Mt Kinabalu
Keeping safe as one team
Our Journeys of Discovery
Progress is made when man journeys across unexplored seas, scales impossible mountains, and reaches deep within to know courage in fear.

In Temasek, we too make our journeys of ideas and discovery through uncharted time and space, growing with our people, breaking new grounds, and above all, knowing our goal is to bring everyone home safely.

Last April, breaking away for a refreshing challenge, 21 of our colleagues, rookies and experienced mountaineers, scaled Mt Kinabalu in East Malaysia. At over 13,000 ft, this is Southeast Asia’s tallest mountain. In the process, they raised over S$200,000 to support educational causes.

Taking a leaf from this achievement, nine colleagues set out this July to climb Mt Kilimanjaro in Tanzania, Africa, after some two months of hard training. They raised over S$300,000 with their 19,000 ft climb, this time for the Make-a-Wish Foundation (Singapore) to support more than 100 children with life-threatening illnesses.

Drawing on untested reserves from within as they battled altitude sickness and the sub-zero cold, each team succeeded by working together, planning meticulously, and supporting each other along the way. They epitomise the spirit of excellence and community in Temasek.

The photographs in this review were taken by our colleagues during their mountaineering adventures.
Shaping Our Journey
It has been a 35-year journey for Temasek since our founding on 25 June 1974.

Like Singapore, we embarked on a persistent search for practical solutions, a patient building of an institution, and an accumulation of talent as we walked to make our own path, feeling the stones as we crossed rivers.

Our journey has been driven by a constant hunger and passion to learn and relearn, to think and to do, to build and rebuild, and ultimately to find solutions with tomorrow very clearly in our minds.

Our tomorrow is a continuing journey to build a shared future embracing all creeds and colours, which we shape together with the steps we choose to take today.

Flourish
People are the heartbeat of Temasek’s growth globally. The symbolic rendition of people in ‘tree-form’ signifies our growth and continuity, connoting teamwork and symbolising flourishing abundance.
The success of Temasek Holdings is closely intertwined with Asia and the global economic system through its 35 years of history. Seeded initially by the Singapore Government with an eclectic mix of 35 companies, from a detergent maker to a bird park, Temasek also took over companies such as SingTel, PSA International and SingPower, when the Government decided in the early 1990s to corporatise and devolve responsibility for telecommunications, ports, and electricity infrastructure and services.

Temasek has grown and transformed with Singapore, and pulses with the heartbeat of Asia.

Many of our core portfolio companies are interwoven with Singapore’s economic fabric, benefitting from as well as contributing to Singapore’s economic survival, progress and prosperity. They were rooted in the developments of post-independence Singapore. Sembcorp Marine found footing at the old naval dockyard facilities left behind by the British forces when they withdrew from Singapore, while Singapore Airlines was spun out when Malaysia-Singapore Airlines was separated into two national carriers.

Just as Temasek drew its strengths from a modernising Singapore in the early years, the economic integration of Asia with the global market over the last two decades has opened up new vistas of opportunities for our portfolio companies, and also for ourselves as investors.

Our direct investments over the last decade have been centred on four themes:

- Transforming economies
- Growing middle class
- Deepening comparative advantages
- Emerging champions

“We draw sustenance not only from the region but also from the international economic system to which we belong and which will be the final arbiter of whether we prosper or decline.”

S Rajaratnam
Singapore Foreign Minister
Address to the Singapore Press Club
6 February 1972
We invest in a broad spectrum of industries. Banking & financial services, transport & logistics, and infrastructure are industries which mirror the transformation of economies, while we track the demands of a growing middle class through sectors such as real estate, telecommunications & media, bioscience & healthcare, and education, consumer & lifestyle. Energy & resources, engineering, as well as technology are sectors with value-driven comparative advantages or transformational potential.

We finance our investments from divestment proceeds, dividends from our portfolio companies and commercial leverage.

16%
Total Shareholder Return compounded annually since inception

Through the years, Temasek has both divested and invested in companies, patiently reshaping its portfolio. Today, over 70% of our underlying portfolio exposure is to Asia, including Singapore. Most of our portfolio companies are thriving Singapore and Asia blue chips.

We aim to create and deliver sustainable long-term value for our stakeholders as an active investor and shareholder of successful enterprises. Our Total Shareholder Return since inception is a healthy 16% compounded annually.

We succeed because we draw sustenance and support from our community. In return, we have a commitment to contribute to the progress and well-being of our community.

Since 2003, we have given substance to this commitment, by setting aside a share of our returns for each year of positive Wealth Added to support community programmes. Donations from these community provisions included an endowment of S$500 million to the Temasek Trust in 2007 to launch Temasek Foundation for community programmes in Asia. More recently, to mark our 35th anniversary, we gifted another S$100 million to the Temasek Trust, this time to support Temasek Cares for community programmes in Singapore.

More than our institutional commitment, we are proud of the volunteer spirit of our 380 employees. Coming from diverse cultures and 24 countries, they volunteer their time, energy and heart for the community in Singapore and across the world. With their tireless support for the less advantaged and their passion for personal excellence and commitment to deliver, they epitomise the spirit of Temasek, as individuals and as one team.
YEAR IN REVIEW

Beginning with the collapse of Bear Stearns in March 2008, and ending with the sharp market lows of March 2009, it has been an unprecedented year of financial and liquidity stress particularly in the US and Europe. Amidst the ensuing global turbulence, we adopted a cautious stance, strengthened our portfolio, and invested in our people and institution.

**Portfolio Value**
Our portfolio retracted three years in value to S$130 billion as at 31 March 2009.

**Shareholder Return**
Our Total Shareholder Return (TSR) since inception is more than 16% compounded annually, by both market value (MV) and shareholder funds (SHF).

**Group Financial Highlights**
We delivered a group net profit of S$6 billion.

**Portfolio Value (S$b)**

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>90</td>
<td>103</td>
<td>129</td>
<td>164</td>
<td>185</td>
<td>130</td>
</tr>
</tbody>
</table>

As at 31 Mar

**One-year TSR (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
</tr>
</thead>
<tbody>
<tr>
<td>By MV</td>
<td>46</td>
<td>16</td>
<td>24</td>
<td>27</td>
<td>7</td>
<td>09</td>
</tr>
<tr>
<td>By SHF</td>
<td>(30)</td>
<td>15</td>
<td>12</td>
<td>28</td>
<td>25</td>
<td>17</td>
</tr>
</tbody>
</table>

For year ended 31 Mar

**Group Financial Highlights**

<table>
<thead>
<tr>
<th>Item</th>
<th>(S$b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>80</td>
</tr>
<tr>
<td>Net profit attributable to equity holder</td>
<td>6</td>
</tr>
</tbody>
</table>

For year ended 31 Mar 09

**S$130b**
Portfolio down 30% in value

**-18%**
One-year TSR by shareholder funds

**S$6b**
Group net profit
Investments

Divestments exceeded investments as we adopted a cautious stance.

<table>
<thead>
<tr>
<th>(S$b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Divestments</td>
</tr>
</tbody>
</table>

For year ended 31 Mar 09

S$7b

Net investments

Our Team

We reaffirmed our core values as we continued to learn and build a diverse team.

Our Community

We launched Temasek Cares on 25 June 2009 to support the needy and rebuild lives in Singapore.

- S$100 million was gifted for Temasek Cares via Temasek Trust
- Temasek Foundation expanded its outreach from five to 11 countries in Asia
- Our TOUCH volunteers supported chef training under the Yellow Ribbon Project reintegration programme

<table>
<thead>
<tr>
<th>S$</th>
<th>100m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution for Temasek Cares</td>
<td></td>
</tr>
</tbody>
</table>

380 people

The Temasek team

For more information

For more information

For more information
During the five years since March 2004, we made S$90 billion of new investments and divested S$56 billion of assets. Our portfolio value grew from S$90 billion to S$130 billion.

In the process, we proportionately reduced our underlying exposure to Singapore and the OECD economies from over 80% to just over 50%, even as we held steady in value our underlying exposure to Singapore.

As at 31 March 2009, our Singapore exposure was 31% with rest of Asia at 43%. OECD economies account for just over 20% of our portfolio, primarily in Australia. We have also added an emerging 4% exposure to new markets such as Latin America and Russia.

The growth and composition of our portfolio reflect the transformation of Singapore and Asia. Companies in our portfolio include Singapore blue chips such as Singapore Airlines, and emerging champions in Asia such as Bharti Airtel, China Construction Bank and Bank of China.

Despite a year of extreme volatility, we are confident that we have a robust portfolio for the long term.

On 25 June this year, Temasek turned 35. We published our first Temasek Review five years ago.

Our Value-at-Risk (VaR) as reported in our previous Review had been a volatile S$40 billion\(^1\) as at 31 March 2008. With the sharp corrections in the capital markets, our portfolio retraced its value by about three years to S$130 billion at the market lows of 31 March 2009.

The 10 largest Singapore-listed companies in our portfolio accounted for S$30 billion of the total value decline of S$55 billion, while the 10 largest non-Singapore listed investments accounted for S$18 billion.

Over the last five years, our Total Shareholder Return (TSR) on a marked-to-market basis was 6% compounded annually, while our TSR by shareholder funds was 11%. These medium-term TSRs were impacted by a 30% fall in our one-year TSR by market value and a one-year decline of 18% in our TSR by shareholder funds.

Our TSRs since inception by both shareholder funds and market value held steady at 16%. Our 20-year and 30-year TSRs by market value were stable at 13% and 16% respectively.

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\(1\) This means a 16% probability that Temasek’s portfolio value will decline by S$40 billion or more on a marked-to-market basis by 31 March 2009.
We delivered a negative Wealth Added (WA) of S$68 billion below our risk-adjusted cost of capital hurdle on our opening portfolio value for the last financial year.

Since 31 March 2009, the markets have steadied. For the four months up to 31 July 2009 in S$ terms, the MSCI World Index rebounded 25%, while MSCI (Asia ex Japan) Index rose 42%. Our portfolio value and TSR have recovered broadly in line with the markets.

At the bottom line, we delivered a Group net profit of S$6 billion compared to a profit of S$18 billion in the previous year. This drop in group profit reflected the generally weaker operating performances of our portfolio companies as well as realised gains and losses from our divestments during the year.

**S$6b**

Group Net Profit for year ended 31 Mar 09

---

**Investment Activities**

From the demise of Bear Stearns in March 2008, to the collapse of Lehman Brothers and the US government rescue of AIG in September 2008, and the market tremors of March 2009, the global financial turmoil was the worst since the Great Depression. The ensuing credit contagion was swift and sharp. World trade plunged, declining 20% in the six months ended March 2009 compared to a year before. Oil prices plummeted from US$146 a barrel in July 2008 to US$31 in December 2008.

Against the backdrop of a global credit crunch, we maintained a steady course, and remained cautiously active on the investment front. We rebalanced our portfolio with S$9 billion of investments and S$16 billion of divestments during the year.

Investments last year included S$3 billion for rights issues in our portfolio companies such as Standard Chartered, DBS Group, and CapitaLand. Including subscriptions post 31 March 2009, we have invested almost S$5 billion in the rights issues of our portfolio companies over the last nine months to 31 July 2009.

New investments included about S$700 million in September 2008 for a sub-5% stake in Hong Kong-based Li & Fung, a leading supply chain manager for brands and retailers worldwide. In July 2009, we also reinvested over S$400 million in Olam International, a Singapore-based market leader in the supply chain management of agricultural products and food ingredients.

During the year, we completed the long-planned divestment of our three power generating companies in Singapore. The process attracted bids from Singapore and international players. The first was the sale of Tuas Power in March 2008 to SinoSing Power, a wholly-owned subsidiary of China Huaneng Group, followed by the September 2008 sale of Senoko Power to Lion Power Holdings, a consortium led by Marubeni Corporation of Japan. The sale of our last generating company, PowerSeraya, to YTL Power International of Malaysia, was sealed in December 2008, and completed in March 2009. Total proceeds from these divestments amounted to just over S$11 billion.
The divestment was the culmination of a 14-year journey during which we significantly enhanced the value of our assets by working with many stakeholders including the regulator, the boards and managements of the power generating companies and their labour union, Union of Power & Gas Employees (UPAGE). The thoughtful tenacity of our team through the different generations speaks well of their resilience and their persistent commitment.

We are also pleased that each of the three successful buyers inherited a well-managed company with a strong balance sheet and operating within a sustainable regulatory framework.

Singapore-based divestments included printing company SNP Corporation, IT services company Singapore Computer Systems, and Singapore Food Industries.

Against the backdrop of a global credit crunch, we maintained a steady course, and remained cautiously active on the investment front.

Building our Institution
Beyond purpose, people and passion, the success of an institution also rests on the culture we nurture in our people and the discipline we instil through our systems and processes.

A critical building block aimed at fostering an owner mindset among our staff is our incentive framework which puts the institution before the individual, emphasises long term over short term, and aligns employee and shareholder interests.

It has two dimensions – performance hurdles, and time horizons, for short, medium and long-term payouts. Deferred components are subject to market risks with values rising or falling with portfolio returns, and a clawback against future negative Wealth Added.

We tested and refined the principles of allocating negative bonuses to align our staff to sustainable long-term performance.
While the downturn has been uncomfortable, it gave us the opportunity to test our framework over the last two years through the negative Wealth Added cycle. We tested and refined the principles of allocating negative bonuses, and finalised the remaining long-term components of a robust incentive framework to align our staff to sustainable long-term performance.

No incentive plan is perfect, and nothing can substitute for values, culture and commitment to the institution. We are gratified that the team has shown a willingness to take decisions which have short-term negative impact, in the interest of the larger whole. This augurs well for our future.

We have stayed the course and kept the future in our mind in everything that we have done.

Charting our Waypoints
Temasek celebrates its 35th anniversary this year. The world has evolved since 1974, and so have we. We have stayed the course and kept the future in our mind in everything that we have done.

We first published our Temasek Charter in 2002 as a living document that outlines our relationship with our stakeholders. We have reviewed and updated our Charter in conjunction with our 35th anniversary.

As we invest and manage our portfolio, we continue to shape and build our institution for the long term, treading carefully and thoughtfully, thinking and rethinking, testing and retesting. While we have no wish to re-invent the wheel, we have charted our own course with patience and courage, while drawing experiences and knowledge from within and outside the organisation.

My colleagues and I are encouraged by the Temasek journey. We have been walking to make our own paths and byways, keeping the future clearly in our mind, and knowing we can take nothing for granted. We continue to move forward with hope and confidence.

As we invest and manage our portfolio, we continue to shape and build our institution for the long term.

Leadership Continuity
In early 2005, our Board instituted an annual CEO succession review to track potential successors from within and outside Temasek. Charles “Chip” Goodyear joined our Board on 1 February 2009, and was slated to succeed Ho Ching as CEO with effect from 1 October 2009.

However, in July, both the Board and Chip agreed mutually and amicably that it was in the interest of both parties not to proceed with the CEO transition.

The Board and I are pleased that Ho Ching has agreed to continue her responsibilities as Executive Director and CEO.
Looking Ahead
The worst of the meltdown risks is behind us. Extraordinary fiscal and monetary measures have been set in place by the US and other governments. These moves have averted extreme meltdown risks, but added the risks of inflation and asset misallocations in the medium term. The structural issues still need to be resolved as deleveraging continues to take place and demand adjusts to a new base.

We remain optimistic about Asia’s potential for the long term

Global GDP growth is expected to be weak in 2009, with a sluggish recovery in 2010. Uncertainties abound beyond that.

We remain optimistic about Asia’s potential for the long term. As Asia continues to make progress, it will continue to de-risk. We are comfortable to maintain an overweight in Asia, with a directional portfolio mix of 40:30:20:10. This means exposure to Asia of 40% or more (including China at around 20%), keeping Singapore at about 30%, maintaining OECD exposure at 20%, largely via Australia, and adding exposure of up to 10% to other geographies such as Latin America, Eastern Europe, the Middle East, and Africa.

This portfolio mix provides a 50:50 exposure between slower growth developed economies and higher risk emerging economies. We will exercise full flexibility to shift the weight of our portfolio in dynamic and practical ways in the short term, while maintaining a balanced risk posture for the longer term.

We will work with our portfolio companies to focus on value preservation and creation.

Engaging with our Community
To mark our 35th anniversary, we donated S$100 million in June this year to the Temasek Trust through a deed of gift as an endowment for Temasek Cares.

Set up as a new charity, Temasek Cares supports the underserved in Singapore, particularly to train the disadvantaged and their caregivers to be self-reliant, and help rebuild lives. This initiative complements the coverage of other non-profit philanthropic organisations such as Temasek Foundation and Singapore Millennium Foundation that we have sponsored.

Our donations come from funds we had set aside for community contribution during the years when we delivered positive Wealth Added. Donations to Temasek Trust are reinvested with Temasek on a commingled basis. This reinforces the mission for Temasek to deliver sustainable long-term value, not just for our shareholder, but also for the wider community.

In Appreciation
I am grateful to the many friends and partners, in Singapore and around the world, who have contributed tremendously to Temasek’s success and ongoing development.

To the past and present members of the Board, management and staff, I am thankful for their unstinting dedication and commitment to shape and reshape the institution for the future. I wish to thank too the boards, management and staff of our portfolio companies. Through their leadership and hard work, they have developed sustainable and competitive businesses that are vital to our collective success.
I also deeply appreciate the thoughtful counsel and insightful advice of our Temasek International Panel and the Temasek Advisory Panel. They have provided very useful perspectives which helped to nuance our thinking and decisions over the years.

Finally, I must thank our many stakeholders, including our shareholder and bondholders as well as the broader public, for their interest in our progress and success. Our engagement with them, and the feedback they have provided us, have enriched Temasek and contributed to our continued progress.

S DHANABALAN
Chairman
September 2009

**Temasek Charter**

**Temasek Holdings** is an investment company managed on commercial principles to create and deliver sustainable long-term value for our stakeholders.

**Temasek is an active value-oriented investor** and may increase, reduce or hold its investments in companies or other assets, or pioneer innovative products or businesses in order to create and maximise shareholder value.

**Temasek is an active shareholder** and aims to achieve sustainable returns by engaging the boards and managements of its portfolio companies to:

- **Values**
  - Foster a deep culture of integrity, meritocracy and excellence;
- **Focus**
  - Maintain a clear focus on core competence, customer fulfilment, innovation, commercial discipline and consistent value creation;
- **Human Capital**
  - Cultivate high calibre board and management leadership, as well as committed and responsible employees;
- **Sustainable Growth**
  - Institutionalise superior business leadership, financial discipline, operational excellence and sound corporate governance;
- **Strategic Options**
  - Create strategic options to build significant international or regional brands or businesses.

**Temasek is a responsible corporate citizen** and is committed to contributing part of its returns to encourage the growth and development of the wider community.
Mt Kinabalu
Returning home carefully across treacherous terrain
PORTFOLIO HIGHLIGHTS

The weight of our portfolio is focused on Asia, tracking its purposeful development as it betters the lives of its people and continues to de-risk.
PORTFOLIO BY GEOGRAPHY\(^1\) (%)

(As at 31 Mar)

Portfolio in 2004

- Singapore 52
- OECD Economies\(^2\) 32
- ASEAN 9
- North Asia 6
- South Asia 1

Total: S$90b

Portfolio in 2009

- Singapore 31
- Latin America & Others\(^2\) 4
- OECD Economies\(^2\) 22
- ASEAN 9
- North Asia 27
- South Asia 7

Total: S$130b

\(^1\) Distribution based on underlying assets.

\(^2\) Mexico is classified under “OECD Economies” in 2004 and under “Latin America and Others” in 2009.
PORTFOLIO HIGHLIGHTS

PORTFOLIO BY SECTOR¹ (%) (As at 31 Mar)

- Financial Services 21%
- Real Estate 6%
- Infrastructure, Industrial & Engineering, Technology³ 10%
- Energy & Resources 7%
- Telecommunications & Media 36%
- Life Sciences, Consumer & Lifestyle, Others³ 6%

PORTFOLIO BY LIQUIDITY (%) (As at 31 Mar)

- Listed large blocs (>20% share) 62%
- Unlisted assets 20%
- Other listed & liquid assets 18%

- Listed large blocs (>20% share) 38%
- Unlisted assets 28%
- Other listed & liquid assets 34%

³ “Others” and “Technology” are classified separately as standalone sectors in 2009.
PORTFOLIO VALUE SINCE INCEPTION

Seeded in 1974 by the Singapore government with an initial portfolio of 35 companies worth S$354 million, or US$134 million, we have grown with the Singapore economy since the early years. Additional assets such as SingTel, SingPower and PSA were transferred to Temasek in the early 1990s when the Government decided to liberalise the provision of basic telecommunications, power and port services.

As at 31 March 2009, our net portfolio market value retracted to S$130 billion or US$86 billion, down from S$185 billion a year earlier, and up from S$90 billion five years ago.

The market values of our portfolio over the years reflect both the performance of our underlying investments and the effects of external events. For example, the listing of SingTel in 1993 contributed to the biggest single-year rise in portfolio value, while the global credit crisis triggered by the US led to our steepest one-year fall last financial year.

The book value of our portfolio declined from S$144 billion the year before to S$118 billion, primarily due to a drop in marked-to-market fair value of available-for-sale investments.

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1 First financial year ended in December 1975.
2 Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.
TOTAL SHAREHOLDER RETURN
(For year ended 31 Mar)

Our one-year Total Shareholder Return by market value for the year ended 31 March 2009 was a negative 29.57%.

We measure Total Shareholder Return (TSR) by market value and by shareholder funds.

TSR by market value is the compounded annual return over a specified period, taking into account changes in the market value of our portfolio, dividends we paid, and netting off any new capital we receive. For unlisted investments, we track the movements in shareholder funds in lieu of market price changes.

Our long-term 20-year and 30-year TSRs remained stable at 13% and 16% respectively, notwithstanding the short-term volatility. TSR since inception remained a healthy 16%.

TSR by shareholder funds measures the compounded annual growth in shareholder funds due to the underlying profitability of our portfolio companies and the returns from our investment activities.

Our TSR by shareholder funds remains a robust 16% since inception. Medium-term TSRs over five and ten-year periods were above 10%, reflecting the strong fundamentals of our portfolio companies and returns from our investments.

<table>
<thead>
<tr>
<th>TSR by Market Value (%)</th>
<th>TSR by Shareholder Funds (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Period in years)</td>
<td>(Period in years)</td>
</tr>
<tr>
<td>Since inception</td>
<td>Since inception</td>
</tr>
<tr>
<td>30</td>
<td>16</td>
</tr>
<tr>
<td>20</td>
<td>16</td>
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<td>10</td>
<td>13</td>
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<td>(2)</td>
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<td>2</td>
<td>(14)</td>
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<td>1</td>
<td>(30)</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
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</tbody>
</table>
**WEALTH ADDED**

Wealth Added measures excess returns over hurdle

\[
\text{Wealth Added} = \text{Change in Market Value} + \text{Dividend Paid} - \text{Net Capital Injection} - \text{Capital Charge} - \text{Perpetuity Value of Operating Cost}
\]

Wealth Added (WA) is the excess returns above the risk-adjusted cost of capital. Also known as economic profit, it factors in the capital employed to produce the returns and the risks associated with each investment.

The capital employed is the opening market value of our portfolio at the start of the year, adjusted for any net capital movements.

In computing WA to our shareholder, the changes in our recurring operating costs taken into perpetuity are also accounted for.
**Calculating WA**

The total return to the shareholder is the change in the market value of investments, or the change in book value for unlisted assets, plus dividends paid to him, adjusted for any net new capital invested.

The capital charge is the minimum risk-adjusted return that the shareholder expects from the opening market value of his portfolio at the start of the year.

WA is the total return to a shareholder less the capital charge.

**Illustrative Example:**

Consider a listed investment with an opening market value of $1,000, which has risen to $1,200 at the end of the year. During the year, the shareholder received dividends of $40, and invested $130 of new equity at the end of the year. His risk-adjusted cost of capital is 10%.

Thus,

\[
\text{Total return} = ($1,200 - $1,000) + $40 - $130 = $110 \\
\text{Capital charge} = 10\% \text{ cost of capital} \times $1,000 = $100 \\
\text{Wealth Added} = \text{total return} - \text{capital charge} = $10
\]

In the following year, the capital charge is calculated on the latest opening market value of $1,200. Assuming no net capital movements or dividends, the portfolio value must increase by a hurdle of at least $120 (i.e. 10% of $1,200) to achieve positive WA, compared to a capital charge of $100 the year before.

Thus, if the market value rises to $1,300 at the end of the following year, with no new capital or dividends, the WA would be a negative $20, i.e. change in market value less cost of capital charge or ($1,300 – $1,200) – (10\% \times $1,200), even though the market value has increased.

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1 Prior to 2003, WA was calculated on an aggregate top-down basis. From 2003 onwards, WA is calculated on a bottom-up basis, and on a monthly hurdle, investment by investment.
Mt Kilimanjaro
Strategising tomorrow’s summit ascent
Our group financial summary and highlights are based on annual statutory financial statements audited by international audit firms.
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 and 2009 and have issued unqualified audit reports dated 16 July 2008 and 15 July 2009, respectively. The audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2007 were audited by PricewaterhouseCoopers whose auditors’ reports contained unqualified opinions.

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


Our responsibility is to express an opinion on whether the Group Financial Summary has been summarised and presented consistently, in all material respects, with the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2009.

We conducted our examination in accordance with Singapore Standard on Auditing SSA 800 – The Independent Auditor’s Report on Special Purpose Audit Engagements. This standard requires that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance on whether the Group Financial Summary is free from material inconsistency with the audited statutory consolidated financial statements of the Group. Our work included examining, on a test basis, evidence supporting the consistency of the amounts and disclosures in the Group Financial Summary to the audited statutory consolidated financial statements of the Group.

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 from which they are derived.

KPMG LLP
Public Accountants and
Certified Public Accountants
Singapore
15 July 2009
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 and 2009. Our auditors for the financial years ended 31 March 2004 to 2007, PricewaterhouseCoopers, 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
15 July 2009

HO CHING
Executive Director & Chief Executive Officer
15 July 2009
GROUP FINANCIAL HIGHLIGHTS
For year ended 31 Mar

<table>
<thead>
<tr>
<th>Profit Margin (%)</th>
<th>VA/Employment Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.1 13.9 18.7 18.2 24.2</td>
<td>2.6 2.7 3.2 3.0 3.4</td>
</tr>
<tr>
<td>04 05 06 07 08 09</td>
<td>04 05 06 07 08 09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Return on Average Equity (%)</th>
<th>Return on Average Assets (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.4 11.1 8.9 14.1 4.7</td>
<td>7.1 6.6 6.8 4.3</td>
</tr>
<tr>
<td>04 05 06 07 08 09</td>
<td>04 05 06 07 08 09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Debt to Capital (%)</th>
<th>EBITDA Interest Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.9 12.6 14.6 16.6 13.5</td>
<td>12.2 10.7 11.9 11.5 7.7</td>
</tr>
<tr>
<td>04 05 06 07 08 09</td>
<td>04 05 06 07 08 09</td>
</tr>
</tbody>
</table>

---

1 The Group Financial Summary including highlights as set out from pages 26 to 31, was prepared and presented based on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2009.

2 Profit before exceptional items, expressed as a percentage of revenue.

3 Gross value added per dollar of employment cost.

4 Net profit attributable to equity holder of the company expressed as a percentage of average shareholder equity.

5 Total profit, add back financing cost, expressed as a percentage of average total assets.

6 Net debt expressed as a percentage of the sum of shareholder equity, minority interests and net debt.
GROUP INCOME STATEMENTS (IN S$ BILLION)

<table>
<thead>
<tr>
<th>For year ended 31 Mar</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>56.5</td>
<td>67.5</td>
<td>79.8</td>
<td>74.6</td>
<td>83.3</td>
<td><strong>79.6</strong></td>
</tr>
<tr>
<td>Profit before exceptional items</td>
<td>7.4</td>
<td>9.4</td>
<td>14.9</td>
<td>13.6</td>
<td>20.2</td>
<td><strong>7.2</strong></td>
</tr>
<tr>
<td>Net profit attributable to equity holder</td>
<td>7.4</td>
<td>7.5</td>
<td>12.8</td>
<td>9.1</td>
<td>18.2</td>
<td><strong>6.2</strong></td>
</tr>
</tbody>
</table>

GROUP BALANCE SHEETS (IN S$ BILLION)

<table>
<thead>
<tr>
<th>As at 31 Mar</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>180.8</td>
<td>199.1</td>
<td>213.7</td>
<td>242.4</td>
<td>295.5</td>
<td><strong>247.9</strong></td>
</tr>
<tr>
<td>Shareholder equity</td>
<td>64.5</td>
<td>70.9</td>
<td>90.6</td>
<td>114.0</td>
<td>144.1</td>
<td><strong>118.4</strong></td>
</tr>
<tr>
<td>Net debt (^8)</td>
<td>21.9</td>
<td>26.9</td>
<td>16.7</td>
<td>23.6</td>
<td>33.8</td>
<td><strong>22.1</strong></td>
</tr>
</tbody>
</table>

\(^7\) Profit before income tax, finance expenses, depreciation, amortisation and impairment loss on property, plant and equipment and intangibles, divided by finance expenses.

\(^8\) Total debt less cash and cash equivalents.
### GROUP INCOME STATEMENTS

#### IN S$ MILLION

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>56,468</td>
<td>67,520</td>
<td>79,822</td>
<td>74,563</td>
<td>83,284</td>
<td>79,615</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(37,659)</td>
<td>(43,780)</td>
<td>(53,309)</td>
<td>(49,282)</td>
<td>(53,290)</td>
<td>(57,477)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>18,809</td>
<td>23,740</td>
<td>26,513</td>
<td>25,281</td>
<td>29,994</td>
<td>22,138</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>1,482</td>
<td>3,334</td>
<td>7,678</td>
<td>8,370</td>
<td>15,870</td>
<td>16,198</td>
</tr>
<tr>
<td><strong>Expenses: Selling &amp; Distribution</strong></td>
<td>(3,559)</td>
<td>(3,939)</td>
<td>(4,086)</td>
<td>(4,278)</td>
<td>(5,197)</td>
<td>(5,042)</td>
</tr>
<tr>
<td>Administrative</td>
<td>(5,722)</td>
<td>(7,003)</td>
<td>(8,040)</td>
<td>(8,104)</td>
<td>(8,619)</td>
<td>(8,068)</td>
</tr>
<tr>
<td>Finance</td>
<td>–</td>
<td>(2,120)</td>
<td>(2,415)</td>
<td>(2,611)</td>
<td>(3,207)</td>
<td>(2,727)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(3,633)</td>
<td>(4,648)</td>
<td>(4,758)</td>
<td>(5,053)</td>
<td>(8,681)</td>
<td>(15,333)</td>
</tr>
<tr>
<td><strong>Profit before exceptional items</strong></td>
<td>7,377</td>
<td>9,364</td>
<td>14,892</td>
<td>13,605</td>
<td>20,160</td>
<td>7,166</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td>2,165</td>
<td>404</td>
<td>1,666</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit after exceptional items</strong></td>
<td>9,542</td>
<td>9,768</td>
<td>16,558</td>
<td>13,605</td>
<td>20,160</td>
<td>7,166</td>
</tr>
<tr>
<td><strong>Non-operating items</strong></td>
<td>1,077</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>619</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(1,724)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Share of results of associated companies and partnerships</strong></td>
<td>1,472</td>
<td>1,410</td>
<td>1,163</td>
<td>(830)</td>
<td>3,187</td>
<td>1,333</td>
</tr>
<tr>
<td><strong>Share of results of joint ventures</strong></td>
<td>787</td>
<td>1,037</td>
<td>1,263</td>
<td>1,566</td>
<td>2,182</td>
<td>1,870</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>11,773</td>
<td>12,215</td>
<td>18,984</td>
<td>14,341</td>
<td>25,529</td>
<td>10,369</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(2,050)</td>
<td>(1,837)</td>
<td>(2,518)</td>
<td>(1,381)</td>
<td>(3,055)</td>
<td>(1,280)</td>
</tr>
<tr>
<td><strong>Profit from continuing operations</strong></td>
<td>9,723</td>
<td>10,378</td>
<td>16,466</td>
<td>12,960</td>
<td>22,474</td>
<td>9,089</td>
</tr>
<tr>
<td><strong>Profit from discontinued operations</strong></td>
<td>–</td>
<td>31</td>
<td>67</td>
<td>16</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total profit</strong></td>
<td>9,723</td>
<td>10,409</td>
<td>16,533</td>
<td>12,976</td>
<td>22,474</td>
<td>9,089</td>
</tr>
</tbody>
</table>

**Attributable to:**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity holder of the Company</strong></td>
<td><strong>7,365</strong></td>
<td><strong>7,521</strong></td>
<td><strong>12,827</strong></td>
<td><strong>9,112</strong></td>
<td><strong>18,240</strong></td>
<td><strong>6,183</strong></td>
</tr>
<tr>
<td>Minority interests</td>
<td>2,358</td>
<td>2,888</td>
<td>3,706</td>
<td>3,864</td>
<td>4,234</td>
<td>2,906</td>
</tr>
<tr>
<td><strong>Total profit for the financial year</strong></td>
<td><strong>9,723</strong></td>
<td><strong>10,409</strong></td>
<td><strong>16,533</strong></td>
<td><strong>12,976</strong></td>
<td><strong>22,474</strong></td>
<td><strong>9,089</strong></td>
</tr>
</tbody>
</table>
## GROUP BALANCE SHEETS

### IN S$ MILLION

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder equity</td>
<td>64,522</td>
<td>70,890</td>
<td>90,630</td>
<td>113,958</td>
<td>144,058</td>
<td>118,398</td>
</tr>
<tr>
<td>Minority interests</td>
<td>23,862</td>
<td>25,325</td>
<td>25,412</td>
<td>24,447</td>
<td>25,786</td>
<td>22,555</td>
</tr>
<tr>
<td></td>
<td>88,384</td>
<td>96,215</td>
<td>116,042</td>
<td>138,405</td>
<td>169,844</td>
<td>140,953</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>61,558</td>
<td>69,268</td>
<td>65,552</td>
<td>65,486</td>
<td>75,302</td>
<td>68,206</td>
</tr>
<tr>
<td>Intangibles</td>
<td>13,543</td>
<td>14,714</td>
<td>14,481</td>
<td>14,805</td>
<td>21,382</td>
<td>19,891</td>
</tr>
<tr>
<td>Investments</td>
<td>27,339</td>
<td>16,976</td>
<td>27,137</td>
<td>34,965</td>
<td>39,513</td>
<td>41,105</td>
</tr>
<tr>
<td>Financial assets</td>
<td>–</td>
<td>13,829</td>
<td>27,529</td>
<td>52,341</td>
<td>73,850</td>
<td>40,234</td>
</tr>
<tr>
<td>Investment properties</td>
<td>8,159</td>
<td>7,848</td>
<td>1,817</td>
<td>3,632</td>
<td>5,035</td>
<td>5,331</td>
</tr>
<tr>
<td>Properties under development</td>
<td>370</td>
<td>453</td>
<td>518</td>
<td>158</td>
<td>626</td>
<td>759</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>6,488</td>
<td>8,266</td>
<td>9,972</td>
<td>10,446</td>
<td>9,393</td>
<td>9,505</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,645</td>
<td>2,138</td>
<td>1,735</td>
<td>1,628</td>
<td>1,849</td>
<td>1,960</td>
</tr>
<tr>
<td>Current assets</td>
<td>61,695</td>
<td>65,614</td>
<td>64,987</td>
<td>58,979</td>
<td>68,568</td>
<td>60,958</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(45,779)</td>
<td>(50,901)</td>
<td>(52,269)</td>
<td>(45,350)</td>
<td>(66,454)</td>
<td>(42,558)</td>
</tr>
<tr>
<td>Net current assets</td>
<td>15,916</td>
<td>14,713</td>
<td>12,718</td>
<td>13,629</td>
<td>2,114</td>
<td>18,400</td>
</tr>
<tr>
<td></td>
<td>135,018</td>
<td>148,205</td>
<td>161,459</td>
<td>197,090</td>
<td>229,064</td>
<td>205,391</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(46,634)</td>
<td>(51,990)</td>
<td>(45,417)</td>
<td>(58,685)</td>
<td>(59,220)</td>
<td>(64,438)</td>
</tr>
<tr>
<td></td>
<td>88,384</td>
<td>96,215</td>
<td>116,042</td>
<td>138,405</td>
<td>169,844</td>
<td>140,953</td>
</tr>
</tbody>
</table>
# GROUP CASH FLOW STATEMENTS

## IN S$ MILLION

<table>
<thead>
<tr>
<th>Description</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow before working capital changes</td>
<td>13,936</td>
<td>16,854</td>
<td>18,661</td>
<td>17,557</td>
<td>21,213</td>
<td>14,072</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>(2,535)</td>
<td>(4,353)</td>
<td>2,577</td>
<td>2,508</td>
<td>(287)</td>
<td>1,484</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>11,401</td>
<td>12,501</td>
<td>21,238</td>
<td>20,065</td>
<td>20,926</td>
<td>15,556</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(1,151)</td>
<td>(1,480)</td>
<td>(1,558)</td>
<td>(1,592)</td>
<td>(1,942)</td>
<td>(1,826)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>10,250</td>
<td>11,021</td>
<td>19,680</td>
<td>18,473</td>
<td>18,984</td>
<td>13,730</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow from investing activities</td>
<td>(7,701)</td>
<td>(4,765)</td>
<td>(16,509)</td>
<td>(23,344)</td>
<td>(30,431)</td>
<td>95</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from financing activities</td>
<td>6,770</td>
<td>(4,793)</td>
<td>(238)</td>
<td>2,259</td>
<td>13,277</td>
<td>(6,398)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents held</td>
<td>9,319</td>
<td>1,463</td>
<td>2,933</td>
<td>(2,612)</td>
<td>1,830</td>
<td>7,427</td>
</tr>
</tbody>
</table>
### GROUP STATEMENTS OF CHANGES IN EQUITY

#### IN S$ MILLION

<table>
<thead>
<tr>
<th></th>
<th>Share Capital and Other Reserves</th>
<th>Revenue Reserves</th>
<th>Currency Translation Reserves</th>
<th>Minority Interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 Apr 2008</strong></td>
<td>70,917</td>
<td>74,638</td>
<td>(1,497)</td>
<td>25,786</td>
<td>169,844</td>
</tr>
<tr>
<td>Net profit for the financial year</td>
<td>–</td>
<td>6,183</td>
<td>–</td>
<td>2,906</td>
<td>9,089</td>
</tr>
<tr>
<td>Others, net¹</td>
<td>(25,139)</td>
<td>(3,859)</td>
<td>(2,845)</td>
<td>(6,137)</td>
<td>(37,980)</td>
</tr>
<tr>
<td><strong>Balance at 31 Mar 2009</strong></td>
<td>45,778</td>
<td>76,962</td>
<td>(4,342)</td>
<td>22,555</td>
<td>140,953</td>
</tr>
<tr>
<td><strong>Balance at 1 Apr 2007, as previously stated</strong></td>
<td>57,079</td>
<td>57,383</td>
<td>(504)</td>
<td>24,447</td>
<td>138,405</td>
</tr>
<tr>
<td>Effect of adopting FRS 40</td>
<td>(1,231)</td>
<td>1,037</td>
<td>–</td>
<td>32</td>
<td>(162)</td>
</tr>
<tr>
<td><strong>Balance at 1 Apr 2007, restated</strong></td>
<td>55,848</td>
<td>58,420</td>
<td>(504)</td>
<td>24,479</td>
<td>138,243</td>
</tr>
<tr>
<td>Net profit for the financial year</td>
<td>–</td>
<td>18,240</td>
<td>–</td>
<td>4,234</td>
<td>22,474</td>
</tr>
<tr>
<td>Others, net¹</td>
<td>15,069</td>
<td>(2,022)</td>
<td>(993)</td>
<td>(2,927)</td>
<td>9,127</td>
</tr>
<tr>
<td><strong>Balance at 31 Mar 2008</strong></td>
<td>70,917</td>
<td>74,638</td>
<td>(1,497)</td>
<td>25,786</td>
<td>169,844</td>
</tr>
</tbody>
</table>

¹ Comprise movements during the financial year including but not limited to:
- Issuance of ordinary shares;
- Change in fair value of financial assets;
- Dividends paid, net of tax;
- Share of associated companies’ and joint ventures’ reserves; and
- Currency translation differences.
Mt Kinabalu
Overcoming challenges, charting the way forward
SHAPING OUR PORTFOLIO

“The decisive factor is not knowledge but the determination and courage to act upon it.”

S Rajaratnam
Singapore Foreign Minister
Speech at the Singapore Association for the Advancement of Science Seminar
20 December 1979
SHAPING OUR PORTFOLIO

As a long-term investor, we act to enhance sustainable value. We invest, rationalise, consolidate or divest where it makes sense and where we can achieve clear shareholder value.

As an owner with a lightly geared balance sheet, we have the flexibility of taking concentrated positions or investing with a long or short horizon.

We have increased our exposure to Asia since 2002, riding with its deep and long wave of growth and transformation.

Our investments centre around four themes:
- Transforming economies
- Growing middle class
- Deepening comparative advantages
- Emerging champions

Mindful of a possible downturn since early 2007, we have been building up our liquidity steadily over the last two years. However, we did not anticipate the speed and ferocity of the worst global financial crisis since the Great Depression.

We have been building up our liquidity steadily over the last two years

Our immediate priority was to ensure that our portfolio companies were well positioned to ride out the crisis, especially in terms of their liquidity and financing needs. At the same time, we continued to invest cautiously and selectively during the year.

<table>
<thead>
<tr>
<th>Market Value of Portfolio (S$b)</th>
<th>Seven-Year Annualised Returns to Temasek (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(As at 31 Mar 09)</td>
<td>(31 Mar 02 to 31 Mar 09)</td>
</tr>
<tr>
<td>50</td>
<td>19</td>
</tr>
<tr>
<td>80</td>
<td>9</td>
</tr>
</tbody>
</table>

Investment after end Mar 02 Investment before end Mar 02
Investment Highlights
During the year ended 31 March 2009, we divested S$16 billion of assets. We made S$9 billion of new investments, of which S$3 billion were into the rights offerings of our portfolio companies, such as Standard Chartered, DBS Group and CapitaLand.

Post March 2009, we further invested over S$1 billion in the rights issues of Bank Danamon, Neptune Orient Lines and Chartered Semiconductor Manufacturing.

During the year, we rebalanced our portfolio and fully divested our stakes in Bank Internasional Indonesia, Bank of America, Barclays, China Minsheng Bank, E.SUN Financial Holding, Singapore Food Industries, SCS Computer Systems and SNP Corporation.

We completed the divestment of our remaining two power generating companies in Singapore, Senoko Power and PowerSeraya to Lion Power Holdings and YTL Power International respectively. Together with the earlier divestment of Tuas Power, the sales raised total proceeds of just over S$11 billion.

The completion of the divestment programme marked the end of a 14-year journey to fully liberalise the power generating market in Singapore. The support and cooperation of the boards, managements and union of these power generating companies contributed significantly to the successful outcomes.

While we took steps to mitigate sector and company-specific risks in our portfolio, we also continued to review investment opportunities in various sectors. Of particular interest were several companies with the potential to become champions in their respective businesses.

In September 2008, we invested about S$700 million for a sub-5% stake in Li & Fung, a global leader in supply chain management for brands and retailers worldwide. The company’s growth, despite the downturn in the retail sector, underlines the strength of its business model and operations.

Recapitalisations
S$3b

Investments
S$9b\(^1\)

Divestments
S$16b

For year ended 31 Mar 09

\(^1\) Includes recapitalisations of S$3b.
Consistent with our theme of supporting emerging global champions, we reinvested in Singapore-based Olam International. The investment of S$438 million for a 13.8% stake was approved by shareholders in June 2009. Olam has a strong presence in the supply chain management of agricultural products and food ingredients.

In keeping with our theme of deepening comparative advantages, Temasek holds an investment of about S$150 million as of 31 March 2009 in Lung Ming, an independent iron ore company that owns and operates the Eruu Gol iron ore mine in Mongolia.

In the infrastructure, industrial & engineering space, we took a 19.5% stake in ENK of Korea, which supplies cylinders for compressed natural gas (CNG). ENK is well positioned to benefit from strong global demand for CNG as markets and consumers search for an attractive and environmentally friendly alternative fuel source.

In Brazil, we provided growth capital with a 15.4% stake in San Antonio International, the leading onshore oilfield service company in Latin America.
**Investment Framework**

Our investment framework covers how we evaluate and structure our investments, engage our portfolio companies, and optimise the risk-adjusted return of our overall portfolio. Our decision to hold, invest or divest is based on the value test.

We have a flexible investment horizon, and look to create optionality for future value. We mitigate risks in various ways, including bringing in value-adding partners or structuring downside protection on our investments.

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**Our decision to hold, invest or divest is based on the value test**

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While we are not involved in the day-to-day operations or commercial decisions of our portfolio companies, we engage them as a shareholder to promote robust governance and foster a strong culture of excellence and integrity, as well as to build sustainable competitive advantages, and maximise long-term shareholder returns.

We remain open to increase, reduce or maintain our holdings, based on our value test and market opportunities, regularly reviewing our portfolio to rebalance our risk-return stance.

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**Investment Outlook**

The worst of the meltdown risks is over, though structural issues remain. The decisive fiscal responses by various governments around the world cushioned the real economy and the populace. Going forward, governments still need to address the structural issues of overcapacity and excessive leverage. Global recovery is expected to be sluggish.

Asia steadied itself and should continue on a steady trajectory of growth for the next decade or two. Economies like Brazil remain sound, though Mexico may see more fallout in the short term from its US linkages.

The expanding middle class continues to present good long-term investment prospects in Asia, Latin America and other economic regions.

Post-crisis, drivers of long-term secular trends remain valid. Demographics will underpin urbanisation, industrialisation, demand for resources and environmental awareness, while politics will drive protectionism or regulatory changes either nationally or globally.

These long-term drivers will inform our investment posture in the decade ahead.
Beyond purpose, people and passion, the success of an institution also rests on the culture we nurture in our people and the discipline we instil through our systems and processes.
GOVERNANCE FRAMEWORK

The world has evolved since 1974, and so have we. We have stayed the course and kept the future in our mind in everything we have done.

Governance in and of itself does not create or sustain value, but it lays the foundation for building an institution to create and deliver sustainable long-term value.

A robust and pragmatic governance framework provides a balance between accountability and responsiveness, between empowerment and organisational alignment, and between risks and returns.

We espouse the principles of commercial discipline, built on a culture of meritocracy, excellence and integrity, and aligned through a performance incentive framework that reinforces sustainable long-term value.

Neither the President of Singapore nor the Singapore government is involved in our investment, divestment or other business decisions.

Relating to Our Shareholder
Incorporated on 25 June 1974, Temasek is a Singapore exempt private company\(^1\) wholly owned by the Minister for Finance (Incorporated). Subject to the President’s concurrence, our shareholder has the right to appoint, remove or renew Board members at shareholder meetings.

We operate under the purview of the Singapore Companies Act and all other applicable laws and regulations governing companies incorporated in Singapore. Within this regulatory framework, Temasek operates with full commercial discretion and flexibility, under the direction of our Board.

We provide annual statutory financial statements audited by an international audit firm, as well as periodic updates to our shareholder. While not required to release any financial information publicly as an exempt private company, we have published our group financial summary and highlights based on the audited financial statements in our annual Temasek Review since 2004.

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\(^{1}\) 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.
We declare dividends annually to our shareholder, balancing cash returns to our shareholder against reinvestments to sustain future returns.

We espouse the principles of commercial discipline, built on a culture of meritocracy, excellence and integrity.

Relating to the President
Under the Singapore Constitution, the President of the Republic of Singapore has an independent role as the elected Head of State to safeguard Singapore’s critical assets and past reserves.

Likewise, Temasek is designated a Fifth Schedule Company² under the Singapore Constitution with a special responsibility to safeguard our past reserves. Reserves in Temasek are categorised as current or past reserves, depending on when these have been accumulated.

Profits accumulated before the term of the current Government, and any government asset transfers, form our past reserves. Current reserves are primarily profits accumulated after a newly elected government is sworn into power.

If our total reserves are less than our past reserves, or if our current reserves are negative, this will be considered a draw on our past reserves. We will need to seek the President’s concurrence before such a situation occurs.

Our Chairman and CEO are required to certify our Statement of Reserves and Statement of Past Reserves to the President on a half-yearly basis as part of our governance discipline.

Thus, the President acts as a check under a ‘two-key’ concept to safeguard Temasek’s past reserves³ as a Fifth Schedule Company.

The President’s concurrence is required for the appointment, renewal or removal of our Board members. The appointment or removal of our CEO by our Board is also subject to the concurrence of the President. This is to safeguard the integrity of these key appointments involved in directing and managing Temasek’s reserves.

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

Relating to Our Portfolio Companies
Companies in our portfolio are managed by their respective management, and guided and supervised by their respective boards. Temasek does not direct the commercial or operational decisions of its portfolio companies.

We exercise our shareholder rights fully, including voting at shareholders’ meetings, to protect our commercial interests.

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² Other Fifth Schedule entities include Government of Singapore Investment Corporation Pte Ltd (GIC), which manages the reserves of the Singapore Government, and statutory boards involved in managing critical assets, such as the Central Provident Fund Board and the Monetary Authority of Singapore.

³ Temasek does not manage the 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.
We promote sound corporate governance in our portfolio companies. We support the formation of high calibre, commercially experienced and diverse boards to complement and guide management leadership.

We exercise our shareholder rights fully to protect our commercial interests.

Relating to the Wider Community
Our management participates in dialogues with regulators, multilateral agencies and other market participants on governance and other regulatory issues to help promote fair and practical market oversight, and to keep abreast of governance issues and trends.

In particular, we share our experiences and governance practices, and in turn learn from others, so that together we can contribute to better corporate governance standards.

Additionally, we have endowed the Temasek Trust to support Temasek Foundation. Set up as a non-profit philanthropic organisation, one of the mandates of the Foundation is to foster and promote sound and honest governance.

As a long-term investor, we are mindful of the social, environmental and development needs of the community, which can impact the long-term sustainability of businesses.

Temasek Board and Committees
Our Board comprises a majority of non-executive independent private sector business leaders.

They bring a wealth of experience from the private sector and industry to our deliberations.

The roles of Chairman and CEO are substantively different and therefore separated to provide the proper checks and balances, and better accountability within the Board.

Our Board provides overall guidance and policy directions to our management. Each year, the Board is scheduled to meet on a quarterly basis for sessions of 1.5 days each, but meets more often when necessary. Twelve Board meetings were held in the year ended 31 March 2009.

Our Board has delegated certain specific authority to various Board committees:

- Executive Committee (EXCO)
- Audit Committee (AC)
- Leadership Development & Compensation Committee (LDCC)

Each committee is chaired by an independent, non-executive Director.

Our Board comprises a majority of non-executive independent private sector business leaders.

On the recommendation of the AC, our Board approves the annual audited statutory accounts prior to submission to the shareholder for adoption at its Annual General Meeting.
Board and Committee Decisions

Board and Committee decisions may be made at a meeting or obtained via circulation.

Board members may participate in meetings via telephone or video-conference. Decisions at our Board and Committee meetings are based on a simple majority of the votes. 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 the directors.

In the event that Board members have interests that may conflict with specific Temasek interests, they are recused from the relevant Board or Board Committee deliberations and decisions.

Our Board holds Executive Sessions without the presence of our management, to discuss and decide on confidential matters relating to our senior staff. These include the review of CEO performance and succession as well as the review of our senior leadership team.

Temasek Management

We comply with the rules and regulations of the jurisdictions where we have investments or operations. We have robust systems and processes in place to assist us in such compliance. These systems and processes are continually updated and refined, in particular for new markets, new asset classes or to incorporate new technology platforms or capabilities.

During the year, management embarked on initiatives to refine and tighten existing systems and processes for derivative transactions.

<table>
<thead>
<tr>
<th>Board Committee Membership</th>
<th>Board</th>
<th>EXCO</th>
<th>AC</th>
<th>LDCC</th>
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<tr>
<td>S Dhanabalan</td>
<td>Chairman</td>
<td>Chairman</td>
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<tr>
<td>Kwa Chong Seng</td>
<td>Deputy Chairman</td>
<td>Deputy Chairman</td>
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<td>Member</td>
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<td>Kua Hong Pak</td>
<td>Member</td>
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<td>Chairman</td>
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<td>Koh Boon Hwee</td>
<td>Member</td>
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<tr>
<td>Ho Ching</td>
<td>Executive Director &amp; CEO</td>
<td>Member</td>
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<td>Goh Yew Lin</td>
<td>Member</td>
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<td>Simon Israel</td>
<td>Executive Director</td>
<td>Member</td>
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<td>Teo Ming Kian</td>
<td>Member</td>
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<td>Marcus Wallenberg</td>
<td>Member</td>
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<tr>
<td>Charles “Chip” Goodyear¹</td>
<td>Executive Director &amp; CEO-Designate</td>
<td>Member</td>
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</table>

¹ Charles “Chip” Goodyear resigned as Executive Director and CEO-Designate of the Company with effect from 15 August 2009.
OUR BOARD OF DIRECTORS

1. S Dhanabalan
   Chairman (since September 1996)
   - Previously Chairman of DBS Group Holdings Ltd and Singapore Airlines Ltd
   - Held several Cabinet positions in Singapore government from 1978 to 1994

2. Kwa Chong Seng
   Deputy Chairman (since September 1997)
   - Chairman and Managing Director of ExxonMobil Asia Pacific Pte Ltd and Member of the Public Service Commission
   - Conferred the Singapore Public Service Star in 2005
   - Awarded Honorary Ningbo Citizenship in 1999

3. Ho Ching
   Executive Director & CEO (Director since January 2002; Executive Director since May 2002, and ED & CEO since January 2004)
   - Previously President and CEO of the Singapore Technologies Group
   - Honorary Fellow of the Institute of Engineering, Singapore

4. Kua Hong Pak
   Director (since November 1996)
   - Managing Director and Group CEO of ComfortDelGro Corporation Ltd; Deputy Chairman of SBS Transit Ltd and VICOM Ltd
   - Conferred the Public Service Star in 1996; re-appointed a Justice of the Peace in 2005
   - Conferred Honorary Shenyang Citizenship in 1997
5. Koh Boon Hwee
Director (since November 1996)
- Chairman, DBS Group Holdings Ltd and Sunningdale Tech Ltd
- Conferred The Distinguished Service Order in 2008, Meritorious Service Medal in 1995 and the Public Service Star in 1991

6. Goh Yew Lin
Director (since August 2005)
- Managing Director, GK Goh Holdings Limited
- Chairman, Yong Siew Toh Conservatory of Music and Deputy Chairman, Singapore Symphonia Company Limited
- Member, Board of Trustees, National University of Singapore

7. Simon Israel
Executive Director (Director since August 2005; Executive Director since July 2006)
- Chairman, Singapore Tourism Board, Asia Pacific Breweries Ltd and Asia Pacific Breweries Foundation
- Conferred Knight in the Legion of Honour by the French Government in 2007

8. Teo Ming Kian
Director (since October 2006)
- Permanent Secretary, Ministry of Finance and National Research and Development in the Prime Minister’s Office
- Chairman, MND Holdings Pte Ltd, Accounting and Corporate Regulatory Authority and Inland Revenue Authority of Singapore
- Conferred the Commander First Class – Royal Order of the Polar Star (Sweden) in 1994 and Meritorious Service Medal in 2008

9. Marcus Wallenberg
Director (since July 2008)
- Chairman, Skandinaviska Enskilda Banken, SAAB AB and AB Electrolux; Deputy Chairman, L M Ericsson
- Previously Chairman, International Chamber of Commerce and President and CEO, Investor AB

Note: Charles “Chip” Goodyear resigned as Executive Director and CEO-Designate of the Company with effect from 15 August 2009.
RISK FRAMEWORK

The founding of Temasek is rooted in robust risk-taking for the long term, which is inherent in our business as an investor. We continue to refine and enhance our risk management systems in tandem with our capabilities to invest in different markets, and different products and asset classes.

Our Board provides the overall guidance and policy directions on risk management functions and framework, supported by our CEO and senior management team. Together, they determine the objectives and policies of our risk framework, and promote a culture of risk awareness and a sense of balanced risk-taking.

This culture is reinforced through a risk-sharing compensation framework which puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests through business cycles for both the upside and downside.

Enterprise risks, including the management of financial risks, are factored into the day-to-day operations of Temasek, including decisions on investments, divestments, company policies and processes. These decisions are taken under the supervision of our CEO and senior management team.

In particular, we continue to extend our Risk Management Information Systems to support our decision-making and improve our responsiveness to the market environment.

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**Risk Management Categories**

<table>
<thead>
<tr>
<th>Strategic Risk Assessment</th>
<th>Financial Risk Assessment</th>
<th>Operational Risk Assessment</th>
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<tbody>
<tr>
<td>Aggregate Risk Profile of Temasek</td>
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<td>Funding Liquidity</td>
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<td>Legal &amp; Regulatory</td>
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<td>Reputation</td>
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<td>Business Disruption</td>
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</table>
Strategic Risks
As at 31 March 2009, our underlying exposure to Singapore was 31% of our portfolio, rest of Asia (excluding Singapore and Japan) was 43%, and OECD exposure was 22%.

About 72% of our portfolio comprises listed and liquid assets.

Almost 60% of our portfolio value is in the financial services and telecommunications & media sectors. These sectors will continue to benefit from the long-term economic transformation in Asia with its growing middle class demands. The single largest investment, SingTel, accounts for 17% of our portfolio value, down from 30% five years ago.

Financial Risks
We have a relatively volatile portfolio given the nature of our investments and concentrated exposures.

Our Value-at-Risk (VaR) statistical model is derived using a Monte Carlo simulation based on three years of price data to estimate potential marked-to-market losses on our portfolio for a 12-month period with an 84% confidence level.
As at 31 March 2009, our VaR was about S$28 billion. This implies a 16% probability of our portfolio value falling by S$28 billion or more, within a year. In relative terms, this is 22% of our portfolio value, similar to the ratio of the previous year.

Overall, the top 10 companies in our portfolio contributed over 70% of our total diversified VaR. These include SingTel, China Construction Bank, CapitaLand, DBS Group and Singapore Airlines.

We also conduct monthly stress tests and scenario analyses to gauge the effects of low probability but high impact events. Every month, we review our overall risk position and provide additional analyses of specific event, industry or country risks.

### Operational Risks

We have significantly strengthened our operational risk capabilities and business continuity plan against threats such as natural disasters and pandemics. In addition, we have considerably enhanced our Travel Safe System to provide support to our staff when they are on assignments away from their home base.

Whenever there are dangers to the safety of our staff or physical assets, we form Incident Management Teams (IMTs) to provide round-the-clock support until the situations are resolved. For instance, during the November 2008 terrorist attack in Mumbai and the Novel Influenza A H1N1 pandemic of 2009, IMTs were activated.

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1 Sector classification also includes “Technology” in 2004.
2 “Others” and “Technology” are classified separately as standalone sectors in 2009.
3 Classified within “Others” in 2004.
16% probability of portfolio value falling by S$28b or more by 31 March 2010

**Internal Audit**
Our Internal Audit unit (IA) reports to our Board Audit Committee. IA conducts periodic reviews of Temasek’s key control processes and undertakes special reviews requested by the Board or senior management. One objective is to ensure that the internal controls of Temasek are well designed and effective, and that awareness and compliance are high amongst staff.

IA is also being consulted on internal control matters prior to major system implementations or operating process changes so that their inputs can be captured in the system design. This reflects a strong level of control consciousness in Temasek.

Over time, IA has extended its audit coverage to Temasek’s overseas offices, in support of the expanding footprint of the institution in new markets, both in Asia and beyond.

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

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\(^4\) VaR as a percentage of portfolio value.
Key policies, processes and systems include a legal risk management framework to define and institutionalise acceptable legal risk parameters, and a legal process policy to provide effective and consistent management of legal risks in transactions. For example, our policy mandates that only personnel authorised by a Board resolution, can enter into derivatives transactions on behalf of the company.

Regulatory compliance is supported by a robust securities tracking system for Singapore and other relevant jurisdictions. These are continually reviewed and updated for changes in laws, and enhanced by leveraging on technology for the automation of the Singapore and Hong Kong securities tracking system and the regulatory filings database.

Our policy mandates that only personnel authorised by a Board resolution, can enter into derivatives transactions on behalf of the company.

Our internal compliance function covers the letter and spirit of Temasek’s internal code of conduct and standards of good practice as well as all relevant rules and laws. These include our Staff Code of Ethics and Standards of Practice, Personal Account Dealing Policy and Whistle Blowing Policy.
OUR LEADERSHIP

Nine nationalities are represented in Temasek’s leadership team with the youngest in the mid-30s. They bring a diversity of backgrounds and experiences to Temasek.

ANG Peng Huat
Managing Director
Investment

CHAN Heng Wing
Managing Director
Chief Representative, China

CHAN Wai Ching
Managing Director
Organisation & Leadership

Willie CHAN
Managing Director
Learning
CEO, Temasek
Management Services

CHEO Hock Kuan
Senior Managing Director
Corporate Development & Special Projects

Lena CHIA
Managing Director
Legal & Regulations

Robert CHONG
Managing Director
Human Resources

Jeffrey CHUA
Managing Director
Investment

Michael DEE
Senior Managing Director
International

GAN Chee Yen
Senior Managing Director
Co-Chief Investment Officer

Grace GOH
Managing Director
Finance

GOH Yong Siang
Senior Managing Director
International & Strategic Relations

Lorenzo GONZALEZ
Managing Director
Investment, Mexico

Nagi HAMIYEH
Managing Director
Investment

David HENG
Managing Director
Investment

HIEW Yoon Khong
Senior Managing Director
Special Projects
CEO, Mapletree Investments

Ho Ching
Executive Director & CEO

Henry HO
Managing Director
Investment

Simon ISRAEL
Executive Director

Manish KEJRIWAL
Senior Managing Director
Investment, International & India

LAO Tzu Ming
Managing Director
Risk Management

Derek LAU
Managing Director
Chief Representative, Vietnam

LEONG Wai Leng
Senior Managing Director
Corporate Development & Chief Financial Officer

Margaret LUI
Managing Director
Investment

NG Yat Chung
Senior Managing Director
Corporate Development, Portfolio Management & Systems

ONG Beng Teck
Managing Director
Investment

Charles ONG
Senior Managing Director
Chief Strategist

PAK Hoe Soon
Managing Director
Investment

Jimmy PHOON
Senior Managing Director
Strategy

Padmanabh SINHA
Managing Director
Investment, India

Rohit SIPAHIMALANI
Managing Director
Investment

TAN Suan Swee
Managing Director
Investment

Myrna THOMAS
Managing Director
Corporate Affairs

Alan THOMPSON
Managing Director
Investment, Latin America

TOW Heng Tan
Senior Managing Director
Chief Investment Officer

Matheus VILLARES
Managing Director
Investment, Brazil

WONG Kim Yin
Managing Director
Investment

YAP Chwee Mein
Managing Director
Investment & China
COMPENSATION FRAMEWORK

We foster a long-term owner’s frame of mind in our team through a well-balanced compensation structure which reinforces a one-team culture, and an incentive philosophy which puts the institution before the individual, emphasises long term over short term, and aligns employee and shareholder interests.

Our compensation framework has two dimensions. One dimension is the different performance hurdles to earn out the incentives. The other dimension is time, covering short, medium and long-term payout horizons. These are underpinned by the principle of sharing gains and pains alongside our shareholder. In essence, our compensation framework encapsulates an owner’s approach to our business and operation.

Senior management have the bulk of their performance incentives deferred between three to 12 years, while junior staff sharing in the same incentive elements have proportionately more in shorter term compensation.

Apart from competitive base salaries and family-friendly benefits, our variable incentives include annual performance target bonuses, and longer term incentives linked to Wealth Added (WA) and/or Total Shareholder Return (TSR).

**Individual Performance Incentives**
Annually defined incentives within budgeted limits are tied to individual performance for community, institutional, team and individual targets.

**Company Performance Incentives**
Our company WA or TSR performance drives our medium-term incentives in the form of WA bonuses or TSR incentives.

Allocation of the WA bonus into the notional WA bonus bank of each staff tracks their relative performance and contributions to the firm.

Key managers have half or more of their WA bonus deferred to future years, while our junior staff receive a larger cash payout from their bonus banks. Deferred bonuses are subject to the future performance of the company, with clawbacks in the event of negative WA.

**Co-investment Incentives**
For the longer term alignment, our staff may be awarded performance or restricted co-investment units, the values of which grow or decline in tandem with Temasek’s returns. This reinforces the owner mindset in our team.

The Temasek performance co-investment plan (T-Scope) provides for awards of T-Scope units to our staff only when Temasek achieves positive WA. Vesting of these T-Scope units is over five years, and begins after meeting certain performance conditions from the third year onwards. They will lapse after 12 years or if performance conditions are not met.

Restricted co-investment units may be awarded to staff over three to seven years subject to the sustainable performance of the company.

Key managers have half or more of their WA bonus deferred to future years.
Shaping our Institution

Thus, the WA we create for Temasek determines the size of the shared incentive pie for our staff, positive or negative. The sustainability of our wealth creation shapes the medium to long-term rewards and risks in the form of deferred bonuses, and co-investment units linked to time and performance conditions.

Reward-Risk Alignment in Practice
Over the past few years, with the positive WA generated, we have shared our successes with our staff in the form of bonuses as well as deferred and long-term compensation.

With a negative WA of S$6.3 billion for prior year ended 31 March 2008, there were corresponding deductions from the individual WA bonus banks and from the deferred long-term co-investment incentive pool in the last financial year. There were no T-Scope units awarded for 2008.

This practice of sharing rewards and risks up to 12 years, especially for key management, reaffirms the principle of long-term alignment with sustainable value.

Key Management\(^1\) Compensation (%)

(As at 31 Mar)

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<tr>
<td><strong>-40</strong></td>
<td>49</td>
<td>54</td>
<td>63</td>
<td>67</td>
<td>-43</td>
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<td><strong>-60</strong></td>
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</tr>
</tbody>
</table>

**Notes:**

1. **Key Management** includes Executive Directors, Senior Managing Directors, Managing Directors and management Directors.
2. **Salaries & Benefits** include annual wages and allowances, employer contributions to pension plans, and benefits for the year.
3. **Variable Compensation** includes cash bonuses, deferred compensation, and negative WA bonus, if any.
4. **Cash Bonuses** paid during the year include:
   - Annual individual performance incentives for prior year;
   - Paid out portion of sign-on or guaranteed bonuses, if any.
5. **Deferred Compensation at Risk**, vesting over three to 12 years, includes:
   - Deferred portion of guaranteed WA bonuses, if any;
   - Restricted co-investment units, if any, at nominal value of S$1 each at year of commencement;
   - T-Scope performance co-investment units, if any, at nominal value of S$1 each at year of commencement, which may vest or lapse according to various performance conditions.
6. **Negative WA Bonus** is allocated for the negative WA delivered in the prior year. This is clawed back against past deferred bonuses in the notional WA bonus bank of each participating staff. If the WA bank balance is not sufficient to offset the clawback amount, the excess negative balance will be aggregated company-wide to be offset against future positive WA bonus pools.
OUR TEAM

We are who we are because of our people, past and present. Coming from 24 countries, our diverse team of 380 staff are based in 12 offices and affiliates in five different time zones around the world.

In third quarter 2008, as we looked to a more difficult 2009, our team pulled together to volunteer a wage reduction from January 2009. Senior management took the lead with an up to 25% reduction in their base pay. We also systematically tightened our operating expenses. These proactive actions demonstrated our ‘think owner, act owner’ DNA. They signalled our commitment and alignment to the long-term interests of our institution and stakeholders.

Our People
Learning and development drive our engagement with our staff, as we expanded our suite of learning opportunities.

We piloted a new 360˚ feedback tool to help senior management better understand how behaviours shape the effectiveness of their leadership. This complements other 360˚ tools for our management and leadership development.

We completed a year-long exercise to review and update our corporate values.

We also launched the inaugural Young LEADERS! Programme, to help promising young managers sharpen their awareness of leadership styles, and harness the diversity and strengths of a team. This programme is open to managers in our portfolio companies as well as friends and partners.

Mentoring programmes across different staff levels also helped to nurture a coaching and learning culture.

Our Values
Given our rapid growth in recent years, our geographic spread and immense diversity, we embarked on and completed a year-long exercise to review and update our corporate values to include specific traits, behaviours and commitments to foster a one-team culture. This institution-wide exercise is moving into the implementation and roll-out phase this year.

Our Community
Despite a busy calendar, our staff continued to reach out to the community.

Our staff volunteer initiative, TOUCH, stepped up its efforts to support local communities. All our staff participated in our Community Day programme, spending time with the residents of seven charitable homes and orphanages in their respective countries.

TOUCH also supported the Yellow Ribbon Project on various community reintegration initiatives.

We combined healthy exercise with community outreach, when over 200 of our colleagues participated in a mass run & walk event in April 2009, raising more than S$450,000 for our community programmes under TOUCH.
We strive to achieve excellence as individuals and as a team. Our MERITT values are the foundation of our character and culture as an institution.
Mt Kinabalu
Renewing strength
to forge ahead
“Every now and then a man’s mind is stretched by a new idea or sensation, and never shrinks back to its former dimensions.”

Oliver Wendell Holmes Sr.
American physician, professor, lecturer and author
29 August 1809 – 7 October 1894
ENGAGING FRIENDS

“Experience is not what happens to a man; it is what a man does with what happens to him.”

—Aldous Huxley
English critic and novelist
26 July 1894 – 22 November 1963

Sharing Experiences
As an investment company wholly owned by the Singapore Government, we hosted 90 official and quasi-government delegations from 31 countries. These regular dialogues kept us abreast with friends, government regulators and agencies, as well as fellow investors and shareholders worldwide.

Our continued dialogue on governance with China’s State-Owned Assets Supervision and Administration Commission (SASAC) saw more than 100 participants at three Directors’ Forums in Singapore. Extending this close cooperation with Central SASAC, we jointly held training symposiums on corporate governance with the respective provincial SASACs and key state-owned enterprises in Shenzhen, Shanghai and Chengdu, with over 420 government and business leaders attending the joint symposiums.

Among others in ASEAN, we maintained our close interaction with Vietnam’s Ministry of Finance, and the State Capital Investment Corporation through seminars and talks on issues such as corporate governance. We hosted a visit by the Vietnamese Minister of Finance, Mr Vu Van Ninh, and his delegation in February 2009.

Further afield, we joined the Norwegian Government Pension Fund – Global and the Canada Pension Plan Investment Board at the US House Committee on Financial Services congressional hearing in March 2008, to explain and clarify the roles and responsibilities of a diverse range of sovereign-owned investors.

In the same vein, we actively participated and worked closely with the IMF, the US Treasury, Norway’s Ministry of Finance, China Investment Corporation, Kuwait Investment Authority, Abu Dhabi Investment Authority, and the Future Fund of Australia, as well as various government regulators and other members of the International Working Group on the successful drafting and adoption of the Santiago Principles for sovereign wealth funds.

The OECD, in turn, also reaffirmed its commitment to a non-discriminatory, transparent and liberal cross border investment environment.

“The Santiago Principles ... amount to a global public good that can help foster trust and confidence between sovereign wealth funds, their originating countries and recipient countries. This is what we need in these turbulent times: a strong commitment to enhance mutual trust and maintain and preserve an open investment environment.”

—Mr Joaquín Almunia
European Commissioner for Economic and Monetary Affairs
11 October 2008
Sharing Ideas
There are no limits to learning. Our deep belief and commitment to quality learning saw the introduction of new elements and wider perspectives into our training and sharing platforms. Expanding the scope and depth of its programmes, the Business Leadership Centre (BLC) provided participants of the 4th LEADERS! programme with the opportunity to learn on the ground – in Ho Chi Minh City, Vietnam – as part of their training focus titled “Entrepreneurs in Action”.

Over 700 participants at the 4th annual Temasek Forum

Throughout the year, the BLC organised 20 learning forums addressing wide-ranging topics of interest to Temasek and its portfolio companies. Tapping both local and international experts, these sessions provided participants with key takeaways on global issues and management challenges, especially in the context of the current unprecedented financial turmoil.

The 4th annual Temasek Forum in November 2008 drew a record audience of more than 700 participants. The Forum, themed Investing in a Volatile Economy: Where, What, Why, saw an international panel of distinguished speakers comprising banking veterans, renowned investors and business leaders sharing their views on various topics. Board members and senior executives from Temasek, its portfolio companies and partners, took the opportunity to interact and exchange ideas.

The 5th Asia Banking CEO Roundtable, Challenges Facing Asian Banks, co-hosted by Temasek and Bank of China, was held in Beijing in early June 2009. More than 20 Chairmen and CEOs from banks in the region spent a day discussing key issues facing the industry after the financial crisis, including a keynote address by Governor Zhou Xiaochuan of the People’s Bank of China.
Global leaders on the Temasek International Panel have shared their frank views and in-depth experiences generously. Their insights and perspectives have better shaped and nuanced our position in a rapidly changing global business environment. We thank them and Narayanan Vaghul who retired from the panel last year.

David BONDERMAN
Founding Partner
Texas Pacific Group

Minoru MAKIHARA
Senior Corporate Advisor
Mitsubishi Corporation

Richard B. SYKES
Chair
NHS London

Ratan N. TATA
Chairman
Tata Sons

William J. MCDONOUGH
Vice Chairman
Global Corporate & Investment Banking
Bank of America Merrill Lynch

Narayanan VAGHUL¹
Retired Chairman
ICICI Bank

XU Kuangdi
President
Chinese Academy of Engineering

Lee R. RAYMOND
Retired Chairman and CEO
Exxon Mobil Corporation

Masamoto YASHIRO
Chairman
Shinsei Bank

¹ Retired from Temasek International Panel with effect from 1 January 2009.
TEMASEK ADVISORY PANEL

Our friends on the Temasek Advisory Panel contribute selflessly to Temasek’s growth in multiple ways, bringing with them a wealth of experience and perspectives. In their respective individual capacities, some of them serve on the boards of our portfolio companies, providing thoughtful guidance with much knowledge and wisdom.

CHENG Wai Keung  
Chairman  
Neptune Orient Lines

Peter SEAH  
Chairman  
Sembcorp Industries

Jennie CHUA  
Chief Corporate Officer  
CapitaLand

Ernest WONG  
Chairman  
Invida Pharmaceuticals

FOCK Siew Wah  
Group Chairman  
PSA International

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

KOH Boon Hwee  
Chairman  
DBS Group Holdings

Retired Chairman  
Baosteel Group Corporation

Stephen LEE  
Chairman  
Singapore Airlines

NG Kee Choe  
Chairman  
Singapore Power
We succeed because we draw sustenance and support from our community. In return, we have a commitment to contribute to the progress and well-being of our community.
STRENGTHENING OUR COMMUNITY CARE

We are committed to supporting communities in Singapore and around Asia. Since our inception, we have set up or co-sponsored various philanthropic organisations with specific mandates aimed at uplifting capabilities and capacities through research, exchanges and training.

We have been committed since 2003 to set aside a share of our returns as specific provisions for our community contributions for each year that we achieve positive Wealth Added.

To date, Temasek has contributed over S$1 billion directly and indirectly to community causes, including the Wealth Management Institute Regional Regulators Scholarship.

Temasek Trust
We established Temasek Trust in 2007 as the principal non-profit vehicle for overseeing our philanthropic donations and community gifts. Trustees include Mr Lee Seng Wee (Chairman) and Dr Richard Hu from Singapore, Mr Ratan Tata from India and Professor Xu Kuangdi from China.

The Trust in turn supports approved philanthropic and non-profit beneficiaries such as:

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

They each have their specific mandates, which are broadly focused on developing human capabilities and capacities, bridging people, advancing science and knowledge, and promoting better lives and opportunities for people in Singapore and around Asia.

Temasek Cares
The newest of the Temasek-sponsored philanthropic organisations, Temasek Cares was set up with an endowment of S$100 million via Temasek Trust, to commemorate our 35th anniversary this year. It is a Singapore Institution of a Public Character focusing on the underserved community in Singapore.

Chaired by retired Singapore Senior District Judge, Richard R Magnus, and supported by a board of eminent Singaporeans, Temasek Cares will partner other organisations to aid and assist needy individuals, and their families or caregivers, and promote community building to benefit the needy through broad-based programmes. Its four-pronged mandate is to build people, capabilities and community, as well as to rebuild lives.
Temasek Foundation
Since its formation in 2007, the Temasek Foundation has been making a difference to Asia and her people, through its programmes to build capabilities, build bridges, promote better governance, and provide disaster relief.

Its outreach has expanded from five countries in its first year, to 11 in its second. New initiatives were launched in Bangladesh, Bhutan, Cambodia, Laos, Mongolia, and Thailand this past year. It stayed focused on its principal mandate of building capability and learning — “teaching people to fish rather than giving them fish”.

Temasek Foundation philosophy:
“Teaching people to fish rather than giving them fish”

The inaugural Asia Journalism Fellowship was launched during the year for mid-career journalists from across Asia to spend three months at the NTU Wee Kim Wee School of Communication and Information. The first group of Fellows came from the South Asia states of Bangladesh, Bhutan, India, and Pakistan as well as East Asia and Southeast Asia. Friendships were forged amidst opportunities for new ideas, experiences and learning.

Among other programmes was the International Science Youth Forum 2009 organised by Hwa Chong Institution in January 2009. Students had the opportunity to interact with three Nobel Laureates of Science – Sir Anthony Leggett (Physics, 2003), Professor Douglas Osheroff (Physics, 1996) and Professor Kurt Wuthrich (Chemistry, 2002).

Temasek Life Sciences Laboratory
Set up in August 2002 as a non-profit research organisation, Temasek Life Sciences Laboratory (TLL) undertakes basic as well as strategic and applied research in molecular biology and genetics. Affiliated to the National University of Singapore and the Nanyang Technological University, TLL aims to attract the brightest young minds worldwide, support their research, and challenge them to be leaders in their own fields.

TLL has over 200 researchers, and currently supervises 66 PhD candidates. Since 2002, it has 42 patented inventions, and published over 300 papers, a quarter of which is in high impact research journals such as Nature, Genes & Development, and The Plant Cell. Its research in forestry and bio-energy has led to start-up companies like JOil, a joint venture for the commercialisation of jatropha.

TLL has strong research ties in Asia, including the Chinese Academy of Sciences in China, the RIKEN Centre for Developmental Biology in Japan, and the Tata Institute of Fundamental Research in India. It also collaborated in the area of infectious diseases with the World Health Organisation as well as American, Canadian and Singapore agencies by building up capabilities in bio-safety training and research, and diagnoses.
Singapore Millennium Foundation
Seeking to promote the advancement of scientific research, Singapore Millennium Foundation (SMF) sponsors research programmes and researchers in Singapore.

Twenty eight research scholarships were awarded during the year in various fields of research including engineering, environmental sciences, renewable resources and water, life sciences, and physical and material sciences.

SMF scholars have gained recognition for their research efforts. Dr Lisa Ng was awarded the ASEAN Young Scientist and Technology Award 2008 by President Arroyo of the Philippines for her research and development on Asia’s infectious diseases, including the development of diagnostic kits for the SAR-CoV and Avian Influenza H5N1 viruses. Dr Tan Min Han was awarded the Singapore Youth Award 2008 (Science and Technology) by the National Youth Council of Singapore for developing a pioneering method to predict survival outcomes in kidney cancer patients, among other medical achievements.

SMF is the sole sponsor of the Lee Kuan Yew Water Prize, awarded to prominent scientific minds that have greatly benefitted mankind in the area of water resource management.

Singapore Technologies Endowment Programme
The oldest of the philanthropic initiatives co-sponsored by Temasek, the objectives of Singapore Technologies Endowment Programme (STEP) are to build bridges among youths and contribute to their education.

Through its annual signature event, the decade-old Sunburst Youth Camp (SYC) saw another 150 youths from ASEAN, China, India and Kazakhstan gathering in Singapore in December 2008. Observers from the Philippines and Kazakhstan also joined the week-long event. New friendships were forged among the first-time participants as bonds were renewed amongst the SYC alumni who shared and celebrated their cultural diversity amidst an atmosphere of youthful dynamism.

In conjunction with its 10th anniversary, STEP has offered inaugural Sunburst Scholarships to eight scholars from Indonesia, Malaysia, Sri Lanka and Singapore. The scholarships support undergraduate studies in the universities and polytechnics in Singapore.

Wealth Management Institute
Established six years ago to train and develop wealth managers in Asia, the Wealth Management Institute (WMI) continues to grow from strength to strength.

Over 200 graduates have completed its flagship Master of Science in Wealth Management course, while another 740 from Europe and Asia Pacific underwent the WMI Certificate in Private Banking programme. Under the Temasek Regional Regulators Scholarship programme, some 35 regulators and central bankers from six countries also had the opportunity over the last five years to complete their Master of Science in Wealth Management and intern with various industry partners.

The WMI Advanced Wealth Management Programme (AWMP) was launched in October 2008 with 20 participants. Each of them brought an average of more than 10 years of invaluable industry knowledge to the course interaction.
BUILDING COMMUNITY PLATFORMS

TEMASEK
ITS SUBSIDIARIES
OTHERS
(Donors)

2001*

TOUCH

Temasek
staff
volunteers

TEMASEK
TRUST
(Governed by Board
of Trustees)

Beneficiaries

1997*
2001*
2002*
2007*
2009*
2003*

SINGAPORE
TECHNOLOGIES
ENDOWMENT
PROGRAMME

SINGAPORE
MILLENNIUM
FOUNDATION

TEMASEK
LIFE SCIENCES
LABORATORY

TEMASEK
FOUNDATION

TEMASEK
CARES

WEALTH
MANAGEMENT
INSTITUTE

Connecting
youths in Asia
Nurturing
human potential
through scientific
research
Improving
lives through
innovative
solutions
Building
human and
social capital
Supporting
Singapore’s
needy
Nurturing next
generation
pioneers

* Year of establishment.
Over the last 35 years, Temasek has contributed to Asia’s growth and development both as a long-term investor and as a corporate citizen. We touch lives through successful enterprises and uplift the wider community through our commitment and contributions.

Countries where Temasek and its non-profit philanthropic affiliates have been active in community programmes, particularly in support of building human capacities and improving lives and capabilities.
China

- Temasek Foundation in partnership with Nanyang Technological University Lien Institute for the Environment
- Imparts cost-effective wall-strengthening and reinforcement techniques to help prevent or delay collapse of schools during earthquakes
- Trains master-instructors from provincial universities and local builders from Sichuan, Hebei, Liaoning, Jiangsu, Shaanxi and Yunnan
- Pilot completed for two Sichuan primary school buildings damaged by a May 2008 earthquake
- Similar training also implemented in July 2008 in West Sumatra, Indonesia

“I’ve been building for 15 years. This method uses local materials to strengthen buildings, and is quite detailed. And the result is extremely good. We can use this method we’ve learnt on constructing quake-resistant buildings and apply this technique to other buildings.”

Local mason
Sichuan Province

Bhutan

- W.I.R.ED (Weaving Infotech Resources into Education) programme in Bhutan by Temasek Foundation and Singapore International Foundation
- Trains teacher-trainers and master-teachers to integrate and implement information technology into teaching and learning methods
- 30 principals and teachers from five pilot schools training to develop their schools into centres of excellence
- 40 lecturers in colleges of education training in e-learning techniques

Indonesia

- Jointly sponsored by Temasek Foundation and Madrasah Al-Irsyad Singapore
- New Islamic International School (IIS) Pesantren Sabilil Muttaqin (PSM) established as a model pesantren (school) for school leadership, teacher training, and development of academic curriculum
- Includes upgrading of curriculum in both science and Islamic disciplines
- PSM plans to use IIS education system and technologies throughout its network of 200 Islamic schools with 75,000 students

Singapore

- Collaboration between TLL, National Parks Board of Singapore, supported in part by Ministry of National Development Research Fund
- Uses plant tissue culture technology to clone and preserve rare tree individuals, and trees with horticultural, historical or social significance
- Conservation of heritage trees will protect Singapore’s green environment for the benefit of future generations

- National Cancer Centre Liver Cancer Project funded by SMF
- 30 biomarkers identified from 54,000 genes to facilitate early detection of liver cancer
- Producing tumour suppressor gene to arrest the onset of liver cancer
- Researching link between consumption of contaminated food and the possibility of developing liver cancer
Mt Kilimanjaro
Aligning our future
MAJOR PORTFOLIO COMPANIES

The foundation of our success is our portfolio of successful enterprises.
## MAJOR PORTFOLIO COMPANIES

### Accompanying Notes

- **Market Capitalisation/Shareholder Equity:**
  For listed companies, 2009 refers to positions as at March 2009. For unlisted companies, 2009 refers to positions as at March 2009 or December 2008 or September 2008, in accordance with their respective financial year ends. Similarly for 2008.

- **Key Figures:**
  FY2008 refers to financial year ended March 2009 or December 2008 or September 2008, in accordance with their respective financial year ends of the portfolio companies. Similarly for FY2007.
  Revenue for the Financial Services consists of net interest income and other operating revenue.

### Sources

1. Financials for the portfolio 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, Bharti Airtel, China Construction Bank, DBS Group, Fraser and Neave, Hana Financial Group, ICICI Bank, NIB Bank, Bank Danamon Indonesia, Li & Fung and Standard Chartered.
3. Market relevant information is sourced from Bloomberg.

<table>
<thead>
<tr>
<th>Financial Services</th>
<th>Core interest % as at 31 Mar 2009</th>
<th>Market Capitalisation or Shareholder Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Currency 2008</td>
</tr>
<tr>
<td>Bank of China Limited¹</td>
<td>4³</td>
<td>HKD’m 1,241,241</td>
</tr>
<tr>
<td>China Construction Bank Corporation¹</td>
<td>6³</td>
<td>HKD’m 1,373,474</td>
</tr>
<tr>
<td>DBS Group Holdings Ltd¹</td>
<td>28</td>
<td>SGD’m 27,339</td>
</tr>
<tr>
<td>Hana Financial Group Inc.³</td>
<td>10³</td>
<td>KRW’b 8,580</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>8³</td>
<td>INR’m 856,102</td>
</tr>
<tr>
<td>NIB Bank Limited¹</td>
<td>74³</td>
<td>PKR’m 51,187</td>
</tr>
<tr>
<td>PT Bank Danamon Indonesia Tbk¹</td>
<td>68³</td>
<td>IDR’b 34,807</td>
</tr>
<tr>
<td>Standard Chartered PLC¹</td>
<td>19</td>
<td>USD’m 48,200</td>
</tr>
</tbody>
</table>

³ Includes significant interests held by Fullerton Financial Holdings.
### Glossary

- **EVA** = Economic Value Added (excluding unusual items), attributable to investors
- **Market Capitalisation** = Market value as at 31 March 2009 and 31 March 2008
- **NA** = Not applicable
- **PATMI** = Profit/ (Loss) after tax and minority interest
- **Shareholder Equity** = Shareholder equity reported by the respective portfolio companies based on their annual filings
- **TSR** = Total Shareholder Return

For listed companies, source is Bloomberg and Datastream

For unlisted companies, shareholder equity is used in the computations

Period for 1-year TSR is from 31 March 2008 to 31 March 2009

Period for 3-year TSR is from 31 March 2006 to 31 March 2009 (annualised)

Period for 5-year TSR is from 31 March 2004 to 31 March 2009 (annualised)

The exceptions are unlisted companies where we compute the TSR based on shareholder equity as at their financial year-ends.

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### Key figures

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>194,975</td>
<td>228,896</td>
<td>56,248</td>
<td>64,360</td>
<td>17,328</td>
<td>18,123</td>
<td>4,981</td>
<td>795</td>
<td>(20.1)</td>
<td>NA</td>
</tr>
<tr>
<td><strong>PATMI</strong></td>
<td>220,717</td>
<td>269,747</td>
<td>69,053</td>
<td>92,599</td>
<td>38,011</td>
<td>44,454</td>
<td>29,075</td>
<td>6,443</td>
<td>(21.0)</td>
<td>9.8</td>
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<tr>
<td><strong>EVA</strong></td>
<td>6,163</td>
<td>6,053</td>
<td>2,278</td>
<td>1,929</td>
<td>393</td>
<td>(78)</td>
<td>166</td>
<td>(471)</td>
<td>(42.6)</td>
<td>(11.9)</td>
</tr>
<tr>
<td><strong>Change in EVA</strong></td>
<td>13,288</td>
<td>41,086</td>
<td>1,298</td>
<td>483</td>
<td>253</td>
<td>(198)</td>
<td>15</td>
<td>(451)</td>
<td>(48.3)</td>
<td>(21.9)</td>
</tr>
<tr>
<td><strong>TSR (%)</strong></td>
<td>342,861</td>
<td>376,658</td>
<td>33,982</td>
<td>35,770</td>
<td>(29,581)</td>
<td>(25,623)</td>
<td>(23,667)</td>
<td>(3,958)</td>
<td>(56.0)</td>
<td>(16.1)</td>
</tr>
<tr>
<td></td>
<td>2,842</td>
<td>6,234</td>
<td>(326)</td>
<td>(9,179)</td>
<td>(6,072)</td>
<td>(22,080)</td>
<td>NA</td>
<td>(16,008)</td>
<td>(69.5)</td>
<td>(15.1)</td>
</tr>
<tr>
<td></td>
<td>8,877</td>
<td>10,351</td>
<td>2,117</td>
<td>1,530</td>
<td>(211)</td>
<td>(913)</td>
<td>47</td>
<td>(702)</td>
<td>(53.0)</td>
<td>(10.2)</td>
</tr>
<tr>
<td></td>
<td>11,067</td>
<td>13,968</td>
<td>2,841</td>
<td>3,408</td>
<td>293</td>
<td>1,641</td>
<td>(652)</td>
<td>(1,348)</td>
<td>(39.6)</td>
<td>(5.2)</td>
</tr>
</tbody>
</table>

4 Figures in RMB’m.

* Restated.
# MAJOR PORTFOLIO COMPANIES

<table>
<thead>
<tr>
<th>Sector</th>
<th>Company Name</th>
<th>Core interest % as at 31 Mar 2009</th>
<th>Currency</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Telecommunications &amp; Media</strong></td>
<td>Bharti Airtel Limited(^2)</td>
<td>5</td>
<td>INR’m</td>
<td>1,568,146</td>
<td><strong>1,187,824</strong></td>
</tr>
<tr>
<td></td>
<td>MediaCorp Pte. Ltd(^2)</td>
<td>100</td>
<td>SGD’m</td>
<td><strong>914</strong></td>
<td><strong>869</strong></td>
</tr>
<tr>
<td></td>
<td>Shin Corporation Public Company Limited(^1)</td>
<td>42(^3)</td>
<td>THB’m</td>
<td>92,715</td>
<td><strong>60,820</strong></td>
</tr>
<tr>
<td></td>
<td>Singapore Technologies Telemedia Pte Ltd(^1)</td>
<td>100</td>
<td>SGD’m</td>
<td>1,355</td>
<td><strong>2,232</strong></td>
</tr>
<tr>
<td></td>
<td>Singapore Telecommunications Limited(^2)</td>
<td>54</td>
<td>SGD’m</td>
<td>62,250</td>
<td><strong>40,295</strong></td>
</tr>
<tr>
<td><strong>Transport &amp; Logistics</strong></td>
<td>Neptune Orient Lines Limited(^1)</td>
<td>66</td>
<td>SGD’m</td>
<td>4,778</td>
<td><strong>1,739</strong></td>
</tr>
<tr>
<td></td>
<td>PSA International Pte Ltd(^1)</td>
<td>100</td>
<td>SGD’m</td>
<td>6,955</td>
<td><strong>7,390</strong></td>
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<tr>
<td></td>
<td>Singapore Airlines Limited(^2)</td>
<td>55</td>
<td>SGD’m</td>
<td>18,471</td>
<td><strong>11,826</strong></td>
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<tr>
<td></td>
<td>SMRT Corporation Ltd(^2)</td>
<td>54</td>
<td>SGD’m</td>
<td>2,758</td>
<td><strong>2,320</strong></td>
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<tr>
<td><strong>Real Estate</strong></td>
<td>CapitaLand Limited(^1)</td>
<td>40</td>
<td>SGD’m</td>
<td>17,890</td>
<td><strong>9,889</strong></td>
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<tr>
<td></td>
<td>Mapletree Investments Pte Ltd(^2)</td>
<td>100</td>
<td>SGD’m</td>
<td>4,411</td>
<td><strong>4,671</strong></td>
</tr>
</tbody>
</table>

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3 Includes significant interests held by Aspen Holdings.
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Bharti Airtel Limited</td>
<td>270,250</td>
<td>369,615</td>
<td>67,008</td>
<td>84,699</td>
<td>31,765*</td>
<td>39,781</td>
<td>NA</td>
<td>8,016</td>
<td>(24.3) 14.9 32.2</td>
</tr>
<tr>
<td>MediaCorp Pte. Ltd.</td>
<td>530</td>
<td>539</td>
<td>52</td>
<td>37</td>
<td>13</td>
<td>(6)</td>
<td>9</td>
<td>(19)</td>
<td>(4.9) 0.5 7.9</td>
</tr>
<tr>
<td>Shin Corporation Public Company Limited</td>
<td>10,359</td>
<td>8,918</td>
<td>960</td>
<td>5,649</td>
<td>(2,141)</td>
<td>944</td>
<td>3,279</td>
<td>3,085</td>
<td>(30.6) (16.8) (5.4)</td>
</tr>
<tr>
<td>Singapore Technologies Telemedia Pte Ltd</td>
<td>5,624*</td>
<td>5,965</td>
<td>223</td>
<td>783</td>
<td>(231)</td>
<td>(151)</td>
<td>172</td>
<td>80</td>
<td>64.6 30.4 14.0</td>
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<td>14,934</td>
<td>3,960</td>
<td>3,448</td>
<td>2,467</td>
<td>1,869</td>
<td>364</td>
<td>(598)</td>
<td>(32.6) 3.7 6.5</td>
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<tr>
<td>Neptune Orient Lines Limited</td>
<td>8,160*</td>
<td>9,285*</td>
<td>523*</td>
<td>83*</td>
<td>185*</td>
<td>(204)*</td>
<td>106*</td>
<td>(389)*</td>
<td>(61.9) (16.1) (0.8)</td>
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<td>4,392</td>
<td>1,925</td>
<td>1,039</td>
<td>507</td>
<td>503</td>
<td>(66)</td>
<td>(4)</td>
<td>13.4 21.8 24.2</td>
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<td>(610)</td>
<td>482</td>
<td>(1,318)</td>
<td>(31.2) (5.7) 2.6</td>
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<td>163</td>
<td>103</td>
<td>111</td>
<td>26</td>
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<td>2,759</td>
<td>1,260</td>
<td>(52)</td>
<td>(511)</td>
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<td>(459)</td>
<td>(54.7) (14.3) 16.8</td>
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<td>445</td>
<td>1,041</td>
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<td>893</td>
<td>(499)</td>
<td>29</td>
<td>(1,392)</td>
<td>6.2 25.5 16.8</td>
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## MAJOR PORTFOLIO COMPANIES

<table>
<thead>
<tr>
<th>Core interest % as at 31 Mar 2009</th>
<th>Market Capitalisation or Shareholder Equity</th>
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<td>Currency 2008</td>
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<td><strong>Infrastructure, Industrial &amp; Engineering</strong></td>
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<tr>
<td>Keppel Corporation Limited¹</td>
<td>21</td>
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<tr>
<td>Sembcorp Industries Ltd¹</td>
<td>49</td>
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<tr>
<td>Singapore Technologies Engineering Ltd¹</td>
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<tr>
<td><strong>Energy &amp; Resources</strong></td>
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<tr>
<td><strong>Technology</strong></td>
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<td>Chartered Semiconductor Manufacturing Ltd.³</td>
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<tr>
<td>STATS ChipPAC Ltd¹</td>
<td>84</td>
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<td><strong>Consumer &amp; Lifestyle</strong></td>
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<td>Fraser and Neave, Limited²</td>
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<tr>
<td>Li &amp; Fung Limited¹</td>
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<tr>
<td>Wildlife Reserves Singapore Pte Ltd²</td>
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<tr>
<th>Company</th>
<th>Shares</th>
<th>Revenue FY 2007</th>
<th>Revenue FY 2008</th>
<th>PATMI FY 2007</th>
<th>PATMI FY 2008</th>
<th>EVA FY 2007</th>
<th>EVA FY 2008</th>
<th>Change in EVA FY 2007</th>
<th>Change in EVA FY 2008</th>
<th>TSR (%) Years 1</th>
<th>TSR (%) Years 3</th>
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<td>Keppel Corporation Limited</td>
<td>21</td>
<td>10,431</td>
<td>11,805</td>
<td>1,026</td>
<td>1,097</td>
<td>379</td>
<td>855</td>
<td>363</td>
<td>76</td>
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<td>11.2</td>
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<tr>
<td>Sembcorp Industries Ltd</td>
<td>49</td>
<td>8,619</td>
<td>9,928</td>
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<td>507</td>
<td>132</td>
<td>326</td>
<td>(250)</td>
<td>194</td>
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<tr>
<td>Singapore Technologies engineering Ltd</td>
<td>50</td>
<td>5,051</td>
<td>5,345</td>
<td>504</td>
<td>474</td>
<td>378</td>
<td>358</td>
<td>81</td>
<td>(20)</td>
<td>(23.0) (2.8)</td>
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<tr>
<td>Keppel Corporation Limited</td>
<td>21</td>
<td>10,431</td>
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<td>379</td>
<td>855</td>
<td>363</td>
<td>76</td>
<td>(45.9) (6.3)</td>
<td>11.2</td>
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<td>9,928</td>
<td>526</td>
<td>507</td>
<td>132</td>
<td>326</td>
<td>(250)</td>
<td>194</td>
<td>(40.2) (7.7)</td>
<td>14.3</td>
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<td>Singapore Technologies engineering Ltd</td>
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<td>5,051</td>
<td>5,345</td>
<td>504</td>
<td>474</td>
<td>378</td>
<td>358</td>
<td>81</td>
<td>(20)</td>
<td>(23.0) (2.8)</td>
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<td>(149)</td>
<td>(48)</td>
<td>(12.2) 9.3</td>
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<td>(280)</td>
<td>(471)</td>
<td>12</td>
<td>(191)</td>
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<td>(10)</td>
<td>(50)</td>
<td>(71.9) (37.5) (28.9)</td>
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<td>(7)</td>
<td>(46)</td>
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4 Figures in USD’m.
* Restated.
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