

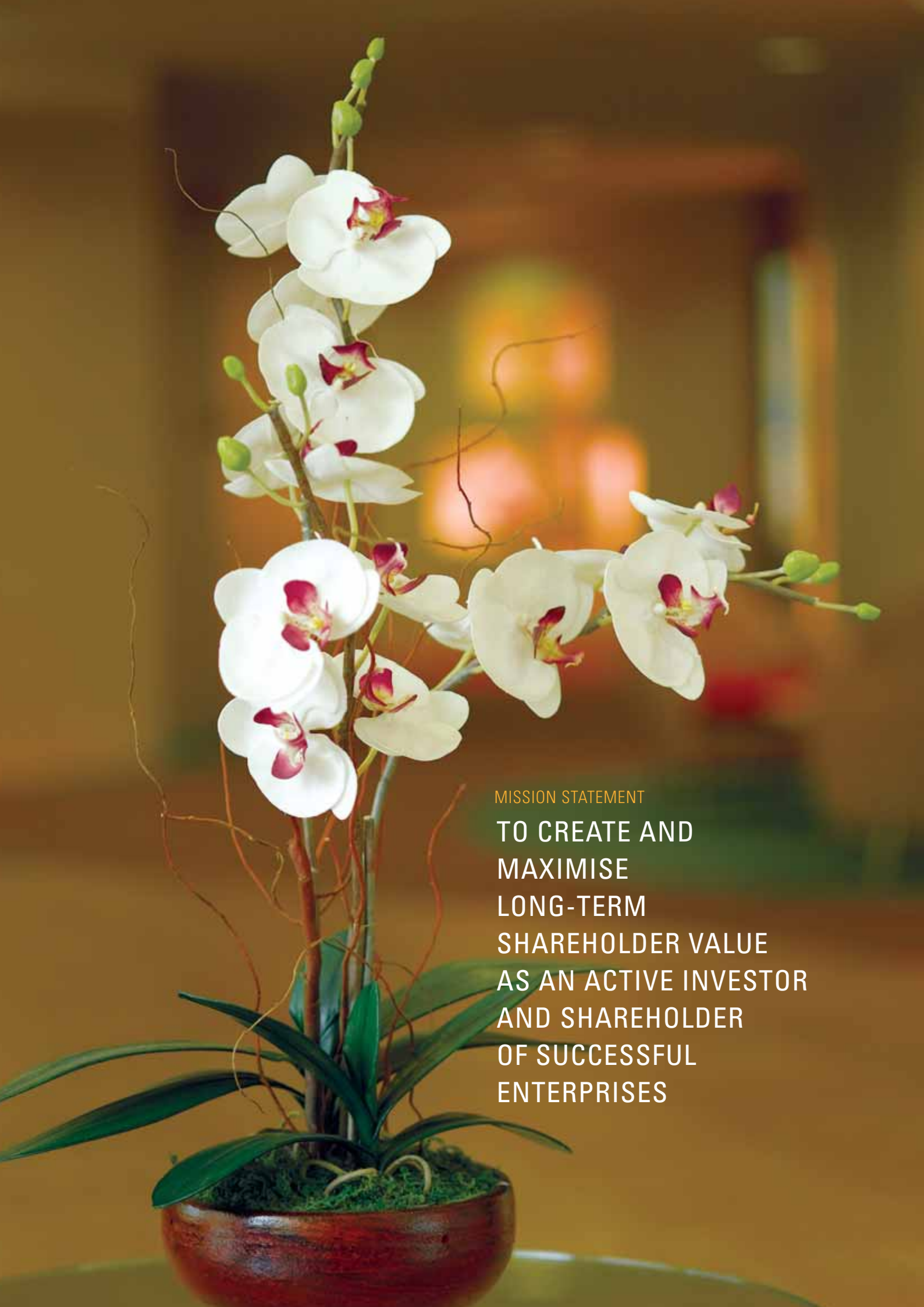


RESHAPING OUR PORTFOLIO

TEMASEK REVIEW 2005

TEMASEK
HOLDINGS

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MISSION STATEMENT

TO CREATE AND
MAXIMISE
LONG-TERM
SHAREHOLDER VALUE
AS AN ACTIVE INVESTOR
AND SHAREHOLDER
OF SUCCESSFUL
ENTERPRISES

CORPORATE PROFILE

**BUILDING A VIABLE FUTURE
THROUGH SUSTAINABLE VALUE**

Temasek Holdings is an Asia investment company headquartered in Singapore. We are an active shareholder and investor. We manage our investments with the aim of creating and maximising sustainable value for our shareholder.

Established in 1974, we manage a diversified global portfolio of S\$103 billion, principally in Singapore, Asia and the OECD economies. Our investments are in various industries: telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology, as well as pharmaceuticals and biosciences.

Our total shareholder's return since inception is 18% compounded annually. We have a corporate credit rating of AAA/Aaa by Standard & Poor's and Moody's respectively.

As an active manager of our portfolio, we may increase, divest or consolidate our shareholdings. Our recent investment themes are shown below:

RECENT INVESTMENT THEMES

- ASIA ECONOMIES
- GROWING MIDDLE CLASS
- COMPARATIVE ADVANTAGES
- EMERGING CHAMPIONS



Examples of Singapore-based companies in our portfolio are Singapore Airlines, Singapore Telecommunications, DBS Bank and Neptune Orient Lines. Industrial stalwarts include Singapore Technologies Engineering, PSA International, Singapore Power, Keppel Corporation and SembCorp Industries.

Our international investments include blue chips in India such as ICICI Bank, Mahindra & Mahindra and the Apollo Hospital group; China Construction Bank and China COSCO Holdings in China; Bank Danamon and Bank Internasional Indonesia in Indonesia; Quintiles Transnational Corp in the USA; as well as Hana Bank in South Korea.

Our Wildlife Reserves Singapore operates the world-renowned Singapore Zoo, Night Safari and the Jurong Bird Park.

OUR PORTFOLIO

KEY INVESTMENTS & EFFECTIVE SHAREHOLDINGS

% SHARE AS AT 31 MARCH 2005

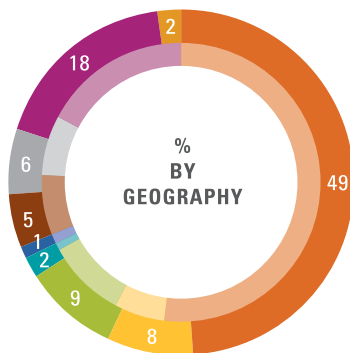
Notes

- ¹ Held through Singapore Telecommunications
² Held through Singapore Technologies Telemedia and MediaCorp
³ Held through Singapore Technologies Telemedia
⁴ Held through CapitaLand
⁵ Held through Keppel Corporation
⁶ Held through SembCorp Industries
⁷ Shareholding as at 31 Aug - 73%
⁸ Shareholding as at 31 Aug - 43%
⁹ Shareholding as at 31 Aug - 55%

TELECOMMUNICATIONS & MEDIA			
• Singapore Telecommunications	63	• Singapore Technologies Telemedia	100
• SingTel Optus	63 ¹	• StarHub	63 ²
• MediaCorp	100	• Global Crossing	71 ³
• Telekom Malaysia	5	• PT Indosat	41 ³
		• Equinix	35 ³
FINANCIAL SERVICES			
• DBS Group Holdings	28	• Malaysian Plantations / Alliance Bank	15
• PT Bank Danamon	56	• China Minsheng Banking Corporation	5
• ICICI Bank	9	• NDLC - IFIC Bank	25 ⁷
• Hana Bank	10	• Fullerton Fund Management Company	100
• PT Bank Internasional Indonesia	35		
PROPERTY			
• CapitaLand	59 ⁸	• Keppel Land	17 ⁵
• Australand Holdings	31 ⁴	• Mapletree Investments	100
• Raffles Holdings	35 ⁴	• Surbana Corporation	100
• The Ascott Group	40 ⁴	(Known as HDB Corporation prior to 1 July 2005)	
TRANSPORTATION & LOGISTICS			
• Singapore Airlines	57	• SMRT Corporation	62 ⁹
• Neptune Orient Lines	67	• SembCorp Logistics	31 ⁶
• PSA International	100		
ENERGY & RESOURCES			
• Singapore Power	100	• PowerSeraya	100
• SembCorp Utilities	51 ⁶	• Senoko Power	100
		• Tuas Power	100
INFRASTRUCTURE, ENGINEERING & TECHNOLOGY			
• Keppel Corporation	32	• Singapore Technologies Engineering	55
• Keppel Offshore & Marine	32 ⁵	• Chartered Semiconductor Manufacturing	60
• SembCorp Industries	51	• STATS ChipPAC	36
• SembCorp Marine	32 ⁶	• Mahindra & Mahindra	5
BIOPHARMA AND HEALTHCARE SECTOR			
• Quintiles Transnational Corp	17	• Apollo Hospital Enterprise	7
• Matrix Laboratories	13	• Temasek Life Sciences Laboratories	33
OTHERS			
• Wildlife Reserves Singapore	88		

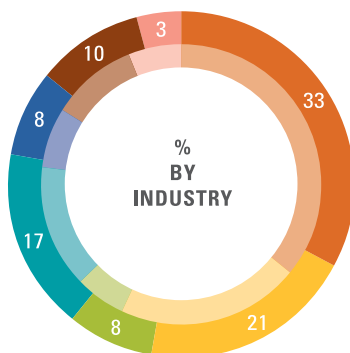
NET PORTFOLIO VALUE S\$103 BILLION

BASED ON MARKET VALUE FOR LISTED ASSETS
AND BOOK VALUE FOR UNLISTED ASSETS
LESS DEBT
AS AT 31 MARCH 2005

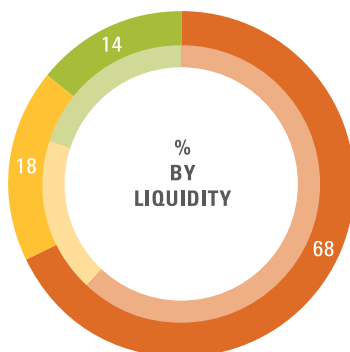


FY 03	FY 04
52	49
6	8
9	9
1	2
1	1
7	5
7	6
17	18
0	2

FY 03	FY 04
52	49
16	19
32	30
0	2

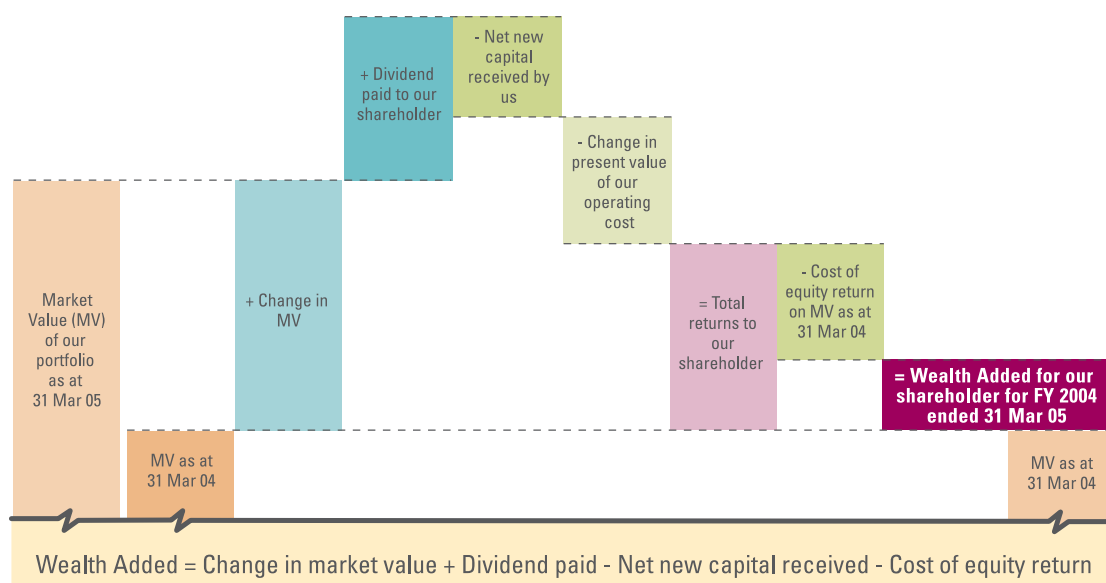


FY 03	FY 04
36	33
21	21
6	8
14	17
7	8
10	10
6	3



FY 03	FY 04
62	68
18	18
20	14

WEALTH ADDED



Charts not drawn to scale

Companies create wealth for their shareholders when they earn a total return that exceeds their minimum required return¹.

Total returns to our shareholder is calculated as the change in the market value of our portfolio (or the change in book value in the case of unlisted assets) plus dividends to our shareholder, adjusted for any net new capital received by Temasek from our shareholder. The minimum required return for our shareholder is defined as a cost of equity return on the market value of our portfolio at the start of the year.

For the year ended 31 March 2005, the aggregate net wealth added for our shareholder amounted to S\$7.2 billion. This included S\$4.6 billion attributable to our portfolio of Temasek-linked companies (TLCs), and S\$2.6 billion attributable to the rest of our portfolio activities.

This calculation is net of the change in the current operating costs, as well as future recurrent annual costs of running Temasek, to give the net wealth added for our shareholder.

¹ For example, consider a company that has a market value of \$1,000 at the start of the year, which then rises to \$1,200 at the end of the year. The company pays dividends of \$50 during the year, and issues \$100 of new equity during the year. Assume the cost of equity is 10%, giving a minimum required return of \$100, or 10% x \$1,000 of starting market value. The wealth created by this company for its shareholder = (1,200 - 1,000) + 50 - 100 - (1,000 x 10%) = \$50.

TOTAL SHAREHOLDER'S RETURN

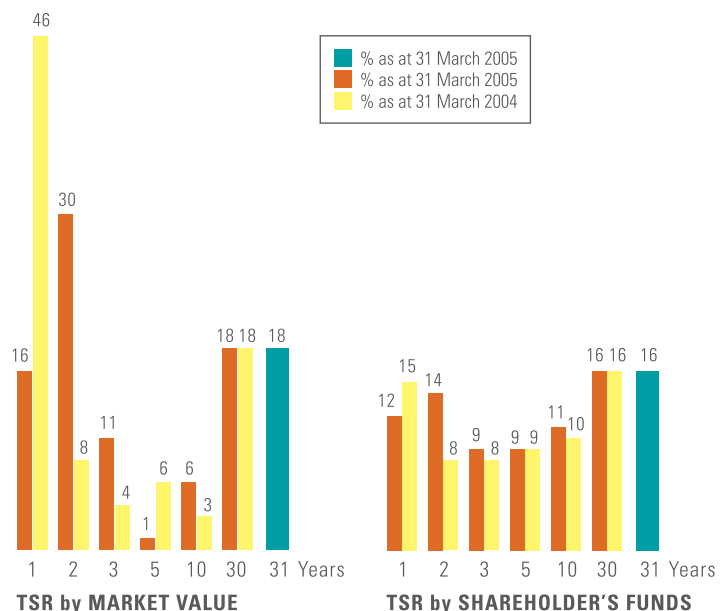
Our total shareholder's return or TSR, is the compounded annual return over the specified time period. It takes into account the appreciation or depreciation in the market value of our portfolio, dividends paid as well as net new capital issued. For unlisted investments, we track the changes in shareholder's funds in lieu of market value.

Given the relative concentration of our portfolio holdings in Singapore, our TSR by market value is correlated to the ebbs and flows of the Singapore market.

TSR numbers are influenced by the market value of the opening year, relative to the market value of the current year. For instance, measured from the market high of the dot.com boom on 31 March 2000, our five-year TSR was 1%. Compounded annually from 31 March 1995, our 10-year TSR was 6%.

Our two-year TSR by market value was a healthy 30%. This reflected the improved market sentiments, underscored by solid broad-based operating growth over the last two years.

Our TSR by market value since inception remains at a steady 18% per annum, including a healthy average annual cash dividend yield of more than 7% to our shareholder.



TSR by shareholder's funds tracks the changes in the underlying book value of our portfolio. This hovered between 9% and 11% for three, five and 10-year periods. This steady performance reflects the resilience of our portfolio companies through the Asian financial crisis and the Severe Acute Respiratory Syndrome outbreak.

Recent performance improvements have boosted one- and two-year TSRs to 12% and 14% respectively. Going forward, growth may be moderating in the face of global uncertainties.

MESSAGE FROM CHAIRMAN

the
Seed

We remained focused on delivering value through active portfolio transformation during FY 2004 ending 31 March 2005.

We restructured our portfolio by divesting some of our existing investments and making new investments of almost S\$13 billion, mostly in Asia including Singapore. In all, we monetised about S\$5 billion of our portfolio. Our portfolio value grew to S\$103 billion as at 31 March 2005, up about 15% from S\$90 billion the year before.

The outlook in Asia appears to have moderated this year, with some uncertainties in the next couple of years. We expect to maintain a cautious stance over this period.

RETURNS TO OUR SHAREHOLDER

In Wealth Added (WA) terms, we delivered S\$7.2 billion for FY 2004.

WA from our direct investment activities more than doubled to S\$2.6 billion. This increase was partly the result of our portfolio shift into Asia.



WA from our Temasek-Linked Companies (TLCs) moderated to about S\$4.6 billion. This came on top of the very strong FY 2003 WA of about S\$20 billion a year earlier, led by Singapore Telecommunications (SingTel) then with its WA of more than S\$10 billion.

On the whole, our Total Shareholder's Return (TSR) by market value remained good with a one-year TSR of 16% and a two-year TSR of 30%. Our one- and two-year TSRs based on shareholder's funds were a creditable 12% and 14% respectively. This was driven by robust underlying performance from our TLCs who enjoyed another year of solid performance and improved results, coupled with the sturdy returns from our direct investment activities.

Our 31-year TSR by market value remained consistent at 18% compounded annually, and our 31-year TSR based on shareholder's funds held steady at 16%. These returns since our inception included a healthy average annual cash dividend yield of more than 7% to our shareholder over 30 years.

Over the last three years, our cash dividends to our shareholder averaged S\$1.3 billion a year.

FY 2004 GROUP FINANCIAL HIGHLIGHTS

On a consolidated basis, our group revenue was S\$68.7 billion for the last financial year. This was a 22% increase from S\$56.5 billion in FY 2003. This increase captured the full year consolidation of revenues from indirect subsidiaries, Global Crossing, SPI Australia, Bank Danamon and Bank Internasional Indonesia. It also reflected the 2004 recovery in the performance of Singapore Airlines (SIA) after the twin drag of the Severe Acute Respiratory Syndrome outbreak and the Iraq war in 2003. Revenues from Neptune Orient Lines (NOL) were also consolidated following a successful general offer in September 2004.

Group operating profit increased 37%, from S\$7.4 billion in FY 2003 to a healthy S\$10.1 billion in FY 2004, driven by the higher group revenues. This included stronger operating performance by SIA, an improvement in the performance of Chartered Semiconductor Manufacturing, together with operating profits consolidated from the various new subsidiaries.

Net profit for the group stayed robust at S\$7.6 billion in FY 2004, reflecting the



steady operating performances of our TLCs and the returns from our investment activities during the year. It also included gains of S\$471 million from the disposal of Singapore Pools and placements of SingTel shares. In comparison, the prior year net profit of S\$7.4 billion included a large exceptional non-recurring gain of S\$1.9 billion resulting from the disposal of SingTel's investments in Singapore Post, Yellow Pages and Belgacom. Excluding contributions from exceptional items, group net profit after tax would have seen a healthy 20% increase.

Group EVA was a positive S\$1.7 billion, up from negative S\$0.4 billion the year before.

Group debt rose to S\$51 billion, primarily due to consolidation of debts from SPI Australia and NOL, following acquisition and increased stake in these two companies respectively.

Cash generated from operations as a group amounted to S\$12.5 billion in FY 2004, and averaged S\$11.8 billion over the last three years.

In mid 2004, we were rated by Standard & Poor's (S&P) and Moody's. Our credit rating of AAA/Aaa reflected our liquidity profile at the holding company level and the strong asset quality of our portfolio.

RESHAPING OUR PORTFOLIO

We stayed on track to meet our long-term goal of a balanced portfolio with one-third of our asset exposure in Singapore, one-third in the developed economies (including USA, Canada, Europe, Japan and Australia), and the remaining one-third in the rest of Asia. This allocation mix includes our direct investment and public markets portfolio, as well as our projection of the underlying asset exposures from the organic growth and potential new investments of our major portfolio companies.

The reshaping of our overall portfolio will be a deliberate and cautious process. It requires patience and perseverance, and a keen eye on achieving value and returns based on market conditions and opportunities. To this end, we will continue to seek new investments that will maximise value within our risk return framework. We have the flexibility to take a long view of our investments. We also have the option of taking concentrated positions. We remain open at all times to increasing, holding or reducing our stakes in our entire portfolio, including our stakes in TLCs, through buying, selling, swapping, restructuring or rationalisation. We also keep our options open for more efficient utilisation of capital.

“

THE RESHAPING OF OUR OVERALL PORTFOLIO WILL BE A DELIBERATE AND CAUTIOUS PROCESS. IT REQUIRES PATIENCE AND PERSEVERANCE, AND A KEEN EYE ON ACHIEVING VALUE AND RETURNS BASED ON MARKET CONDITIONS AND OPPORTUNITIES

”

Where appropriate, we will be prepared to be overweight in cash and cash equivalents.

Over the last financial year, we invested over S\$10 billion in Asia. New portfolio companies include China's Minsheng Banking Corp, Pakistan's NDLC-IFIC Bank (or NIB), India's Mahindra & Mahindra, as well as Malaysian Plantations (which wholly owns Alliance Bank). We also dipped our toes into the emerging budget travel industry in Asia, with minority stakes in Tiger Airways and JetStar Asia.

We made a S\$1.6 billion general offer for Singapore-listed NOL at the end of September 2004. The increase of our stake from about 29% to more than 67% was a contributor to our wealth added returns in FY 2004.

Apart from new investments, we also co-invested with some of our portfolio companies. This was in line with our investment theme to support various promising regional enterprises, and to tap deeper into their growth potential. Examples included our 50% stake in SingSpring Pte Ltd, a subsidiary of Hyflux, Singapore's leading company in membrane technology, and our participation in a consortium led by Osim International, a leader in healthy lifestyle products, to acquire US product development and specialty retailer Brookstone Inc.

During the year, we sold or monetised various investments, partially or fully.

Proceeds of S\$5 billion were realised, with a net gain of S\$1.6 billion.

Divestments included the complete sale of our 78% stake in Changi International Airport Services Pte Ltd to Dnata, a member of the Emirates Group, at the end of 2004. Singapore Pools was sold to the Singapore Totalisator Board in May 2004. We also placed out approximately 2% of SingTel shares, adding to the liquidity of the stock. Our S\$792 million exchangeable bonds on Keppel Corporation will further dilute our stake in the company if exercised.

In December 2004, we delayered Singapore Technologies Pte Ltd (STPL) as an intermediate holding company. This brought various STPL companies, such as Singapore Technologies Engineering and CapitaLand, under the direct ownership of Temasek.

In response to demand, our wholly owned subsidiary Fullerton Fund Management Company (Fullerton) cautiously took in third-party funds with the launch of two pooled funds – a Singapore dollar short-term interest rate fund for selected Singapore institutions and a US dollar denominated fund-of-hedge-funds for institutional and high net worth



WE CONTINUE TO LEVERAGE ON OUR NETWORK TO BE A CATALYST FOR CROSS-BORDER PARTNERSHIPS AND COLLABORATIONS IN SUPPORT OF VARIOUS PROMISING REGIONAL ENTERPRISES



clients in the region. These products leveraged on Fullerton's network in Asia, and its access to top-quality funds and fund managers. Fullerton remains our principal fund manager for our public market exposure to the developed economies.

EXTENDING OUR REACH

We set up three additional offices last year, in Mumbai, Beijing and Ho Chi Minh City. Our Hong Kong office was opened this year. These offices helped root our presence in India, China and Vietnam. Together with our Singapore office, our distributed investment network also provided better insights and responsiveness into the opportunities in South Asia, North Asia, as well as South-East Asia.

There are potential synergies among the companies operating in Asia, especially among the emerging breed of professionally managed companies. Through our inaugural Asia Banking CEO Roundtable in July 2004, several leading banking chairmen and CEOs shared their experiences and lessons in managing change and transformation through the turbulent Asian financial crisis of the late 90s through to 2004. This was followed enthusiastically with the 2nd Roundtable

recently in Mumbai, India, where experiences and perspectives in managing growth in a fast changing Asia were exchanged. The 3rd Asia Banking CEO Roundtable will be held in South Korea next year.

Many companies are at an inflexion point in Asia. Some are ready to internationalise or regionalise beyond their domestic markets. We continue to seek opportunities to be a catalyst for cross-border partnerships and collaborations, particularly in support of various promising regional enterprises.

We will access markets and opportunities beyond Asia through partnerships and friendships.

SERVING OUR COMMUNITIES

In the midst of our focus on business, we remain connected to the communities where we operate and invest in.

Following the tsunami last December, we pledged US\$10 million to support relief, recovery and reconstruction efforts in the disaster areas.

A task force of Temasek volunteers coordinated and carried out relief effort immediately following the disaster. We



partnered our TLCs and associates to work closely with the Indonesia and Singapore Armed Forces, Singapore Red Cross, Mercy Relief, as well as other NGOs and international agencies to provide food, water, medical supplies, telecommunications and other services and logistics support to the various stricken areas in the aftermath of the tsunami. Our task force is currently working with the authorities of the various affected countries on reconstruction projects.

On the home front, we maintained our support for the Singapore Leprosy Relief Association (SILRA), a home for former leprosy patients. Our staff have chosen to support this charity over the last three years. These elderly residents were part of a generation who helped build a modern city out of poverty and squalor of post-war Singapore. A total of S\$50,000 was raised for SILRA by our staff through various in-house activities. More importantly, our volunteer staff spent their personal time to organise outings for SILRA residents.

In October 2005, Temasek will partner the Singapore Exchange in organising *The Bull Run™*. Inaugurated last year, this event will rally the listed companies and the financial community to raise funds for 14 children

and educational charities. We hope to extend this civic initiative to the region in partnership with corporate and financial players to support children and educational causes in Asia.

APPRECIATION

Our success today would not have been possible without the ingenuity, drive and determination of our staff and the stout-hearted commitment of our portfolio companies to deliver value. We are also grateful for the warm-hearted support of our partners, the thoughtful guidance of our Board and advisory councils, and the confidence of our shareholder. On behalf of the Board and management, I would like to express my appreciation to everyone, including their families.

In particular, I wish to express my special thanks to Mr Ng Kok Song and Mr Fock Siew Wah, who retired from the Board with effect from 1 July 2005 and 1 October 2005 respectively. During his two-year tenure, Kok Song has provided us with invaluable insights and shared his wealth of experience in the fund management industry. This has given us confidence to take the next step with our fund management activities. Siew Wah has stepped



down after 15 years of distinguished service on the Board. He has been a steadfast source of wise counsel and vast experience, as we grew steadily over the years.

At the same time, our Board welcomes Mr Simon Claude Israel, Chairman, Asia Pacific, Danone Asia, and Mr Goh Yew Lin, Executive Director, GK Goh Holdings, as new members with effect from 1 August 2005. This is part of our board rejuvenation aimed at continually injecting fresh ideas and perspectives. Their regional and international experience and expertise will help us as we seek to anchor ourselves as an Asia investment company committed to maximising long term shareholder value. We are particularly pleased to have Simon as the first non-Singaporean on our Board.

GOING BEYOND 30

In 2004, we celebrated our 30th anniversary. We released the highlights of our group financials for the first time in 30 years. We also released audited group and other selected financials on a confidential basis to Moody's and S&P for our first credit rating. We have evolved through the years and grown together with our portfolio of companies.

We remain optimistic on the long-term prospects of Asia. However, we are cautious in the short to medium term, amidst a relatively uncertain global outlook.

For this year and next, we will step up our efforts to refine and build more robust and responsive processes. Talent development remains one of our priorities as we continue our efforts to build and nurture a cohesive and experienced team. These are our critical resources as we widen our engagement in Asia.

Looking ahead, we remain committed to taking on new challenges to shape and reshape our future, and creating and maximising sustainable shareholder returns.

S DHANABALAN
Chairman
10 October 2005



GROUP FINANCIAL SUMMARY

STATEMENT BY DIRECTORS

STATEMENT BY AUDITORS
TO TEMASEK

GROUP FINANCIAL
HIGHLIGHTS

GROUP INCOME
STATEMENTS

GROUP BALANCE SHEETS

GROUP CASH FLOW

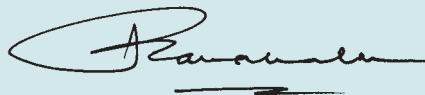
STATEMENT BY DIRECTORS

Our auditors have expressed an unqualified opinion on the audited company and audited consolidated financial statements of Temasek Holdings (Private) Limited ("Temasek") for each of the financial years ended 31 March 2002, 2003, 2004 and 2005.

The Group Financial Highlights and consolidated financial information set out on pages 18 to 21 are the responsibility of the directors of Temasek.

These Group Financial Highlights and consolidated financial information were prepared and presented by Temasek based primarily on the audited consolidated financial statements of Temasek for the financial years ended 31 March 2002, 2003, 2004 and 2005.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'S. Dhanabalan', with a horizontal line underneath.

S DHANABALAN
Chairman

A handwritten signature in black ink, appearing to read 'Ho Ching', with a horizontal line underneath.

HO CHING
Executive Director & Chief Executive Officer

STATEMENT BY AUDITORS TO TEMASEK

Under the Singapore Companies Act, Temasek Holdings (Private) Limited (“Temasek”) is by definition an exempt private company. Accordingly, Temasek is not required to publish its audited financial statements.

We have audited the company and the consolidated financial statements of Temasek for the financial years ended 31 March 2002, 2003, 2004 and 2005 in accordance with the Singapore Standards of Auditing. The auditors’ reports, in respect of the company and the consolidated financial statements of Temasek for each of the financial years ended 31 March 2002, 2003, 2004 and 2005 respectively, were unqualified.

The Group Financial Highlights set out on page 18 and the consolidated financial information set out on pages 19 to 21, were prepared and presented by Temasek based primarily on the audited consolidated financial statements of Temasek for the financial years ended 31 March 2002, 2003, 2004 and 2005.

The consolidated financial information comprising Group Income Statements, Group Balance Sheets and the Group Cash Flow set out on pages 19 to 21 were properly summarised from the underlying audited consolidated financial statements of Temasek for the financial years ended 31 March 2002, 2003, 2004 and 2005 respectively.

PricewaterhouseCoopers
Certified Public Accountants
Singapore

GROUP FINANCIAL HIGHLIGHTS

GROUP INCOME STATEMENTS (IN S\$ BILLION)	FY 2001	FY 2002	FY 2003	FY 2004
Revenue	42.6	49.6	56.5	68.7
Operating profit before exceptional items	4.8	4.1	7.4	10.1
Net Profit	4.9	0.2	7.4	7.6

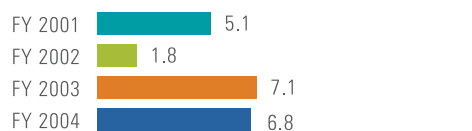
GROUP BALANCE SHEETS (IN S\$ BILLION)	FY 2001	FY 2002	FY 2003	FY 2004
Total assets	146.4	140.0	180.8	199.1
Shareholder's equity	54.5	54.5	64.5	70.9
Net debt ¹	22.3	22.1	21.9	26.9



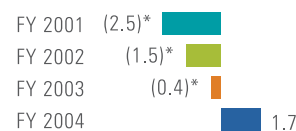
OPERATING PROFIT MARGIN² (%)



NET DEBT TO CAPITAL⁵ (%)



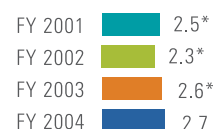
RETURN ON AVERAGE ASSETS³ (%)



EVA⁶ (\$\$ BILLION)



RETURN ON AVERAGE EQUITY⁴ (%)



VA/EMPLOYMENT COST⁷

FY 2004 refers to financial year ended 31 March 2005 and similarly for FY 2003, FY 2002 and FY 2001

¹ Net Debt = Total debt - Cash and cash equivalents (excluding customer deposits at banks)

² Operating Profit Margin = Operating profit before exceptional items, expressed as a percentage of revenue

³ Return on Average Assets = Profit from operating activities after tax before minority interest, add back finance cost, expressed as a percentage of average total assets

⁴ Return on Average Equity = Net profit after tax after minority interest expressed as a percentage of average shareholder's equity

⁵ Net Debt to Capital = Net debt expressed as a percentage of sum of net debt, shareholder's equity and minority interests

⁶ EVA = Economic value added attributed to investors

⁷ VA/Employment Cost = Gross value added per dollar of employment cost

* Adjustments made to be consistent with current year's computation

GROUP INCOME STATEMENTS

(IN S\$ MILLION)	FY 2001	FY 2002	FY2003	FY 2004
Revenue	42,560	49,645	56,468	68,705
Cost of sales	(29,337)	(34,604)	(37,659)	(44,876)
Gross profit	13,223	15,041	18,809	23,829
Other operating income	461	998	1,482	1,058
Distribution costs	(2,591)	(3,255)	(3,559)	(3,729)
Administrative expenses	(4,357)	(5,239)	(5,722)	(7,003)
Other operating expenses	(1,912)	(3,482)	(3,633)	(4,054)
Operating profit before exceptional items	4,824	4,063	7,377	10,101
Exceptional items	332	(2,564)	2,165	404
Operating profit after exceptional items	5,156	1,499	9,542	10,505
Non-operating items	2,731	(263)	1,077	1,108
Finance income	668	355	619	574
Finance costs	(1,468)	(1,666)	(1,724)	(2,120)
Share of results of associated companies and partnerships before tax	402	1,078	2,225	2,853
Share of results of joint ventures before tax	(39)	113	34	356
Profit from ordinary activities before tax	7,450	1,116	11,773	13,276
Income tax expense	(1,980)	(275)	(2,050)	(2,521)
Profit from ordinary activities after tax	5,470	841	9,723	10,755
Minority interests	(547)	(600)	(2,358)	(3,108)
Net profit for the financial year	4,923	241	7,365	7,647

FY 2004 refers to financial year ended 31 March 2005 and similarly for FY 2003, FY 2002 and FY 2001

GROUP BALANCE SHEETS

(IN S\$ MILLION)	FY 2001	FY 2002	FY2003	FY 2004
Shareholder's equity	54,468	54,516	64,522	70,890
Minority interests	18,525	19,227	23,862	25,325
	72,993	73,743	88,384	96,215
Property, plant and equipment	58,958	57,005	61,558	69,268
Intangibles	13,047	12,672	13,543	14,714
Investments	16,594	17,717	27,339	28,880
Investment properties	8,976	8,159	8,159	7,848
Properties under development	1,042	367	370	453
Other non-current assets	2,757	3,004	6,488	8,587
Deferred tax assets	930	1,566	1,645	2,138
Current assets	44,103	39,460	61,695	67,219
Current liabilities	(32,067)	(29,811)	(45,779)	(51,026)
Net current assets	12,036	9,649	15,916	16,193
	114,340	110,139	135,018	148,081
Non-current liabilities	(41,347)	(36,396)	(46,634)	(51,866)
	72,993	73,743	88,384	96,215

FY 2004 refers to financial year ended 31 March 2005 and similarly for FY 2003, FY 2002 and FY 2001

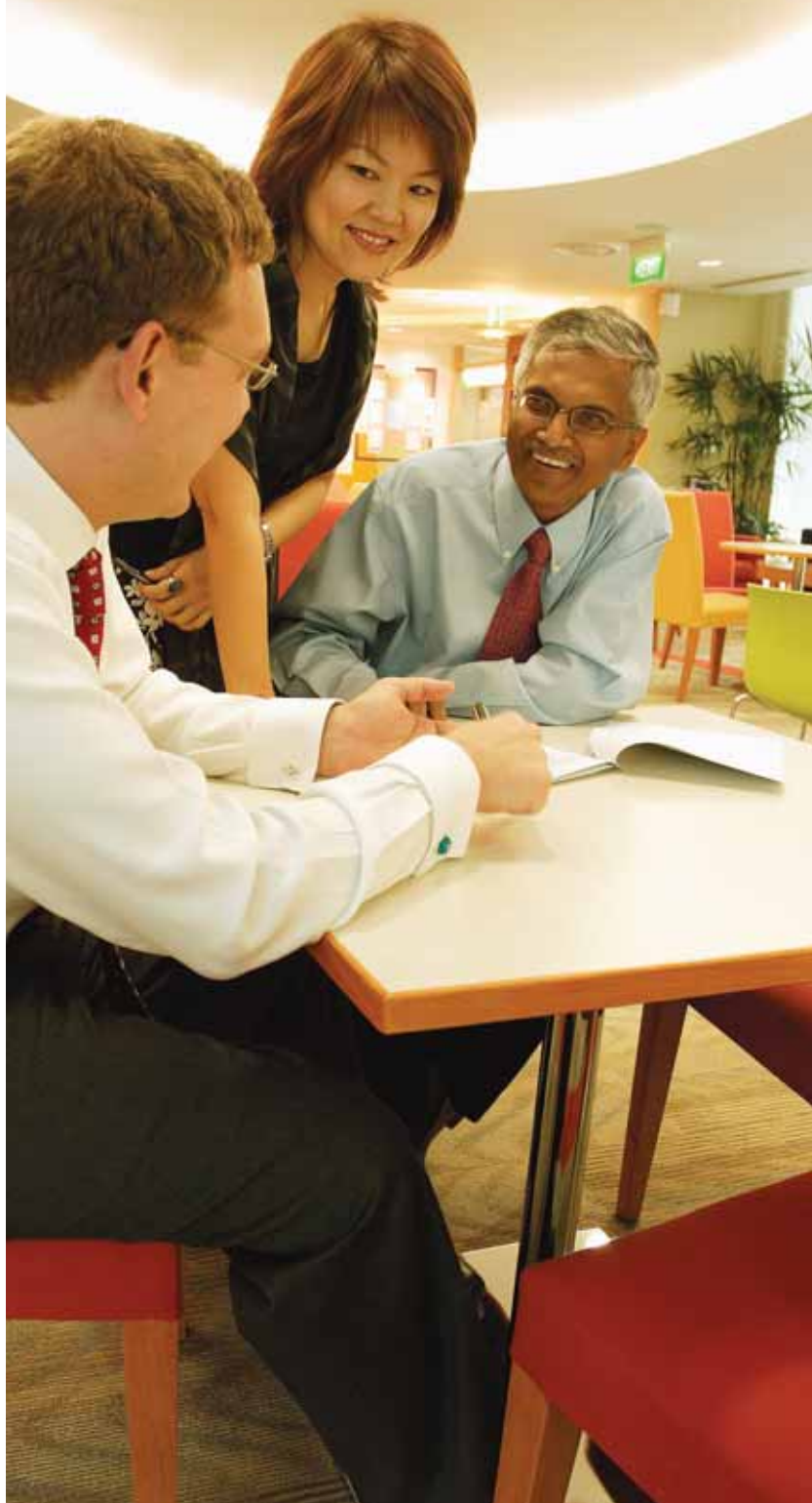
Certain comparative figures in previous years of SingTel and SembCorp Industries have been reclassified to conform to current year's presentation

GROUP CASH FLOW

(IN S\$ MILLION)	FY 2001	FY 2002	FY2003	FY 2004
Operating cash flow before working capital changes	9,520	11,180	13,936	16,555
Change in working capital	6,236	304	(2,535)	(4,054)
Cash generated from operations	15,756	11,484	11,401	12,501
Income tax paid	(1,310)	(1,331)	(1,151)	(1,480)
Net cash inflow from operating activities	14,446	10,153	10,250	11,021
Net cash outflow from investing activities	(16,363)	(6,418)	(7,701)	(4,765)
Net cash inflow/(outflow) from financing activities	4,181	(7,922)	6,770	(4,793)
Net increase/(decrease) in cash and cash equivalents held	2,264	(4,187)	9,319	1,463

FY 2004 refers to financial year ended 31 March 2005 and similarly for FY 2003, FY 2002 and FY 2001

TEMASEK HIGHLIGHTS



Financial year 2004 was a busy year for Temasek.

We actively allocated part of our liquid portfolio into Singapore and the emerging Asian markets. We rationalised our investments, and divested some of our portfolio companies.

We celebrated our 30th anniversary with a series of events, including the first public release of our consolidated financial highlights in the Temasek Review 2004.

Standard and Poor's and Moody's rated us AAA/Aaa respectively.

We continued to finetune our organisational capacity and capability. Some of our internal processes and workflows were rationalised, and we moved to a VaR-based risk management system for our fund management unit.

As at 31 March 2005, our portfolio value grew to S\$103 billion, up 15% from a year before. In all, we made nearly S\$13 billion of investments, and monetised about S\$5 billion of our portfolio.

STRATEGIC DEVELOPMENT – DEEPENING CONNECTION IN ASIA

Although our overall asset exposure to Singapore grew, it constituted a smaller 49% of an enlarged portfolio at the end of March 2005, compared to 52% a year earlier. Exposure to the rest of Asia, outside Japan and Singapore, grew from 16% to 19%, largely driven by investments in the financial services and telecommunications sectors. Our investment exposure to the developed economies was reduced slightly to 30%, even as our dollar exposure increased.

FINANCIAL SERVICES

Through wholly owned Asia Financial Holdings (AFH), we continue to invest cautiously and selectively into financial institutions in Asia. These provide broad-based exposure to the growth of the various Asia economies. Consumer and retail banking also enable us to grow with the emerging middle classes in Asia.

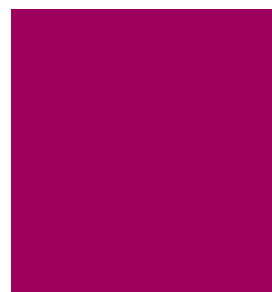
In January 2005, AFH acquired a 5% stake in China Minsheng Banking Corporation (Minsheng), the country's first privately-owned

bank. Two months later, AFH completed its first investment in Malaysia's banking sector, partnering Langkah Bahagia to jointly purchase a 30% stake in Malaysian Plantations, the 100% shareholder of Alliance Bank Berhad.

Also in March 2005, AFH made its first direct investment in Pakistan, with a 25% stake in the listed NDLC-IFIC Bank (NIB). AFH further increased its stake in NIB to 73% in July this year through a general offer to minority shareholders.

In July 2005, AFH signed a definitive agreement with China Construction Bank (CCB) to invest US\$1 billion in its upcoming Initial Public Offering (IPO). In August, AFH also purchased a 5.1% stake in CCB from the majority owner, China SAFE Investments Ltd (HuiJin). AFH will work closely with fellow shareholders HuiJin and Bank of America to add value to the bank's efforts to achieve sustainable growth on a robust risk management and governance platform.

AFH also announced its agreement in August 2005 to acquire a 10% interest in Bank of China (BOC) for US\$3.1 billion. In addition, it will undertake to invest an



additional US\$500 million in BOC's IPO. This transaction is pending government and other relevant regulatory approvals. Subject to mutual agreement, AFH will propose suitable candidates for election to BOC's board of directors.

Separately in Indonesia, Bank Danamon (Danamon) and Bank Internasional Indonesia (BII) independently enhanced their service offerings by widening their networks through leading finance companies. Danamon acquired Adira Finance in April 2004 to grow its consumer finance portfolio. Meanwhile, BII invested in a 43% stake in PT Wahana Ottomitra Multiartha Tbk (WOM) in May 2005. Both Adira and WOM are active players in motorcycle financing in Indonesia, one of the largest motorcycle markets in the world.

One key initiative in Danamon is its mass market line of business through its *Danamon Simpan Pinjam* network of savings and loan micro-branches. Piloted in the first half of 2004, 720 of these micro-branches now complement the 475 Danamon branches throughout Indonesia.

With its focus on the high net worth and SME market, BII launched several innovative

programmes to boost its credit card business. Amongst these was the Singapore Airlines (SIA) Krisflyer frequent flyer miles benefit for its customers. This first-ever credit card benefit in Indonesia from Krisflyer helped to increase BII's credit card base to 630,000.

TRANSPORTATION AND LOGISTICS

East-west and intra-Asia trade continue to grow as economies become more inter-connected. Investments in this sector provide further exposure to the general economic growth in Asia.

In May 2005, we took a 24% stake in Great Wall Airline Co., a new cargo airline venture with SIA Cargo (25%) and China Great Wall Industry Corp (51%). The airline plans to begin operations in the first half of 2006. Besides destinations within China, it also plans to service destinations in the USA, Europe, North East Asia and South West Asia.

In FY 2004, we took minority stakes in two start-up budget airlines, Tiger Airways and Jetstar Asia, in partnership with SIA and Qantas respectively.



Apart from the air cargo and transportation sector, we also enhanced our exposure to Asia's shipping sector. At the end of September 2004, we increased our stake in NOL from approximately 29% to over 67% through a mandatory general offer. In addition, we took portfolio stakes in various Asian and international players.

At the Temasek-linked company (TLC) level, PSA invested in various container terminals in Hong Kong in 2005.

Separately, Mapletree Investments signed an agreement in September 2005 to set up a 56 hectare logistics park in Vietnam Singapore Industrial Park II.

TELECOMMUNICATIONS, MEDIA AND TECHNOLOGY

As part of our telecommunications portfolio, we made our maiden investment in Russia, with a 3% stake in London-listed company, Mobile Telesystems. We also acquired a number of small pre-IPO and IPO stakes in various emerging players, particularly in the on-line and technology space such as SOMA Networks, a US-based provider of wireless broadband equipment, and Harbour Networks,

a Chinese manufacturer of Internet Protocol-based next generation network equipment.

At the TLC level, Singapore Telecommunications (SingTel) acquired a 45% stake in Pacific Bangladesh Telecom. Separately, ST Telemedia's subsidiary, StarHub, was listed on the Singapore Exchange in October 2004. This was followed by their first interim dividend in September 2005.

2004 also saw MediaCorp acquiring the TV operations of MediaWorks from Singapore Press Holdings (SPH). In return, SPH took a 20% stake in MediaCorp's free tabloid, *Today*.

ENERGY AND RESOURCES

In end 2004, we acquired a 3% stake in China Power International at its IPO.

In April this year, we joined a US\$100 million consortium led by Rolls-Royce to develop high temperature solid oxide fuel cells for one to two megawatt power systems.

In September 2005, we took a 50% stake in SingSpring Pte Ltd, a desalination facility in Singapore, built by Hyflux.

At the TLC level, Singapore Power acquired the Australian power transmission, distribution and merchant energy assets of US company TXU in July 2004. This was followed by the divestment of the SPI Australia merchant energy business (former energy generating assets of TXU Australia) in May 2005. This allowed Singapore Power to concentrate on its core energy transmission and distribution business in SPI Australia.

Singapore Power and our three power generation companies further optimised their capital efficiencies during the year.

BIOPHARMA AND HEALTHCARE

We expanded our life sciences related portfolio with a stake in Apollo Hospitals, the largest private healthcare provider in India. We also concluded a joint investment in Apollo Healthstreet with One Equity Partners, the private equity arm of JP Morgan Chase in May 2005.

We continue to actively explore biopharma investment opportunities in China. In June this year, we became an anchor investor, together with International Finance Corporation and HBM Ventures, in the BioVeda China Fund, the

first international venture fund directed at life sciences in China.

We also announced our participation in a three-party joint venture to commercialise pharmaceutical products in the Asia Pacific region, alongside Interpharma Asia Pacific, the parent of drug distributor Zuellig Pharma, and Quintiles Transnational Corp, a leading pharmaceutical clinical trials company from the USA.

Our biotech venture investments included stakes in drug development companies such as Replidyne Inc of USA, for anti-infective; and Elbion AG of Germany, for respiratory disorders. In February 2005, Idun Pharmaceuticals Inc, our portfolio company in USA that develops treatment for Hepatitis C, was acquired by Pfizer Inc.

MANUFACTURING/ AUTOMOTIVE

Asia is both a large and growing market for automobiles and a competitive manufacturing base for automotive components.

Investments in this sector provide exposure to Asia's growing middle class as well as to companies which may be at their inflexion



point of scaling out from their domestic markets.

In March, we bought a stake in Mahindra & Mahindra, India's leading conglomerate with activities in automotive and farm equipment manufacturing, and other diverse interests in real estate, IT services, auto components and financial services. In July, we invested in Amtel, one of Russia's largest manufacturers of tyres for passenger cars and light trucks. Amtel was our first private equity investment in Russia.

EXPANDING OUR ASIAN PRESENCE

India and South Asia

As an extension of Temasek's investment strategies, our investments in India centre around two themes: First, investing in Indian companies that mirror the growth of the domestic economy in sectors such as banking, telecom and automotive. Second, investing in companies that capitalise on India's comparative advantage as a globally competitive resource base for products and services, especially in areas such as biopharma and healthcare, information

technology, business process outsourcing and the automotive component sector.

To date, we have invested over US\$1.5 billion in India. Investments include ICICI Bank, Apollo Hospitals, Matrix Laboratories, ICICI OneSource and Tata Consultancy Services. We have also invested in funds that specialise in the technology or power sectors in India.

Recent investments in India include Gateway Distriparks, a multi-location company providing integrated logistics solutions linking important gateway ports with the industrial and agricultural hinterlands of India; Welspun India, a leading textile company; and Mahindra & Mahindra. We also took stakes in Shringar Cinemas, a film exhibition company, and Punj Lloyd, a leading transnational engineering and construction company headquartered in New Delhi.

In Pakistan, our US\$57 million investment in NIB was our maiden exposure to her growing economy.

As at end March 2005, India, Pakistan and the rest of South Asia constituted 2% of our total portfolio, up 1% from the year before, largely through our direct investment activities.



China and North Asia

We have increased our direct exposure to China along two investment themes: First, investing in state-owned enterprises (SOEs) or other large companies that serve as broad-based proxies of the economic transformation in China. Second, investing in promising and fast growing businesses, particularly those that meet the growing consumer demands, or facilitate the increasing integration of China with the regional and global economy.

Our active participation in the IPOs of many leading Chinese SOEs such as China COSCO Holdings and Air China, and our interests in the financial sector, such as Minsheng, reflected our efforts on the first theme.

Our US\$1.5 billion investment in CCB and our commitment to subscribe up to US\$1 billion in its impending IPO will enhance our exposure to the growth in China, especially via the corporate, SME and consumer financing activities of the bank.

Similarly, our pending investment in BOC will track China's fast growing multi-lateral trade with the world, and mirror her on-going transformation as a modern market economy.

To expand our reach, we have also jointly set up a US\$100 million fund, New Horizon Fund, with Softbank Investment Corp from Japan, to invest in promising Chinese companies.

Apart from mainland China, we have increased our exposure to Taiwan, Hong Kong and Korea through various portfolio investments and funds.

As at 31 March 2005, our total exposure to North-east Asia, excluding Japan, constituted 8% of our portfolio, compared with 6% the year before.

Vietnam and Asean

Vietnam is one of the fastest growing economies in the region. We set up an office in Ho Chi Minh City to monitor and tap on the growing opportunities as Vietnam seeks to reform its economy.

Our first investments included two private equity funds, Vietnam Growth Fund and IndoChina Land Holdings. A third investment was a 5% stake in Kinh Do Corporation, a leading confectionery company.

Our total exposure to Asean economies, excluding Singapore, remained steady at 9%, albeit of a larger portfolio.

Singapore

We acquired Surbana Corporation (Surbana) from the Housing Development Board (HDB) in November 2004 on a willing-buyer willing-seller basis. Formerly known as HDB Corporation, Surbana was previously the arm of HDB responsible for integrated urban and town planning, architectural and engineering design, and other building consultancy services in Singapore's successful public housing programme. Surbana has begun to make inroads into the region to ride on the increasing urbanisation of emerging Asia.

We took over newly corporatised CISO Security in June 2005. We will support its efforts to transform from a statutory board into a commercially-run company.

Both acquisitions were financed by S\$172 million worth of shares issued to Minister for Finance, Incorporated.

On the sell side, we completely divested our 78% stake in CIAS, the 2nd airport services operator providing catering and

ground handling services at the Changi International Airport. The sale followed 18 months of intensive pre-sale restructuring to consolidate CIAS's operations and cost base as a highly competitive player.

We also sold our entire stake in Singapore Pools to the Singapore Totalisator Board in May 2004.

On 31 December 2004, we transferred substantially all shareholdings in the listed and unlisted companies and other assets held by Singapore Technologies Pte Ltd to Temasek. This delayering brought immediate cost efficiencies, and gave us direct line of sight into a group of companies that constituted one-sixth of our portfolio assets. The restructuring exercise was also part of our overall effort to manage Temasek's capital structure more efficiently.

CAPITAL MARKET ACTIVITIES

As an active shareholder and investor, we adopt a pro-active portfolio management stance on our investments.

We completed two placement exercises in 2004. In April 2004, we issued S\$792 million of exchangeable notes on shares of Keppel

Corporation (Keppel), representing about 10% of shareholding in Keppel upon conversion.

In November 2004, we placed out approximately 339 million ordinary shares of SingTel, reducing our shareholding in SingTel to 63%.

For these capital market activities, and the SingTel exchangeable bonds and concurrent share placement in January 2004, we were awarded the “Corporate of the Year” award, as well as “Asia’s Triple A Best Equity Deal” and “Triple A Best Equity-Linked Deal” for 2004, by The Asset magazine. These placements also won accolades in the region from Finance Asia, AsiaMoney and IFR.

In FY 2005, we completed three separate placement exercises - 264 million units of CapitaCommercial Trust (CCT) representing about 30% of their existing units; 110 million ordinary shares of SMRT, reducing our shareholding from 62% to 55%; and 200 million ordinary shares in CapitaLand, comprising about 8% of its total share capital. These placements increased the liquidity of the respective stocks.

In September 2005, we launched our inaugural Medium Term Note programme and issued US\$1.75 billion of 10-year 4.5% fixed rate notes to investors worldwide. At 44 basis points spread above 10-year US Treasury Notes or a yield of 4.575% per annum at the time of pricing, this maiden bond gave us greater funding flexibility and better capital efficiency.

Capital Resources Management

Over the course of FY 2004, we devolved our in-house fund management unit into a wholly owned subsidiary, Fullerton Fund Management Company (Fullerton). Fullerton continues to manage our portfolio exposure to the developed public markets. It also provides us with strategic asset allocation services and specialised Asian investment products.

Capitalising on increased demand in the region for traditional investments, as well as relative and absolute returns products, Fullerton launched two pooled funds – a Singapore dollar short-term interest rate fund in September 2004 and a US dollar denominated fund-of-hedge-funds in November 2004. In July 2005, Fullerton set up Fullerton-Monex Asian Fund of Hedge Funds



with Monex Inc, Japan's second largest online broker. The Japanese retail tranche was launched in Tokyo in the same month.

Fullerton also placed out funds for third-party management. This included investments in 40 hedge funds, with 18 in Asia.

During the year, back-room efforts were focused on completing the straight-through-processing platform for Fullerton's fund management activities. The final modules covering deposits, futures and foreign exchange were commissioned in June 2005. Another milestone was the switch-over from guidelines-based risk management to VaR-based risk budgeting for fund management activities.

The private equity funds investment (PEFI) team was repositioned as part of our direct investment efforts from May 2005. With this refocus, the PEFI team will leverage on the relevant industry sector expertise for large co-investment opportunities. The PEFI team will also complement our direct investment portfolio by committing to private equity funds in new geographies, industries or products.

CORPORATE DEVELOPMENT – BUILDING CAPABILITIES FOR GROWTH

Human Capital

The quality of our human capital remains a key priority as we invest in Asia's emerging economies. We believe in attracting, nurturing and integrating high-calibre, high-integrity professionals who can multiply the effectiveness of our team.

Over the last year, 31 promising graduates from top universities joined our Internship Programme and our International Talent Programme. The universities we work with include Harvard, Chicago, Stanford and MIT in the USA; INSEAD and Cambridge in Europe; IIMs in India; and Tsinghua, Beijing and Fudan in China. We also continue to engage students at all levels at the three Singapore universities.

There were also a variety of programmes to support our staff development. These included attachment stints, executive management development programmes and 360° feedback programmes for individual development.



As we continue to build a dynamic work environment, we also introduced various family-friendly programmes. An example is the family care leave to support our staff in caring for their extended family during illnesses or emergencies.

Leadership Development

Since its realignment with Temasek in early 2003, Temasek Management Services (TMS) has, through its various leadership development vehicles, contributed to building up capacities for growth by reaching out to a widening target audience of Temasek, the TLCs as well as other companies in Singapore and the region. A total of 450 management and leadership development programmes were organised in the year for about 8,000 participants from around the region.

The Business Leadership Centre (BLC) under TMS worked with established academic and industry partners to conduct a wide spectrum of programmes and workshops for board members and senior management. BLC also developed customised programmes on leadership, corporate governance and

management for TLCs as well as Temasek's friends in China, Indonesia and Vietnam. The Management Skills Programmes, formerly under the ST College which was transferred to TMS in early 2005, focused on providing training courses for over 1,500 middle and junior level executives.

The timely development of younger leaders is crucial for enhancing depth in businesses. The *LEADERS!* programme is one such platform which brought together younger leaders nominated by their respective companies, for learning together over three modules. This programme included study trips to China and Malaysia.

Our effort to build up a repository of case studies was enhanced with an internship programme that involved teams from well-known overseas universities such as Cambridge, Stanford and MIT. These interns worked with TMS to research and produce cases based on the experiences of Asian corporations. These cases proved to be highly relevant and popular at various forums.

Wealth Management Institute

The Wealth Management Institute (WMI) is into its second year of operations. It aims to widen and deepen the pool of wealth management talent in the region.

The inaugural class of the year-long Master of Science in Wealth Management programme graduated in June 2005. The class comprised 37 students from eight countries, from both finance and non-finance backgrounds. The majority of the students have since entered the wealth management industry through the internship opportunities provided by WMI's industry partners and secured employment even before graduation. The second intake for the Masters of Science in Wealth Management commenced in July 2005 with 43 post-graduate students.

The WMI Certificate in Private Banking was launched in October 2004. The curriculum was created in collaboration with a distinguished panel of advisors, comprising respected academics, leading private bankers and training consultants. To date, WMI has trained 101 participants, with 50% of the attendees sponsored by the private banking industry.

Strategic Relations and Networking

We continue to cultivate and strengthen our strategic relationships with friends, business partners, regulators and fellow shareholders in Asia and other markets. We are also in regular dialogue with our Asian counterparts to exchange views and perspectives on the governance, management and business issues, and to explore potential business collaborations.

Gaining momentum from its July 2004 inaugural meeting in Singapore, the 2nd Asian Banking CEOs Roundtable was co-hosted by Temasek and ICICI in July 2005 in Mumbai, India. This second Roundtable saw CEOs and chairmen of major Asian banks coming together to share their experiences on managing growth. The Asian Banking CEOs Roundtable will move into its third session next year in South Korea, to be co-hosted by Temasek and Hana Bank. We are also working with various partners to organise other industry Roundtables.

Various events to foster interaction with groups of international and regional business leaders were also held regularly in the past year.

These networking dinners, forums and visits included interactions with delegates from China, India, Middle East and ASEAN.

Our *Temasek Forum* continues to provide an active platform for networking and mutual learning amongst participants from Asia. In the year, *Temasek Forum* organised 37 events, involving a total of about 1,300 participants. The wide-ranging topics of discussion included leadership, risk management, mergers & acquisitions, corporate governance, talent management, fraud and crisis handling.

Tsunami Relief Efforts in Asia

Following the vast devastation brought about by the Indonesian undersea earthquake in Aceh on 26 December 2004, we committed US\$10 million to support the relief, recovery and reconstruction efforts.

A volunteer task force from Temasek leveraged on a network of NGOs, well-wishers, partners and TLCs to provide disaster relief. We also worked closely with Singapore Red Cross, Mercy Relief, and the Indonesia and Singapore Armed Forces to

deliver people, supplies and services to meet the fast-evolving needs on the ground.

In Banda Aceh, the provincial capital of Aceh, Indonesia, we worked with Singapore's Alexandra Hospital and Batam's BIDA Hospital, to re-establish an in-patient ward at the Zainoel Abidin Hospital to take care of A&E or post-operative patients.

After the first weeks of intensive relief and recovery efforts, we phased into the longer haul reconstruction work. These are in various stages of implementation.

In Meulaboh, the "ground zero" of the tsunami destruction, we partnered the Singapore Red Cross and the Singapore government to support the Aceh local reconstruction authority to build a 175-metre long concrete pier. When completed, the pier will facilitate the access of heavy equipment into Meulaboh for their ongoing reconstruction effort. We are also working with Singapore's West Coast Citizens' Consultative Committee to rebuild a kindergarten and a youth radio station in Banda Aceh.



In Thailand, we are working with the Thai Red Cross to support a range of projects which include resettling orphans into selected families within the communities, and enhancing the local agencies' capabilities for disaster relief.

In Sri Lanka, we are contributing to the construction of a 1,000-bed hospital project in the tsunami-ravaged area of Matara city.

We also launched a number of initiatives. These included our Temasek Review 2004 report, and the scholarship awards for the WMI Masters in Wealth Management to the regulators and central bankers in the region.

Our team will remain focused on creating and maximising sustainable returns. We will continue to learn with humility and grow with caution as an Asia investment company.

30th Anniversary Celebrations

We marked our 30th anniversary last year with a series of celebratory events - a "Turning 30 Party" for our staff in Temasek to celebrate and to reflect; a Family Fiesta for the families of Temasek and the TLC staff; and the Temasek 30th Anniversary Dinner at the Istana grounds with our TLCs, friends, partners and special guests from around the world. These were opportunities to thank them all for their contributions and support through the years.

RISK MANAGEMENT



Risk Management is an integral part of our business.

Over FY 2004, our Fund Management Department (FMD) was incorporated as the Fullerton Fund Management Company (Fullerton). Risk management processes in FMD continue to operate at Fullerton under the guidance and oversight of the Fullerton Board of Directors. These include the Value-at-Risk (VaR) risk budgeting system that has been instituted for our public market portfolio alongside the straight-through-processing (STP) systems. These were operational in mid 2005.

Our private equity funds investment (PEFI) unit was refocused in May 2005 as a complementary wing of our direct investment activities. Their relatively illiquid positions are managed under the same risk framework as our direct investment activities.

RISK MANAGEMENT FRAMEWORK

Risk management and oversight is the responsibility of our Board of Directors, supported by our CEO together with our senior management and our Risk Management Unit (RMU).

Together they determine the objectives and policies that govern our business and investment risks, review the risk management framework, and promote a culture of risk awareness within the company.

With effect from April 2005, oversight and risk management of the public market fund management unit was devolved to the Fullerton Board, supported by RMU.

RISK POLICIES

Our risk policies identify approval authorities, reporting requirements, and the procedures for referring risk related issues to our senior management and/or our Board and Board committees.

Some risks are actively managed, while others are monitored regularly or on an as-needed basis.

Our policies address the following major risk categories:

STRATEGIC RISKS

- Aggregate risk profile of Temasek
- Funding liquidity
- Political
- Structural foreign exchange

FINANCIAL RISKS

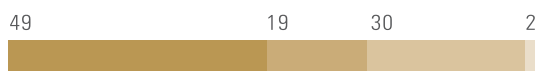
- Market risk
 - Interest rates
 - Equity prices
 - Foreign exchange rates
- Credit risk
 - Country
 - Issuer
 - Counterparty
 - Custodian
- Investment risk
 - Asset allocation
 - Concentration

OPERATIONAL RISKS

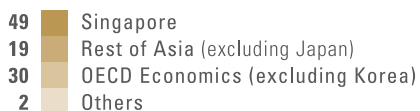
- People
- Process
- Systems
- Legal
- Reputation
- Business continuity

STRATEGIC RISKS

The charts below show our asset mix by geography and by industry cluster as at 31 March 2005:



ASSET MIX BY GEOGRAPHY (%)



ASSET MIX BY INDUSTRY (%)



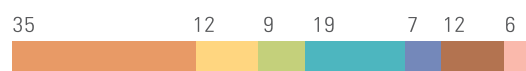
A significant portion of our assets continues to be concentrated in Singapore and specifically in the telecommunications cluster. However, no single investment accounts for more than 30% of our portfolio. We will continue to evolve over the long term towards a more balanced portfolio, both in terms of geography and industry clusters.

FINANCIAL RISKS

As at 31 March 2005, 86% of our portfolio were liquid assets and listed securities, whose fair values were subject to market risks. Listed large blocs of more than 20% stake constituted 68% of our portfolio.

We employ a VaR statistical model to estimate market risks. VaR estimates the potential gain or loss on a portfolio based on a given confidence level. We use an 84% confidence interval, three years of weekly returns and Monte Carlo simulation to compute our VaR over a one-year time horizon.

As at 31 March 2005, our VaR was S\$6.6 billion or about 6% of our portfolio. This implies that we have a 16% probability over a 12-month period of incurring mark-to-market losses in excess of this amount under normal market conditions. The industry breakdown of our portfolio VaR as at 31 March 2005 is shown below:



TEMASEK VaR BY INDUSTRY (%)



Stress tests are also conducted to determine how potential changes in market conditions could impact the performance of our portfolio.

RMU generates daily and weekly risk analyses incorporating the VaR of various portfolios as part of the risk monitoring process for Fullerton. In addition, a monthly review of our overall portfolio position, along with ad-hoc analyses of specific events, sectoral or country risks, is also undertaken by RMU for Temasek as a whole.

OPERATIONAL RISKS

We manage operational risks by identifying areas of risk, promoting best practices, implementing robust internal controls and systems, and monitoring compliance. A review of controls in each functional area is conducted on a rolling 18-month basis by our Internal Audit department, complemented by external expertise.

We established our Business Continuity Plans and are conducting live tests in 2005.

LEGAL AND REGULATORY COMPLIANCE

Alongside our increased direct investment activities in regional and global markets, we have expanded the scope of our regulatory and internal compliance processes. The Legal and Regulations team proactively identifies and sets up appropriate systems and processes for legal and regulatory compliance in Singapore and other jurisdictions where Temasek has investments.

CORPORATE GOVERNANCE



Sound corporate governance is an important pillar of our on-going commitment to achieve long-term shareholder value through corporate excellence and sustainable growth.

A robust and pragmatic governance framework founded upon integrity and competence provides a practical balance between accountability and responsibility, between empowerment and organisational alignment, between risk taking and risk mitigation. We aim to institutionalise a framework that embraces principles of professionalism and fair market practices, supported by an appropriate risk-return framework, and a reasonable and sustainable performance incentive system.

RELATIONSHIP WITH OUR SHAREHOLDER

Temasek was incorporated in 1974 as a limited liability exempt private company¹ to hold equity investments previously held directly by the Minister for Finance (Incorporated).

¹ An exempt private company as defined under the Companies Act, includes a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than 20 members. As an exempt private company, Temasek is not required to publish or publicly disclose its financial accounts.

This represented a policy commitment to manage these investments on a sound commercial basis through Temasek as a private investment company, as distinct from the government's public interest functions of policy-making and market regulation. This freed the government to act in the larger interest of the overall economy. It also empowered Temasek and its portfolio companies to operate with commercial discretion and flexibility.

Temasek operates under the purview of the Singapore Companies Act, and all other laws and regulations that apply to companies incorporated in Singapore.

Under the Singapore company law, the business of a company is managed under the direction of its board of directors. Matters which specifically require shareholder approval are provided for in the Articles of Association of the company or the Companies Act, where applicable.

We provide audited annual financial reports and periodic updates to our shareholder. We also review our dividend policy from time to time, balancing cash returns to our shareholder against re-investments to fuel future returns.

RELATIONSHIP WITH THE ELECTED PRESIDENT

In 1991, the Singapore Constitution was amended to provide for the direct election of the President of the Republic of Singapore. This constitutional amendment was intended to operate as a “two-key” system to safeguard critical assets and past reserves². Presidential approval is required for any drawdown or diminution of past reserves by each newly elected government. Consistent with these principles, presidential approval is required for appointment of key personnel as well as certain financial governance matters in government institutions and companies designated as Fifth Schedule entities under the Singapore Constitution. Temasek was designated a Fifth Schedule Company under this constitutional amendment.

As a Fifth Schedule Company, the appointment, re-appointment or removal of our Board members or our CEO is subject to the approval of the Elected President of the Republic of Singapore acting in his own discretion. A director is appointed for a term not exceeding three years and is eligible for re-appointment.

² Article 142(4) of the Singapore Constitution defines “past reserves of the Government” as the reserves not accumulated by the Government during its current term of office, including accretions which are deemed to be part of such reserves.

Apart from their normal fiduciary duties, our Board is also accountable to the Elected President to ensure that every disposal of investments shall be transacted at fair market value, in order to preserve and achieve value for Temasek.

Additionally, our Board is also required to ensure that our annual operating budget or any proposed transaction does not draw on or diminish Temasek's past reserves, except with the approval of the Elected President.

Temasek's reserves are those built up over the years through profits and dividends from our investments. These reserves are re-invested in the form of assets and other investments. Under the Singapore Constitution, our past reserves are those accumulated before the current term of office of the Singapore Government. We require the approval of the Elected President to draw on our own past reserves. We have not drawn and do not expect to draw on our past reserves.

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

Temasek does not manage the reserves of the Singapore Government nor the reserves of any other Fifth Schedule Companies such as the Government of Singapore Investment Corporation (GIC). Each Fifth Schedule Company is managed independently, and is separately accountable to the Elected President through its own board and CEO for the protection of its respective past reserves.

Investment and other business and commercial decisions are the responsibilities of our Board and Management. Neither the Elected President nor the Singapore Government is involved in directing our investment, divestment or other business decisions.

RELATIONSHIP WITH TEMASEK-LINKED COMPANIES

Temasek-linked companies (TLCs) are managed by their respective management teams and supervised by their boards of directors. We do not involve ourselves in their commercial or operational decisions, except where shareholder approval is required under their Articles of Association, the Companies Act or other applicable regulations such as the listing rules.



We actively engage the various stakeholders, including the boards and managements of our portfolio companies, our fellow shareholders, regulators and other market participants, where necessary and appropriate.

One key effort to add value to our portfolio companies is to promote good corporate governance by supporting and constituting high quality, commercially experienced, diverse and international boards to complement outstanding business leadership and dedicated staff.

We generally refrain from appointing our management staff onto the boards of our portfolio companies. Instead, we work actively with our companies to identify suitable independent board candidates from a wide variety of backgrounds and nationalities to complement, rejuvenate or expand board capability and quality. Where appropriate, such candidates are introduced to the respective nominating committees of boards for their consideration and decision.

On 31 March 2005, our direct and deemed shareholdings in 34 significant TLCs ranged from 17% to 100%.

The overall composition of directors on these boards was as follows:

- Independent : 68%
- Non-Singaporean : 26%
- Female : 7%
- Temasek management : 4%

All board directors have a fiduciary duty to act in good faith in the interests of all shareholders.

We are fortunate to have a number of distinguished business leaders serving on our TLC boards. They include Khun Chumpol NaLamlieng, President of Siam Cement Public Co. Ltd of Thailand, who chairs our largest listed entity, Singapore Telecommunications; Mr Sim Kee Boon, retired Chairman & CEO of Keppel Group, who chairs Bank Danamon in Indonesia; Mr Cheng Wai Keung, Chairman and Managing Director of property company Wing Tai Holdings, who chairs NOL; Mr Stephen Lee, businessman and Chairman of the Singapore Business Federation, who chairs PSA International; and Mr Ho Kwon Ping, Chairman of Wah-Chang Group, who chairs MediaCorp. Other recent international board members include Mr Narayana Murthy, Chairman and Chief Mentor Officer, Infosys Technologies of India, on the Board of DBS Group Holdings;

Dr Victor Fung, Executive Chairman, Li & Fung Group of Hong Kong, on the Board of CapitaLand; Mr Robert Sachs, Principal & Co-Founder, Continental Consulting Group of the USA, on the Board of StarHub; and Mr Pistoria Pasquale, Honorary Chairman, STMicroelectronics Group of Companies from Europe, on the Board of Chartered Semiconductor Manufacturing.

We strongly support robust board governance processes to guide a company and manage its leadership renewal. These include having a board Chairman separate from the company CEO, as well as an institutionalised process for CEO performance review and succession.

We are a keen promoter of performance-based compensation plans that align management interest with medium and long-term shareholder value creation. These include broad-based EVA-linked incentives, performance and restricted share plans, and share ownership plans.

We believe that such incentive systems are best coupled with an organisation-wide culture of integrity and excellence, alongside scalable systems and best practices for ensuring sustainable delivery and performance.

THE TEMASEK BOARD AND ITS COMMITTEES

Our Board provides the overall guidance and direction to our Management. It is assisted by four Board committees, namely the Executive Committee (ExCo), the Audit Committee (AC), the Capital Resource Committee (CRC) and the Leadership Development and Compensation Committee (LDCC). With effect from 1 September 2005, the number of Board committees was reduced to three, as the CRC was dissolved, and its functions and responsibilities rationalised under the ExCo.

The Board determines the various terms of reference for the Board committees. It delegates authority as appropriate to the Board committees or to the CEO and management to facilitate timely decisions and approvals in various matters.

The Board approves the annual audited accounts prior to submission to the shareholder for adoption at the Annual General Meeting.

It also conducts executive sessions without the presence of our CEO, to review CEO performance and 360° evaluation report.

	Board	ExCo	AC	CRC ⁴	LDCC
S Dhanabalan	C	C		C	
Kwa Chong Seng	DC	DC			M
Lim Siong Guan	DC	M			
Sim Kee Boon	M				M
Fock Siew Wah ¹	M		M		C
Koh Boon Hwee	M	M		M	
Kua Hong Pak	M		C		
Ng Kok Song ²	M			M	
Simon Israel ³	M	M			DC
Goh Yew Lin ³	M		M		M
Ho Ching	ED & CEO	M		M	M

Note: C – Chairman, DC – Deputy Chairman, M - Member, ED – Executive Director

¹ Retired with effect from 1 October 2005

² Retired with effect from 1 July 2005

³ Appointed to the Board with effect from 1 August 2005

Appointed to the respective Board committees with effect from 1 September 2005

⁴ Up to 31 August 2005

Board members who have board or other interests which may conflict with specific Temasek interests from time to time, are recused from the specific board or committee discussions and decisions at Temasek.

Board Changes

On 1 August 2005, Mr Simon Claude Israel and Mr Goh Yew Lin were appointed on the Board. Both bring with them their regional and international experience to the Board.

Mr Israel, 52, is Chairman, Asia Pacific, Danone Asia Pte Ltd and Group Senior

Executive Vice President and Member of the Group Executive Committee. He has a wealth of marketing and investment experience in the Asia Pacific region, as well as a practitioner's knowledge of various consumer trends in Asia.

Mr Goh Yew Lin, 46, is the Executive Director, GK Goh Holdings Ltd and Executive Deputy Chairman of CIMB-GK Pte Ltd. He is a well-regarded veteran in the stock broking industry. He is widely known for his practical business sense and insightful views of the macro market conditions in Asia and beyond.



Mr Ng Kok Song, Managing Director of GIC, and a Board Director since July 2003, stepped down from the Board on 30 June 2005; while Mr Fock Siew Wah, Chairman of SIA Cargo, and a Board Director since September 1991, stepped down from the Board on 30 September 2005.

Executive Committee (ExCo)

Our ExCo is authorised by our Board to review, consider and approve matters including those relating to supervision and control, financing and funding proposals, schemes of arrangement, changes in our shareholding structure, dividend policy, major operating decisions, and investments or divestments within limits delegated by our Board.

With the CRC absorbed into the ExCo, the ExCo is additionally responsible for formulating the policies and guidelines to manage Temasek's capital resources effectively and efficiently.

Audit Committee (AC)

Our AC reviews our various systems and processes to ensure proper conduct of our company business.

These include:

- Financial reporting
- Internal and external audit
- Management of financial risks
- Internal controls
- Compliance with applicable laws and regulations

The AC is authorised by the Board to:

- Seek any information that it requires from any employee of the company
- Obtain outside legal or other professional advice.

Capital Resources Committee (CRC)

Until 31 August 2005, our CRC was responsible for policies related to our trading and portfolio investments:

- Capital allocation against an agreed risk return profile
- Asset, country, sector and currency mix
- Financial risk management
- Capital structure

From 1 September 2005, the various CRC responsibilities were taken over by the ExCo or the board of Fullerton Fund Management Company.

Leadership Development and Compensation Committee (LDCC)

The objective of our LDCC is to establish policies and provide guidance for Temasek and relevant TLCs in the following areas:

- Leadership and succession plans for key positions
- Board appointments, renewals, and compensation

The LDCC also reviews and approves performance-based compensation plans for our management, as well as the salary and compensation of our CEO.

Board and Committee Decisions

Decisions at our Board and committee meetings are based on a simple majority of the votes. In case of an equality of votes, the Chairman has a second or casting vote.

Where a directors' resolution is obtained by circulation, the resolution becomes effective upon approval by at least two-thirds of the directors. Where major urgent decisions are needed, the Management will endeavour to brief each director in person or by telephone prior to obtaining his documented decision.

Board directors may participate in meetings via telephone or video-conferencing.

Board and Committee Meetings

Our Board meets on a quarterly basis, and more often if required. There were a total of four Board meetings in FY 2004 ended 31 March 2005.

Our ExCo meets between Board meetings, or as and when required, to provide timely clearance on major decisions. There were a total of six ExCo meetings in FY 2004.

Our AC meets quarterly. It also reviews the audited financial results before submission for Board approval. There were a total of five AC meetings in FY 2004.

Our CRC which was scheduled to meet on a quarterly basis to review asset allocation and portfolio performance, met four times during FY 2004.

The LDCC meets at least twice a year for updates on the developments and significant changes at the boards and management of the TLCs, as well as to review compensation benchmarks and guidelines. It also meets at least once a year to review CEO performance and approve CEO compensation.

For FY 2004, there were a total of 21 Board and Board committee meetings.

TEMASEK MANAGEMENT

The responsibility of our Management is to manage our investments with the aim of creating and maximising sustainable value for our shareholder.

We have reviewed and set up various processes and systems to ensure a robust, responsive and thorough approach to our operations and decisions. These range from various management committees with delegated authority from the Board or its committees, to risk and audit functions.

Our management also actively participates in dialogues with regulators and other market participants on governance and other regulatory issues, to help promote fair and practical market practices.

BOARD OF DIRECTORS

❶ S DHANABALAN CHAIRMAN

Mr S Dhanabalan, known to friends and colleagues as “Dhana”, is also the Chairman of DBS Group Holdings Ltd. He started his career in the Singapore Civil Service in 1960 and later served in the Economic Development Board, the government investment promotion agency from 1961 to 1968. He was part of a small group that established the Development Bank of Singapore where he served from 1968 to 1978. He entered politics in 1976 and while a Member of Parliament, he held a number of cabinet positions – Minister for Foreign Affairs (1980 – 1988), Minister for Culture (1981 – 1984), Minister for Community Development (1984 – 1986), Minister for National Development (1987 – 1992) and Minister for Trade and Industry (1992 – 1993).

Dhana was Chairman of Singapore Airlines Ltd from 1996 to 1998. He received a Bachelor of Arts with Honours in Economics from the University of Malaya, Singapore.

❷ KWA CHONG SENG DEPUTY CHAIRMAN

Mr Kwa Chong Seng is the Chairman and Managing Director of ExxonMobil, Asia Pacific Pte Ltd. He is also a Board member of DBS Group Holdings Ltd, and serves on the Public Service Commission and the Legal Service Commission.

Chong Seng graduated as a Mechanical Engineer from the University of Singapore and joined Esso Singapore in 1969, participating in the start-up of the Singapore refinery. After a stint in Refining, he held several key positions in Marketing, Marine, Supply and Planning. He spent about nine years in various assignments outside Singapore, most of which was with Exxon Company, International (New Jersey), in Marketing and Investment Planning positions. He also worked in the Exxon offices in Houston, New York and Hong Kong. He was conferred “Honorary Ningbo Citizenship” in 1999. Chong Seng also received

the National University of Singapore's Distinguished Engineering Alumni Award in 1994 and the Singapore Government's Public Services Star in 2005.

❸ LIM SIONG GUAN DEPUTY CHAIRMAN

Mr Lim Siong Guan is the Permanent Secretary of the Ministry of Finance. He is also Chairman of the Inland Revenue Authority of Singapore, Chairman of the Accounting and Corporate Regulatory Authority, and a Board Member of the Monetary Authority of Singapore.

Siong Guan has been awarded the Public Administration Medal (Gold) and the Meritorious Service Medal. He graduated with a First Class Honours degree in Mechanical Engineering from the University of Adelaide in 1969.

❹ SIM KEE BOON DIRECTOR

Mr Sim Kee Boon is currently a member of the Temasek Advisory Panel, President Commissioner of Bank Danamon and Board Director of Asia Financial Holdings Pte Ltd. He is also Advisor to the Civil Aviation Authority of Singapore and Lum Chang Group. He stepped down as the Chairman of the Singapore Council of Presidential Advisers and remains a member with effect from 1 September 2005.

After graduation in 1953, Kee Boon joined the Civil Service and became Head of Civil Service in 1979 until he retired in 1984. Soon after, he was appointed Executive Chairman of Keppel Corporation and Chairman of Civil Aviation Authority of Singapore until he stepped down 15 years later in 1999. From 1995 to 1999, he was also Founder Chairman of MobileOne (Asia) Pte Ltd. From 1993 to 2000, he was Co-Chairman of Singapore-Suzhou Industrial Township Development, and was most recently Senior Advisor to Keppel Corporation Ltd and its group of companies before retiring in August 2003. Kee Boon was awarded the Distinguished Service Order in 1991.

5 FOCK SIEW WAH DIRECTOR¹

Mr Fock Siew Wah is currently the Chairman of SIA Cargo Pte Ltd. He is also Board member of Singapore Airlines Ltd and PSA International Pte Ltd, and Senior Advisor of Nuri Holdings (S) Pte Ltd.

Siew Wah began his career with DBS in Commercial Banking and ended as Head of Commercial Banking Division. He then moved to JP Morgan where he served for 13 years, eventually becoming Senior Vice President Area Head/Regional Treasurer (Asia Pacific). This was followed by his tenure at Overseas Union Bank as President and Chief Executive Officer from 1988 to 1991. He subsequently became the Special Advisor to the Minister for Finance of Singapore and later as Chairman of East West Bank in USA. He was Chairman of Land Transport Authority of Singapore from 1995 to 2002.

Siew Wah was awarded the Meritorious Service Medal in 1997.

6 KOH BOON HWEE DIRECTOR

Mr Koh Boon Hwee is the Chairman of Singapore Airlines Ltd and SIA Engineering Co Ltd. He is also the Executive Chairman and CEO of Sunningdale Tech Limited and the Executive Director of Mediaring Limited. He was previously Executive Chairman of the Wuthelam Group, and before that Managing Director of Hewlett Packard Singapore.

Boon Hwee was conferred the Meritorious Service Medal in 1995 and the Public Service Star in 1991, by the Singapore Government.

He received his Bachelor's Degree (First Class Honours) in Mechanical Engineering from the Imperial College of Science and Technology, University of London, and his MBA (Distinction) from the Harvard Business School.

7 KUA HONG PAK DIRECTOR

Mr Kua Hong Pak is the Managing Director and Group CEO of ComfortDelGro Corporation Limited, and Deputy Chairman of SBS Transit Ltd and VICOM Ltd. He also sits on the Boards of Overseas Union Enterprise Limited, PSA International Pte Ltd, PSA Corporation Limited, StarHub Ltd and Ringier Print (HK) Limited. He was previously the President and CEO of Times Publishing Group.

Hong Pak was conferred the Public Service Star by the Singapore government in 1996 and appointed a Justice of the Peace by the President of Singapore in 2000. He was also conferred Honorary Citizenship by the Shenyang City People's Government in 1997.

8 NG KOK SONG DIRECTOR²

Mr Ng Kok Song is the Managing Director (Public Markets) and a Member of the Board of Directors of the Government of Singapore Investment Corporation (GIC). He is founder Chairman of the Wealth Management Institute.

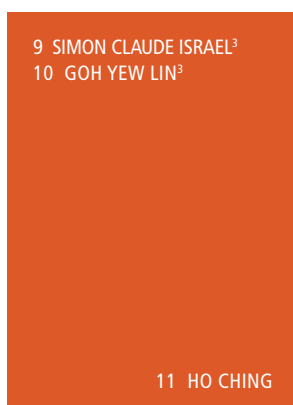
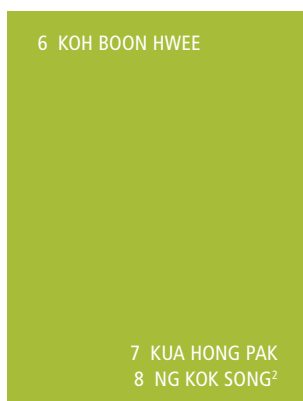
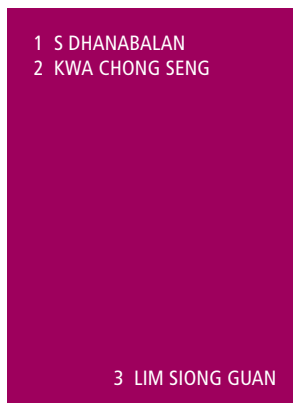
Kok Song sits on the Strategic Committee of France Tresor which advises the Treasury on the management of the government bond market, for which he was conferred the title of Chevalier De La Legion D'Honneur in 2003. He is also on the Advisory Council of the Financial Stability Forum.

Before joining GIC in 1986, Kok Song served in various management positions at the Monetary Authority of Singapore (1971-1986) and the Board of Commissioners of Currency of Singapore (1982-1986). He was also the founding Chairman of the Singapore International Monetary Exchange (SIMEX) from 1983 to 1987.

Kok Song graduated in Physics from the University of Singapore (1970) and in Management from Stanford University (1980).

¹ Retired with effect from 1 October 2005

² Retired with effect from 1 July 2005



¹ Retired with effect from 1 October 2005

² Retired with effect from 1 July 2005

³ Joined with effect from 1 August 2005

⑨ SIMON CLAUDE ISRAEL DIRECTOR¹

Mr Simon Israel is currently the Chairman of Asia Pacific, Danone Group and a member of the Executive Committee, Danone Group.

Prior to joining Danone in 1996, Simon had a 22-year career at Sara Lee Corporation across the Asia Pacific region, firstly as a Country Head, progressing to the Regional Head for ASEAN, then to Head (Household & Personal Care) of Asia Pacific.

Simon also chairs the Singapore Tourism Board and sits on the Business Advisory Board of the Lee Kong Chian Business School at Singapore Management University. He is also a member on the Board of SingTel.

A New Zealander, Simon is also a Singapore Permanent Resident.

⑩ GOH YEW LIN DIRECTOR¹

Mr Goh Yew Lin is the Executive Director of G.K. Goh Holdings Limited and Executive Deputy Chairman of CIMB-GK Pte Ltd. He is also a director on the boards of various G. K. Goh associates, including units involved in structured financial products (Nexgen Financial Holdings Ltd), business services (Boardroom Ltd) and private equity asset management (Value Managers Ltd). In addition, he is an independent Director of Boyer Allan Investment Management Ltd and Boyer Allan Pacific Fund Inc.

Yew Lin is also active at a number of public institutions, serving as Chairman of the Yong Siew Toh Conservatory of Music and Deputy Chairman of the Singapore Symphony Orchestra. He is also a member of the Action Community for Entrepreneurship, the Appeal Advisory Panel of the Monetary Authority of Singapore and the Nanyang Academy of Fine Arts.

Yew Lin received his Bachelor of Science (Economics) degree from the University of Pennsylvania (Wharton School).

⑪ HO CHING EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER

Ho Ching started her 11-year defence engineering career with the Ministry of Defence in 1976. She last held the concurrent positions of Director of Defence Materiel Organisation and Deputy Director of Defence Science Organisation.

Between 1987 and 2001, Ho Ching held various engineering and management positions in the Singapore Technologies Group (ST), rising to be its President & CEO in 1997. She joined Temasek as its Executive Director in May 2002, and has held the concurrent position of CEO since January 2004.

Ho Ching was awarded the President's Scholarship (1972 - 1976) for her undergraduate studies in the University of Singapore, and took the Loke Foundation Scholarship (1980 - 1982) for her Masters of Science (Electrical Engineering) studies at Stanford University. She also received the National University of Singapore's Distinguished Engineering Alumni Award in 1995, and is an Honorary Fellow of the Institution of Engineers, Singapore.

¹ Joined with effect from 1 August 2005

SENIOR MANAGEMENT



CHARLES ONG

Senior Managing Director - Chief Investment Officer



VIJAY PAREKH

Senior Managing Director - Chief Operating Officer



CHEO HOCK KUAN

Senior Managing Director - Organisation & Leadership,
& Chief Representative China



FRANK TANG

Managing Director, Investments



MANISH KEJRIWAL

Managing Director, India



JIMMY PHOON

Senior Managing Director, Investments

TOW HENG TAN

Senior Managing Director, Investments

GAN CHEE YEN

Senior Managing Director, Investments

WONG HENG TEW

Managing Director, Investments,
& Chief Representative Vietnam



S ISWARAN

Managing Director, Investments



MARGARET LUI

Managing Director, Investments



TAN SUAN SWEE

Managing Director, Investments



R. SHYAMSUNDER

Managing Director, Investments

DENNIS SIEW

Managing Director, Investments

GRANT FERGUSON

Managing Director, Investments



ONG BOON HWEE

Managing Director, Strategic Relations &
CEO Temasek Management Services



ALAN THOMPSON

Managing Director, Value Management



ELEANA TAN

Managing Director, Finance



LENA CHIA

Managing Director, Legal and Regulations



DAVID BELMONT

Managing Director, Risk Management



WILLIE CHAN

Managing Director, Human Capital



SEBASTIAN TAN

Managing Director, Human Resource



HIEW YOON KHONG*

Managing Director, Special Projects

PHUA KOK KIM*

Managing Director, Special Projects

GERARD LEE*

Managing Director, Fund Management

CHAN CHIA LIN *

Managing Director, Fund Management



* Hiew Yoon Khong and Phua Kok Kim are also concurrently the Chief Executive Officer and and EVP, Capital Management, of Mapletree Investments respectively.

With effect from 1 April 2005, Gerard Lee and Chan Chia Lin assumed the positions of Chief Executive Officer and Chief Investments Officer of Fullerton Fund Management Company respectively

TEMASEK ADVISORY PANEL

The Temasek Advisory Panel (TAP) comprises senior business leaders, experienced Chairmen and retired CEOs, with extensive experience, skills and knowledge on the prevailing macroeconomic trends or the business environment. They provide us their perspectives on the industries within the Temasek group. Some share their experience and business wisdom with the younger managers and professionals, while others contribute to strategic forums organised by Temasek. Several of them also chair boards of our key companies.

MEMBERS



**CHENG WAI
KEUNG¹**
Chairman, NOL



FOCK SIEW WAH²
Chairman, SIA Cargo



KOH BOON HWEE³
Chairman, SIA



LEE EK TIENG
Group MD, GIC



STEPHEN LEE³
Chairman,
PSA International



LIM CHIN BENG
Chairman,
Singapore Press
Holdings



LUA CHENG ENG
Chairman,
SembCorp Marine



NG KEE CHOE
Chairman,
Singapore Power



JY PILLAY
Chairman,
Singapore Exchange



QUEK POH HUAT⁴
Group CEO,
Singapore Power



PETER SEAH⁵
Chairman,
SembCorp Industries



SIM KEE BOON
President
Commissioner,
Bank Danamon



ERNEST WONG²
Former CEO,
MediaCorp



**DR YEO NING
HONG⁴**
Former Chairman,
PSA Corporation

¹ Appointed with effect from 1 September 2005

² Appointed with effect from 1 October 2005

³ Appointed with effect from 1 July 2005

⁴ Retired with effect from 1 July 2005

⁵ Appointed with effect from 1 January 2005

TEMASEK INTERNATIONAL PANEL

The Temasek International Panel (TIP) was established with the aim of engaging diverse global leaders to share their international perspectives on strategic issues, and major political, economic, social and industry trends.

CHAIRMAN



J Y PILLAY

Chairman,
Singapore Exchange

MEMBERS



**DAVID
BONDERMAN**

Founder, Principal &
General Partner,
Texas Pacific Group



LEON DAVIS

Chairman, Westpac
Banking Corporation



**DR HAN SEUNG-
SOO**

Senior Advisor,
Kim & Chang



**MINORU
MAKIHARA**

Senior Corporate
Advisor,
Mitsubishi
Corporation



LUCIO A. NOTO

Managing Partner
Midstream Partners,
LLC



**SIR RICHARD B.
SYKES**

Rector,
Imperial College
London



RATAN N. TATA

Chairman,
Tata Sons



**NARAYANAN
VAGHUL**

Chairman,
ICICI Bank



**PROFESSOR XU
KUANGDI**

President,
Chinese Academy of
Engineering

OUR PEOPLE OUR VALUES

Our people are our most valuable asset. We believe in attracting, nurturing and integrating high-calibre high-integrity professionals to build an effective team.

Our profile has evolved with our portfolio transformation and investment reach. 18% of us are non-Singaporeans. We come from Canada, China, India, Indonesia, Lebanon, Malaysia, South Africa, United Kingdom, United States and Vietnam, as well as Singapore.

Collectively, we shape our corporate culture and values and drive our capacity and capability to deliver value.

TEMASEK VALUES

MERITOCRACY

We recognise and reward people based on their contributions and achievements

EXCELLENCE

We are passionate about delivering results and committed to continually improving and succeeding in everything we do

RESPECT FOR PEOPLE

We believe that people are our most valuable assets, and we value the unique contributions of each person

INTEGRITY

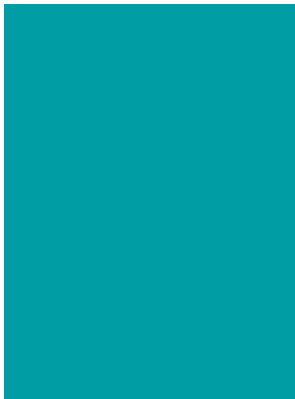
We apply the highest ethical, moral and professional standards in our conduct, both as individuals and as an organisation

INNOVATION

We constantly look for ways to do things better by providing an environment where we can learn from our failures as well as our successes

TEAMWORK

We are a community with diverse strengths working together to achieve a common goal





TELECOMMUNICATIONS & MEDIA	60
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PROPERTIES	67
TRANSPORTATION & LOGISTICS	72
ENERGY & RESOURCES	76
INFRASTRUCTURE, ENGINEERING & TECHNOLOGY	80
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NOTES FOR ALL TLCs:

- FY 2004 refers to financial year ended 31 March 2005 or 31 December 2004, depending on the respective financial year-ends of the TLCs; similarly for FY 2003
- Price/Book, Price/Earnings and gross dividend yield are computed based on share prices as at 31 March and book value per share, earnings per share and gross dividend declared as of and for the respective financial year of the TLCs
- For the Financial Services sector, revenue consists of net interest income & other operating revenue
- Bar charts provide relative scales between years
- EVA : Economic value added attributable to investors, excluding unusual items
- Market Capitalisation : For listed companies, market value is used
For unlisted companies, shareholder's equity is used
- N.A. : Not applicable
- N.M. : Not meaningful
- NPL : Non-performing loans
- PATMI : Profit/(loss) after tax and minority interest
- ROE : Return on average equity, or PATMI expressed as a percentage of average shareholder's equity
- TSR : Total shareholder's return
For listed companies, source is Bloomberg
For unlisted companies, shareholder's equity is used in the computations
- VA/Employment Cost : Gross value added per dollar of employment cost
- Exchange rates as at 31 December 2004 were:
US\$1.00 : S\$1.64 : A\$1.28 : IDR 8,178
S\$1.00 : A\$0.78 : IDR 5,000
- Exchange rates as at 31 March 2005 were:
US\$1.00 : S\$1.65 : A\$1.30 : IDR 9,693
S\$1.00 : A\$0.79 : IDR 5,882



SingTel Bukit Timah satellite earth station

SINGAPORE
TELECOMMUNICATIONS

MEDIACORP

SINGAPORE TECHNOLOGIES
TELEMEDIA

STARHUB

GLOBAL CROSSING

PT INDOSAT



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	12,617	3,268	16.8
FY 2003	11,995	4,485	25.5

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	1,638	(2,341)	5.0
FY 2003	3,979*	3,309*	6.7

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$m)	42,935	41,587	TSR (%)	1-Year	2-Year	3-Year
Price/Book	2.2	2.1		12	41	19
Price/Earnings	13.6	9.3				
Gross Dividend Yield (%)	5.0	2.7				

- Revenue was S\$12.6 billion, up 5%
- PATMI decreased by 27% in FY 2004. FY 2003 results included one-time gains from divestment of Belgacom, Yellow Pages and SingPost. Excluding Belgacom's net contribution, goodwill and exceptionals, underlying net profit for FY 2004 was S\$3.1 billion compared to S\$2.5 billion for FY 2003
- Strong performance was driven mainly by international expansion, with increased contribution from Optus and associate companies
- Gross dividend increased from S\$0.06 per share, to S\$0.13 per share, amounting to payout of S\$2.2 billion in 2005

* FY 2003 EVA adjusted to be consistent with the methodology for FY 2004



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	460	45	5.0
FY 2003	417	25	2.9

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	(38)	12	1.2
FY 2003	(50)	7	1.1

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Shareholders' Equity (S\$'m)	920	875	TSR (%)	8	6	18
Gross Dividend Yield (%)	3.1	-				

- MediaCorp owned 13% of StarHub as at 31 March 2005
- In December 2004, MediaCorp and Singapore Press Holdings completed the swap of their mass market television and free newspaper operations
- PATMI increased 77% mainly due to higher advertising revenue

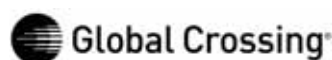
- ST Telemedia, through STT Communications, tripled its revenue to S\$8.1 billion in FY 2004, mainly due to revenue growth in StarHub and Telechoice, and a full year consolidation of Global Crossing and PT Indosat
- Net loss increased to S\$0.3 billion, primarily due to a full year consolidation of loss-making Global Crossing



Financial year ended 31 December

- StarHub captured a 30% market share by end December 2004, and achieved a revenue growth of 21%

* StarHub, a subsidiary of ST Telemedia, was listed in October 2004. Figure since listing.



A 71% subsidiary of Singapore Technologies Telemedia

Financial year ended 31 December

	REVENUE (US\$'m)	PATMI (US\$'m)	ROE (%)
FY 2004	2,487	(336)	(151.4)
FY 2003	164*	(11)*	N.M.

	EVA (US\$'m)	Change in EVA (US\$'m)	VA/Employment Cost
FY 2004	(361)	N.A.	0.6
FY 2003	N.A.	N.A.	1.1*

	31 Mar 05	31 Mar 04	1-Year	2-Year
Market Capitalisation (US\$'m)	344	440*	TSR (%)	(22) (46)*
Price/Book	6.7	1.1*		
Price/Earnings	N.M.	N.M.		
Gross Dividend Yield (%)	-	-		

- As part of the recapitalisation plan, Global Crossing (UK) Finance Plc, a wholly owned subsidiary of Global Crossing, completed its US\$404 million secured debt financing in December 2004

* Post-reorganisation figures, from 10 December 2003



A 41% member of Singapore Technologies Telemedia

Financial year ended 31 December

	REVENUE (IDR billion)	PATMI (IDR billion)	ROE (%)
FY 2004	10,549	1,633	12.9
FY 2003	8,235	6,082*	54.1

	EVA (IDR billion)	Change in EVA (IDR billion)	VA/Employment Cost
FY 2004	318	655	6.0
FY 2003	(338)	N.A.	5.4

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Market Capitalisation (IDR billion)	25,775	19,933	TSR (%)	30	82	36
Price/Book	2.0	1.7				
Price/Earnings	15.5	3.3				
Gross Dividend Yield (%)	3.0	0.8				

- Revenue increased by 28%
- PATMI in FY 2004 of IDR 1,633 billion was comparable to IDR 1,582 billion (excluding exceptional items) in FY 2003
- In March 2004, shareholders approved a 5-for-1 stock split

* PATMI excluding exceptional items for FY2003 was IDR 1,582 billion

FINANCIAL SERVICES



DBS GROUP HOLDINGS

PT BANK DANAMON
INDONESIA

PT BANK INTERNASIONAL
INDONESIA



Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	4,928	2,018	12.9
FY 2003	4,198	1,025	7.0

	EVA (S\$'m)	Change in EVA (S\$'m)
FY 2004	134	12
FY 2003	122*	139*

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	22,259	21,458	TSR (%)	1-Year 5	2-Year 29	3-Year 2
Price/Book	1.4	1.4				
Price/Earnings	11.1	20.9				
Gross Dividend Yield (%)	2.7	2.1				

- FY 2004 earnings almost doubled to cross the S\$2.0 billion mark. Excluding one-time gains from its disposal of Wing Lung Bank and DBS Thai Danu Bank, net profit of S\$1.5 billion from continuing operations represented a 48% increase over FY 2003
- Fee income climbed 15% from all-round business growth. NPL fell to 3%, compared to 5% in FY 2003. Provision coverage for non-performing assets stood at 89% compared to 63% in FY 2003
- Full year gross dividend rose 33% to S\$0.40 per share or S\$598 million

* FY 2003 EVA restated as we removed adjustments previously made for the sale of investment securities, to be consistent across all banking investments



Financial year ended 31 December

	REVENUE (IDR billion)	PATMI (IDR billion)	ROE (%)
FY 2004	5,221	2,408	32.9
FY 2003	4,318	1,530	26.7

	EVA (IDR billion)	Change in EVA (IDR billion)
FY 2004	143	(1,073)
FY 2003	1,216*	2,364*

	31 Mar 05	31 Mar 04				
Market Capitalisation (IDR billion)	23,308	13,617	TSR (%)	1-Year 79	2-Year 94	3-Year 25
Price/Book	3.0	2.0				
Price/Earnings	9.7	8.9				
Gross Dividend Yield (%)	5.2	4.5				

- PATMI grew 57% to IDR 2.4 trillion, driven by robust loan growth from the consumer, small medium enterprises and commercial loan sectors

Bank Danamon

(Continued)

- Net interest margin improved from 6% to 8%, as a result of prudent management of cost of funds as well as increased proportion of higher yielding assets
- NPL ratio reduced from 7% to 4%, and provision coverage was a healthy 137%
- Share price increased 71% since 31 March 2004, providing a one-year TSR of 79%
- Danamon acquired Adira Finance in April 2004 to grow its consumer portfolio

* FY 2003 EVA restated from an economic tax basis to a cash operating tax basis, to standardise tax treatment for our investments. Adjustments previously made for the sale of investment securities were removed to be consistent across all banking investments



Financial year ended 31 December

	REVENUE (IDR billion)	PATMI (IDR billion)	ROE (%)
FY 2004	2,770	822	21.7
FY 2003	1,756	309	9.8

	EVA (IDR billion)	Change in EVA (IDR billion)
FY 2004	(224)	102
FY 2003	(327)*	5,087*

	31 Mar 05	31 Mar 04
Market Capitalisation (IDR billion)	9,557	5,017
Price/Book	2.3	1.5
Price/Earnings	11.6	16.2
Gross Dividend Yield (%)	-	-

	1-Year	2-Year	3-Year
TSR (%)	90	91	(7)

- PATMI grew 166%, on the back of 29% loan growth and significant improvement in net interest margin from 3% to 5%
- NPL ratio reduced from 6% to 4%
- Share price appreciated 90% since 31 March 2004
- In May 2005, BII completed the acquisition of 43% stake in PT. Wahana Ottomitra Multiartha Tbk, a leading motorcycle financing company in Indonesia

* BII restated its FY 2003 financial statements due to a quasi-reorganisation in 2004, which impacted the EVA calculation for FY 2003. Adjustments previously made for the sale of investment securities were removed to be consistent across all banking investments. FY 2003 EVA restated to reflect these changes

PROPERTIES



Raffles City Shanghai, a project led by Capitaland

CAPITALAND

AUSTRALAND HOLDINGS

RAFFLES HOLDINGS

THE ASCOTT GROUP

KEPPEL LAND

MAPLETREE INVESTMENTS

SURBANA CORPORATION



Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	3,804	313	5.5
FY 2003	3,651*	103*	1.7

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	(378)	(25)	2.4
FY 2003	(353)*	271*	2.3

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	6,012	4,232	TSR (%)	1-Year	2-Year	3-Year
Price/Book	1.1	0.7		62	63	17
Price/Earnings	19.0	40.0				
Gross Dividend Yield (%)	2.6	2.4				

- Revenue increased 4% to S\$3.8 billion in FY 2004. PATMI tripled to S\$313 million from S\$103 million recorded in the previous year. This was mainly attributable to higher revenue, reversal of provisions no longer required and lower revaluation deficits charged to income
- Share price appreciated 60% since 31 March 2004

* FY 2003 comparative numbers restated to take into account the retrospective adjustments relating to recognition policy for properties sold



A 53% subsidiary of CapitaLand

Financial year ended 31 December

	REVENUE (A\$'m)	PATMI (A\$'m)	ROE (%)
FY 2004	1,231	145	12.9
FY 2003	1,405	95	10.7

	EVA (A\$'m)	Change in EVA (A\$'m)	VA/Employment Cost
FY 2004	30	7	3.5
FY 2003	24	(9)	3.4

	31 Mar 05	31 Mar 04				
Market Capitalisation (A\$'m)	1,434	1,235	TSR (%)	1-Year	2-Year	3-Year
Price/Book	1.1	1.2	3	19	10	
Price/Earnings	8.9	10.3				
Gross Dividend Yield (%)	12.5	10.4				

- Revenue decreased due to lower contributions from Apartments and Commercial and Industrial divisions
- PATMI increased 53%, mainly attributable to increased investment property income



A 60% subsidiary of CapitaLand

Financial year ended 31 December

	REVENUE (\$\$'m)	PATMI (\$\$'m)	ROE (%)
FY 2004	528	60	3.5
FY 2003	420	54	2.9

	EVA (\$\$'m)	Change in EVA (\$\$'m)	VA/Employment Cost
FY 2004	(66)	34	1.4
FY 2003	(100)	58	1.3

	31 Mar 05	31 Mar 04
Market Capitalisation (S\$'m)	1,354	1,333
Price/Book	0.9	0.7
Price/Earnings	22.6	24.6
Gross Dividend Yield (%)	3.1	3.1

	1-Year	2-Year	3-Year
TSR (%)	32	50	20

- Raffles Holdings completed its capital distribution exercise and returned S\$375 million to shareholders. Combined with price appreciation, this provided a one-year TSR of 32%
- It entered into a definitive agreement in July 2005 to divest its hotel business to Colony HR Acquisitions LLC for an enterprise value of S\$1.72 billion, subject to adjustments upon completion



A 68% subsidiary of CapitaLand

Financial year ended 31 December

	REVENUE (\$\$'m)	PATMI (\$\$'m)	ROE (%)
FY 2004	239	52	4.2
FY 2003	200	18	1.5

	EVA (\$\$'m)	Change in EVA (\$\$'m)	VA/Employment Cost
FY 2004	(70)	(17)	1.9
FY 2003	(53)	34	2.0

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$m)	840	613	TSR (%)	1-Year	2-Year	3-Year
Price/Book	0.7	0.5	39	35	16	
Price/Earnings	16.0	32.9				
Gross Dividend Yield (%)	4.4	3.0				

- PATMI surged 184% to S\$52 million, due to strong performance of its serviced residences business and gains from divestment of The Ascott Singapore and Scotts Shopping Centre
- Share price rose 37% since 31 March 2004



A 53% subsidiary of Keppel Corporation

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	476	133	8.6
FY 2003	679	101	6.8

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	(87)	49	3.9
FY 2003	(136)	164	4.1

	31 Mar 05	31 Mar 04
Market Capitalisation (S\$'m)	1,641	1,329
Price/Book	1.0	0.9
Price/Earnings	12.2	13.2
Gross Dividend Yield (%)	2.2	2.1

	1-Year	2-Year	3-Year
TSR (%)	25	43	10

- PATMI rose 33% to S\$133 million due to profit streams from new projects launched overseas, and the sale of four Cluny Hill land plots



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	135	52	2.2
FY 2003	123	(212)	(9.5)

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	(148)	3	7.4
FY 2003	(151)*	22*	(9.3)

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Shareholder's Equity (S\$'m)	2,244	2,197	TSR (%)	2	1	-
Gross Dividend Yield (%)	-	1.8				

- PATMI improved by S\$264 million mainly due to lower revaluation loss, increase in operating profit and share of associated company results, as well as a reduction in Redeemable Convertible Cumulative Preference Shares (RCCPS) dividend expense
- New logistics properties acquired during the year contributed new income stream
- On 10 November 2004, Mapletree entered into a joint venture agreement with Commerce International Merchant Bankers Berhad (CIMB) to set up a real estate fund management company, CIMB-Mapletree Management Sdn Bhd (CMM). It also set up a private Asia-wide real estate mezzanine fund called Mapletree Real Estate Mezzanine Fund I (MREM I) in April 2005
- On 5 July 2004, Mapletree constituted Mapletree Logistics Trust (MapletreeLog), an Asia-focused real estate investment trust (REIT). Subsequently, MapletreeLog was listed on 28 July 2005 on SGX-ST Main Board

* FY 2003 EVA adjusted to be consistent with the methodology for FY 2004



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	137	(18)	(12.9)
FY 2003	100	9	N.A.

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	17	9	1.2
FY 2003	8	N.A.	1.1

	31 Mar 05	31 Mar 04	1-Year
Shareholders' Equity (S\$'m)	131	151	TSR (%) (12)
Gross Dividend Yield (%)	-	0.9	

- Temasek acquired Surbana Corporation, formerly known as HDB Corporation, on 30 November 2004
- Net loss was a result of impairment charge on goodwill in ESMACO Pte Ltd. PATMI before this impairment was S\$18 million
- In May 2005, Surbana Corporation was appointed as lead consultant for three mega private sector projects in Abu Dhabi - the AutoPolis, Auto-Hub and the Al Hashemi complex

TRANSPORTATION & LOGISTICS



SINGAPORE AIRLINES
NEPTUNE ORIENT LINES
PSA INTERNATIONAL
SMRT CORPORATION
SEMBCORP LOGISTICS



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	12,013	1,389	11.6
FY 2003	9,762	849	7.7

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	207	699	2.3
FY 2003	(492*)	155*	2.1

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	14,497	13,400	TSR (%)	11	19	(5)
Price/Book	1.2	1.2				
Price/Earnings	10.4	15.8				
Gross Dividend Yield (%)	3.4	2.3				

- SIA recorded its highest ever revenue of S\$12.0 billion in 2004, up 23% from previous year
- Improved operating performance was due to strong rebound in demand for travel, compared to previous year when SARS broke out. The record performance was achieved despite high fuel prices
- Total dividend per share of S\$0.40 was 60% higher than S\$0.25 per share paid in FY 2003

* FY 2003 EVA restated to adjust for exceptional item



Financial year ended last Friday of December

	REVENUE (US\$'m)	PATMI (US\$'m)	ROE (%)
FY 2004	6,545	943	54.1
FY 2003	5,523	429	52.7

	EVA (US\$'m)	Change in EVA (US\$'m)	VA/Employment Cost
FY 2004	537	424	3.8
FY 2003	113*	646*	2.9

	31 Mar 05	31 Mar 04
Market Capitalisation (S\$'m)	5,347	3,138
Price/Book	1.5	1.4
Price/Earnings	3.5	3.7
Gross Dividend Yield (%)	12.3	1.8

	1-Year	2-Year	3-Year
TSR (%)	73	90	52

- Record profits were registered in 2004, from all round improvements
- Strong earnings and healthy operating cash flows reduced net gearing from 0.5x in 2003 to 0.05x at the end of 2004
- In 2004, NOL introduced a new dividend policy, to maintain an annual dividend of S\$0.08 (net of tax) per share, or a full year dividend payout of 20% of net profits, whichever is higher. NOL also declared a special dividend of another 20% of net profits in 2004. Dividends for 2004 totalled S\$0.43 (net of tax), or 40% of NOL's net profits
- Share price as at 31 March 2005 rose by 68% from a year ago

* FY 2003 EVA restated due to alignment to EVA policy, implemented in FY 2004



Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	3,580	881	23.6
FY 2003	3,400	683	20.2

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	447	141	3.1
FY 2003	306	(142)	2.8

	31 Dec 04	31 Dec 03		1-Year	2-Year	3-Year
Shareholders' Equity (S\$'m)	4,038	3,444	TSR (%)	28	24	21
Gross Dividend Yield (%)	9.2	23.2				

- PSA Group's container throughput grew by 16%, with overseas terminals registering a 18% increase. Revenue grew by 5%. Revenue growth was offset by divestments of some non-core businesses in FY 2003 and FY 2004
- Higher turnover, coupled with stringent cost reduction measures put in place since 2003 and higher investment income, resulted in a 29% increase in PATMI



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	673	127	24.5
FY 2003	667	90	19.7

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	42	18	2.0
FY 2003	25	21	1.9

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	1,397	900	TSR (%)	1-Year	2-Year	3-Year
Price/Book	2.5	1.9		61	38	14
Price/Earnings	11.0	10.0				
Gross Dividend Yield (%)	7.0	7.5				

- PATMI increased 42% due to write-back of current and deferred tax amounting to S\$58 million, offset by goodwill impairment of S\$21 million
- SMRT established a S\$500 million Multi-Currency Medium Term Note Programme in January 2005 for general corporate funding purposes
- Share price appreciated by 55% since 31 March 2004



A 60% subsidiary of SembCorp Industries

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	769	1,171	209.3
FY 2003	465	91	27.1

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	11	(17)	1.7
FY 2003	27	79	1.8

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Market Capitalisation (S\$'m)	1,393	1,684	TSR (%)	28	23	5
Price/Book	1.9	4.4				
Price/Earnings	1.2	18.6				
Gross Dividend Yield (%)	58.5	1.4				

- SembLog achieved a PATMI of S\$1.2 billion, up from S\$91 million last year, primarily due to exceptional gains from divesting its 20% stake in associate, Kuehne & Nagel, and contributions from operations in China and Korea
- SembLog paid S\$1.0 billion from the proceeds of the Kuehne & Nagel sale to shareholders as a special dividend and via a capital reduction in May 2005

ENERGY & RESOURCES

SINGAPORE POWER
SEMBCORP UTILITIES
POWERSERAYA
SENOKO POWER
TUAS POWER



PowerGas, Singapore's gas transporter



Financial year ended 31 March

REVENUE (S\$'m)		PATMI (S\$'m)		ROE (%)	
FY 2004	5,304	861	25.6		
FY 2003	3,669	642	13.2		

EVA (S\$'m)		Change in EVA (S\$'m)		VA/Employment Cost	
FY 2004	233	203	8.0		
FY 2003	30	(110)	8.0		

	31 Mar 05	31 Mar 04			
Shareholders' Equity (S\$'m)	3,806	2,926	TSR (%)		
Gross Dividend Yield (%)	5.6	129.9	1-Year	2-Year	3-Year
			30	11	11

- In July 2004, Singapore Power acquired SPI Australia Group Pty Ltd (former TXU Australia), one of the largest electricity and gas utility companies in Australia
- In May 2005, it divested its merchant energy business, part of SPI Australia Group, to CLP Power Australia Energy Holdings Pty Limited
- PATMI was S\$861 million, an increase of 34%, driven by consolidation of SPI Australia's results from August 2004, income arising from settlement of Power Quality Scheme Fund and divestment gains



A wholly owned subsidiary of SembCorp Industries

Financial year ended 31 December

	REVENUE (S\$'m)		PATMI (S\$'m)		ROE (%)
FY 2004	<div><div></div></div> 2,928		<div><div></div></div> 125		<div><div></div></div> 21.8
FY 2003	<div><div></div></div> 1,950		<div><div></div></div> 98		<div><div></div></div> 24.6
	EVA (S\$'m)		Change in EVA (S\$'m)		VA/Employment Cost
FY 2004	<div><div></div></div> 85		<div><div></div></div> 23		<div><div></div></div> 3.3
FY 2003	<div><div></div></div> 62		<div><div></div></div> 69		<div><div></div></div> 3.0

	31 Dec 04	31 Dec 03		1-Year	2-Year	3-Year
Shareholders' Equity (S\$'m)	644	506	TSR (%)	28	34	30
Gross Dividend Yield (%)	0.5	10.5				

- Record revenue and PATMI were achieved in FY 2004, mainly due to growth in integrated utilities and energy business, offset partially by the underperformance in its Offshore Engineering unit



Financial year ended 31 March

	REVENUE (\$\$'m)	PATMI (\$\$'m)	ROE (%)
FY 2004	1,515	117	11.5
FY 2003	1,319	88	7.9

	EVA (\$\$'m)	Change in EVA (\$\$'m)	VA/Employment Cost
FY 2004	34	34	7.6
FY 2003	0	1,038	5.0

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Shareholders' Equity (S\$'m)	1,075	958	TSR (%)	12	8	(12)
Gross Dividend Yield (%)	-	-				

- PowerSeraya achieved higher PATMI attributable to higher sales volume and lower fuel consumption costs
- It underwent a major restructuring and a new focus on value management has led to a productivity-based turnaround in performance
- It signed a back-up gas contract with Gas Supply Pte Ltd on 12 May 2004, enabling it to provide customers with a stable and reliable source of power
- The project to convert three units of 250 MW steam plants to run on Orimulsion progressed well in 2004 with the plant scheduled to be completed by third quarter of FY 2005



Financial year ended 31 March

	REVENUE (\$\$'m)	PATMI (\$\$'m)	ROE (%)
FY 2004	1,778	133	13.8
FY 2003	1,496	120	11.5

	EVA (\$\$'m)	Change in EVA (\$\$'m)	VA/Employment Cost
FY 2004	40	24	6.4
FY 2003	16	38	4.4

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Shareholders' Equity (S\$'m)	931	998	TSR (%)	13	11	6
Gross Dividend Yield (%)	21.5	20.0				

- PATMI increased 12%, mainly due to the higher sales volume and higher average unit sales price
- Senoko undertook a reorganisation and restructuring exercise, which improved the operating cost efficiency



Financial year ended 31 March

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	1,362	(105)	(10.8)
FY 2003	1,078	82	8.3

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	(69)	(42)	12.5
FY 2003	(27)	16	11.8

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Shareholders' Equity (S\$m)	918	1,023	TSR (%)	(10)	(1)	(12)
Gross Dividend Yield (%)	-	-				

- Increase in revenue was driven by higher sales volume and higher average energy sales price
- Net loss of S\$105 million for the year was mainly due to impairment of S\$216 million on steam plants and a S\$25 million write-down of equipment spares related to steam plants

INFRASTRUCTURE, ENGINEERING & TECHNOLOGY



Keppel FELS' B Class jackup rigs

KEPPEL CORPORATION

KEPPEL OFFSHORE &
MARINE

SEMBCORP INDUSTRIES

SEMBCORP MARINE

SINGAPORE
TECHNOLOGIES
ENGINEERING

CHARTERED
SEMICONDUCTOR
MANUFACTURING

STATS ChipPAC

Keppel Corporation

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	3,963	468	15.7
FY 2003	5,947	398	14.2
	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	36	148	1.9
FY 2003	(112)*	162*	2.0

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	8,516	5,663	TSR (%)	1-Year	2-Year	3-Year
Price/Book	2.8	2.0		54	65	42
Price/Earnings	18.1	14.2				
Gross Dividend Yield (%)	3.7	5.1				

- PATMI grew 18.5% to a record level of S\$468 million, underpinned by the vastly improved performances of the Offshore & Marine Division from a strong order book and Singapore Petroleum Company from increased refining margins and demand for its products. The Property Division also achieved commendable earnings improvement mainly from its residential development projects in China
- Share price rose 49% since 31 March 2004

* FY 2003 EVA restated to adjust for exceptional items

Keppel Offshore & Marine

A wholly owned subsidiary of Keppel Corporation

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	2,394	192	33.3
FY 2003	1,442	110	16.7
	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost (S\$'m)
FY 2004	125	86	1.6
FY 2003	39	18	1.6

	31 Dec 04	31 Dec 03				
Shareholders' Equity (S\$'m)	636	517	TSR (%)	1-Year	2-Year	3-Year
Gross Dividend Yield (%)	11.0	74.3		37	17	11

- Revenue grew by 66%, largely due to new contracts secured in 2003 and 2004
- PATMI rose to S\$192 million on the back of new jobs secured, amidst buoyant market conditions


**SembCorp
Industries**

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	5,944	395	21.3
FY 2003	4,642	285	17.7

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	75	43	1.8
FY 2003	32	279	1.8

	31 Mar 05	31 Mar 04
Market Capitalisation (S\$'m)	3,553	2,806
Price/Book	1.8	1.6
Price/Earnings	8.9	9.8
Gross Dividend Yield (%)	5.8	4.5

	1-Year	2-Year	3-Year
TSR (%)	32	38	8

- Revenue grew 28% to S\$5.9 billion, while PATMI grew 39% to S\$395 million, on the back of strong performance by Utilities, Marine and Logistics, and higher divestment gains
- Share price increased by 26% since 31 March 2004


**SembCorp
Marine**

A 63% subsidiary of SembCorp Industries

Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	1,363	95	10.0
FY 2003	1,068	79	8.4

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	12	(7)	1.7
FY 2003	19	29	1.6

	31 Mar 05	31 Mar 04
Market Capitalisation (S\$'m)	2,772	1,364
Price/Book	2.9	1.5
Price/Earnings	28.9	17.3
Gross Dividend Yield (%)	3.9	5.2

	1-Year	2-Year	3-Year
TSR (%)	104	47	31

- Revenue and PATMI increased by 28% and 21% respectively, mainly due to improvements in the ship conversion and ship repair sectors
- Total gross dividend for 2004 is a record high at S\$0.08 per share, with a share price appreciation of 100%
- In July 2004, SembCorp Marine acquired a 30% equity stake in Cosco Shipyard Group to grow its marine business in China



Financial year ended 31 December

	REVENUE (S\$'m)	PATMI (S\$'m)	ROE (%)
FY 2004	2,948	358	26.7
FY 2003	2,819	326	23.5

	EVA (S\$'m)	Change in EVA (S\$'m)	VA/Employment Cost
FY 2004	245	3	1.7
FY 2003	242	44	1.7

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	7,432	6,038	TSR (%)	1-Year 28	2-Year 26	3-Year 8
Price/Book	5.5	4.6				
Price/Earnings	20.6	18.5				
Gross Dividend Yield (%)	4.8	5.4				

- The 10% increase in PATMI was spurred by outstanding performance in the Marine sector and commendable performance in the Aerospace and Electronics sectors
- Order book increased by 15% to S\$5.4 billion as at 31 March 2005, compared to S\$4.7 billion a year earlier
- Share price as at 31 March 2005 rose by 22% from a year ago, and the group paid out 100% of its FY 2004 earnings as dividends



Financial year ended 31 December

	REVENUE (US\$'m)	PATMI (US\$'m)	ROE (%)
FY 2004	932	7	0.4
FY 2003	552	(291)	(17.4)

	EVA (US\$'m)	Change in EVA (US\$'m)	VA/Employment Cost
FY 2004	(391)	223	3.9
FY 2003	(614)	127	2.7

	31 Mar 05	31 Mar 04		1-Year	2-Year	3-Year
Market Capitalisation (S\$'m)	2,486	3,963	TSR (%)	(37)	25	(38)
Price/Book	1.0	1.6				
Price/Earnings	231.6	N.M.				
Gross Dividend Yield (%)	-	-				

- PATMI was US\$7 million, an improvement over FY 2003, primarily due to higher revenue as it continued to close the technology gap with its competitors
- FY 2004 revenue from advanced 0.13-micron technology increased by four-fold over FY 2003 revenue
- Fab 7, its first 300mm fab, started commercial shipment in June 2005



Financial year ended 31 December

	REVENUE (US\$'m)	PATMI (US\$'m)	ROE (%)
FY 2004	769	(468)	(57.2)
FY 2003	381	(2)	(0.4)

	EVA (US\$'m)	Change in EVA (US\$'m)	VA/Employment Cost
FY 2004	(68)	(16)	2.4
FY 2003	(52)	122	2.9

	31 Mar 05	31 Mar 04				
Market Capitalisation (S\$'m)	2,070	1,874	TSR (%)	1-Year (39)	2-Year (4)	3-Year (30)
Price/Book	1.1	2.3				
Price/Earnings	N.M.	N.M.				
Gross Dividend Yield (%)	-	-				

- Revenue increased 102%, from the merger with ChipPAC in August 2004 and increase in unit shipments
- The net loss of US\$468 million for the year was mainly due to a non-cash charge of US\$453 million for goodwill impairment and some merger related expenses

OTHERS

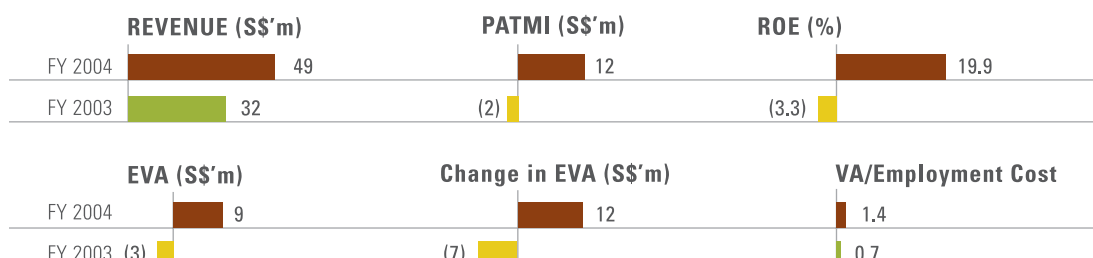
WILDLIFE RESERVES SINGAPORE



Flamingo Lake at Jurong BirdPark



Financial year ended 31 March



	31 Mar 05	31 Mar 04
Shareholders' Equity (S\$'m)	66	54
Gross Dividend Yield (%)	-	-

	1-Year	2-Year	3-Year
TSR (%)	22	9	9

- WRS recovered from the effects of SARS and threat of bird flu, recording 54% increase in revenue, helped by increase in admission fees
- It completed its corporate restructuring, improving its organisational and financial performance



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HOLDINGS