

# TEMASEK HOLDINGS

## **CORPORATE BACKGROUNDER**

Established in 1974, Temasek Holdings is an Asia investment firm headquartered in Singapore. Its mission is to create and maximise long-term shareholder value as an active investor and shareholder of successful enterprises.

Temasek manages a diversified global portfolio of S\$185 billion (US\$134 billion), as at 31 March 2008, across Singapore, Asia and the OECD economies. It has a corporate credit rating of AAA/Aaa by Standard & Poor's and Moody's respectively.

Its investments cover various industry sectors: Banking & financial services, real estate, transportation & logistics, infrastructure, telecommunications & media, bioscience & healthcare, education, consumer & lifestyle, energy & resources, engineering as well as technology.

Examples of Singapore-based companies in its portfolio are DBS Group Holdings, Neptune Orient Lines, Singapore Airlines and Singapore Telecommunications. Investments outside Singapore include blue chips such as Bank of China, Barclays PLC, Bharti Airtel, Merrill Lynch, PT Bank Danamon and Standard Chartered Bank.

### **Investment approach**

Governed by the Singapore Companies Act, and also designated a Fifth Schedule entity<sup>1</sup> under the Singapore Constitution in 1991, Temasek is an autonomously managed and professional investment house guided by an independent board.

---

<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.

Its investment strategy centres around four themes:

- Transforming Economies
- Growing Middle Class
- Deepening Comparative Advantages
- Emerging Champions

### **Long-term returns**

Temasek continues to seek new investments that will optimise long-term value within its risk-reward framework. It has a flexible investment horizon and the option of taking concentrated positions. Temasek remains open at all times to increasing, holding or reducing its stakes in its portfolio, through buying, selling, swapping, restructuring or rationalisation. It also keeps its options open for more efficient utilisation of capital.

### **Enhancing shareholder value**

Temasek has delivered a Total Shareholder Return (TSR) by market value of 18% compounded annually over the last 34 years. In terms of shareholder funds, which measures growth compounded annually due to the underlying profitability of portfolio companies and realised returns from investment activities, TSR is more than 17% since inception.

### **An active shareholder**

As an active shareholder, Temasek encourages a culture of excellence and meritocracy, business leadership and sound governance in its portfolio companies. These form the foundation for developing people and building outstanding and lasting businesses.

Temasek's portfolio companies are run by their respective management teams and supervised by their boards of directors. Temasek does not involve itself in their business or operational decisions, except to exercise its shareholder rights where shareholder approval is required.

## **Building a shared future**

Temasek recognises that social, environmental and governance factors can impact the larger community as well as the long-term sustainability of companies and businesses.

Thus, it is committed to support efforts to build people and communities through various community development initiatives.

The firm has committed almost S\$1 billion towards research institutions, scholarship and other pro bono programmes, and other institutes of public character over the last 10 years, with S\$500 million donated to the Temasek Trust in May 2007 as an endowment to support community development on a sustainable basis.

For more information, please visit [www.temasek.com.sg](http://www.temasek.com.sg)

---

---