

# TEMASEK HOLDINGS

## FREQUENTLY ASKED QUESTIONS ABOUT TEMASEK HOLDINGS

### 1. What is the heritage of Temasek Holdings? Why was it established?

Temasek Holdings was created in 1974 to hold and manage investments and assets previously held by our shareholder, the Minister for Finance (Incorporated). The objective was to find a way to better manage the portfolio of companies and investments accumulated by the Ministry of Finance in the first decade of nation building since 1965. The intent was for the Ministry to focus on its core role of policy making and government administration.

Governed by the Singapore Companies Act and later designated as a Fifth Schedule entity<sup>1</sup> as well, under the Singapore Constitution, Temasek operates as an autonomous and professional investment house, guided by an independent board.

Endowed with an initial portfolio of S\$354 million transferred from the Ministry of Finance, the market value of our portfolio has grown some 35 years later to S\$172 billion (US\$119 billion) as at 31 July 2009.

### 2. Is Temasek Holdings a statutory board or a government agency?

Temasek Holdings is neither a statutory board nor a government agency. We are an investment holding company incorporated under the Singapore Companies Act and we operate strictly as a commercial entity. We are run independently by a board of directors and a management team, with the key objective of maximising shareholder returns from our investments. As a shareholder, we expect our portfolio companies to make their decisions based on commercial and economic grounds. Temasek's own decisions are also based strictly on commercial considerations.

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<sup>1</sup> Under the Singapore Constitution, the concurrence of the elected President of Singapore is required over certain governance matters concerning Fifth Schedule entities. These include the appointment and removal of board members and the CEO, and the drawdown of past reserves built up by the entity before the term of the current Government. Other Fifth Schedule entities include the Central Provident Fund Board, Government of Singapore Investment Corporation Pte Ltd, and the Monetary Authority of Singapore

**3. Who is Temasek's shareholder?**

Temasek Holdings' shareholder is the Singapore Ministry of Finance (MOF).

**4. What is the role of the Singapore Government in the running of the firm?**

Temasek is accountable to the Singapore Government, as its shareholder, for the overall performance of the group. As shareholder, the Government's role is to ensure that a competent board is in place to guide Temasek's investments and to ensure rigour in the investment process. However, investment, business or commercial decisions are the responsibility of Temasek's Board and management. Neither the President nor the Singapore Government is involved in directing Temasek's investment, divestment or other business decisions.

**5. Are Temasek Holdings and the Government of Singapore Investment Corp (GIC) the same organisation?**

Temasek and GIC are completely separate entities, with separate boards and management teams.

Temasek is an investment firm with a global portfolio. As an active shareholder, Temasek encourages a culture of excellence and meritocracy, thoughtful leadership and sound governance in our portfolio companies. We have flexible investment horizons and our aim is to maximise long-term returns from our investments.

You can obtain more information about GIC at [www.gic.com.sg](http://www.gic.com.sg)

**6. What are the companies in Temasek's portfolio? How many are listed and what is the market capitalisation of these companies?**

A list of some of our portfolio companies as at 31 March 2009 is provided in the *Temasek Review 2009*. Please refer to [www.temasek.com.sg/temasekreview2009](http://www.temasek.com.sg/temasekreview2009) for more information.

**7. How does Temasek work with its portfolio companies?**

Where necessary and appropriate, Temasek actively engages its various stakeholders, including the boards and managements of our portfolio companies. Over the years, this engagement has widened to include both informal networking opportunities and organised forums.

We do not direct the commercial or operational decisions of our portfolio companies. Companies in our portfolio are managed by their respective management and guided and supervised by their respective board of directors.

**8. Does Temasek request for representation on the boards of companies it invests in?**

For the vast majority of companies in our portfolio, we are not represented on the board. Overall, we promote sound corporate governance in our portfolio companies by supporting high calibre, commercially experienced and diverse boards to complement management leadership. By leveraging our wide network of contacts, we can suggest qualified individuals for consideration by the respective boards.

As a shareholder, we will exercise our rights to protect our commercial interests.

**9. Does Temasek disclose its financial results? Where can I get a copy of its financial statements?**

Temasek has been granted the status of an exempt private company. As an exempt private company, we are not required to disclose financial information. However, for five years now, we have published our annual *Temasek Review*, which provides the group financial summary and highlights based on the audited financial statements. Please refer to [www.temasek.com.sg/temasekreview2009](http://www.temasek.com.sg/temasekreview2009) for more information.

**10. What is Temasek's divestment schedule?**

We do not have a divestment schedule. We are an active investor and rebalancing our portfolio is part of the process of maximising shareholder value. New investments are made or existing ones divested, as part of our overall portfolio rebalancing for sustainable returns.