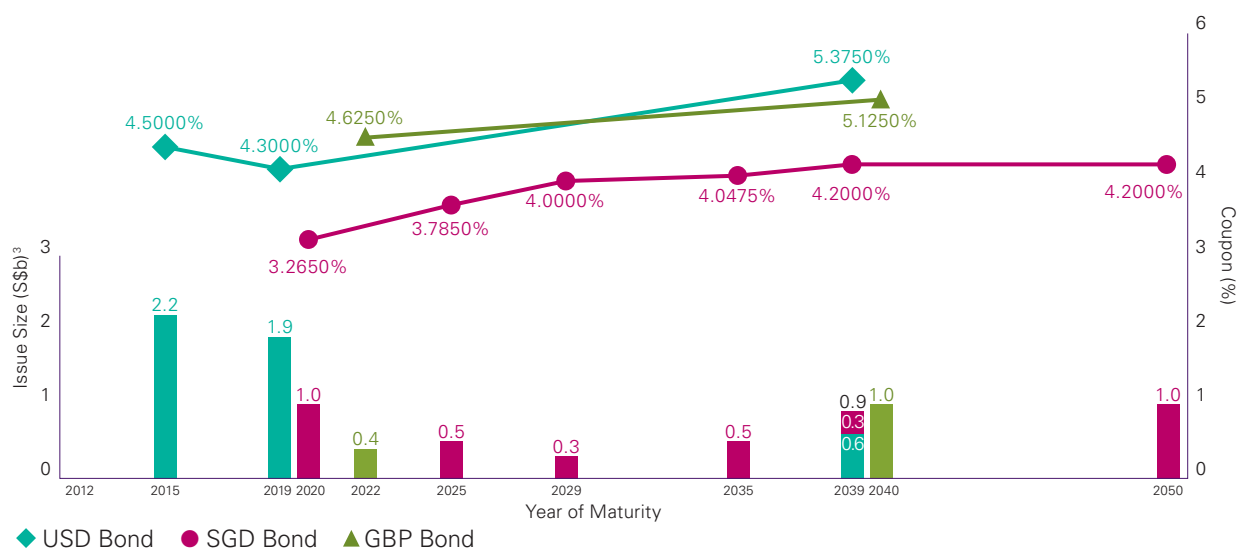
<sup>2</sup> Approximately US\$1 billion as at 31 March 2012.



## Temasek Bonds – Issue Profile

Bond Series	Currency	Billions	Tenor (years)	Coupon (%)	Yield at Issuance (%)	Issue Date	Maturity Date
T2015-US\$	USD	1.75	10	4.5000	4.5750	21 Sep 05	21 Sep 15
T2019-US\$	USD	1.5	10	4.3000	4.3280	26 Oct 09	25 Oct 19
T2039-US\$	USD	0.5	30	5.3750	5.4410	23 Nov 09	23 Nov 39
T2020-S\$	SGD	1.0	10	3.2650	3.2650	19 Feb 10	19 Feb 20
T2025-S\$	SGD	0.5	15	3.7850	3.7850	5 Mar 10	5 Mar 25
T2029-S\$	SGD	0.3	20	4.0000	4.0000	7 Dec 09	7 Dec 29
T2035-S\$	SGD	0.5	25	4.0475	4.0475	5 Mar 10	5 Mar 35
T2039-S\$	SGD	0.3	30	4.2000	4.2000	7 Dec 09	7 Dec 39
T2050-S\$	SGD	1.0	40	4.2000	4.2000	2 Aug 10	2 Aug 50
T2022-£	GBP	0.2	12	4.6250	4.6620	26 Jul 10	26 Jul 22
T2040-£	GBP	0.5	30	5.1250	5.1550	26 Jul 10	26 Jul 40

## Temasek Bonds – Issue Size and Coupon



<sup>3</sup> Exchange rates as at 31 March 2012.





## Extending Our Portfolio

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“We seek to protect and create value across generations.”

Klaus Lucke, Managing Director, Risk Management

Photo (left to right):

Zyn Toh, Associate Director, Investment;  
Eric Yi, Associate Director, China;  
Camie Yu, Associate Director, Investment.

# Investment Framework

**Temasek was formed in 1974 to manage investments commercially, including the possibility of investing overseas.**

In the early years, Temasek and our portfolio companies grew in tandem with a transforming Singapore.

Over the last 10 years, we actively extended our investment scope to grow with an emerging Asia, much like a reprise of our growth with Singapore, except on a much larger canvas of some four billion people.

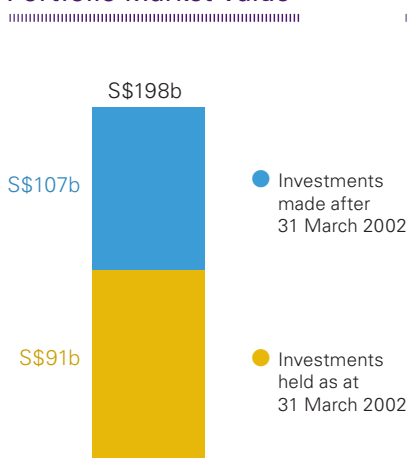
Four themes guide our investments:

- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

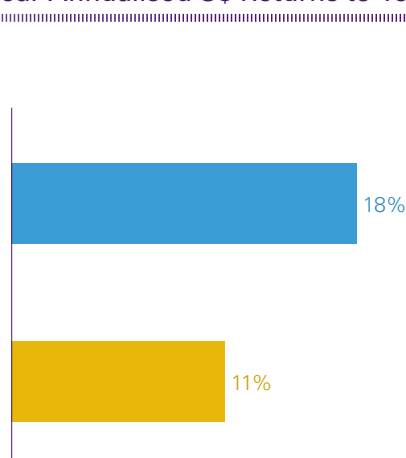
Our portfolio balance is now approximately 70:30 between Asia and other regions. Our underlying exposure to Singapore has been about one third over the last five years, compared to a predominantly Singapore portfolio before 2002. Part of this is due to the success of our portfolio companies in regionalising or globalising their own businesses, such as SingTel in Asia, and PSA in Asia and Europe.

New investments made since 2002, when we stepped up our exposure in Asia, delivered annualised returns of over 18% to Temasek, while investments held as at March 2002 delivered 11% annualised over the last 10 years.

**Portfolio Market Value<sup>1</sup>**



**10-year Annualised S\$ Returns to Temasek<sup>1</sup>**



<sup>1</sup> As at 31 March 2012.

## Investing for the Future

We aim to deliver sustainable returns over the long term.

We track total returns to our shareholder over various time periods, as well as our returns above internal risk-adjusted hurdles. These are reported in our *Temasek Review*, along with other portfolio and financial highlights.

As an investor, we focus on intrinsic value and have the flexibility of taking concentrated positions.

As a shareholder, we engage our portfolio companies to share strategic perspectives, foster robust governance and encourage a strong culture of co-ownership, excellence and integrity. The boards and management of our portfolio companies are responsible for their strategies as well as day to day operations and commercial decisions.

We maintain full flexibility to shift the weight of our portfolio at any time, and may stay liquid in anticipation of opportunities ahead.

From time to time, we co-invest with like-minded partners to share opportunities and perspectives.

Over the next 10 years, as the world addresses its imbalances, we will extend our capabilities and continue our role as an active investor, with particular interest in energy, resources, technology, consumer and other middle income needs.

.....

We focus on intrinsic value and have the flexibility of taking concentrated positions.

.....

We maintain full flexibility to shift the weight of our portfolio.

## Value Creation Framework

Evaluating our investments	Managing our portfolio	Maximising our value
<ul style="list-style-type: none"> <li>• Test against intrinsic value</li> <li>• Maintain flexible stance</li> <li>• Optimise leverage</li> <li>• Create optionality</li> <li>• Mitigate risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risk-adjusted returns</li> <li>• Sound governance</li> <li>• Capable leadership</li> <li>• Operational excellence</li> <li>• Human capital</li> <li>• Competitive strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Test against intrinsic value</li> <li>• Buy/sell</li> <li>• Trade/swap</li> <li>• Rationalise/restructure</li> <li>• Develop optionalities</li> <li>• Co-invest</li> <li>• Monitor</li> </ul>

### Simulation of Returns over 20 Years

Based on our projections of various global economic and market parameters, we have simulated the relative likelihood of annual returns over the next 20 years for an equities portfolio mimicking a Temasek thematic portfolio mix<sup>1</sup>. This is known as Annual Returns.

The Annual Returns likelihood distribution curve shows that a Temasek thematic portfolio has a higher likelihood of higher returns in any given year compared to a generic global equity portfolio.

The Annual Returns for a predominantly equities portfolio, whether for a generic global equity portfolio or for a Temasek thematic portfolio, can vary widely with positive and negative outcomes year to year, though with a bias towards positive returns annually.

The same methodology may also be applied to simulate the likelihood of returns at the end of 20 years. This is known as Geometric Returns, or Annualised Compounded Returns. It provides a sense of the long term returns of a Temasek thematic portfolio compared to a generic global equity portfolio.

Compared to the range of year to year Annual Returns over 20 years, the Geometric Returns at the end of 20 years has a much tighter range of likely outcomes. The simulations also show a much higher likelihood of a positive annualised compounded return at the end of 20 years, with a moderate likelihood of a negative outcome.

These simulations are not definitive, but are indicative of the potential outcomes over 20 years for an underlying economic scenario where the portfolio mix is not actively changed.

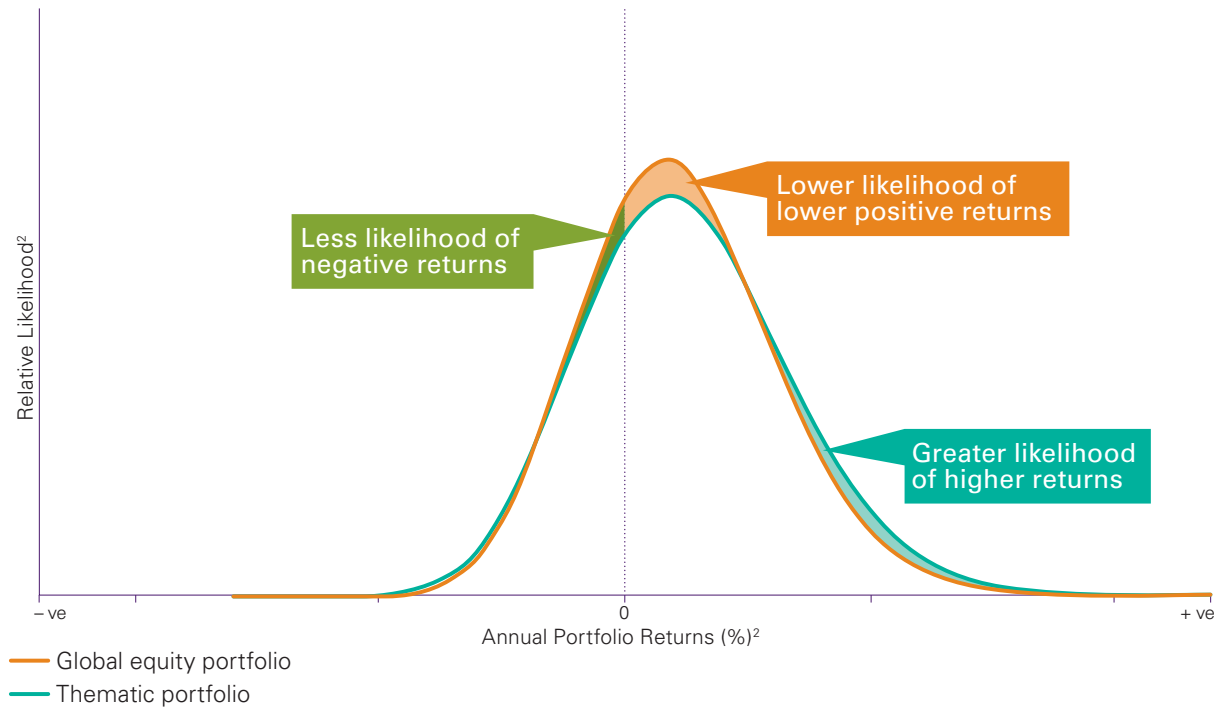
This simulation tool is being developed further to help assess the long term impact of changing the portfolio character or mix. It can be used to simulate the effects of alternative economic scenarios as well.

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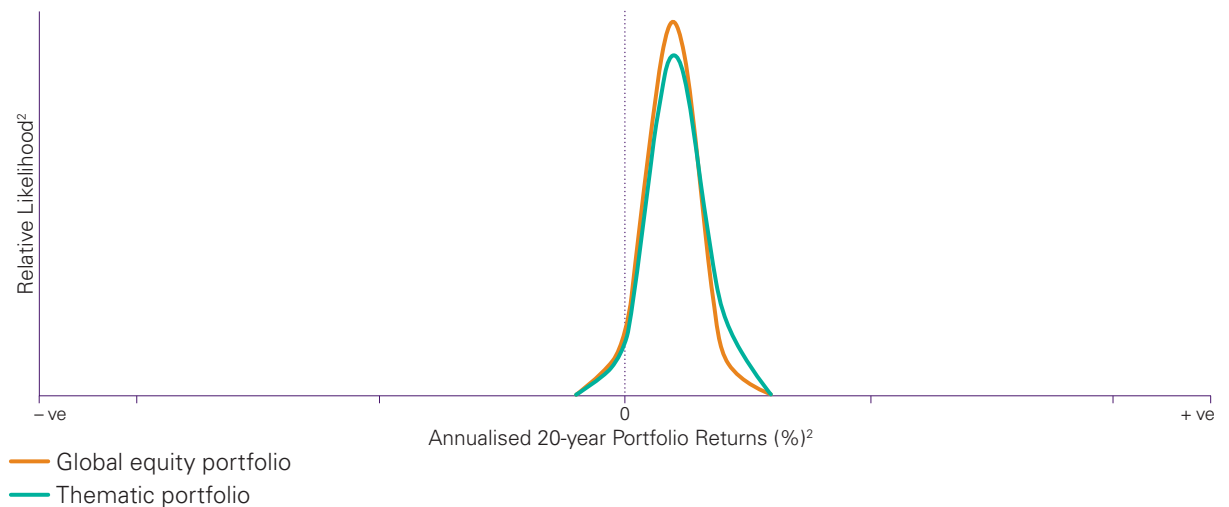
<sup>1</sup> The Temasek thematic portfolio assumes the same country and sector mix in broad terms as Temasek portfolio as at 31 March 2012.

<sup>2</sup> Horizontal axis: same scale; vertical axis: different scale.

### Illustrative Likelihood of Annual Returns over 20 Years



### Illustrative Likelihood of Geometric Returns or Annualised Compounded 20-year Returns



# Wealth Added Framework

## We aim to deliver sustainable returns above our internal risk-adjusted hurdle.

This drives our investment strategy, capital allocation, performance management and incentive framework.

Wealth Added (WA), or excess returns, measures our returns above a risk-adjusted cost of capital hurdle that takes into account the capital we use and the risk premiums associated with our investments.

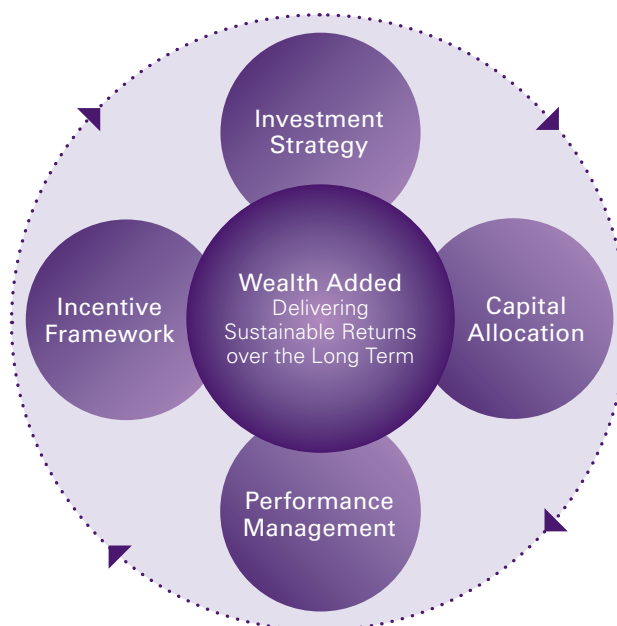
Investments in riskier sectors or geographies will be measured against higher risk-adjusted hurdles.

When we deliver returns above our risk-adjusted hurdle, we have a positive bonus pool to distribute, part of which is deferred to future years. When we deliver returns below our risk-adjusted hurdle, we share a negative bonus pool. This means a clawback of deferred bonuses from prior years.

To compute WA for our shareholder, we use the opening market value of our portfolio at the start of a financial year, as the capital employed. This is adjusted for any net capital movements such as dividends to shareholder or capital received.

We also account for the changes in our recurring operating costs taken in perpetuity.

## Delivering Sustainable Returns over the Long Term





# Investment Highlights

Over the last 10 years, Temasek actively extended its portfolio to the rest of Asia, from one which was predominantly in Singapore.

We invested S\$139 billion and divested S\$87 billion over the same period.

As at 31 March 2012, our exposure to Asia ex-Singapore was 42%, tapping on the dynamic transformation of the region, while Singapore exposure remained a steady one third of our portfolio.

Last financial year, we invested S\$22 billion and divested S\$15 billion, resulting in net new investments of S\$7 billion, compared to around S\$4 billion in each of the previous two years.

Our investments in the major Chinese banks are long term proxies to the broader growing Chinese economy and its expanding middle income population.

In November last year, we increased our H-share<sup>1</sup> stake in China Construction Bank (CCB)<sup>2</sup> to 9.4%. Post March 2012, we invested in Industrial and Commercial Bank of China (ICBC)<sup>3</sup> and rebalanced our stakes in CCB<sup>4</sup> and Bank of China (BOC)<sup>5</sup>.

Other investments in China included S\$190 million in Citic Securities, the largest securities firm in China. In April 2012, we invested in Kunlun Energy, a Hong Kong listed subsidiary of PetroChina involved in the crude oil and natural gas sector in China.

Elsewhere in Asia during the year, we invested S\$180 million in Godrej Consumer Products, a leading consumer company in India, and S\$70 million in exchangeable bonds issued by Hoang Anh Gia Lai Corporation in Vietnam.



## S\$139b

Investments  
since 2002



## S\$87b

Divestments  
since 2002

<sup>1</sup> Hong Kong listed shares are commonly known as H-shares, while shares listed in Shanghai are known as A-shares.

<sup>2</sup> The 9.4% H-share stake in CCB was about 9.1% of its total shares outstanding, including the Shanghai listed A-shares.

<sup>3</sup> Our 6.0% H-share stake in ICBC in May 2012 was about 1.5% of its total shares outstanding, including the Shanghai listed A-shares.

<sup>4</sup> Our 7.4% H-share stake in CCB in May 2012 was about 7.2% of its total shares outstanding, including the Shanghai listed A-shares.

<sup>5</sup> Our 3.7% H-share stake in BOC in May 2012 was about 1.1% of its total shares outstanding, including the Shanghai listed A-shares.

In June 2011, we partnered with Khazanah Nasional Berhad to form a 40:60 joint venture, M+S Pte Ltd, to develop landmark projects in Singapore's Marina South and Ophir-Rochor. Separately, Pulau Indah Ventures Sdn Bhd, a 50:50 joint venture between Temasek and Khazanah, will develop two wellness-related projects in Iskandar Malaysia, Johor.

In Singapore, we invested an additional S\$280 million in Olam, a global supply chain manager and processor of agricultural products and food ingredients, and participated in the rights issue of Tiger Airways.

We made net investments of S\$4 billion in the energy and resources sector last year. This helped to increase our exposure to North America from 5% to 7%.

In the energy sector, we invested in convertible notes of Clean Energy Fuels, the largest alternative transportation fuel provider in North America, in August 2011. This was followed in May 2012 with an investment of almost S\$300 million in Cheniere Energy, the first USA company with approval to export natural gas to the USA's Free Trade Agreement partners such as Singapore and Korea.

We converted over S\$600 million of previously issued subscription receipts of Inmet Mining into common shares in May 2011. Another resources investment was S\$1.3 billion in The Mosaic Company, a leading potash and phosphate producer with assets in the USA and Canada.

Investments in biotechnologies included S\$60 million in Portola Pharmaceuticals, a late-stage drug development company.

During the year ended March 2012, new investments in Latin America included a S\$126 million commitment to Integradora de Servicios Petroleros Oro Negro, an offshore oil and gas services company in Mexico, as well as S\$20 million in Hidrovias do Brasil, a fluvial navigation and port company in Brazil and Uruguay. We added another S\$20 million to our earlier investment in Amyris Biotechnologies. In May 2012, we made a S\$160 million investment in the eighth largest bank in Mexico, Banco del Bajío.

Our partnership with the Oppenheimer family to set up Tana Africa Capital, extended our interest in the consumer and agriculture sectors to Africa.

Last year, key divestments included Avago Technologies, PT Chandra Asri Petrochemical, Hutchison Port Holdings Trust, ICICI Bank, Invida Group and Kaisa Group Holding.

.....  
**S\$4b**

Net investments in  
energy and resources

We issued two Zero Coupon Temasek Exchangeable Bonds. One is a S\$790 million issue due October 2014, exchangeable for ordinary shares of Standard Chartered PLC, and the other a S\$500 million issue due December 2013, exchangeable for ordinary shares of Li & Fung Limited.

Over the last few years, we methodically laid the ground to extend our exposure beyond equities. As at end March 2012, we had a S\$600 million gross notional exposure to put and call options that reflected our longer term interest in their underlying equities. We also added some S\$1.3 billion in funds which focused on credit opportunities. We do not engage in any naked short positions as a matter of policy.

### Investment Outlook

Urbanisation and other middle income needs underpin the long term prospects of Asia and other growth markets, even as the mature economies seek a new balance.

The OECD estimated that China and India will account for more than 50% of global middle income consumption by 2050<sup>1</sup>. The economic drivers for commodities, energy and resources will complement the demand for consumer goods and services, including technology and biotechnology products and services.

However, we see headwinds over the next 12–24 months, principally from the growing European sovereign and Eurozone risks. Geopolitical risks will be heightened by economic stress and austerity measures. Monetary easing in the developed economies continues to add to longer term risks of inflation in Asia and Latin America.

Beyond near term European stress, we see structural challenges in key growth economies like China and India over a five to 10 year horizon. Excessive borrowing in the USA may come home to roost further out, perhaps in the next decade.

Overall, we remain optimistic on the longer term potential of Asia and other growth markets, provided structural imbalances and policy risks are contained. Notwithstanding their near term challenges, Europe and the USA continue to have the depth and breadth of market opportunities in the years ahead.

We retain the full flexibility to either step up our investment pace or remain appropriately liquid, depending on the risks and opportunities ahead.



Middle income needs underpin the long term prospects of Asia and other growth markets.

<sup>1</sup> *The Emerging Middle Class in Developing Countries*, by Homi Kharas, Working Paper No. 285, OECD Development Centre, January 2010.





## Shaping Our Institution

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“Ownership is a mindset;  
investing is a skill set.”

Jeffrey Fang, Associate Director, Corporate Affairs

**Photo:**

Lim Ming Pey, Director, Leadership Development & Compensation, with her daughter, Chua Rei Anne and son, Chua Rei Shin.

# Governance Framework

**Temasek is a commercial investment company governed by the provisions of the Singapore Companies Act.**

We own and manage our assets with full commercial discretion and flexibility under the guidance of our Board, including investment, divestment and business decisions.

Temasek is also one of the three key Singapore companies with additional safeguards enshrined in the Singapore Constitution to separately protect our past reserves.

Under Singapore's Constitution and laws, neither the President of Singapore nor the Government is involved in our investment, divestment or other business decisions, except in relation to the protection of Temasek's past reserves.

Our governance framework emphasises substance over form, and long term over short term. It provides for accountability and a robust balance between empowerment and compliance.

.....  
We declare dividends annually to our shareholder and pay taxes.

We espouse the principles of commercial discipline, built on our set of MERITT values, namely: meritocracy, excellence, respect, integrity, teamwork and trust.

Our commitment to deliver sustainable long term value is supported by an incentive philosophy to align our staff as co-owners over the medium and long term.

## Relating to Our Shareholder

Temasek is a Singapore exempt private company<sup>1</sup> incorporated on 25 June 1974 and wholly owned by the Minister for Finance<sup>2</sup>. Subject to the President's concurrence, our shareholder has the right to appoint, remove or renew Board members.

We provide annual statutory financial statements audited by an international audit firm, as well as periodic updates to our shareholder. While exempted from disclosing any financial information publicly, we have chosen to publish our Group Financial Summary and portfolio performance in our annual *Temasek Review* since 2004.

---

<sup>1</sup> Under the Singapore Companies Act (Chapter 50), an exempt private company has no more than 20 shareholders and no corporate shareholder, and is exempted from filing its audited financials with the public registry.

<sup>2</sup> Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

We declare dividends annually, balancing distributions to our shareholder and retention of returns for reinvestments to generate future returns. As a commercial investment company, we pay taxes to the Singapore Government.

.....

We own and manage our assets with full commercial discretion and flexibility.

**Relating to the President**

The President of Singapore has an independent custodial role to safeguard Singapore’s critical assets and past reserves.

Temasek<sup>3</sup> is designated a Fifth Schedule Company<sup>4</sup> under the Singapore Constitution, with a constitutional responsibility to separately safeguard our past reserves<sup>5</sup>.

Reserves accumulated by Temasek before the term of the current Government form our past reserves. Current reserves are primarily profits accumulated after a newly elected government is sworn into power.

The midnight before the current Singapore Cabinet was sworn in on 21 May 2011 marked the cut-off between Temasek’s past and current reserves.

Our Chairman and CEO certify our Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals as part of our responsibility to protect our past reserves.

In addition to its normal fiduciary duties, our Board is accountable to the President to ensure that every disposal of investment is transacted at fair market value.

We are required by the Singapore Constitution to seek the President’s approval before a draw occurs on Temasek’s past reserves.

**Protecting Past Reserves**

.....



<sup>3</sup> Temasek Holdings (Private) Limited.

<sup>4</sup> Other Fifth Schedule entities include Government of Singapore Investment Corporation Pte Ltd, which manages the reserves of the Singapore Government, and selected statutory boards involved in managing critical assets, such as the Central Provident Fund (CPF) Board and the Monetary Authority of Singapore.

<sup>5</sup> Temasek does not manage the CPF savings, foreign exchange reserves of Singapore, or the reserves of any other Fifth Schedule entity. Each Fifth Schedule entity is managed independently, and is separately accountable to the President through its own board and CEO for the protection of its own past reserves.

The appointment, renewal or removal of our Board members requires the concurrence of the Singapore President, as an additional safeguard for the integrity of our Board in managing Temasek's reserves. The appointment or removal of the CEO by our Board is similarly subject to the concurrence of the President.

### Relating to Our Portfolio Companies

We promote sound corporate governance in our portfolio companies, and support the formation of high calibre, experienced and diverse boards to guide and complement management leadership.

Board directors have a fiduciary duty to safeguard the interests of relevant stakeholders.

To provide effective oversight of management on behalf of all shareholders, we advocate that boards be independent of management. We do not support excessive numbers of executive members on company boards.

Similarly, we advocate that the Chairman and CEO roles be held by separate persons, independent of each other, to ensure an appropriate balance of power and greater capacity of the board for independent decision making.

Companies in our portfolio are managed by their respective management, and guided and supervised by their respective boards. Temasek is not involved in the commercial or operational decisions of its portfolio companies.

We exercise our shareholder rights as needed, including voting at shareholders' meetings, to protect our interests.

### Relating to Our Communities

Our engagement with our communities in Singapore and around the world rests on the twin pillars of sustainability and robust governance.

In 2003, we committed to set aside a share of our excess returns for community contributions for each year that we exceed our risk-adjusted hurdle.

We established Temasek Trust in 2007 with its own Board of Trustees to independently oversee the management and distribution of endowments and gifts from Temasek for specific non-profit philanthropic organisations (NPPOs). These beneficiaries are independently responsible to their boards for the development and delivery of philanthropic programmes in education, research as well as international exchanges. They include Temasek Foundation and Temasek Cares, which support human development causes in Asia and Singapore respectively.

.....  
We comply with all obligations under Singapore laws and regulations, including those arising from international treaties.



These NPPOs serve as an additional group of stakeholders with an interest in the continued success of Temasek.

In addition, we actively engage regulators, multilateral agencies and other market participants to promote sound governance and fair regulations.

We comply with all obligations under Singapore laws and regulations, including those arising from international treaties. We also comply with the rules and regulations of the jurisdictions where we have investments or operations.

We supported the World Health Organization to develop capabilities to respond to potential pandemics, such as SARS, and worked with international relief agencies during natural disasters, such as the Japanese earthquake and tsunami in 2011.

Other multilateral activities included our active participation with the International Monetary Fund and various sovereign investors from around the world to develop best practices under the Santiago Principles for sovereign investments. Temasek exceeds the applicable standards of disclosure and other guidelines under the Santiago Principles.

One example of Temasek's engagement with the regulators as a responsible steward was the 14 year journey to support the methodical transformation of the energy market in Singapore.

In 1995, Singapore decided to embark on the full liberalisation of the power and gas industries, beginning with the corporatisation of Singapore Power from a government statutory board to a commercial company. Temasek acquired and subsequently restructured Singapore Power into its component businesses, including spinning out three independent power generation companies as wholly owned subsidiaries of Temasek. Experienced business leaders were brought in as independent board members, who then shaped these spin-outs into independent and competitive entities. Non-core operations such as street lighting were sold.

In parallel, we engaged in an extensive study of the power generation industry structure, with the objective of ensuring the continued delivery of high quality and competitively priced energy on a sustainable basis when the market is liberalised, marrying policy objectives with practical market solutions. These findings were shared with the regulators.

When a transparent and well defined regulatory framework was in place, Temasek launched the sale of all three power generation companies through transparent international bids in 2007–2008 with the full support of the regulator, unions and management.

.....

We advocate that boards be independent of management.

.....

.....

Temasek exceeds the applicable Santiago Principles.

The tireless and patient search for practical solutions over the years resulted in clarity for all stakeholders, including potential owners and bidders, as well as workers and management, while supporting a sustainable framework for competitive electricity pricing to the consumers and industries.

### **Temasek Board and Committees**

Our Board provides overall guidance and policy directions to our management.

We had nine members on our Board as at 31 March 2012. The majority are non-executive independent private sector business leaders.

Simon Israel and Hsieh Fu Hua retired as Executive Directors & Presidents in July 2011 and February 2012 respectively, while Cheng Wai Keung joined the Board and Audit Committee in September 2011. Our Deputy Chairman, Kwa Chong Seng retired from the Board upon the expiry of his term of office on 31 May 2012. Lim Boon Heng joined the Board on 1 June 2012.

The Board is scheduled to meet for two-day meetings each quarter, and may meet more often when necessary. Five Board meetings were held during the year ended 31 March 2012.

The Board has reserved the following matters for its decision:

- overall long term strategic objectives
- annual budget
- annual audited statutory accounts
- major investment and divestment proposal
- major funding proposal
- CEO appointment and succession planning
- Board changes

To assist the Board in its responsibilities, specific authority has been delegated to various Board committees:

- Executive Committee
- Audit Committee
- Leadership Development & Compensation Committee

Each committee is chaired by a non-executive Director who is independent of management.

### Executive Committee (ExCo)

During the year, the ExCo met four times. It is chaired by S Dhanabalan. The other members of the ExCo were Kwa Chong Seng<sup>1</sup>, Teo Ming Kian and Ho Ching as at 31 March 2012.

The ExCo has been delegated the authority to approve new investment and divestment decisions up to a defined threshold, beyond which, transactions will be considered by the Board. ExCo minutes are circulated to the Board.

### Audit Committee (AC)

The Chairman of the AC is Kua Hong Pak. Its members are Goh Yew Lin, Michael Lien and Cheng Wai Keung<sup>2</sup>, all of whom are independent Directors.

The role of the AC is to support the Board in its oversight responsibilities by reviewing, among other things, the system of internal controls, the financial reporting process, the audit process and the company's process for monitoring compliance with laws and regulations including its own code of conduct.

The AC is supported by Internal Audit (IA). To ensure its independence, IA reports functionally to the AC and administratively to the office of the CEO. IA has full and unrestricted access to all records, properties and personnel to effectively perform its functions.

The AC meets once every quarter. During the year, the AC reviewed the following:

- annual audited statutory accounts
- compliance with regulatory and accounting standards
- internal controls system and risk management framework
- independence and performance of the external auditors

### Leadership Development & Compensation Committee (LDCC)

The LDCC is chaired by S Dhanabalan. Its members were Kwa Chong Seng<sup>1</sup>, Goh Yew Lin, Michael Lien and Ho Ching as at 31 March 2012.

The LDCC is responsible for recommending Board and management leadership plans to the Temasek Board. This includes Board and CEO succession, as well as guidelines and policies on performance measurement and compensation plans.

During the year, the LDCC met five times.



Our Board provides overall guidance and policy directions to our management.

<sup>1</sup> Kwa Chong Seng, who has been on the Board of Temasek Holdings since September 1997, retired from the Board upon the expiry of his term of office on 31 May 2012.

<sup>2</sup> Appointed on 15 September 2011.

The Board has delegated defined levels of authority for management to make investment and divestment decisions.

**Board and Committee Processes and Decisions**

Decisions at Board and Committee meetings are based on a simple majority of the votes, including those via telephone or video conference. In the case of a tied vote, the Chairman has a second or casting vote. Where a Board resolution is obtained via circulation, the resolution becomes effective upon approval by at least two thirds of our Board.

Board members with interests that may conflict with specific Temasek interests are recused from the relevant information flow, deliberations and decisions.

Quarterly Board meetings include Executive Sessions for the non-executive Directors to meet without the presence of management. The annual CEO succession review is part of these deliberations.

**Board Committee Membership as at 31 March 2012**

	<b>Board</b>	<b>ExCo</b>	<b>AC</b>	<b>LDCC</b>
S Dhanabalan	Chairman	Chairman		Chairman
Kwa Chong Seng <sup>1</sup>	Dy Chairman	Dy Chairman		Member
Kua Hong Pak	Member		Chairman	
Cheng Wai Keung	Member		Member	
Goh Yew Lin	Member		Member	Member
Ho Ching	ED & CEO	Member		Member
Michael Lien JL	Member		Member	Member
Teo Ming Kian	Member	Member		
Marcus Wallenberg	Member			

<sup>1</sup> Kwa Chong Seng retired from the Board on 31 May 2012.

## Temasek Management and Committees

In terms of governance, Temasek management ensures that the company complies with the rules and regulations of the jurisdictions where we have investments or operations.

Policies, systems and processes are in place to assist us in such compliance. These are reviewed and updated regularly, in particular for new markets and new asset classes, or to incorporate new technology platforms or capabilities.

The Board has delegated defined levels of authority for management to make its investment and divestment, as well as other operational decisions. Proposals above the defined thresholds are elevated to the ExCo or the full Board for final decision as appropriate.

Our CEO is assisted in our day to day policy implementation and operational decisions by the following committees:

- The Strategy, Portfolio and Risk Committee (SPRC)
- The Senior Divestment and Investment Committee (SDIC)
- The Senior Management Committee (SMC)

The SPRC reviews macroeconomic and global political, technology and social trends that provide the context in which new opportunities and risks in existing and new markets may arise. It reviews the risk tolerance framework to keep it relevant, as well as value creation opportunities.

The SDIC reviews, monitors and manages the overall investment portfolio on an ongoing basis. It has the flexibility of maintaining, increasing, reducing or divesting our holdings in companies or making new investments up to the authority level delegated by our Board.

The SMC reviews and sets overall management and organisational policies. These include internal controls and the implementation of the Company's Valuation Policy approved by the AC, as well as our Derivatives Framework.

The terms of reference for these key management committees are approved by our Board.



Board members with interests that may conflict with Temasek are recused.

# Board of Directors

(as at 31 March 2012)

## S DHANABALAN

Chairman (since September 1996)

- Previously Chairman of DBS Group Holdings Ltd and Singapore Airlines Ltd
- Held several Cabinet positions in the Singapore Government from 1978 to 1994

## KWA Chong Seng<sup>1</sup>

Deputy Chairman (since September 1997)

- Member of the Public Service Commission and Director of Neptune Orient Lines Limited<sup>2</sup>
- Previously Chairman and Managing Director of ExxonMobil Asia Pacific Pte Ltd
- Conferred the Singapore Public Service Star in 2005
- Awarded Honorary Ningbo Citizenship in 1999

## HO Ching

Executive Director & CEO

- Joined Temasek Board in January 2002
- Executive Director since May 2002; CEO since January 2004
- Previously President and CEO of the Singapore Technologies Group
- Honorary Fellow of the Institution of Engineers, Singapore

## KUA Hong Pak

Director (since November 1996)

- Managing Director and Group CEO of ComfortDelGro Corporation Limited; Deputy Chairman of SBS Transit Ltd and VICOM Ltd
- Conferred the Singapore Public Service Star in 1996; re-appointed a Justice of the Peace in 2010
- Conferred Honorary Shenyang Citizenship in 1997

## GOH Yew Lin

Director (since August 2005)

- Managing Director, GK Goh Holdings Limited
- Chairman, SeaTown Holdings Pte Ltd
- Chairman, Yong Siew Toh Conservatory of Music and Singapore Symphonia Company Limited
- Member, Board of Trustees, and Chairman, Investment Committee, National University of Singapore

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<sup>1</sup> Kwa Chong Seng retired from the Board on 31 May 2012.

<sup>2</sup> Chairman of Neptune Orient Lines Limited effective 11 April 2012.

**TEO Ming Kian**

Director (since October 2006)

- Chairman, MediaCorp Pte Ltd
- Previously Permanent Secretary and Executive Chairman in various Government ministries and key agencies
- Conferred the Commander First Class – Royal Order of the Polar Star (Sweden) in 1994 and Singapore Meritorious Service Medal in 2008

**Marcus WALLENBERG**

Director (since July 2008)

- Chairman, Skandinaviska Enskilda Banken, SAAB AB, AB Electrolux and LKAB
- Previously Chairman, International Chamber of Commerce, Deputy Chairman, L M Ericsson, and President and CEO, Investor AB

**Michael LIEN**

Director (since January 2010)

- Deputy Chairman and Executive Director, Wah Hin & Co Pte Ltd<sup>3</sup>
- Member, Board of Trustees and Investment Committee, National University of Singapore
- Founder, Asia Refugee Projects

**CHENG Wai Keung**

Director (since September 2011)

- Chairman and Managing Director, Wing Tai Holdings Limited
- Chairman, Neptune Orient Lines Limited<sup>4</sup>
- Conferred the Distinguished Service Order (DUBC) in 2007; Justice of the Peace since 2000

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**Post 31 March 2012**
**LIM Boon Heng<sup>5</sup>**

Director (since June 2012)

- Deputy Chairman of Singapore Labour Foundation
- Previously Secretary-General of the National Trades Union Congress
- Held several Cabinet positions in the Singapore Government from 1993 to 2011

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<sup>3</sup> Executive Chairman effective 26 April 2012.

<sup>4</sup> Till 11 April 2012.

<sup>5</sup> Appointed on 1 June 2012.

# Senior Management

(as at 31 March 2012)

## ANG Peng Huat

- Managing Director, Investment
- Managing Director, Value Management<sup>1</sup>
- Managing Director, IT & Operations<sup>1</sup>

## Belinda CHAN

- Managing Director, Tax

## CHAN Wai Ching

- Senior Managing Director, Leadership Development & Compensation

## Willie CHAN

- Managing Director, Special Projects

## CHEO Hock Kuan

- Head, Organisation & Leadership
- Co-Head, China

## CHEONG Kok Tim

- Managing Director, Legal & Regulations
- Managing Director, Portfolio Management<sup>1</sup>

## Lena CHIA

- Managing Director, Legal & Regulations

## CHIA Song Hwee

- Head, Strategy
- Head, Credit Portfolio<sup>1</sup>
- Co-Head, Singapore
- Co-Head, China<sup>2</sup>
- Co-Head, Portfolio Management

## CHIAM Fong Sin

- Managing Director, China

## Robert CHONG

- Managing Director, Human Resources

## CHUA Eu Jin

- Managing Director, Legal & Regulations
- Managing Director, Americas<sup>1</sup>

## Jeffrey CHUA

- Managing Director, Investment

## John CRYAN

- President, Europe
- Head, Africa<sup>1</sup>
- Head, Portfolio Strategy<sup>1</sup>

## Gregory CURL

- President
- Head, Latin America<sup>3</sup>

## DING Wei

- Head, China

## Stephen FORSHAW

- Managing Director, Corporate Affairs

## Grace GOH

- Managing Director, Finance

## GOH Yong Siang

- Head, Strategic Relations
- Head, Australia & New Zealand
- Head, Indochina<sup>4</sup>
- Co-Head, Organisation & Leadership

## Lorenzo GONZALEZ BOSCO

- Managing Director, Mexico

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<sup>1</sup> Effective 1 April 2012.

<sup>2</sup> Effective 1 June 2012.

<sup>3</sup> Till 31 March 2012; Head, Americas effective 1 April 2012.

<sup>4</sup> Till 31 March 2012; Co-Head, South East Asia effective 1 April 2012.



**Clare GU**

- Managing Director, China
- Chief Representative, Beijing

**Nagi HAMIYEH**

- Senior Managing Director, Investment
- Head, Africa & Middle East<sup>5</sup>

**David HENG**

- Senior Managing Director, Investment
- Co-Head, South East Asia<sup>1</sup>

**HO Ching**

- Executive Director & CEO

**KOO Tsai Kee**

- Managing Director, Strategic Relations<sup>6</sup>
- Managing Director, Africa & Middle East<sup>7</sup>
- Managing Director, Australia & New Zealand<sup>8</sup>

**Gregory LANHAM**

- Managing Director, Investment
- Managing Director, Australia & New Zealand

**Derek LAU**

- Managing Director, Investment
- Managing Director & Chief Representative, Vietnam

**LAU Teck Sien**

- Managing Director, China

**LEONG Wai Leng**

- Chief Financial Officer

**Klaus LUCKE**

- Managing Director, Risk Management

**ONG Beng Teck**

- Managing Director, Portfolio Management

**PAK Hoe Soon**

- Managing Director, Private Equity Funds Investment<sup>9</sup>

**PNG Chin Yee**

- Managing Director, Investment

**Dilhan Pillay SANDRASEGARA**

- Head, Portfolio Management
- Head, Singapore
- Head, Private Equity Funds Investment<sup>1</sup>
- Co-Head, Europe<sup>1</sup>

**Rohit SIPAHIMALANI**

- Senior Managing Director, Investment<sup>7</sup>
- Co-Chief Investment Officer<sup>1</sup>
- Head, India
- Co-Head, Middle East<sup>1</sup>

**Rohit SOBTI**

- Managing Director, Strategy

**TAN Chong Lee**

- Chief Investment Officer
- Co-Head, Americas<sup>1</sup>

**TAN Suan Swee**

- Managing Director, Investment

<sup>5</sup> Till 31 March 2012; Head, Middle East and Co-Head, Africa effective 1 April 2012.

<sup>6</sup> Till 31 May 2012; Managing Director, Special Projects (China) effective 1 June 2012.

<sup>7</sup> Till 31 March 2012.

<sup>8</sup> Till 31 May 2012.

<sup>9</sup> Till 30 April 2012; Managing Director, Special Projects effective 1 May 2012.

## Senior Management continued

### TAY Sulian

- Managing Director, Investment

### Juliet TEO

- Managing Director, Investment

### Alan THOMPSON

- Managing Director, Portfolio Management<sup>1</sup>

### Gwendel TUNG

- Managing Director, Investment

### Matheus VILLARES

- Managing Director, Brazil

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## Post 31 March 2012

### Kevin CHANG<sup>2</sup>

- Managing Director, Portfolio Strategy

### PEK Siok Lan<sup>4</sup>

- Managing Director, Investment

### Promeet GHOSH<sup>3</sup>

- Managing Director, India

### Boon SIM<sup>5</sup>

- President, North America
- Co-Head, Americas
- Co-Head, Europe
- Co-Head, Credit Portfolio

### Ravi LAMBAH<sup>4</sup>

- Managing Director, Investment

### LEE Theng Kiat<sup>4</sup>

- President & General Counsel
- Head, South East Asia
- Co-Head, India

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<sup>1</sup> Till 31 March 2012; Managing Director, Private Equity Funds Investment effective 1 April 2012.

<sup>2</sup> Effective 4 July 2012.

<sup>3</sup> Effective 8 June 2012.

<sup>4</sup> Effective 1 April 2012.

<sup>5</sup> Effective 1 June 2012.

# Risk Framework

## Risk taking is part and parcel of our business as an investor.

Our Board determines the objectives and overall direction of our risk management framework and functions.

Our culture of balanced risk taking is reinforced through a risk-sharing compensation philosophy which puts the institution above the individual, emphasises long term over short term, and fosters the spirit of co-ownership by aligning employee and shareholder interests.

Risks are factored into day to day decision making under the supervision of our senior management team.

We enhanced our capabilities and processes to increase our responsiveness in addressing continued uncertainties in global markets. We also fine tuned our risk-based control framework for derivatives and structured products.

### Risk Management

Strategic, financial and operational risks, faced by the company as a whole, are managed at the company level.

Risks for investments include those risks arising from valuation & price, country, politics, reputation, laws & regulations, tax, funding and key management.

Each risk category has a designated risk owner, responsible for managing these risks at the specific investment or company level.

Our approval authority delegation, company policies and standard operating procedures drive end to end process controls. These established practices, including risk reporting requirements to the Board, have been tested and strengthened since the Global Financial Crisis.

Our culture of balanced risk taking is reinforced through a risk-sharing compensation philosophy.

### Risk Categories

Strategic risks	Financial risks	Operational risks
<ul style="list-style-type: none"> <li>• Aggregate risk profile</li> <li>• Funding &amp; liquidity</li> <li>• Political</li> <li>• Structural foreign exchange</li> <li>• Industry</li> </ul>	<ul style="list-style-type: none"> <li>• Investment</li> <li>• Market</li> <li>• Credit</li> </ul>	<ul style="list-style-type: none"> <li>• People</li> <li>• Process</li> <li>• Systems</li> <li>• Legal &amp; regulatory</li> <li>• Reputation</li> <li>• Business disruption</li> </ul>

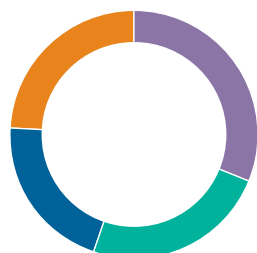
Concentration Profile of S\$198b Portfolio  
(as at 31 March)

Geography<sup>1</sup> (%)



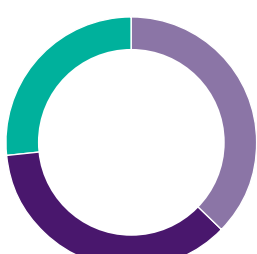
	2012	2011
● Mature economies <sup>2</sup>	<b>58</b>	55
● Growth regions <sup>3</sup>	<b>42</b>	45

Sector<sup>1</sup> (%)



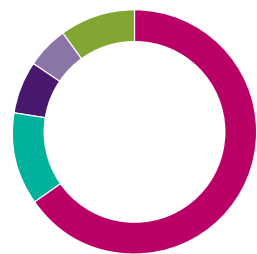
	2012	2011
● Financial Services	<b>31</b>	36
● Telecommunications, Media & Technology	<b>24</b>	22
● Transportation & Industrials	<b>21</b>	23
● Rest of portfolio	<b>24</b>	19

Liquidity (%)



	2012	2011
● Listed large blocs (≥20% share)	<b>37</b>	39
● Liquid & sub-20% listed assets	<b>36</b>	39
● Unlisted assets	<b>27</b>	22

Currency<sup>4</sup> (%)



	2012	2011
● Singapore dollars	<b>65</b>	65
● Hong Kong dollars	<b>12</b>	15
● US dollars	<b>7</b>	4
● British pounds sterling	<b>6</b>	6
● Other currencies	<b>10</b>	10

<sup>1</sup> Distribution based on underlying assets.

<sup>2</sup> Singapore, Japan & Korea, Australia & New Zealand, North America & Europe.

<sup>3</sup> Asia (excluding Singapore, Japan & Korea), Latin America, Africa, Central Asia & the Middle East.

<sup>4</sup> Distribution based on currency of denomination.

### Value-at-Risk Estimates

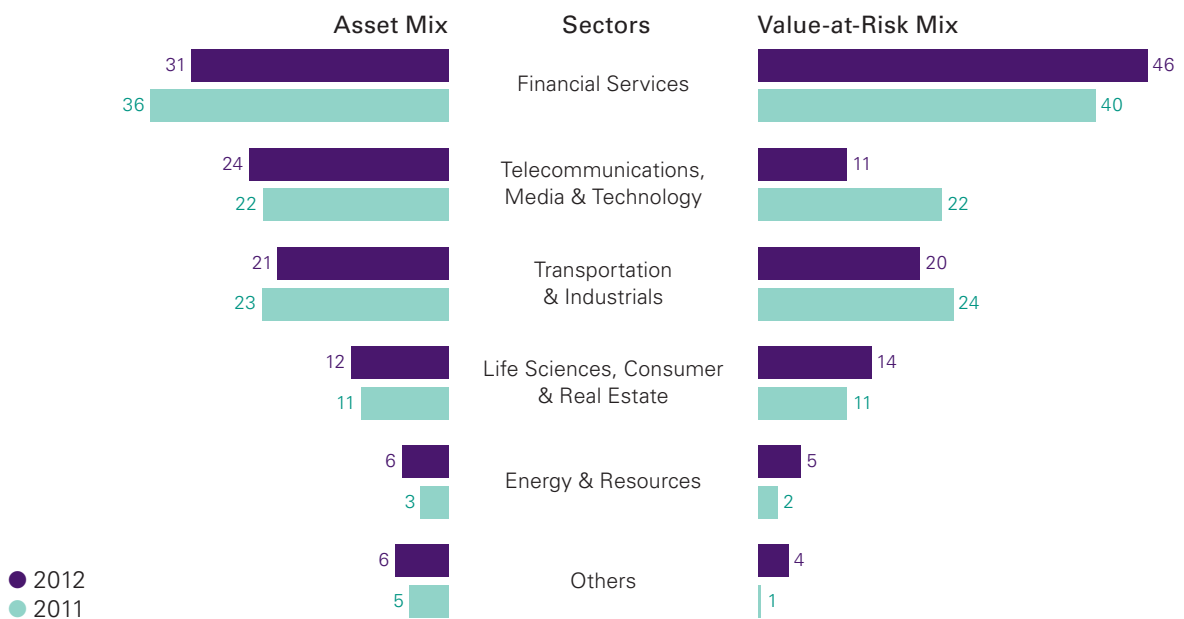
Our annual Value-at-Risk<sup>5</sup> (VaR) is a relative estimate of how our portfolio value may change over the following 12-month period, assuming no changes to our portfolio composition or market conditions.

Our annual VaR is estimated at S\$24 billion<sup>6</sup>, or about 12% of our portfolio value as at 31 March 2012. This is broadly comparable to the previous year<sup>7</sup>.

Our top 10 holdings represented 57% of our portfolio value and 60% of our VaR. SingTel, our single largest holding, was 14% of our portfolio and 17% of our VaR<sup>8</sup>.

### Asset Mix and Value-at-Risk by Sector (% share)

(as at 31 March)



<sup>5</sup> Weekly price movements from the most recent three years are used to compute our annual VaR over the following 12 months, with a confidence level of 84%. VaRs may vary when different assumptions and parameters are used, and are hence not generally comparable between institutions. They are useful within an institution as a relative measure between different periods, assuming the same model is used, rather than as an absolute value.

<sup>6</sup> A VaR of S\$24 billion signals a one-in-six chance of our portfolio value falling by S\$24 billion or more within the 12 months ending 31 March 2013. Conversely, this also means a five-in-six chance of a gain in value or an outcome better than a S\$24 billion decline.

<sup>7</sup> As at 31 March 2011, our annual VaR was S\$22 billion and represented 12% of our portfolio value.

<sup>8</sup> As at 31 March 2011, our top 10 holdings represented 60% of our portfolio and 68% of our VaR. SingTel was 14% of our portfolio and 16% of our VaR.

### Monte Carlo Simulations of Portfolio Returns

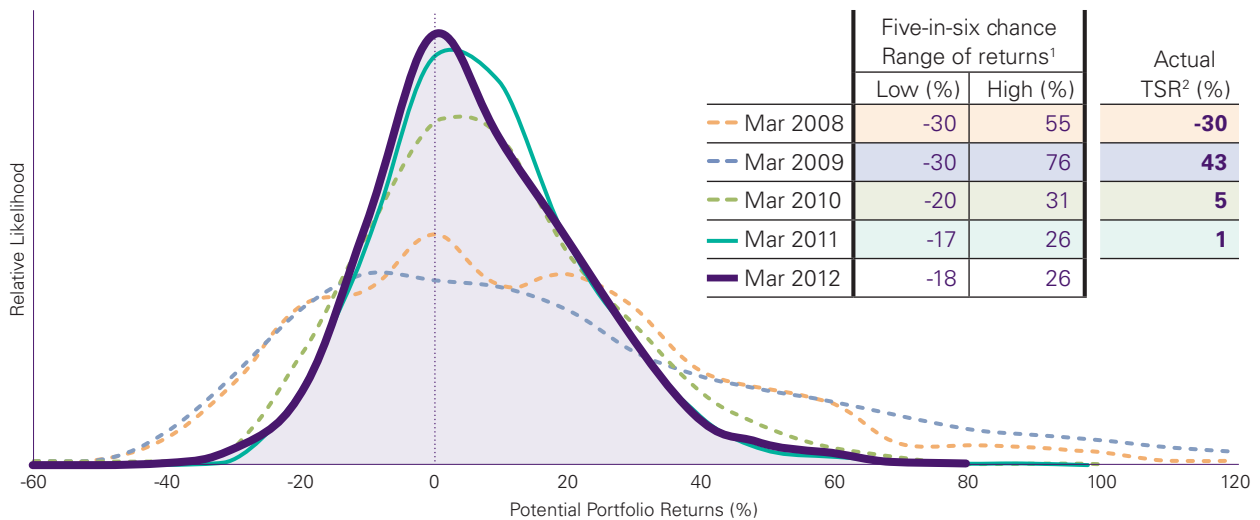
We use Monte Carlo simulations to generate the likelihood of future returns, assuming market conditions and the portfolio mix do not change drastically during the period.

The chart below shows the likelihood of returns 12 months after the close of the financial year, for each of the five years ended 31 March 2008 to 31 March 2012. Their peaks represent the most likely portfolio returns at the end of the following financial years.

The simulation of our 31 March 2012 portfolio mix estimates a five-in-six chance of returning between -18% and +26% by 31 March 2013. This is broadly similar to last year's estimates, albeit with a slightly increased likelihood of lower or negative returns.

### Simulation of 12-month Forward Portfolio Returns

(as at 31 March)



<sup>1</sup> Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.

<sup>2</sup> Actual TSR achieved one year later.

## Legal & Regulations

The Legal & Regulations unit is organised around the core functions of transactional and advisory support, and regulatory and internal compliance.

Acceptable legal risk parameters are defined and institutionalised by the legal risk management framework and supported by policies, processes and systems to provide effective and consistent management of legal risks. For example, our policy permits only personnel authorised by Board resolution to enter into derivatives transactions within defined scopes and limits on behalf of the designated entities.

Regulatory compliance is effected through robust securities tracking systems including automated systems for Singapore and Hong Kong. Regulatory requirements are continually reviewed and updated to track changes in law and regulations.

The Temasek Code of Ethics and Conduct (T-Code) provides the framework to guide our Board Directors and staff in their daily dealings. Our T-Code encapsulates our MERITT values, with integrity as one of its overarching principles. Relevant policies covering areas such as insider trading, receipt and offer of gifts and entertainment and whistle-blowing, form an integral part of the T-Code.

## Internal Audit

The Internal Audit (IA) unit reports to the Board Audit Committee (AC).

IA conducts periodic reviews of our key control processes for all offices and undertakes special reviews requested by our Board, AC or senior management. The main objective is to ensure internal controls are well designed and effective across geographies and operations, and that control awareness and compliance are high among our staff.

IA is consulted on internal control matters prior to the implementation of major new systems or operating process changes, so that control recommendations are factored into the development of new systems or design of new processes.

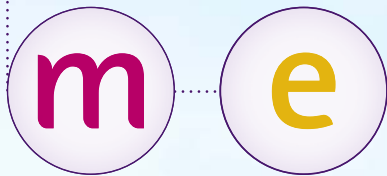
Our policy permits only personnel authorised by Board resolution to enter into derivatives transactions within defined scopes and limits.

# MERITT Values

Our MERITT values are the foundation of our character and culture as an institution. We strive to achieve excellence as individuals and as one Temasek team.

## Meritocracy

We are fair and objective in recognising contributions and performance

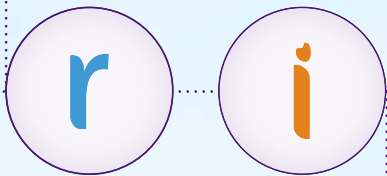


## Excellence

We are passionately committed to learning, improving and delivering outstanding results

## Respect

We treat others as we would like others to treat us

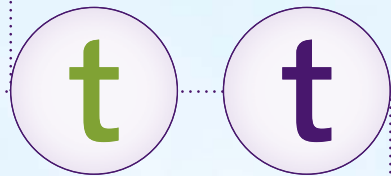


## Integrity

We are honest to ourselves, our profession, our institution, and our stakeholders

## Teamwork

We value each other and work together to benefit from our complementary strengths



## Trust

We foster a culture of mutual support and confidence





# Compensation Framework

**We foster an ownership culture which puts the institution above the individual, emphasises long term over short term and aligns employee and shareholder interest.**

Our compensation framework serves to forge an ownership mindset and a partnership culture. It includes base salaries and performance incentives that are subject to the risks and sustainability of returns over market cycles.

Performance incentives are mostly deferred between three and 12 years. Clawback provisions have been an integral part of our compensation philosophy. These have been tested during the Global Financial Crisis.

From time to time during periods of economic stress, our staff accepted pay cuts<sup>1</sup> to demonstrate our commitment to company-wide cost reduction and to signal solidarity with the broader community. Senior management took the steepest cuts of up to 25% of their monthly salaries, while junior staff took cuts of less than 5%.

## Annual Target Incentives

Annual target incentives are determined by individual, team or Temasek-wide achievements and medium term Total Shareholder Return (TSR). These are capped within budgeted limits.

## Risk-Reward Sharing Incentives

Our incentives for sharing risks and rewards are driven by our returns above an aggregate risk-adjusted returns hurdle. Also known as Wealth Added (WA) or excess returns, this determines the size of our staff incentive pool. Should our returns fall below the hurdle, the resultant negative incentive pool will trigger a clawback against deferred bonuses from prior years.

## WA Bonus Bank

Positive or negative, a portion of our WA incentive pool is allocated to the notional WA bonus bank account of each employee, based on their individual performance and relative contributions over a period.

If the WA bonus bank balance is positive, senior managers receive payouts of a third or less of their WA bonus bank balances, while junior staff receive up to two thirds as their WA bonus payouts. The deferred portion retained in the WA bonus bank is subject to clawback in the event of negative WA in future.

Clawback provisions have been an integral part of our compensation philosophy.

<sup>1</sup> Examples from the mid-1990s onwards include the Asian Financial Crisis in 1998-1999, Dot-com bubble burst (2000-2001), SARS (2003-2004) and the Global Financial Crisis (2009-2010).

### Co-investment Unit Grants

Subject to positive WA or other conditions, our staff may be awarded co-investment units which may vest according to performance or time-based conditions. These units grow or decline in value with Temasek's TSRs over the years, reinforcing the ownership culture in our team.

Time-based co-investment units may include conditions such as the compounded returns over rolling three-year periods before awards are granted with vesting periods of up to 10 years. Performance-based co-investment units (T-Scope) are granted only when we deliver positive WA. These awards must meet stringent portfolio performance conditions over a minimum period of three years before vesting begins. Co-investment units lapse no later than 12 years.

### Risk-Reward Alignment in Practice

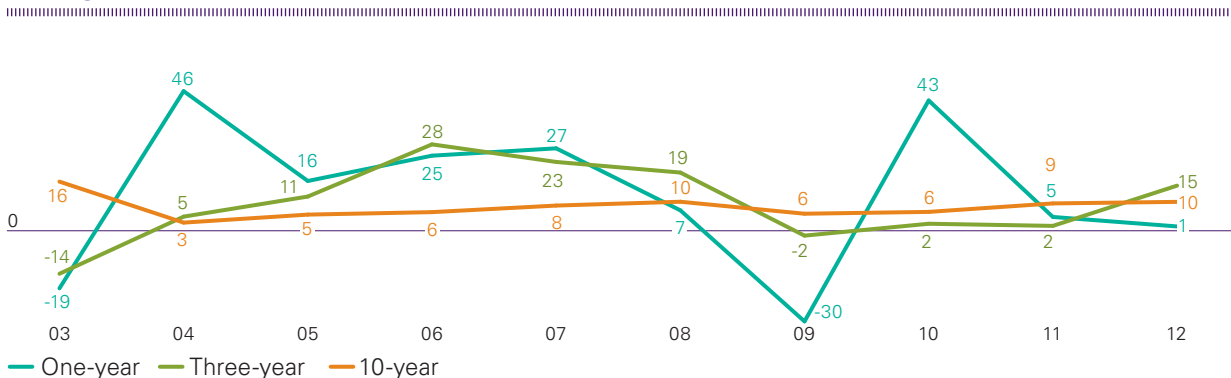
For the year ended 31 March 2010, two years ago, our portfolio rebounded with a strong positive WA of S\$41.8 billion. We first made good the excess negative bonus pool carried forward from the year before when our WA had been negative. The balance was then allocated for staff incentives, including WA bonuses and T-Scope awards.

For the year ended 31 March 2011, a year later, we were S\$8.8 billion below our internal hurdle. Clawbacks were implemented and no T-Scope units were awarded.

For the last financial year ended 31 March 2012, our WA was S\$12.6 billion below our risk-adjusted hurdle. This means further clawbacks, and no new T-Scope awards.

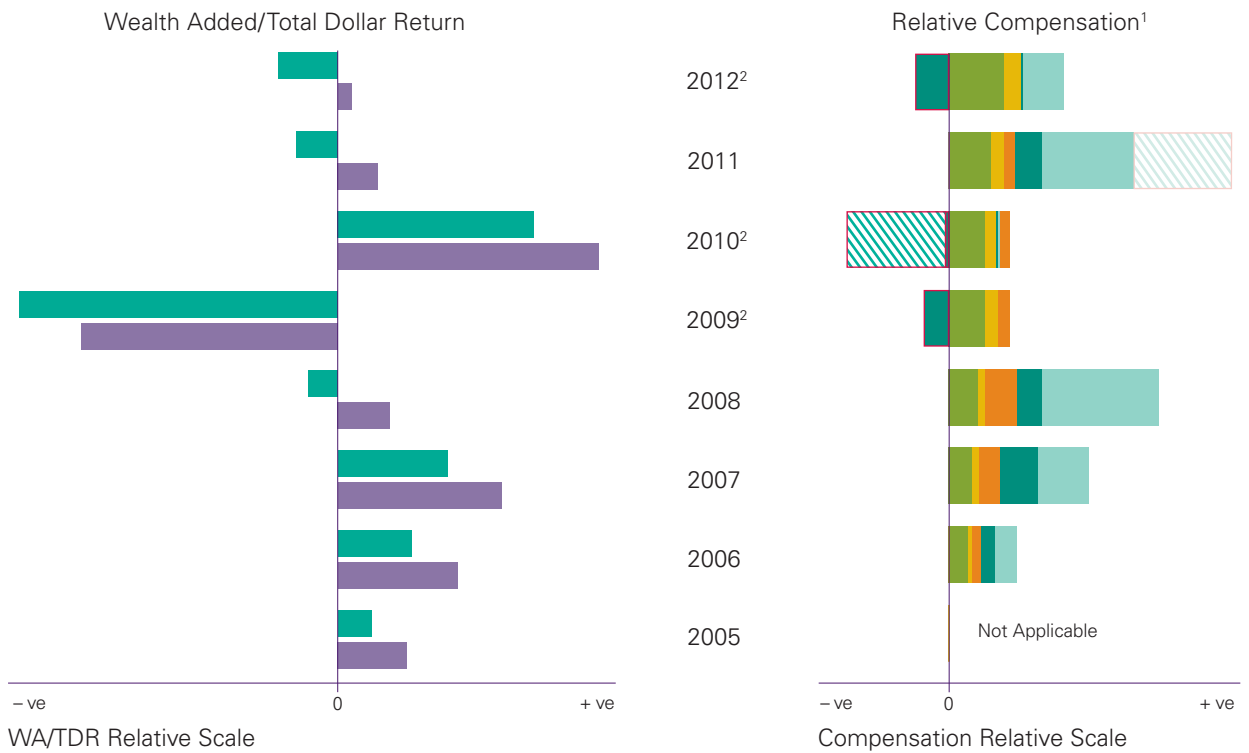
This framework for sharing gains and the associated risks and pains through market cycles has been tested during the Global Financial Crisis and its aftermath. It reaffirms the principle of co-ownership.

**Rolling S\$ Total Shareholder Return (%)** (as at 31 March)



## Compensation of Key Team

(for the year ended 31 March)



- Wealth Added (WA) in relative dollars
- Total Dollar Return (TDR) to shareholder in relative dollars
- Salaries & Benefits for the year
- Annual cash bonuses for prior year
- Paid-out portion of WA Bonus earned for prior year
- Deferred portion of WA Bonus earned for prior year, with future clawback risks
- Co-investment units at S\$1 nominal value each, subject to vesting and other conditions up to 12 years, e.g.:
  - a. T-Scope units which lapse if performance conditions are not met;
  - b. Restricted units vesting over specified time horizons
- Negative WA Bonus clawback against deferred WA bonuses from prior years
- Balance of excess negative WA Bonus carried forward for future clawback
- Part of earned incentive used to offset the excess negative WA Bonus carried forward from prior year

<sup>1</sup> Relative compensation of key management team which includes CEO, Presidents, Senior Managing Directors, Managing Directors, management Directors, as well as Executive Directors.

<sup>2</sup> No T-Scope units were awarded due to negative WA of the previous year.

# The Temasek Heartbeat

## The heartbeat of Temasek is our greatest asset.

Our 400 staff come from 22 countries. We bring together diverse experiences, knowledge and perspective to build an institution of character and distinction.

### One Team

Our core values of meritocracy, respect and integrity are intertwined with our commitment to excellence, teamwork and trust. These MERITT values guide our actions and behaviour as individuals and as an institution.

We strive to collaborate and function as a team across geographies and sectors, multiplying our strengths through partnerships and fostering unity in diversity as our Temasek Spirit.

### One Family

As members of the Temasek family, we carry the Temasek DNA of duty and care for ourselves and our families, for our institution and our communities.

We encourage our staff to stay healthy through wellness and fitness programmes. These range from *Healthy Weight* initiatives to interest groups for yoga, horse riding and ukulele.

Our paternity leave of up to 20 days complements our maternity leave and childcare benefits to recognise the role of both parents in nurturing their next generation. *Kids@Work* welcomes children to our workplace, while *Movie Nights* organised by our Recreation Club remain popular for family time together.

We partner with universities and schools to provide internships and dialogue sessions for students to get to know Temasek. We continue to add to our suite of mentoring and leadership development programmes to support the needs of staff at all levels.

Staff development programmes, which include short term assignments and secondments to our various offices and different functional areas, help to bridge geographical boundaries and deepen skill sets.

.....  
We bring together diverse experiences, knowledge and perspective to build an institution of character and distinction.

## Our Community

The heartbeat of Temasek extends to our community.

*T-Touch*, our staff volunteer initiative, supports our staff to make a difference through their choice and passion, ranging from music and children, to leprosy patients and the elderly.

One recurring theme is to help rebuild lives in different ways, including the *Yellow Ribbon Project Singapore* to support the rehabilitation and reintegration of ex-offenders into society.

Last year, *T-Touch* partnered Industrial & Services Co-operative Society Ltd for our Community Day 2011, to organise a fun-filled family day for some 200 ex-offenders and their families.

We continue to sponsor the *Culinary Skills Programme*, providing another 45 inmates with skills for the food and beverage industry.

Three staff volunteers went to Mozambique for five days, reaching out to an average of 60 children a day, distributing supplies including rice and soap to the villages. Photographs of their outreach programme were subsequently auctioned, raising funds to further help these children and their families.

Other staff initiatives included the building of 155 houses over the last three years for the underprivileged in Mexico under the *A Roof For My Country* programme; and improving the sanitation facilities for 245 residents in the *Centre for Tendering the Old and Disabled* in Hanoi.

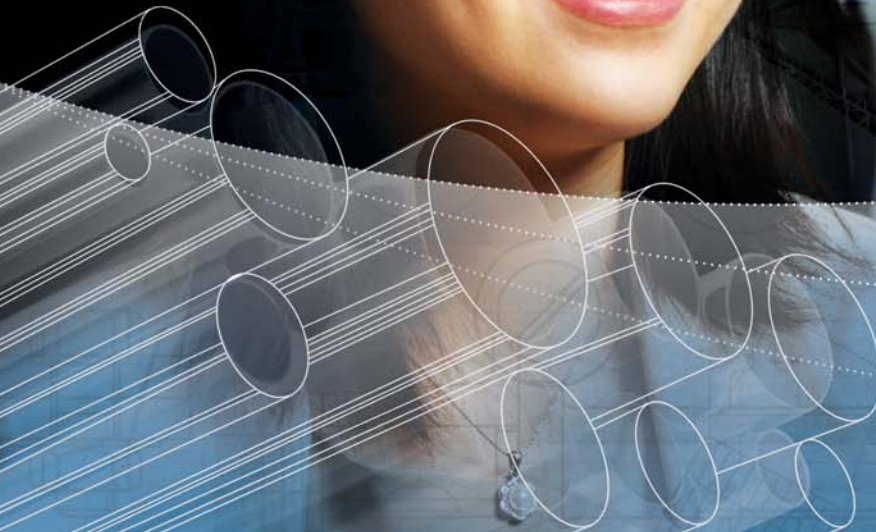


We carry the Temasek DNA of duty and care for ourselves and our families, for our institution and our communities.



12  
**Mg**  
Magnesium  
24.3050

29  
**Cu**  
Copper  
63.55





## Broadening Our Perspectives

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“Take the chance and start looking at an issue from different angles. You will be amazed at what you can accomplish.”

Tai Le, Associate Director, Vietnam

**Photo** (left to right):

Adelyne Koh, Personal Assistant, Executive Office;  
Alice Yang, Associate, Investment;  
Bhupesh Kumar, Associate Director,  
Portfolio Management.

# Engaging Friends

**We kept up with our friends from across the world, exchanging views and sharing experiences on a wide range of issues.**

During the year, we hosted over 80 delegations from 30 countries including Australia, Bhutan, Brazil, China, France, India, Indonesia, Japan, the United Kingdom and the USA.

We continued our active dialogues with multilateral institutions such as the International Monetary Fund, the International Forum of Sovereign Wealth Funds, the World Bank Group and the European Commission.

In Asia, we shared experiences extensively on issues of governance and risks with China's State-Owned Assets Supervision and Administration Commission (SASAC), Vietnam's State Capital Investment Corporation, and the Korea Investment Corporation.

Global leaders on our Temasek International Panel (TIP) and other special guests gathered in Singapore in September 2011 for a series of forums, including the Singapore Global Dialogue, the Sentosa Roundtable, and our own TIP Meeting. Discussions focused on global security issues and opportunities and implications as the world economy recovers amidst uncertainty and a volatile future.

Over **80**  
delegations from  
30 countries

In its eighth year, the TIP Meeting also heard the views of distinguished guests, who included The Rt Hon Gordon Brown, former Prime Minister of the United Kingdom, Dr Jan Peter Balkenende, former Prime Minister of the Netherlands, and Li Jiange, Chairman, China International Capital Corporation.

Over **60**  
learning events

## **Sharing Experiences**

Since 2005, over 2,800 participants from China SASAC and other state owned enterprises attended directorship forums on corporate governance practices. This included about 80 delegates from SASAC Central China who came last year for directorship forums in Singapore. They also interacted with representatives from the Singapore Ministry of Finance and some of Temasek's portfolio companies.



Separately, the 7<sup>th</sup> annual Asia Banking CEO Roundtable was co-hosted by Bank Central Asia and Bank Danamon in Bali, Indonesia in November 2011. Twenty Chairmen and CEOs of leading banks in Asia discussed the theme of “*Inflation: The Challenge; Financial Inclusion: The Opportunity*”. They enjoyed the privilege of hosting Dr Boediono, Vice President of Indonesia, and Dr Halim Alamsyah, Deputy Governor of Bank Indonesia, as their Guests of Honour to deliver the closing and keynote addresses<sup>1</sup> respectively.

### Learning Together

Over 60 learning events and 12 business forums were organised last year.

Senior management of our portfolio companies, partners and friends took part in business forums to share views on issues ranging from macroeconomics and trends to enterprise risks and board effectiveness.

Our three flagship programmes<sup>2</sup> in leadership development saw a total of some 100 participants from our portfolio companies as well as partner organisations from China, Kazakhstan, Malaysia and Vietnam.

Part of the *LEADERS!* programme last year was held in Chengdu, China for the first time, with opportunities to hear from the Sichuan business community and the Sichuan Provincial Investment Promotion Bureau.

### Connecting with Temasek Alumni

Temasek continues to stay connected with more than 400 former colleagues through events organised by the Temasek Alumni Network.

One of the key events this year was the annual dinner gathering in March 2012, which brought together close to 100 alumni.

The alumni added a special touch to the gathering by raising S\$30,000 for Rainbow Centre, a non-profit organisation for children with special needs, as part of the Alumni Network’s fifth year anniversary celebrations.

Over **2,800**  
participants from  
China SASAC and  
other state owned  
enterprises attended  
directorship forums

<sup>1</sup> Dr Boediono covered “Weathering Global Crisis, Indonesia’s Perspective”, while Dr Halim Alamsyah covered the “Challenges of Inflation and the Opportunity of Financial Inclusion”.

<sup>2</sup> *Young LEADERS!*, *LEADERS!*, and *Global LEADERS!*.

# Temasek International Panel

Our Temasek International Panel members were generous in sharing their deep insights and wealth of experience. They helped to shape our strategies in a rapidly changing and increasingly interconnected global environment. We benefited tremendously from the counsel of our emeritus members as well.

## Members

### David BONDERMAN

Founding Partner  
TPG Capital

### Dr Jacob A. FRENKEL

Chairman  
JP Morgan Chase International

### Hon John HOWARD OM AC

Former Prime Minister  
Australia

### Dr DeAnne JULIUS

Chairman  
Chatham House

### Minoru MAKIHARA

Senior Corporate Advisor  
Mitsubishi Corporation

### Dr Pedro Sampaio MALAN<sup>1</sup>

Chairman  
International Advisory Board,  
Itaú Unibanco Holdings S.A.

### Charles PRINCE

Retired Chairman & CEO  
Citigroup

### Lee R. RAYMOND

Retired Chairman and CEO  
Exxon Mobil Corporation

### Ratan N. TATA

Chairman  
Tata Sons

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## Emeritus Members

### Dr HAN Seung-soo

Former Prime Minister  
Republic of Korea

### William J. MCDONOUGH<sup>2</sup>

Chairman  
Investments Committee,  
United Nations Joint Staff Pension Fund

### Lucio A. NOTO

Managing Partner  
Midstream Partners, LLC

### Sir Richard SYKES, FRS

Chairman  
The Royal Institution of Great Britain

### Professor XU Kuangdi<sup>3</sup>

Former Vice Chairman  
The National Committee of the Chinese  
People's Political Consultative Conference

### Masamoto YASHIRO<sup>4</sup>

Former Chairman, President and CEO  
Shinsei Bank

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<sup>1</sup> Joined on 30 May 2012.

<sup>2</sup> Retired effective 13 April 2012.

<sup>3</sup> Retired effective 8 May 2012.

<sup>4</sup> Retired effective 23 August 2011.

# Temasek Advisory Panel

The distinguished business leaders on our Temasek Advisory Panel contributed their time and energy providing us with their wise counsel. Some of them also serve in their personal capacities on the boards of our portfolio companies, bringing with them their rich experience as chairmen, board members and CEOs of reputable Asian companies and public institutions.

**FOCK Siew Wah**

Group Chairman  
PSA International

**Peter SEAH**

Chairman  
DBS Group Holdings

**Dr LEE Boon Yang**

Chairman  
Keppel Corporation Limited

**Ernest WONG**

Chairman  
Fullerton Financial Holdings Pte. Ltd.

**Stephen LEE**

Chairman  
Singapore Airlines

**XIE Qihua**

Chairman  
Metallurgical Council of China  
Council for the Promotion of International Trade

**NG Kee Choe**

Chairman  
CapitaLand Limited

**Retired Chairman**

Baosteel Group Corporation





## Exercising Stewardship

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“It’s not always about choosing amongst existing pathways; at times, one has to create a new pathway altogether.”

Vibhor Talreja, Director, India

**Photo** (left to right):

Vikram Nataraj, Director, Investment;  
Alan Thompson, Managing Director, Investment.

# Making a Difference

**As individuals and as an institution, we have a stake in the well-being of our community, and a responsibility to exercise good stewardship.**

Since Temasek's inception in 1974, we have committed over S\$1 billion for community, philanthropic and public good causes.

In 2003, we decided to set aside a portion of our excess returns above our risk-adjusted hurdles for community contributions.

## Temasek Trust

We established Temasek Trust in 2007 to independently oversee the financial management of Temasek's philanthropic endowments and gifts, including the consequent disbursements to designated non-profit beneficiaries.

Governed by a distinguished Board of Trustees, comprising Chairman Lee Seng Wee and Dr Richard Hu from Singapore, and Ratan Tata from India, the Trust funds the following non-profit philanthropic organisations:

- Temasek Education Foundation
- Temasek International Foundation
- Temasek Cares
- Temasek Foundation
- Temasek Life Sciences Laboratory
- Singapore Millennium Foundation
- Singapore Technologies Endowment Programme

## Temasek Education Foundation

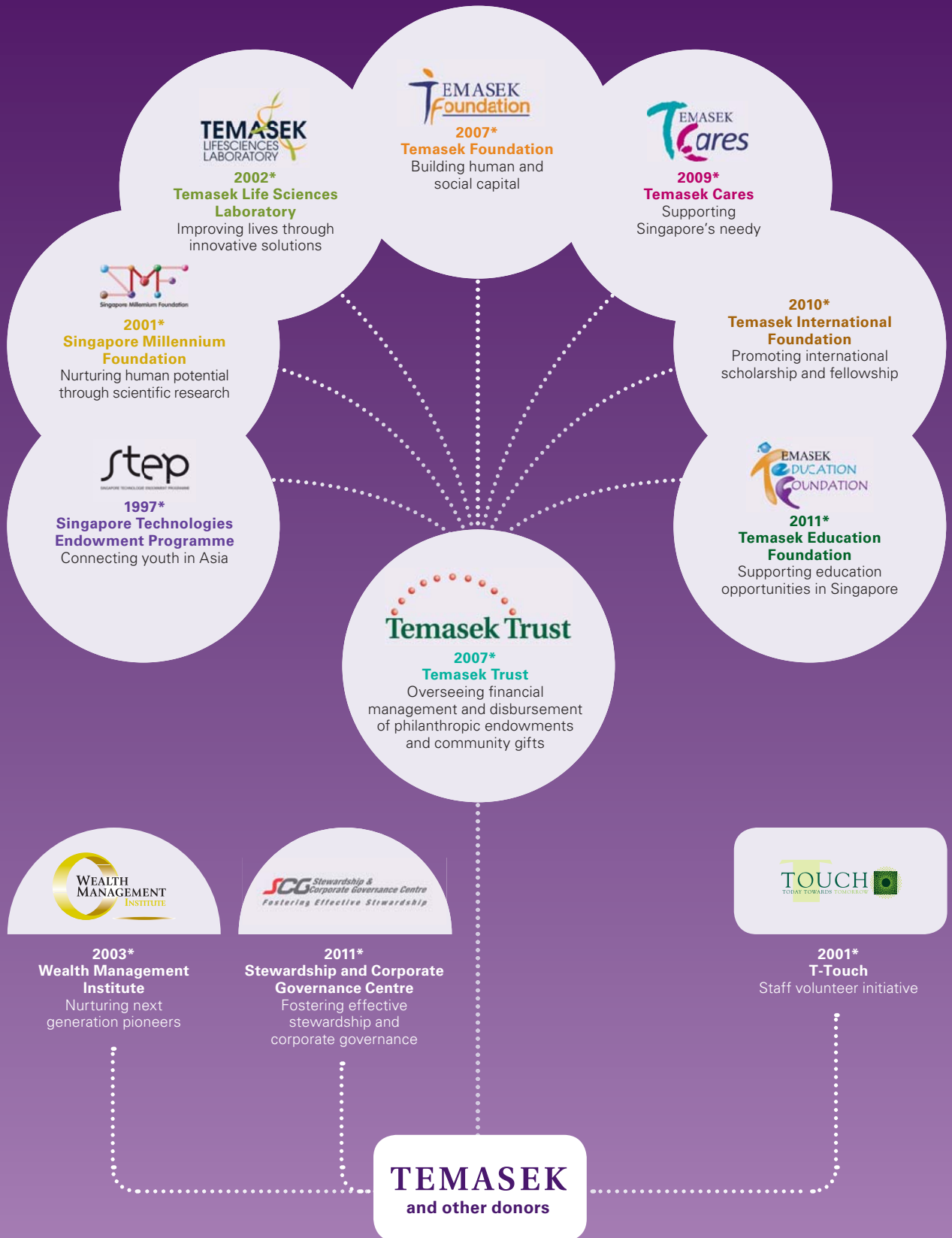
Temasek Education Foundation (TEF) has endowments totalling S\$140 million to nurture young talent in the areas of sports, mathematics, science, arts and music.

Three endowments of S\$35 million each were named after Singapore's pioneering leaders in recognition of their life-long contributions to nation building:

- EW Barker Endowment to nurture sports excellence, including students and staff in the Singapore Sports School
- Tay Eng Soon Endowment to advance science and mathematics, including students and staff at the NUS High School of Mathematics and Science
- David Marshall Endowment to cultivate performing and fine arts, including students and staff at the School of the Arts Singapore

In the area of music education, TEF supports the Singapore Symphony Orchestra and the Singapore Chinese Orchestra in their development and community outreach.

Over **S\$1b**  
committed for  
community causes



\* Year of establishment.

### Temasek International Foundation

Temasek International Foundation promotes regional scholarship and international fellowship. It oversees two endowment initiatives named after Singapore's pioneer leaders – the S\$25 million S Rajaratnam Endowment and the S\$35 million Hon Sui Sen Endowment.

The S Rajaratnam Endowment, named in honour of Singapore's founding Minister for Foreign Affairs, focuses on international exchange and fellowship programmes.

The Hon Sui Sen Endowment has a mandate to promote talent development in Asia for the financial sector. Named after a pioneering Singapore Minister for Finance, it currently supports the Temasek Regional Regulators Scholarship Programme at the Wealth Management Institute.

### Temasek Cares

Temasek Cares (TCares) started with a S\$100 million endowment for programmes to build people, community and capability, and rebuild lives in support of the underprivileged in Singapore.

TCares has helped nearly 8,000 individuals in Singapore over the last three years. They include those with psychological disorders, children with learning and developmental challenges, abused women and their children, single parents, and the elderly requiring long term care.

TCares has seeded programmes to meet emerging needs and piloted new models of care. In the past year, several such programmes transited from TCares seed funding to mainstream support.

An example is the *Temasek Cares – SPICE*<sup>1</sup> pilot programme for community care. This alternative to nursing home care for the elderly has since secured mainstream funding and been replicated in three other locations.

In 2011, two endowments of S\$35 million each were gifted by Temasek to support training and manpower development in the healthcare and social services sector. These are managed by TCares, and named after the late Dr Balaji Sadasivan and Dr Ee Peng Liang respectively in recognition of their passionate contributions in these areas.

139

Programmes supported by TF

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<sup>1</sup> Singapore Programme for Integrated Care for the Elderly.



## Temasek Foundation

Temasek Foundation (TF) partners Singapore and international institutions to support the building of institutions, human capacity, exchange and learning networks, and the rebuilding of lives after major natural disasters.

TF has committed almost S\$100 million over the last five years to support 139 programmes in 17 countries in Asia, and Rwanda. These ranged from training in healthcare, education, public management and disaster preparedness to the promotion of exchanges for students, journalists and other professionals.

One example of public management training is the programme for senior officials in the area of transportation planning and management in Danang, Vietnam. Lessons from Singapore's experience in transportation planning will assist the Vietnamese officials to tailor their local urban transportation development plans.

Another example is the interest of Mathla'ul Anwar in Indonesia to set up a model Islamic school for its network of over 900 madrasahs (non-boarding Islamic schools) in western Java. TF partnered Madrasah Al-Irsyad Al-Islamiah in Singapore to train Mathla'ul Anwar educators in curriculum development and pedagogy, and share best practices to develop the new school, which Mathla'ul Anwar could then adapt for Indonesia's needs.

Since 2007, TF's Leadership Enrichment and Regional Networking Programme enabled over 1,000 students from 47 cities in Asia to develop a better appreciation of Asian socio-political issues.



# S\$35m

Gifted to  
Dr Balaji Sadasivan  
endowment fund for  
healthcare services



# S\$35m

Gifted to  
Dr Ee Peng Liang  
endowment fund  
for social services

### Temasek Life Sciences Laboratory

Temasek Life Sciences Laboratory (TLL) focuses on basic and applied research in the field of molecular biology and genetics.

Affiliated with the National University of Singapore (NUS) and the Nanyang Technological University, TLL is headed by Emeritus Professor Chan Soh Ha from NUS. Its research initiatives are reviewed by an international Scientific Advisory Board and its Strategic Research Management Committee.

In 2011, TLL published 59 papers in peer-reviewed journals and made five discoveries including the specific Enterovirus 71<sup>1</sup> monoclonal antibodies which can be further developed as potential therapeutics.

TLL continues to nurture scientific talent from around the world and provides opportunities for them to become leaders in their fields.

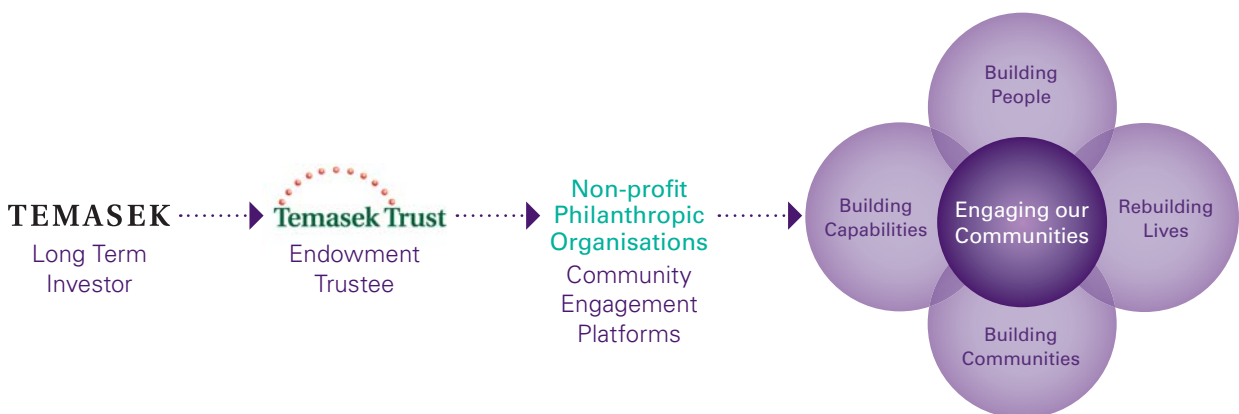
Last year, TLL received S\$10 million from the Singapore National Research Foundation (NRF) to embark on aquaculture research focusing on improving the productivity and quality of the Asian seabass and the marine tilapia.

A joint TLL and NUS team was awarded another S\$10 million research grant for rice research, and partnered the International Rice Research Institute to develop new and improved varieties which can better adapt to plant diseases and climatic changes.

A third research grant of S\$10 million from NRF was for developing platform technology for the flavours and fragrances industry.

### Relating to Our Communities

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### Singapore Millennium Foundation

The Singapore Millennium Foundation (SMF) funds research relevant to Singapore. Areas of research include mental health, Parkinson's disease, liver cancer, ageing and special needs education. Since 2008, research sponsorships for hospitals, education and research institutions totalled more than S\$25 million.

SMF has sponsored the Lee Kuan Yew Water Prize since 2008. Of the 72 international nominations received in 2011, Dr James L Barnard of South Africa won the 2011 Prize for his groundbreaking invention of the Biological Nutrient Removal technology, an environmentally sustainable, biological method to treat used water. Previous winners included Dr Andrew Benedek of Canada and Professor Gatzke Lettinga of the Netherlands, and the Yellow River Conservancy Commission in China.

### Singapore Technologies Endowment Programme

The Singapore Technologies Endowment Programme (STEP), now in its 15<sup>th</sup> year, has been building bridges among youth in Asia and contributing to their education.

Since 1997, its signature Sunburst Youth Camp (SYC) has hosted over 1,700 teenage students from ASEAN countries, India, China, South Korea, Bhutan and Mongolia. They included over 540 junior college and polytechnic students from Singapore.

SYC Alumni have stayed connected since the first camp. The STEP Leadership Programme in Singapore launched last year saw some 25 SYC Alumni from ASEAN countries renewing their bonds as young leaders.

STEP's Sunburst Scholarship, now into its fourth year, supported 27 undergraduates from China, Indonesia, Malaysia, Myanmar, Sri Lanka, Vietnam and Singapore in their studies at Singapore universities and polytechnics.

SMF funds research relevant to Singapore including mental health, ageing and special needs education.

Over **1,700** STEP Sunburst Youth Camp participants since 1997

<sup>1</sup> The Enterovirus 71 is responsible for Hand, Foot and Mouth disease.

### Wealth Management Institute

Wealth Management Institute (WMI) is a leading provider of wealth management training and education in the region.

Now in its ninth year, WMI combines academic rigour with a practical focus to offer training for wealth management and trust professionals. Over 4,000 professionals have completed WMI's programmes and short courses, which are accredited by the Institute of Banking and Finance (IBF) and taught by a faculty of distinguished industry-based practitioners and thought leaders.

WMI's flagship programme, the Master of Science in Wealth Management (MWM), has produced more than 300 graduates from 23 countries, including 55 regulators from seven Asian countries sponsored under the Temasek Regional Regulators Scholarship Programme. A unique feature of the MWM is an overseas module, where students have the opportunity to study at the Swiss Finance Institute as well as Yale School of Management to learn from leading professionals across Asia, Europe and the USA.

In May 2011, WMI was appointed by IBF as the lead provider for Client Advisor Competency Standards (CACS) training. The CACS is a mandatory common competency assessment for the private banking industry in Singapore.

### Stewardship and Corporate Governance Centre

The Stewardship and Corporate Governance Centre (SCGCentre) was launched in September 2011 by its Chairman Hsieh Fu Hua and Li Rongrong, Vice Chairman of the Subcommittee for Economic Affairs of the National Committee of the 11<sup>th</sup> Chinese People's Political Consultative Conference. Mr Li is the former Chairman of China's SASAC.

SCGCentre's mission is to foster effective stewardship and thought leadership in corporate governance. The SCGCentre is supported by Temasek as part of its commitment to promote sound governance practices and to develop an experienced corps of board directors.

Over **4,000**  
professionals  
completed  
WMI courses

# Enriching Lives

Our non-profit philanthropic organisations identify needs and spearhead programmes for growth and development of people in our communities.





## Building Capabilities



Allied health and nursing training in Mongolia.

### Singapore Millennium Foundation

Predicting and monitoring disease progression in Parkinson's patients

Funded by SMF, scientists at the National Neuroscience Institute of Singapore isolated various gene variants linked to increased risk of Parkinson's disease. Genetic screening may identify individuals with higher risk of developing Parkinson's for treatment in the early stages of the disease.

### Temasek Life Sciences Laboratory

Research on a new drug delivery approach in the treatment of cancer

Research using *Clostridium novyi-NT*, a class of oxygen-sensitive bacteria, to deliver cancer treatment drugs directly to malignant tumours while leaving healthy cells intact. Led by Dr Ian Cheong, a TLL team is developing this drug delivery approach which has fewer side effects.

### Temasek Foundation

Mongolia: TF-Nanyang Polytechnic International Allied Health and Nursing Training Programmes  
Promoting excellence in nursing and allied health practice by enhancing the capability and capacity of 170 nurses, allied health leaders, educators and clinical instructors.

Participants will return to Mongolia to organise further training sessions for about 800 other professionals, transferring knowledge and skills to upgrade nursing and allied healthcare in Mongolia.

### Temasek Foundation

TF-NUS Presidents' Leadership in University Management Programme

Leadership development for university presidents and deans in Asia, covering areas such as institutional leadership, strategic planning and faculty development.

The first run of the programme saw the participation of 56 university presidents and deans from Asian universities.



Leadership programme for university presidents and deans in Asia.



## Building People

### Temasek Cares

#### Equine-Assisted Learning

A three year pilot programme to provide equine therapy for 500 disadvantaged youth to gain confidence and life skills through horse riding and caring for horses. The programme also offers a vocational pathway for youth interested in a career in handling horses.

### Temasek Education Foundation

National University of Singapore (NUS) High School Tay Eng Soon Scholarship  
Three NUS High School students were awarded the inaugural NUS High School Tay Eng Soon Scholarships. The scholarship recognises outstanding students with great passion, talent and achievements in mathematics or science.



Equine therapy for youth.



## Building Communities



Trainee receiving IMPACTT certification.

### Temasek Cares

#### Involving and Motivating Parents & Caregivers Through Training (IMPACTT)

Launched in January 2011 by KK Women's and Children's Hospital to train parents how to better manage the behaviour of children with developmental needs.

Temasek Cares enables parents of 1,600 children in Special Education schools, pre-schools and Early Intervention Programme for Infants and Children (EIPIC) and non-EIPIC centres to enrol in this training course.



## Rebuilding Lives

### Temasek Cares

#### Crisis shelter services for abused women and children

A two year partnership with Casa Raudha Women Home in Singapore to provide a temporary crisis shelter for 375 abused and homeless women and their children. Residents are provided with counselling to deal with emotional trauma, financial support and advice on rights and options.

### Temasek Foundation

Providing clean drinking water for families  
Partnered the Cambodian and Thai Red Cross Society to provide 3,000 water filter kits to families affected by severe floods in Cambodia and Thailand in late 2011.







## Major Investments

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“Success does not belong to one, but to all those who achieve it by extending pathways.”

Tanu Himatsingka, Associate Director,  
Portfolio Management







**Photo:**

Hoon Ling Min, Senior Associate, Investment  
and her father, Kee Min.

# Major Investments

## Sources:

1. Financials for the companies are based on their respective annual filings.
2. EVA figures are provided by the respective companies, except for the following, which are calculated by Temasek based on their respective annual filings: Bank of China, China Construction Bank, DBS Group, PT Bank Danamon Indonesia, Standard Chartered, ICICI Bank, Bharti Airtel, Celltrion, The Mosaic Co, Chesapeake Energy, Clean Energy Fuels, Inmet Mining and MEG Energy.
3. Market relevant information is sourced from Bloomberg and Stock Exchanges.

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Financial Services		Shareholding (%) as at 31 Mar 2012	Currency	2012	2011
	Bank of China Limited	2 <sup>#</sup>	HKD'm	<b>980,633</b>	1,135,544
	China Construction Bank Corporation	8 <sup>#</sup>	HKD'm	<b>1,499,675</b>	1,809,283
	DBS Group Holdings Ltd	30	SGD'm	<b>34,228</b>	33,762
	PT Bank Danamon Indonesia Tbk	67 <sup>#</sup>	IDR'b	<b>44,089</b>	55,137
	Standard Chartered PLC	18	GBP'm	<b>37,190</b>	37,967
	ICICI Bank Limited	2 <sup>#</sup>	INR'm	<b>1,026,196</b>	1,285,608

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2012 refers to positions as at 31 March 2012. For unlisted companies, 2012 refers to positions as at 31 March 2012 or 31 December 2011, in accordance with their respective financial year ends. Similarly for 2011.

<sup>2</sup> Key Figures: FY2011 refers to financial year ended March 2012 or December 2011 or June 2011 or May 2011, in accordance with their respective financial year ends of the companies. Similarly for FY2010. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for 1-year TSR is from 31 March 2011 to 31 March 2012.  
 Period for 3-year TSR is from 31 March 2009 to 31 March 2012.  
 Period for 5-year TSR is from 31 March 2007 to 31 March 2012.  
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

## Glossary

EVA	= Economic Value Added (excluding unusual items), attributable to investors
Market Capitalisation	= Market value as at 31 March 2012 and 31 March 2011
NA	= Not applicable
PATMI	= Profit/(Loss) after tax and non-controlling interests
Shareholder Equity	= Shareholder equity reported by the respective companies based on their annual filings
TSR	= Total Shareholder Return

Revenue		PATMI		EVA		Key Figures <sup>2</sup> Change in EVA		TSR <sup>3</sup> (%) Years		
FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	1	3	5
<b>328,298<sup>4</sup></b>	276,518 <sup>4</sup>	<b>124,182<sup>4</sup></b>	104,418 <sup>4</sup>	<b>53,583<sup>4</sup></b>	43,149 <sup>4*</sup>	<b>10,434<sup>4</sup></b>	40 <sup>4*</sup>	(24.6)	12.9	(0.2)
<b>399,403<sup>4</sup></b>	325,780 <sup>4</sup>	<b>169,258<sup>4</sup></b>	134,844 <sup>4</sup>	<b>88,174<sup>4</sup></b>	70,580 <sup>4</sup>	<b>17,594<sup>4</sup></b>	10,268 <sup>4</sup>	(14.5)	15.4	10.5
<b>7,631</b>	7,066	<b>3,035</b>	1,632	<b>118</b>	(355) <sup>*</sup>	<b>473</b>	(362) <sup>*</sup>	0.7	23.5	(1.1)
<b>12,649</b>	11,729	<b>3,336</b>	2,883	<b>(556)</b>	(1,239) <sup>*</sup>	<b>683</b>	611 <sup>*</sup>	(26.3)	28.6	1.3
<b>17,637<sup>5</sup></b>	16,062 <sup>5</sup>	<b>4,849<sup>5</sup></b>	4,332 <sup>5</sup>	<b>343<sup>5</sup></b>	541 <sup>5*</sup>	<b>(198)<sup>5</sup></b>	(112) <sup>5*</sup>	(0.1)	27.1	8.5
<b>416,450</b>	422,521	<b>76,429</b>	60,933	<b>(24,010)</b>	(13,223) <sup>*</sup>	<b>(10,787)</b>	19,934 <sup>*</sup>	(19.2)	40.7	2.3

<sup>4</sup> Figures in RMB'm.















<sup>5</sup> Figures in USD'm.

# Includes significant interests held by Fullerton Financial Holdings Pte. Ltd.

\* Restated due to change in adjustment basis and/or reclassification in the respective companies' financial statements.

● For year ended Dec 2011/2010.

● For year ended Mar 2012/2011.

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Telecommunications, Media & Technology		Shareholding (%) as at 31 Mar 2012	Currency	2012	2011
 <b>INTOUCH</b>	Shin Corporation Public Company Limited	42 <sup>#</sup>	THB'm	<b>189,179</b>	97,633
 Singapore Technologies Telemedia	Singapore Technologies Telemedia Pte Ltd	100	SGD'm	<b>3,548</b>	1,954
 <b>STATS ChipPAC</b>	STATS ChipPAC Ltd.	84	SGD'm	<b>1,068</b>	1,586
 <b>airtel</b>	Bharti Airtel Limited	5	INR'm	<b>1,283,209</b>	1,357,617
 <b>MEDIACORP</b>	MediaCorp Pte Ltd	100	SGD'm	<b>748</b>	564
 <b>SingTel</b>	Singapore Telecommunications Limited	54	SGD'm	<b>50,218</b>	48,126
<b>Transportation &amp; Industrials</b>					
 <b>Keppel Corporation</b>	Keppel Corporation Limited	21	SGD'm	<b>19,698</b>	19,864
 <b>NOL</b>	Neptune Orient Lines Limited	66	SGD'm	<b>3,658</b>	5,011
 <b>PSA</b> The World's Port of Call	PSA International Pte Ltd	100	SGD'm	<b>8,553</b>	8,534
 <b>Sembcorp</b>	Sembcorp Industries Ltd	49	SGD'm	<b>9,436</b>	9,318
 <b>ST Engineering</b>	Singapore Technologies Engineering Ltd	51	SGD'm	<b>9,968</b>	9,942
 <b>SINGAPORE AIRLINES</b>	Singapore Airlines Limited	56	SGD'm	<b>12,674</b>	16,346
 <b>SINGAPORE POWER</b>	Singapore Power Limited	100	SGD'm	<b>8,336</b>	7,843
 <b>SMRT</b>	SMRT Corporation Ltd	54	SGD'm	<b>2,638</b>	2,871

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2012 refers to positions as at 31 March 2012. For unlisted companies, 2012 refers to positions as at 31 March 2012 or 31 December 2011, in accordance with their respective financial year ends. Similarly for 2011.

<sup>2</sup> Key Figures: FY2011 refers to financial year ended March 2012 or December 2011 or June 2011 or May 2011, in accordance with their respective financial year ends of the companies. Similarly for FY2010. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for 1-year TSR is from 31 March 2011 to 31 March 2012.  
 Period for 3-year TSR is from 31 March 2009 to 31 March 2012.  
 Period for 5-year TSR is from 31 March 2007 to 31 March 2012.  
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

Revenue		PATMI		EVA		Key Figures <sup>2</sup> Change in EVA		TSR <sup>3</sup> (%) Years		
<b>FY2011</b>	FY2010	<b>FY2011</b>	FY2010	<b>FY2011</b>	FY2010	<b>FY2011</b>	FY2010	1	3	5
<b>8,649</b>	7,967	<b>16,559</b>	8,016***	<b>6,462</b>	2,989	<b>3,473</b>	2,257	124.7	72.2	35.1
<b>2,595</b>	2,455***	<b>2,109</b>	(271)	<b>(253)</b>	(281)	<b>28</b>	(114)	81.6	16.7	25.5
<b>1,707<sup>4</sup></b>	1,678 <sup>4</sup>	<b>(3)<sup>4</sup></b>	108 <sup>4</sup>	<b>(55)<sup>4</sup></b>	(40) <sup>4</sup>	<b>(15)<sup>4</sup></b>	140 <sup>4</sup>	(32.6)	27.1	(18.7)
<b>714,508</b>	595,383**	<b>42,594</b>	60,467	<b>NA<sup>5</sup></b>	(71,967)	<b>NA<sup>5</sup></b>	(91,222)	(5.2)	2.9	(2.3)
<b>629</b>	590	<b>174</b>	43	<b>34</b>	5**	<b>29</b>	6**	36.4	11.1	4.4
<b>18,825</b>	18,071	<b>3,989</b>	3,825	<b>1,943</b>	1,814**	<b>129</b>	(59)**	13.3	13.9	4.8
<b>10,082</b>	9,140***	<b>1,841</b>	1,511***	<b>1,024</b>	964***	<b>60</b>	11***	1.8	41.3	10.3
<b>9,211<sup>4</sup></b>	9,422 <sup>4</sup>	<b>(478)<sup>4</sup></b>	461 <sup>4</sup>	<b>(765)<sup>4</sup></b>	13 <sup>4</sup>	<b>(778)<sup>4</sup></b>	1,207 <sup>4</sup>	(25.3)	11.8	(11.4)
<b>4,314</b>	4,076	<b>1,135</b>	1,179	<b>297</b>	220	<b>77</b>	47	12.5	11.8	16.2
<b>9,047</b>	8,764	<b>809</b>	793	<b>472</b>	495	<b>(23)</b>	11	4.5	35.6	4.8
<b>5,991</b>	5,984	<b>528</b>	491	<b>408</b>	369	<b>39</b>	63	4.4	15.4	4.7
<b>14,858</b>	14,525	<b>336</b>	1,092	<b>(1,000)</b>	(90)	<b>(910)</b>	1,114	(13.0)	12.1	(0.8)
<b>8,662</b>	7,805	<b>930</b>	924	<b>339</b>	339	<b>-</b>	127	10.8	18.6	11.6
<b>1,057</b>	970	<b>120</b>	161	<b>92</b>	111	<b>(19)</b>	(10)	(4.0)	8.8	7.5

<sup>4</sup> Figures in USD'm.

<sup>5</sup> Information not available.










# Comprises significant interests held by Aspen Holdings Limited.

\*\* Restated by respective companies.







\*\*\* Restated by respective companies due to changes to accounting standard or divestment of major line of business.

● For year ended Dec 2011/2010.

● For year ended Mar 2012/2011.

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Life Sciences, Consumer & Real Estate		Shareholding (%) as at 31 Mar 2012	Currency	2012	2011
	Olam International Limited	16	SGD'm	<b>5,764</b>	5,965
	CapitaLand Limited	40	SGD'm	<b>13,260</b>	14,087
	Celltrion, Inc.	10	KRW'b	<b>4,261</b>	4,042
	Li & Fung Limited	3	HKD'm	<b>144,932</b>	160,893
	M+S Pte. Ltd.	40	SGD'm	<b>NM<sup>6</sup></b>	NA
	Pulau Indah Ventures Sdn Bhd	50	MYR'm	<b>NM<sup>6</sup></b>	NA
	Mapletree Investments Pte Ltd	100	SGD'm	<b>6,525</b>	5,825
	SATS Ltd.	43	SGD'm	<b>2,760</b>	2,780
	Wildlife Reserves Singapore Pte Ltd	88	SGD'm	<b>176</b>	162

## Energy &amp; Resources

	The Mosaic Company	5	USD'm	<b>23,523</b>	35,162
	Chesapeake Energy Corporation	- <sup>7</sup>	USD'm	<b>15,339</b>	22,046
	Clean Energy Fuels Corp.	0 <sup>8</sup>	USD'm	<b>1,837</b>	1,151
	FTS International, Inc.	40	USD'm	<b>3,733</b>	544
	Inmet Mining Corporation	11	CAD'm	<b>3,912</b>	4,195
	MEG Energy Corp.	6	CAD'm	<b>7,461</b>	9,385

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2012 refers to positions as at 31 March 2012. For unlisted companies, 2012 refers to positions as at 31 March 2012 or 31 December 2011, in accordance with their respective financial year ends. Similarly for 2011.

<sup>2</sup> Key Figures: FY2011 refers to financial year ended March 2012 or December 2011 or June 2011 or May 2011, in accordance with their respective financial year ends of the companies. Similarly for FY2010. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for 1-year TSR is from 31 March 2011 to 31 March 2012.  
 Period for 3-year TSR is from 31 March 2009 to 31 March 2012.  
 Period for 5-year TSR is from 31 March 2007 to 31 March 2012.  
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

								Key Figures <sup>2</sup>		TSR <sup>3</sup> (%)	
Revenue		PATMI		EVA		Change in EVA		Years			
FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	1	3	5	
<b>15,735</b>	10,455	<b>430</b>	359	<b>149</b>	144**	<b>5</b>	20**	(13.8)	19.4	(3.1)	
<b>3,020</b>	3,383	<b>1,057</b>	1,426***	<b>(422)</b>	(323)***	<b>(99)</b>	245***	(3.7)	12.7	(12.2)	
<b>279</b>	181	<b>170</b>	110	<b>NA<sup>4</sup></b>	NA	<b>NA<sup>4</sup></b>	NA	6.5	32.1	NA	
<b>20,030<sup>5</sup></b>	15,912 <sup>5</sup>	<b>681<sup>5</sup></b>	548 <sup>5</sup>	<b>255<sup>5</sup></b>	233 <sup>5**</sup>	<b>22<sup>5</sup></b>	70 <sup>5**</sup>	(8.0)	28.3	10.4	
<b>NM<sup>6</sup></b>	NA	<b>NM<sup>6</sup></b>	NA	<b>NM<sup>6</sup></b>	NA	<b>NA</b>	NA	NM <sup>6</sup>	NA	NA	
<b>NM<sup>6</sup></b>	NA	<b>NM<sup>6</sup></b>	NA	<b>NM<sup>6</sup></b>	NA	<b>NA</b>	NA	NM <sup>6</sup>	NA	NA	
<b>574</b>	590	<b>793</b>	747	<b>18</b>	469	<b>(451)</b>	185	12.7	12.3	14.1	
<b>1,685</b>	1,358***	<b>171</b>	191	<b>43</b>	68	<b>(25)</b>	1	6.5	34.4	4.0	
<b>108</b>	102	<b>13</b>	14	<b>6</b>	6**	<b>-</b>	1**	8.3	10.2	12.9	
<b>9,938</b>	6,759	<b>2,515</b>	827	<b>NA</b>	NA	<b>NA</b>	NA	(29.6)	10.9	16.6	
<b>11,635</b>	9,366	<b>1,570</b>	1,663	<b>2</b>	526*	<b>(524)</b>	NA	(30.2)	12.0	(4.5)	
<b>293</b>	212	<b>(48)</b>	(3)	<b>(101)</b>	NA	<b>NA</b>	NA	29.9	51.7	NA	
<b>2,344</b>	1,287	<b>414</b>	369	<b>261</b>	NA	<b>NA</b>	NA	5.9	NA	NA	
<b>979</b>	779	<b>348</b>	392	<b>74</b>	NA	<b>NA</b>	NA	(17.0)	22.2	(1.9)	
<b>1,033</b>	730***	<b>64</b>	50***	<b>(373)</b>	(340)***	<b>(33)</b>	(60)***	(21.6)	NA	NA	

<sup>4</sup> Information not available.

<sup>5</sup> Figures in USD'm.

<sup>6</sup> Information not meaningful. Joint venture with Khazanah Nasional Berhad. Projects under development.

<sup>7</sup> Comprising non-voting cumulative convertible preferred stock in Chesapeake Energy Corporation (CHK). If converted into common shares, our interest in CHK is estimated to be approximately 2% on a fully diluted basis.

<sup>8</sup> Shareholdings comprising common stock as at 31 March 2012 is 0.49%, not inclusive of our convertible notes holdings. Post conversion of the convertible notes, our interest in Clean Energy Fuels Corp. is estimated to be approximately 4% on a fully diluted basis.

\* Restated due to change in adjustment basis and/or reclassification in the respective companies' financial statements.

\*\* Restated by respective companies.

\*\*\* Restated by respective companies due to changes to accounting standards or divestment of business in key geographical area.

● For the year ended May 2011/2010.

● For the year ended Jun 2011/2010.

● For year ended Dec 2011/2010.

● For year ended Mar 2012/2011.

# Our Contact Points

## Brazil

### Temasek Brasil Consultoria E Participações Ltda.

Rua Iguatemi, 151/18º andar  
Itaim Bibi 01451-011

São Paulo SP

Brazil

Tel: +55 (11) 3636 7575

Fax: +55 (11) 3636 7599

## India

### Temasek Holdings Advisors India Pvt. Ltd (Mumbai)

12, 3 North Avenue<sup>1</sup>

Maker Maxity

Bandra Kurla Complex

Bandra (East) Mumbai 400 051

India

Tel: +91 (22) 6654 5500

Fax: +91 (22) 6654 5599

### Temasek Holdings Advisors India Pvt. Ltd (Chennai)

Century Centre

2nd Floor

New No.75, TTK Road

Alwarpet

Chennai 600 018

India

Tel: +91 (44) 4225 5000

Fax: +91 (44) 4225 5099

## Mexico

### TH Inversiones Mexico, S.A. de C.V.

Ruben Dario 281 - 1303

Bosque de Chapultepec

Mexico D.F. C.P. 11580

Mexico

Tel: +52 (55) 4335 3050

Fax: +52 (55) 4335 3099

## People's Republic of China

### Temasek Holdings Advisors (Beijing) Co. Ltd /

#### Beijing Representative Office

F707/F705 Winland International

Finance Center

No. 7 Financial Street

Xicheng District

Beijing 100033

People's Republic of China

Tel: +86 (10) 5930 4900

Fax: +86 (10) 6655 3597 /

+86 (10) 5930 4901

### Temasek Holdings (HK) Limited

Suite 1806, Two Pacific Place

88 Queensway

Hong Kong

Tel: +852 3589 3200

Fax: +852 2156 1180

### Temasek Holdings Consulting (Shanghai) Company Limited

Unit 2201, Tower 1, Plaza 66

1266 Nan Jing Xi Road

Shanghai 200040

People's Republic of China

Tel: +86 (21) 6133 1900

Fax: +86 (21) 6133 1901

## Vietnam

### Hanoi Representative Office

Unit 406, Level 4

Hanoi Towers

49 Hai Ba Trung Street

Hanoi

Vietnam

Tel: +84 (4) 3936 9069

Fax: +84 (4) 3936 9066

### Ho Chi Minh City Representative Office

65 Le Loi Boulevard

Saigon Centre

5th Floor, Unit 2, District 1

Ho Chi Minh City

Vietnam

Tel: +84 (8) 3821 2789

Fax: +84 (8) 3821 2767



Mexico City

<sup>1</sup> Address effective August 2012.





## Singapore

Temasek Holdings (Private) Limited  
60B Orchard Road  
#06-18 Tower 2  
The Atrium@Orchard  
Singapore 238891  
Tel: +65 6828 6828  
Fax: +65 6821 1188  
[www.temasek.com.sg](http://www.temasek.com.sg)



See our contact points online at  
[www.temasek.com.sg/contactus](http://www.temasek.com.sg/contactus)

Scan the QR code  
with your smartphone

# Temasek Portfolio at Inception

Temasek was incorporated in 1974 with an initial portfolio valued at S\$354 million, comprising 35 companies and other investments acquired from the Singapore Minister for Finance. This move enabled the Singapore Government to focus on its core role of policymaking and regulations.

Companies in bold are still within the Temasek portfolio, directly or indirectly, while the rest have been divested or liquidated.

1. Acma Electrical Industries Ltd
2. Cerebos Singapore Pte Ltd
3. Chemical Industries (F.E.) Ltd
- 4. Development Bank of Singapore Ltd<sup>1</sup>**
5. Instant Asia Cultural Shows Pte Ltd
6. Insurance Corporation of Singapore Ltd
7. International Development and Construction Corporation
8. Intraco Ltd
- 9. Jurong Bird Park Pte Ltd<sup>2</sup>**
- 10. Jurong Holdings Pte Ltd<sup>3</sup>**
- 11. Jurong Shipbuilders Pte Ltd<sup>3</sup>**
- 12. Jurong Shipyard Pte Ltd<sup>3</sup>**
- 13. Keppel Shipyard Pte Ltd<sup>4</sup>**
14. Metrawood Pte Ltd
15. Ming Court Hotel Ltd
16. Mitsubishi Singapore Heavy Industries Pte Ltd
17. National Engineering Services Pte Ltd
18. National Grain Elevator Ltd
19. National Iron & Steel Mills Ltd
- 20. Neptune Orient Lines Ltd**
- 21. Primary Industries Enterprises Pte Ltd<sup>5</sup>**
- 22. Sembawang Holdings Pte Ltd<sup>3</sup>**
- 23. Singapore Airlines Ltd**
- 24. Singapore Airport Duty-Free Emporium Pte Ltd<sup>6</sup>**
25. Singapore Cable Car Pte Ltd
26. Singapore General Aviation Service Company Pte Ltd
27. Singapore National Printers Pte Ltd
28. Singapore Offshore Petroleum Services Pte Ltd
29. Singapore Textiles Industries Ltd
30. Singapore Treasury Building Pte Ltd
- 31. Singapore Zoological Gardens<sup>2</sup>**
32. Singmanex Pte Ltd
33. Sugar Industry of Singapore Ltd
34. United Industrial Corporation Ltd
35. United Vegetable Oil Pte Ltd

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<sup>1</sup> Now part of DBS Group Holdings Ltd.

<sup>2</sup> Now part of Wildlife Reserves Singapore Pte Ltd.

<sup>3</sup> Now part of Sembcorp Industries Ltd.

<sup>4</sup> Now part of Keppel Corporation Limited.

<sup>5</sup> Now part of SATS Ltd., a catering and airport services company.

<sup>6</sup> Now jointly owned by Singapore Airlines Limited and SATS Ltd.

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