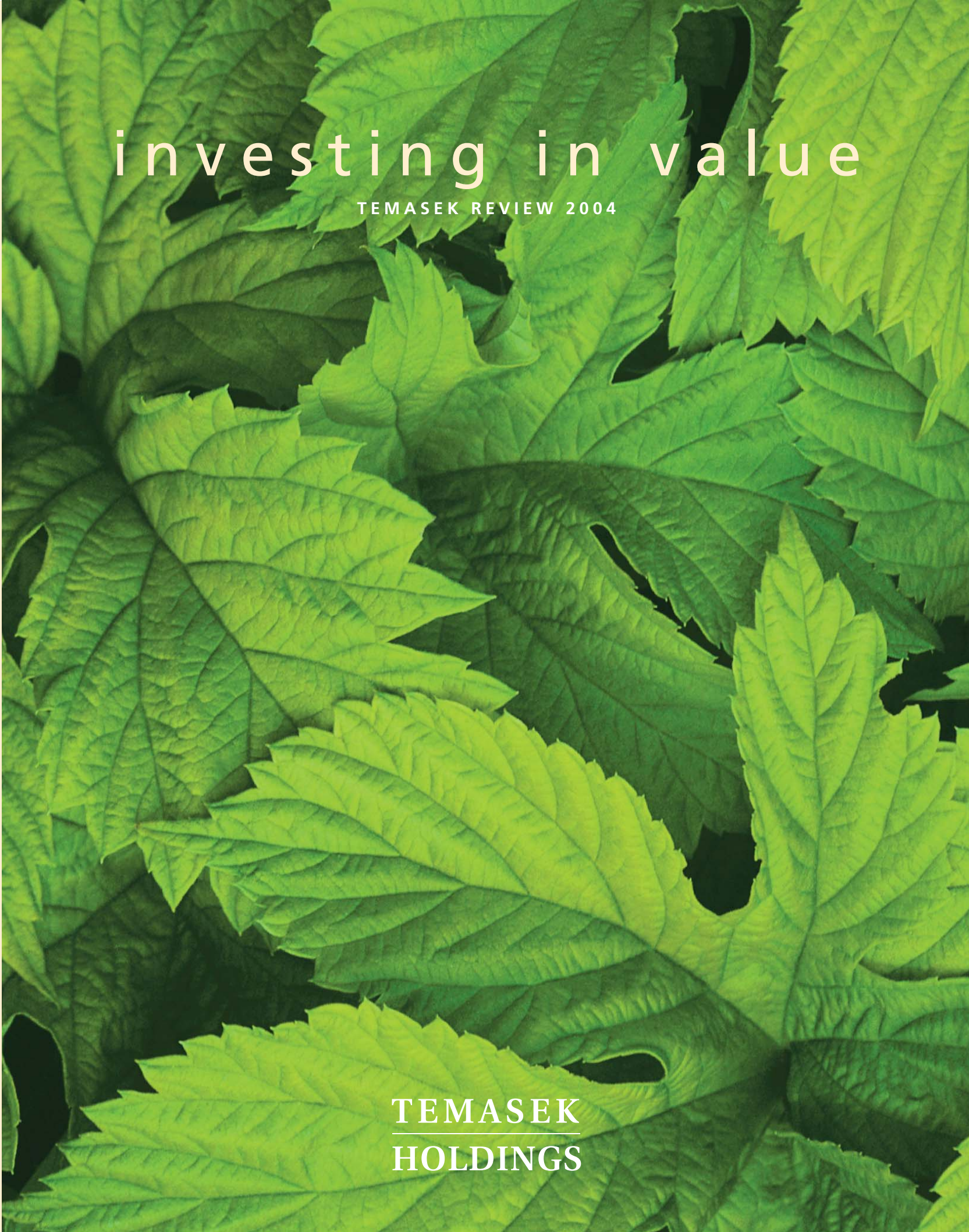


investing in value

TEMASEK REVIEW 2004

TEMASEK HOLDINGS

contents

02 Mission and Corporate Profile

04 Our Portfolio

06 Wealth Added

07 Total Shareholder's Return

10 Message from Chairman

18 Group Financial Statements

24 Temasek Highlights

32 Risk Management

34 Corporate Governance

38 People

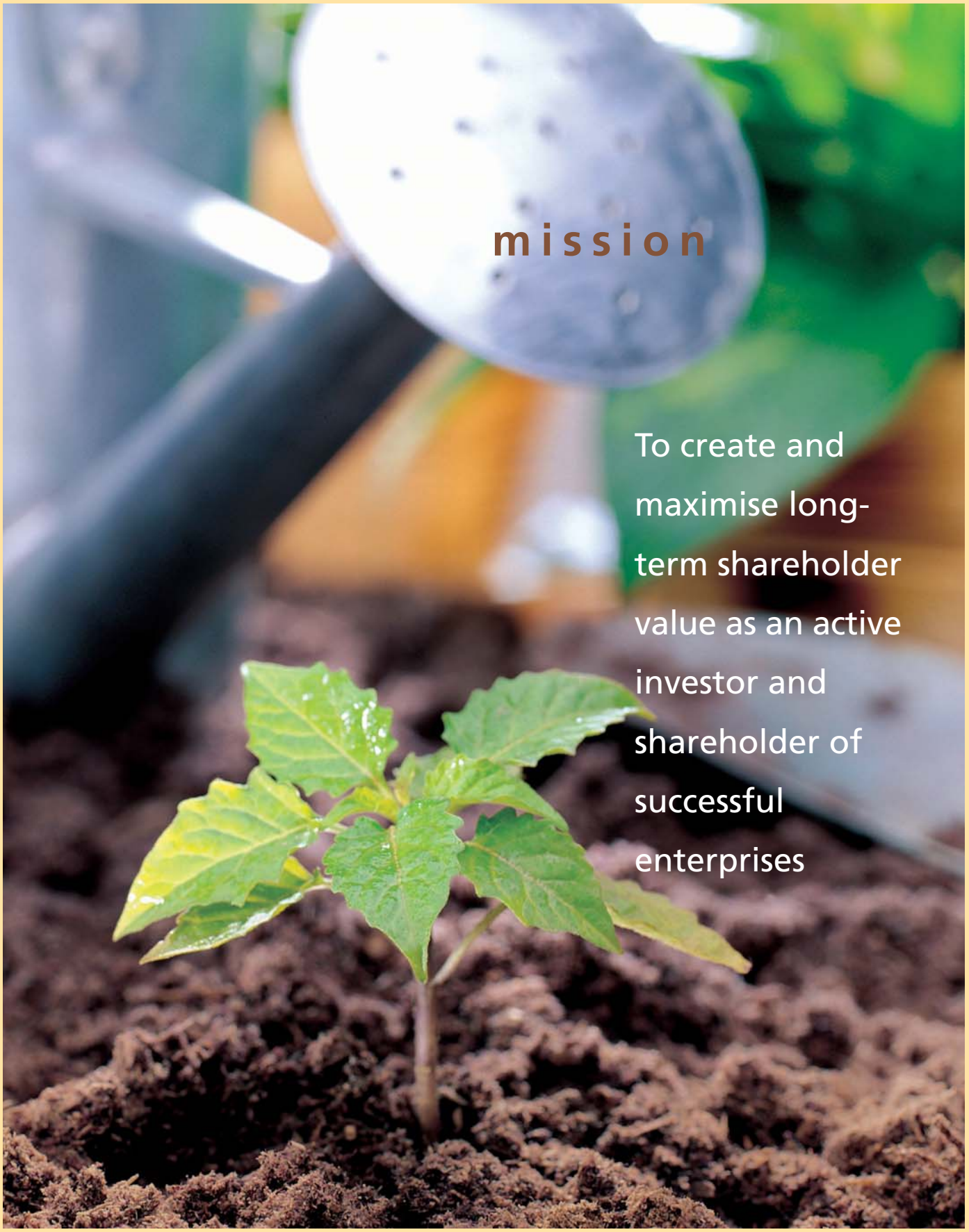
44 Major Temasek-Linked Companies

64 Board of Directors

67 Senior Management

68 Temasek Turns 30

** Currency in S$, unless otherwise stated*
***FY 2003 refers to financial year ended 31 March 2004, similarly for FY 2002 and FY 2001*



mission

To create and maximise long-term shareholder value as an active investor and shareholder of successful enterprises

corporate profile

Temasek Holdings
Building a viable future through sustainable value

Temasek Holdings is an Asia investment company headquartered in Singapore. We are committed to maximising long-term shareholder value as an active investor and shareholder of successful enterprises.

Established in 1974, we manage a diversified global portfolio of $90 billion, spanning Singapore, Asia and the OECD economies. Our investments are in a range of industries: telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology, as well as pharmaceuticals and biosciences.

Our Singapore-based Temasek-linked companies (TLCs) include well known Singapore listed blue-chip brand names such as Singapore Airlines, SingTel, DBS Bank, SMRT Corporation and Neptune Orient Lines. Industrial stalwarts include Singapore Technologies, PSA International, Singapore Power, Keppel Corporation and SembCorp Industries. Technology companies such as Chartered Semiconductor Manufacturing and STATS ChipPAC are dual-listed in Singapore and the US. Our Wildlife Reserves Singapore operates the world renowned Singapore Zoo, Night Safari and the Jurong Bird Park.

Our recent investments include ICICI Bank, Matrix Laboratories and the Apollo Hospital group in India, Bank Danamon and Bank Internasional Indonesia in Indonesia, Quintiles Transnational Corp in the US, as well as Telekom Malaysia.

our portfolio

key investments and effective shareholdings

(% share as at 31 March 2004)

Telecommunications & Media

- SingTel 65
- ST Telemedia 100[1]
- MediaCorp 100
- Telekom Malaysia 5

Financial Services

- DBS 28
- Bank Danamon 53
- ICICI Bank 9
- Bank Internasional Indonesia 26[4]
- Hana Bank 4[5]
- Fullerton Fund Management 100

Property

- CapitaLand 61[1]
- Raffles Holdings 36[1]
- Ascott Group 42[1]
- Keppel Land 17[3]
- Mapletree Investments 100

Transportation & Logistics

- Singapore Airlines 57
- PSA International 100
- Neptune Orient Lines 29[6]
- SMRT Corporation 62
- SembCorp Logistics 31[2]

Energy & Resources

- Singapore Power 100
- Tuas Power 100
- Senoko Power 100
- PowerSeraya 100
- SembCorp Utilities 51[2]

Infrastructure, Engineering & Technology

- Singapore Technologies 100
- ST Engineering 55[1]
- Keppel Corporation 32
- SembCorp Industries 51
- Keppel Offshore & Marine 32[3]
- SembCorp Marine 32[2]
- Chartered Semiconductor Manufacturing 60[1]
- ST Assembly Test Services 66[1]
  (renamed STATS ChipPAC Ltd effective 5 August 2004)

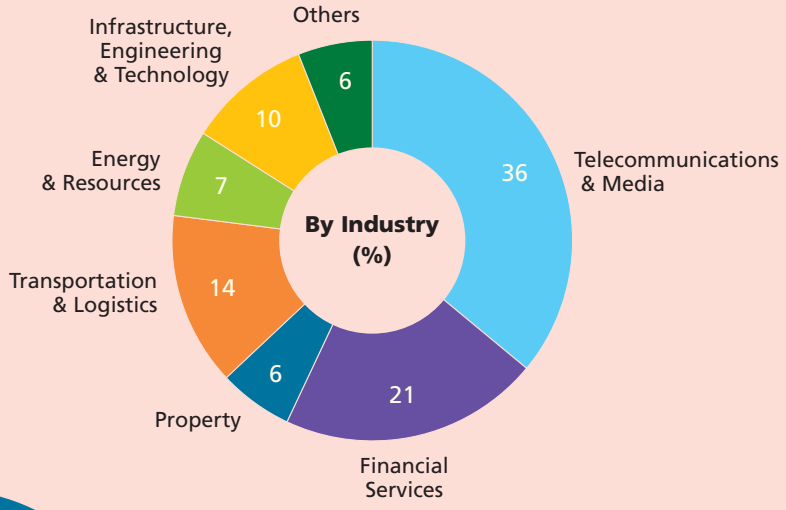
Others

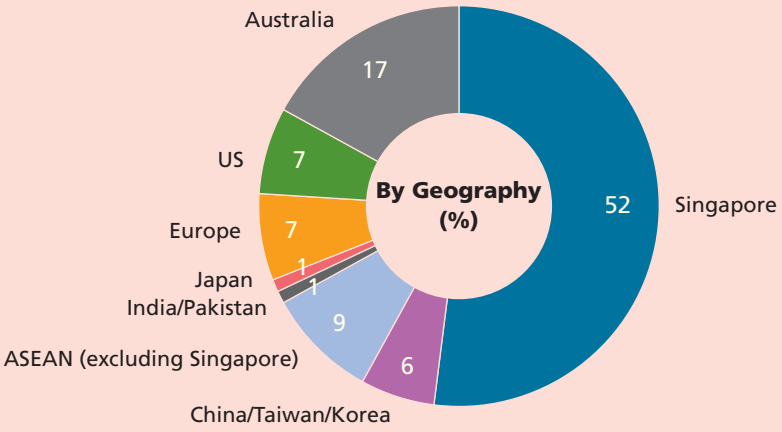
- Wildlife Reserves Singapore 88
- Singapore Pools 100[7]

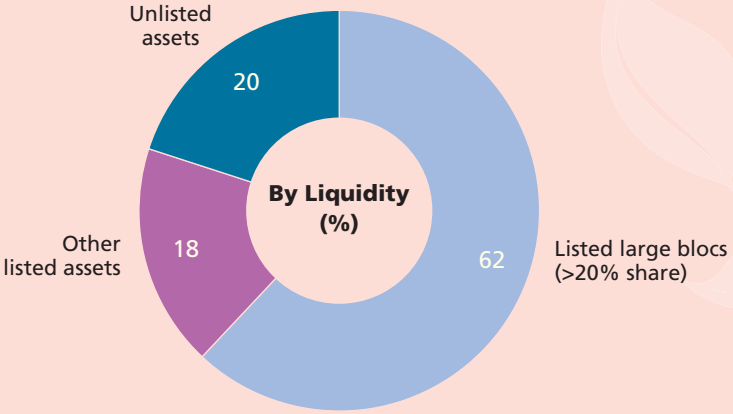
Notes
1 Held through Singapore Technologies Pte Ltd
2 Held through SembCorp Industries
3 Held through Keppel Corporation
4 Shareholding as at 1 October 2004 – 28%
5 Shareholding as at 1 October 2004 – 10%
6 Shareholding as at 1 October 2004 – 68%
7 Sold in May 2004

portfolio value: $90 billion

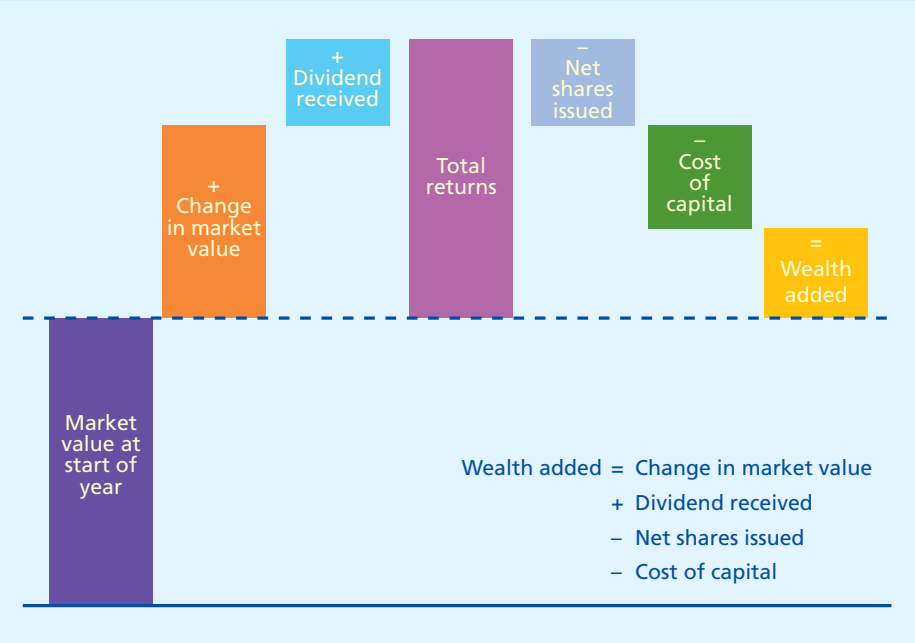
(based on market value for listed assets and book value for unlisted assets as at 31 March 2004)







wealth added



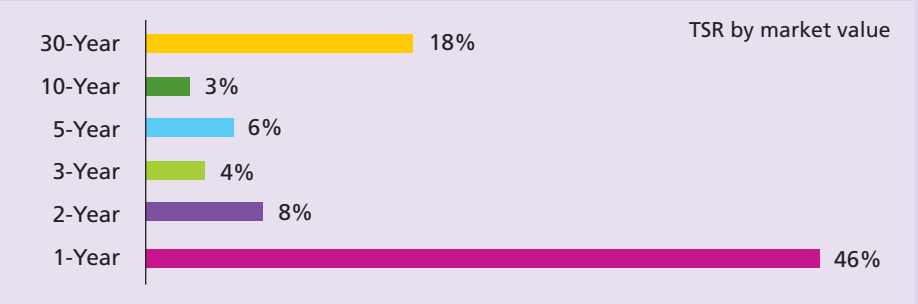
One of the key performance benchmarks that we track at Temasek is the wealth added through our investment activities. Companies create value for their shareholders if their total returns to investors, from market value appreciation and dividends net of new shares issued, exceed the cost of capital.

For the year ended 31 March 2004, our net wealth added amounted to $21.6 billion, of which $20.6 billion was attributable to our key investee companies and $1.0 billion was added through our new investment activities.

Our wealth added based on change in group shareholder's fund and dividends paid amounted to $3.4 billion. This reflects the net value accretion to our shareholder over and above the cost of capital and new shares issued.

total shareholder's return

(as at 31 March 2004)

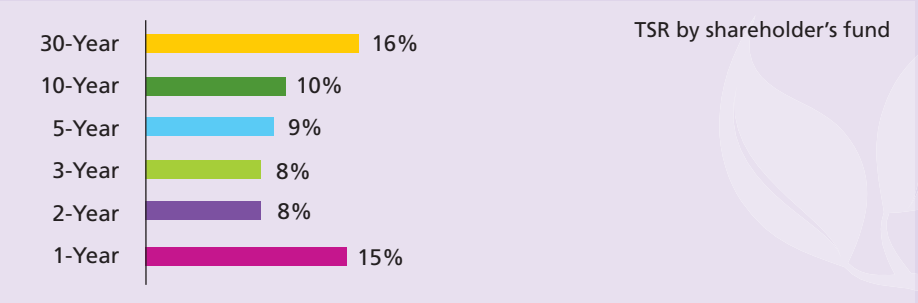


A second performance benchmark we track is total shareholder's return or TSR. TSR imputes the compounded annual return to our shareholder over the respective time periods. It takes into account appreciation or depreciation in market value of our portfolio, dividends paid as well as net new capital we received.

Over the last 30 years, we have delivered a robust TSR of 18% per annum, including an average annual dividend yield of 7%. This is mainly due to the small base and strong growth in the early years.

Over the last 10 years, shareholder's return averaged 3% per annum. This period coincided with the Asian financial crisis, global economic downturn, as well as external shocks from the 9/11 attacks in the US and Severe Acute Respiratory Syndrome (SARS) outbreak in Asia. At the same time, the liberalisation of Singapore's telecommunications market, asset impairment charges at the power generation companies, as well as weakness in property prices put downward pressure on asset values and share prices, resulting in a squeeze on our shareholder's return.

Improved results, asset values and share prices over the last 12 months, have contributed to a large jump in our one-year TSR in FY 2003, to 46%.



Our TSR based on shareholder's fund instead of market value would reflect the underlying performance of our portfolio companies. On that basis, our TSR remained steady at 10% over the last 10 years, with a strong 15% for the one-year TSR in FY 2003.

Temasek means “sea town”, a historical name of old Singapore. We have our values rooted firmly in Singapore, as we expand our reach to the rest of the world, with a focus on Asia.

The Vanda Miss Joaquim, an orchid variety, is Singapore's national flower. It was selected because of its hardy and resilient qualities, and its ability to bloom throughout the year. These are characteristics which reflect Singapore's quest for progress and excellence in all aspects of life.

Message from Chairman

message from chairman

S Dhanabalan
Chairman

Temasek Turns 30

On 25 June 2004 Temasek turned 30, marking a generation, and a coming of age.

Over the 30 years, our portfolio of companies has grown in tandem with the Singapore and world economy. Most are listed, among them global industry leaders like Singapore Airlines.

The last five years have been more difficult, from the aftermath of the Asian financial crisis of 1997 through the effects of the 9/11 attacks in 2001, and the Severe Acute Respiratory Syndrome (SARS) last year. However in the midst of these recent global and regional economic setbacks, new opportunities have emerged in a bustling China and a confident India, alongside a recovering ASEAN.

Temasek too has evolved. With a diversified industry portfolio of $90 billion today, Temasek is poised as an Asia investment company committed to delivering shareholder value as an active investor and shareholder.

Though we remain an exempt private company, we have decided to make public our group review for the first time this year. This is part of our ongoing efforts to institutionalise Temasek's role as a long-term shareholder and an active investor.

Returns to our Shareholder

Temasek has delivered a very respectable total shareholder's return (TSR) since its incorporation in 1974. As at 25 June 2004, we have delivered a TSR of 18% compounded annually over a 30-year period based on growth in market

> Temasek too has evolved. With a diversified industry portfolio of $90 billion today, Temasek is poised as an Asia investment company committed to delivering shareholder value as an active investor and shareholder.

value of our portfolio; or 16% based on growth in our consolidated shareholder's fund. This included a healthy average annual dividend yield of just over 7% to our shareholder.

Our robust TSR is underpinned by the strong operating performance of the Temasek-linked companies (TLCs) over the last 30 years. They leveraged on the strong growth of the Singapore economy in the early years, and are beginning to reflect the growth potential of Asia. Their success has been shaped by generations of dedicated leadership and staff at these operating businesses.

During this period, Temasek has also been continually reshaping its portfolio. Apart from making new investments, Temasek also divested a total of more than 100 companies, fully or partially, over the 30-year period, raising a total of $15.1 billion, to fund new investments, as well as to support a steady dividend to our shareholder.

FY 2003 Group Financial Performance

For the latest financial year ended 31 March 2004, our consolidated group revenue was $56.5 billion, a 14% increase from $49.6 billion in FY 2002. This was largely due to the recovery and organic growth in our TLCs, as well as the half-year consolidation of revenue from newly-acquired subsidiary Bank Danamon in Indonesia.

Group operating income increased 82%, from $4.1 billion in FY 2002 to $7.4 billion in FY 2003, driven by the strong and broad-based recovery in operating profits at the TLCs during the year, despite SARS.

Net profit for our group rebounded from $241 million in FY 2002 to $7.4 billion in FY 2003, inclusive of gains of $1.9 billion at SingTel from divestments of its interests in Belgacom, Singapore Post and Yellow Pages. The lower net profit in FY 2002 reflected a provision for $0.5 billion, which was our share of SingTel's write-down of its C2C assets, as well as the impairment charges of $2.0 billion on steam plants at our three power generation companies, following the shift to the more efficient combined cycle gas plants.

Our cash generated from operations as a group amounted to $11.4 billion in FY 2003, and averaged $12.9 billion over the last three years.

Total wealth added for the year was $21.6 billion. Of this, $1.0 billion was due to new investments by

> The common thread which cuts across the five investment themes is our focus on leading players with competitive strengths and distinctive advantages, and the potential to scale beyond their domestic markets.

Temasek. The balance $20.6 billion of wealth added was mainly due to improvements in market value of our TLCs, underpinned by their strong operational performances.

An Asia Investment House

As at 31 March 2004, listed TLCs and other public market portfolio investments formed 80% of the Temasek portfolio. About 86% of our portfolio is in Australasia, with 52% in Singapore and 17% in Australia.

As Asia develops, powered by a confident China and a connected India, we believe there is scope for Temasek to reshape its portfolio as an active investor in leading or emerging companies in Asia, and manage for value as an active shareholder.

An Active Investor

As Asia prospers, we expect to steadily increase our exposure to Asia, outside Singapore. Over the next 8-10 years, we expect to see a portfolio with approximately one-third of our operating asset exposure in Singapore, one-third in the rest of Asia and the remaining third in the OECD and other economies. This takes into account our underlying exposure to the region through our TLCs, such as our exposure to Australia through the investments by SingTel, Singapore Power and CapitaLand.

Investment themes of interest include:

- Global networks
- Asia services
- Regional resources
- Scalable intellectual property
- Emerging champions

The common thread which cuts across the five investment themes is our focus on leading players with competitive strengths and distinctive advantages, and the potential to scale beyond their domestic markets.

We aim to achieve returns above the risk-adjusted cost of capital for each investment and for our portfolio as a whole.

Managing for Value

Industry leaders form the bulk of our assets. The majority are Singapore-based.

Sustainable wealth creation and shareholder value rest fundamentally on strong corporations. We continue to work with our investee companies to foster the following pillars of shareholder value:

- **Values** rooted in integrity, meritocracy, excellence and innovation;
- **Focus** on core competence, wealth creation, customer value and shareholder returns;
- **Quality human capital** in boards, management and employees;
- **Sustainable growth** through financial discipline, operational excellence and sound governance; and
- **Strategic clarity** in direction and delivery.

As an active shareholder, we work proactively with our fellow shareholders,

regulators and other market participants to foster a fair and efficient corporate governance environment in support of a vibrant business culture.

We seek to achieve a pragmatic balance between operating business flexibility and cost effective oversight and efficient and fair market practices.

We remain open to increasing or reducing our stakes, through buying, selling, swapping, restructuring or rationalisation to maximise sustainable value.

Active Portfolio Transformation

Over the last two years, we divested 36 investments, realising proceeds of $1.6 billion, with a net gain of $765 million.

These included investments such as NatSteel, as well as CPG Corporation Pte Ltd (formerly PWD Corporation), which was sold to Australia's Downer EDI in April 2003. We have also signed a definitive agreement to sell our entire stake of 78% in Changi International Airport Services Pte Ltd to Dnata, a member of the Emirates Group, with sale completion expected in October 2004.

In the same two-year period, we invested $3.3 billion in 35 companies. Some of our new investee companies included promising regional enterprises such as Hyflux, Cosco Corporation, Olam International and YHI International in Singapore; Quintiles in the US; Bank Danamon and Bank Internasional Indonesia (BII) in Indonesia; ICICI Bank in India; Telekom Malaysia; and Hana Bank in Korea. More recently, we invested in Matrix Laboratories, Tata Consultancy Services and ICICI OneSource in India.

Where we have controlling stakes in investee companies, we are fully open to diluting our share to minority positions, especially if it creates an opportunity for us to enhance our long-term returns. Similarly, we are not averse to holding minority stakes in promising companies with international potential. Our investment stakes range from 2% in Osim in Singapore, to an effective controlling stake of 53% in Bank Danamon in Indonesia.

These companies have strong management, good products, expanding market positioning and, most important of all, good potential for growth. Quintiles and Matrix Laboratories fit in well with our interest in life sciences, while our investments in ICICI Bank, Bank Danamon, BII and Hana Bank mirror our view of the financial services sector as a proxy for the underlying regional economies and the emerging middle class. Similarly, our investments in Tata Consultancy Services and ICICI OneSource reflect our confidence in emerging champions that are scaling up to capture the opportunities beyond their domestic markets.

Organisational Development

To gear up as an active investor and portfolio manager, we have organised Temasek into three focus groups over the last two years.

> The hallmark of our TLC CEOs and their staff is the strong sense of purpose and commitment, individually and collectively, to build and contribute to a vibrant future through successful enterprise.

The Strategic Development group focuses on active investment and management of our long-term holdings. Our industry teams actively monitor performance, evaluate opportunities and drive investment strategies.

The Capital Resources Management group (CRM) focuses on trading portfolio investments and treasury support. CRM has also invested in two dozen alternative investment strategy funds in Australasia over the last 12 months.

The Corporate Development group develops and supports the "soft infrastructure" for sustainable growth, namely, finance and value management, leadership development, strategic relations and risk management, underpinned by a strong focus on organisational and human capital developments.

Leadership development initiatives include the Temasek Learning Network and Temasek Forums under Temasek Management Services (TMS). We foster continual learning through exchange and sharing with and among business leaders and experts. The inaugural Asia Banking CEO Roundtable organised by TMS in August 2004 for leading bankers in Asia is but one example. The Wealth Management Institute was initiated by TMS in 2003, to train the next generation of wealth managers to support the emerging wealth management sector in Asia. It was set up in partnership with the Swiss Banking School, the Singapore Management University, the Government of Singapore Investment Corporation and various leading financial institutions.

We have also constituted a Value Management unit, to strengthen our performance monitoring and enhancement capability. Similarly, our risk management metrics have been broadened beyond our fund management portfolio to cover our strategic investments. We have begun to implement a Value-at-risk approach for capital allocation.

Amidst a busy and challenging calendar, we also sought to institutionalise a framework to maintain financial discipline and to deliver value. The public release of this review is one initiative. Another is the Aaa/AAA credit rating from Moody's and Standard and Poor's, respectively.

The Temasek-Linked Companies

Like Temasek, our TLCs have also evolved with the ebb and flow of their operating environments.

The last two years has been a period of transformation and repositioning for several of our TLCs. Leading players such as Singapore Airlines and PSA International have had to respond to increasing competition at many levels, as well as deal with unexpected events like SARS. Neptune Orient Lines deftly reorganised their business model, reduced costs to overcome a difficult operating environment and rode the industry upturn to a strong turnaround. SingTel focused methodically on integrating and growing its Australian

acquisition, while Keppel Corporation and ST Engineering sharpened their international focus.

Much has been achieved by the TLCs as they look back on their early years of struggle and their subsequent successes. However, as the world changes, much remains to be done to achieve more efficient capital utilisation, to compete with more imaginative product and service innovation and to develop an internationally experienced, self-renewing leadership cadre.

This way, they can continue to deliver strong shareholder returns, while giving opportunities to their staff to prosper and grow, even as they continue to serve their customers and partner their suppliers in delivering service and value.

Marking 30 Years of Excellence

As we come together to celebrate our 30 years in business, we have not forgotten the contributions of our larger Temasek family. These include the farsighted leaders who founded Temasek and our TLCs, the innovative and courageous management who ran the businesses and the dedicated and disciplined staff who delivered over and above what was thought possible. They have never ceased to strive and innovate; above all, they are committed to inventing a better tomorrow. We take this opportunity, on our 30th anniversary, to salute their efforts and clarity of purpose and to thank them one and all.

Our companies enjoy the selfless and outstanding support of many diverse and independent board members, both Singaporeans and international friends who are private sector business leaders, professionals and academics. The commitment of so many good people across all levels is a key factor behind the success of many of our TLCs through the years. We remain grateful for their exemplary service and wise counsel.

The hallmark of our TLC CEOs and their staff is the strong sense of purpose and commitment, individually and collectively, to build and contribute to a vibrant future through successful enterprise.

I take this opportunity too to thank all the past and present board members, staff and management of Temasek. Temasek would not be where it is today without their commitment, consistency and passion. It is this same passion that will power Temasek in the years ahead as an active investor and partner, striving to create and maximise long-term shareholder value.

S Dhanabalan
Chairman

1 October 2004

Together with the recovery of the rest of ASEAN, Indonesia has begun to show promise economically, buoyed by strong and vibrant intra-ASEAN trade links. We have invested in Bank Danamon and Bank Internasional Indonesia, and both banks are performing well under their respective boards and managements.

Native to Southeast Asia but an important crop throughout the tropics, the Banana plant is classified botanically as a giant herb. Food wrapped and grilled in banana leaf is called pepesan in Indonesia.

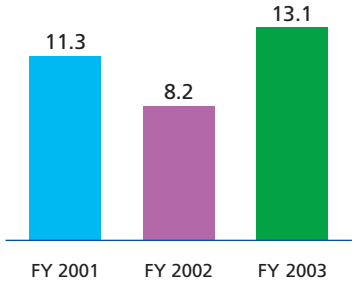
Group Financial Statements

group financial highlights

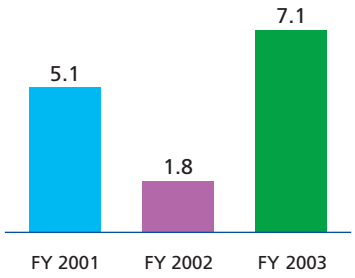
Group Income Statement ($ billion)	FY 2001	FY 2002	FY 2003
Revenue	42.6	49.6	56.5
Operating profit before exceptional items	4.8	4.1	7.4
Net profit	4.9	0.2	7.4

Group Balance Sheet ($ billion)	FY 2001	FY 2002	FY 2003
Total assets	146.4	140.0	180.8
Shareholder's equity	54.5	54.5	64.5
Net debt[1]	12.6	11.4	10.9

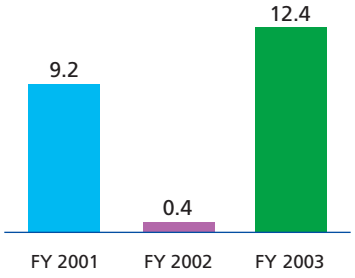
Operating Profit Margin (%)



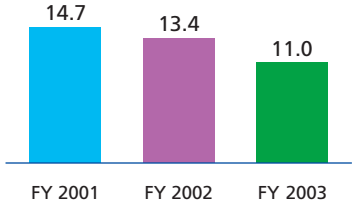
Return on Average Assets (%)



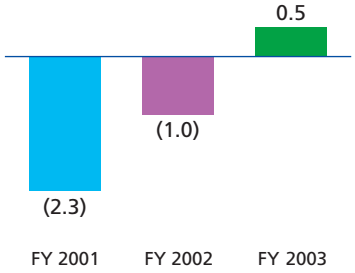
Return on Average Equity (%)



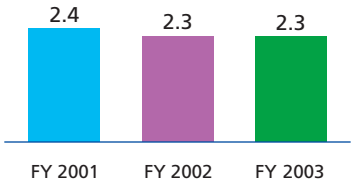
Net Debt[1] to Capital (%)



EVA ($ billion)



VA/Employment Cost



1 Net Debt = Total debt – Cash and short term investments, excluding customer deposits at banks

group income statement

(in $ million)

	FY 2001	FY 2002	FY 2003
Revenue	42,560	49,645	56,468
Cost of sales	(29,337)	(34,604)	(37,659)
Gross profit	13,223	15,041	18,809
Other operating income	461	998	1,482
Distribution costs	(2,591)	(3,255)	(3,559)
Administrative expenses	(4,357)	(5,239)	(5,722)
Other operating expenses	(1,912)	(3,482)	(3,633)
Operating profit before exceptional items	4,824	4,063	7,377
Exceptional items	332	(2,564)	2,165
Operating profit after exceptional items	5,156	1,499	9,542
Non-operating items	2,731	(263)	1,077
Finance income	668	355	619
Finance costs	(1,468)	(1,666)	(1,724)
Share of results of associated companies and partnerships before tax	402	1,078	2,225
Share of results of joint ventures before tax	(39)	113	34
Profit from ordinary activities before tax	7,450	1,116	11,773
Income tax expense	(1,980)	(275)	(2,050)
Profit from ordinary activities after tax	5,470	841	9,723
Minority interests	(547)	(600)	(2,358)
Net profit for the financial year	4,923	241	7,365

group balance sheet

(in $ million)

	FY 2001	FY 2002	FY 2003
Shareholder's equity	54,468	54,516	64,522
Minority interests	18,525	19,227	23,862
	72,993	73,743	88,384
Property, plant and equipment	58,958	57,005	61,558
Intangibles	13,047	12,672	13,543
Investments	16,594	17,717	27,359
Investment properties	8,976	8,159	8,159
Properties under development	1,042	367	370
Other non-current assets	2,757	2,719	6,269
Deferred tax assets	930	1,566	1,645
Current assets	44,103	39,745	61,914
Current liabilities	(32,067)	(29,811)	(46,406)
Net current assets	12,036	9,934	15,508
	114,340	110,139	134,411
Non-current liabilities	(41,347)	(36,396)	(46,027)
	72,993	73,743	88,384

group cash flow information

(in $ million)

	FY 2001	FY 2002	FY 2003
Operating cash flow before working capital changes	9,520	11,180	13,936
Change in working capital	6,236	304	(2,535)
Cash generated from operations	15,756	11,484	11,401
Income tax paid	(1,310)	(1,331)	(1,151)
Net cash inflow from operating activities	14,446	10,153	10,250
Net cash outflow from investing activities	(16,363)	(6,418)	(7,701)
Net cash inflow/(outflow) from financing activities	4,181	(7,922)	6,770
Net increase/(decrease) in cash and cash equivalents held	2,264	(4,187)	9,319

As India embraces market reform and industry transformation, opportunities abound with the emergence of a middle class and the rise in consumer sophistication and demand. We hope to deepen our connection with India, as part of our wider interest in Asia.

The lotus is the National Flower of India. It is a sacred flower and occupies a unique position in the art and mythology of ancient India, and has been an auspicious symbol for immortality and resurrection.

Temasek Highlights

temasek highlights

Over the last three decades, we have implemented a number of initiatives consistent with our objective of maximising long-term shareholder returns. Some of the earlier initiatives included the setting up of a fund management unit in 1990, and our thematic investments into private equity funds since 1991.

We have intensified our efforts over the last two years, as we position ourselves to actively engage Asia as an investor and shareholder. Our recent focus has been on developing strategic investment activities, building organisational capabilities, driving corporate governance best practices and refining our fund management capabilities.

Strategic Development

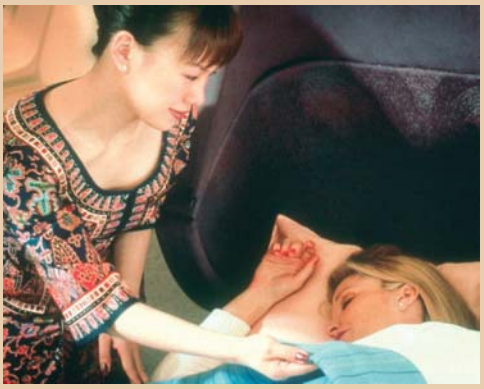
The Strategic Development group drives our investment activities. We have identified five major investment themes of interest:

Global Networks – Connecting the world

Asia is transforming. It is emerging as the new growth centre as economies recover from the 1997 crisis and countries like China and India become more connected with the world economy. East-West trade and intra-Asia opportunities continue to grow.

Transportation and logistics is increasingly networked on a global and intra-Asia basis, presenting many new opportunities.

One emerging opportunity is the demand for budget travel in Asia. In December 2003, we took an 11% stake in Tiger Airways, a joint venture with Singapore Airlines, the Ryan family who founded Ryanair, Europe's largest



discount carrier by market capitalisation, and Indigo Partners/Newbridge, which are associated funds of the Texas Pacific Group. In April 2004, we took a 19% stake in another Singapore-based low-cost carrier in partnership with Australia's Qantas Airways and two other Singapore investors. These investments broadened our exposure to this new market segment. We continue to explore similar opportunities further afield in Asia.

We also track investment opportunities as governments privatise their airports in the region. Our first such investment in airports was in the Airport Authority of Thailand in March 2004.

In August 2004, we increased our stake in NOL to above 30%. This triggered a mandatory general offer under the Singapore Code on Takeovers and Mergers. At the close of the offer on 29 September 2004, our stake in NOL was above 68%.

Major Temasek-Linked Companies (TLCs) in the transportation and logistics sector, such as PSA, NOL and SIA, have each faced specific market challenges including the loss of major customers, industry downturn and SARS. Each has since recovered and repositioned itself for strong recovery. They have sought to better address their customer needs, open new market segments and expand their capacities and capabilities.

Asia Reach – Serving the emerging middle class

With Asia on the move, the emerging middle class will drive growing demand for services, such as banking, insurance, telecommunications, healthcare and education. Tourism and lifestyle also present growth markets with potential.

Our investments in the financial services sector are held by Asia Financial Holdings, a wholly-owned subsidiary of Temasek. Investments to date include Bank Danamon and Bank Internasional Indonesia (BII) in Indonesia, ICICI Bank in India and Hana Bank in Korea. These investments are underpinned by the fundamental strengths of their economies, the quality of their management and the opportunities to partner or tap on the growth potential in each of the countries. An example is the partnership with Kookmin Bank of Korea, Barclays Bank of UK and ICB Financial Holdings of Malaysia, to take a majority stake in BII.

In March 2004, we made our first major direct investment in Malaysia with a 5% stake in Telekom Malaysia, the country's pioneer telecommunications provider. This investment reflects our optimism in Malaysia's potential in the medium- to long-term.

Both of our telecommunications TLCs have also evolved at the operating levels with the opportunities they secured. SingTel has done well in its regional expansion strategy. It has also sharpened its focus by actively divesting its non-core assets - Singapore Post was listed in May 2003, while SingTel Yellow Pages was sold in July 2003.

Separately, ST Telemedia successfully

acquired a 62% stake in US submarine cable operator Global Crossing. It is in the process of acquiring a 33% stake in India's Idea Cellular jointly with Telekom Malaysia. ST Telemedia also became a significant shareholder in US-listed Equinix, through an investment-cum-merger of the assets of i-STT, its wholly-owned Internet infrastructure services subsidiary, with Equinix. Its network integrator and equipment supplier, Telechoice, was listed in June 2004.

Regional Resources – Fuelling economic growth

As they develop, China and India continue to be net importers of raw materials and resources. ASEAN is rich in natural resources. Investments in ASEAN economies, in particular ASEAN resources, serve as a proxy for the growth of China and India. With its huge markets, natural resources and 500 million population, ASEAN provides significant investment opportunities.

Demand for power, energy and natural resources grows in tandem with economic development. We have invested in companies such as Hyflux (membrane technology for water purification) and Olam (agricultural commodity supply chain management), as part of this theme.

On the power front, we had put on hold the sale of the three power generation companies in Singapore. We will review this process once the global energy market becomes more conducive. Meanwhile, SP PowerAssets, PowerSeraya and Senoko Power tapped the Singapore debt capital market in September/October 2003, as part of the programme to improve their capital efficiency. SP PowerAssets also raised an international bond in October 2003.

Singapore Power successfully concluded the A$5.1 billion acquisition of the TXU transmission and network business in Australia in July this year.

Scalable Intellectual Property – Borderless talents

Asia is home to 3 billion people, many of whom are educated, young and energetic. They provide fertile ground for promising companies and businesses to emerge. Those with strong intellectual property (IP) content will have the potential to scale beyond their domestic markets more easily. The pharmaceutical, IT and other niche sectors represent such IP-rich opportunities.

We invested US$90 million for a 16% stake in Quintiles in September 2003. Quintiles is the world's largest provider of clinical trial and commercialisation services to the pharmaceutical and biotechnology industries. We also acquired a 14% stake in Matrix Laboratories of India and, most recently, an 8% stake in Apollo Hospital Enterprise Limited, the largest fully integrated private healthcare services provider in India. We are exploring other healthcare and pharmaceutical opportunities, including venture capital investment opportunities.

In the IT sector, we secured a significant minority stake in ICICI OneSource, a business process outsourcing company

focused on the financial sector, and made an investment in Tata Consultancy Services, India's largest IT services company.

Major Investments in Biopharm and Healthcare Sector	
	Shareholdings (%)
Quintiles	16
Matrix Laboratories	14
Apollo Hospital Enterprise	8

Emerging Champions – Partnering excellence

As the Asian economies expand and grow, future champions are evolving amongst the many promising small and medium-sized companies. They will have the potential to grow beyond their domestic markets, leveraging on brand, technology, distribution or other distinctive advantages. These companies will possess distinctive IP and ride on the back of Asia's growth and rising entrepreneurship culture. Some of our portfolio investments in such promising companies include YHI International and Sunningdale Precision Industries.

Major Investments in Promising Regional Enterprises (PREs)	
	Shareholdings (%)
OSIM	2
Sunningdale Precision	15
Hyflux	3
Autron	4
Cosco Corporation	7
Olam International	7
YHI International	6
Asia Pharm	5

Regional Offices – Growing with Asia

To improve our effectiveness at sourcing investment opportunities in other countries, we established an overseas office in Mumbai, India, in March this year. We have also set up an office in Beijing in October 2004 and plan to set up an office in Vietnam by the end of this year. We will consider establishing other offices around the region as and when the scope and opportunities warrant it.

Active Portfolio Management – Achieving balance

We are prepared to restructure, divest or invest in companies as and when we see opportunities to increase or realise value.

Over the last two years, we invested a total of $3.3 billion in 35 companies. In the same period, we divested stakes in a total of 36 companies, and realised proceeds of $1.6 billion.

We placed out approximately 392 million ordinary SingTel shares in the beginning of 2004, in conjunction with a simultaneous offering of $1.6 billion of exchangeable notes due 2009 on shares of SingTel. Assuming full conversion of the exchangeable notes, this will increase the public float of SingTel to 38% from the current 35%.

In April 2004, we issued $792 million of exchangeable notes on shares of Keppel Corporation. This represents about 10% of our shareholding in Keppel, leaving us with a stake of about 22% if the notes are fully converted.

In March 2004, we formed the wholly-owned Aetos Security Management Pte

Ltd (Aetos) to integrate the auxiliary police forces of CIAS, PSA and ST Kinetics. Aetos leverages on operating synergies and economies of scale to offer cost-effective total security management services. This move also enabled the respective companies to outsource their security needs to a more cost effective and independent company.

Capital Resources Management

Set up in 1990, our fund management team manages an independent portfolio of tradable securities, including cash, currencies, fixed income and equities as well as absolute return funds.

These fund management activities are separate and independent from the direct investment activities of the Strategic Development group. The fund management unit operates within a strict "Chinese-wall" framework, and does not invest in the equities of Singapore TLCs where we have significant stakes.

We have also placed out funds for third-party management. This includes investments in about 30 absolute return funds in Asia, the US, Europe and Australia.

Acting on requests from interested partners, we have recently sponsored a low-cost co-mingled fund focusing on Singapore-dollar short-term interest rate products, for institutions interested in having better returns for their liquid assets. While the bulk of our funds under management are invested in the established markets, we have begun to increase our exposure in the emerging equity markets of India, China and other parts of Asia.

The Capital Resources Management group also invests in private equity and debt funds. To date, we have invested in buyout and growth capital funds, mezzanine funds, debt funds, technology venture capital funds and life sciences venture capital funds.

Corporate Development

Corporate development covers internal organisational development and corporate support, as well as leadership development and corporate governance activities.

Leadership Development

Temasek Management Services (TMS), a wholly-owned subsidiary, was integrated into Temasek at the beginning of 2003 to focus on leadership development, and to encourage interaction and shared learning amongst corporate leaders.

A total of 135 management development programmes have since been organised, with over 2,000 participants from Temasek, TLCs and other organisations from around the region.

The Temasek Forum serves as a leadership network for past, present and future business leaders and managers to exchange and share experiences and views. The Forum includes focus group sessions that bring together participants in the same functional areas (eg. CFOs and HR directors), as well as those with interests in specific countries and industry

clusters. Topics range from discussions on free trade agreements, mergers and acquisitions, to the development of performance-based compensation plans. Distinguished speakers at the Forum have included business leaders such as Sir Brian Pitman, Lucio Noto and Norman Augustine, and academic thought leaders such as Chan Kim, Clayton Christensen and Chris Zook. Case studies based on the experiences of Temasek and TLCs are widely used in focus group discussions. Panel discussions regularly feature CEOs and leaders across the TLCs. A total of 53 Temasek Forums have been organised, reaching out to more than 2,500 participants.

Additionally, exclusive events such as the Asian Banking CEO Roundtable provide a platform for Asian business leaders to network and share experiences.

Wealth Management Institute

TMS also spearheaded the setting up of the Wealth Management Institute (WMI) in September 2003. Academic partners for WMI include the Swiss Banking School and the Singapore Management University. Together with the support of the Government of Singapore Investment Corporation, the Monetary Authority of Singapore (MAS) and 47 other international financial institutions, WMI aims to provide wealth management professionals in Asia with a unique combination of academic learning and practical internship, adopting an Asian focus complemented by a global perspective.

The inaugural Master of Science in Wealth Management programme began in May 2004 with 38 students. Among the participants were five Asian central bankers, sponsored by Temasek. We expect a total of six central bankers to be sponsored each year for WMI courses.

The WMI Certificate in Private Banking programme was launched in October 2004. This programme tied in with the MAS Financial Sector Manpower Conversion Scheme, which helps to re-channel manpower to new growth areas in the financial sector through customised conversion training programmes.

Strategic Relations – An active shareholder voice

With our roots in Singapore, we have a vested long-term interest to ensure that Singapore continues to develop as a dynamic and vibrant free-market economy. As Singapore reshapes its economic policies, and modernises its regulatory framework as part of the overall market liberalisation, it is also important that shareholder interests are protected under fair market rules, while businesses are encouraged to innovate and operate freely and responsibly in pursuit of profits and returns.

We have a similar vested interest in cultivating and strengthening strategic relationships with business partners, regulators and fellow shareholders in Asia and other markets.

When SARS hit the region in the second quarter of 2003, we together with our TLCs, co-sponsored goodwill donations of 10 thermal imaging scanners and 26 ventilators to China, Taiwan, Indonesia and Vietnam.

Together with CapitaLand and IE Singapore, we co-organised the China-Singapore Partnership Forum in Shanghai in July/August 2003 to promote business confidence in China and the region following the SARS outbreak. The event was very successful, with over 500 participants from Singapore and Chinese companies, as well as other international and Asian participants.

This year, we co-organised an investment promotion conference in Hanoi, Vietnam, together with Keppel Corporation. Held in August 2004, the conference provided insights into investing in Vietnam, one of the fastest growing economies in this region. The event was also a rare opportunity for more than 500 delegates from Singapore, Vietnam and other countries to network and interact with Vietnamese leaders and government officials.

We have partnered Nanyang Technological University (NTU) to provide networking opportunities between our TLCs and Chinese government officials who attended the NTU MSc (Managerial Economics) programme. Other China networking sessions have also been organised.

We are in regular dialogue with our Asian counterparts, who are responsible for the policies and management of state-owned enterprises. Among these is the newly set up State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) of China. These dialogues enable us to exchange views and perspectives on the management of state-owned enterprises, and open up opportunities for business partnerships and collaborations.

On the corporate governance front, we have drawn up guidelines for board remuneration, and have actively engaged boards to institutionalise regular reviews of CEO performance as well as CEO and management succession planning. We also actively promote performance-based incentive plans, and a flexible wage system with short- and long-term components based on share of wealth or economic value added.

Celebrating 30 Years of Excellence

Temasek turned 30 on 25 June 2004.

As part of our 30th anniversary celebrations, we held a series of events to commemorate the occasion. These included an informal session of fun and relaxation on 25 June for our staff. The winning entry for the 30th anniversary logo was unveiled and a special anniversary website, capturing significant moments of the celebrations, was also launched at www.temasek30.com.sg.

For the first time ever, we hosted a mega family day at Fort Canning Green in July for more than 3,500 staff from our

extended group of companies and their families. The Temasek Family Fiesta was a symbolic gesture of thanks to every member of the Temasek group who has contributed to and supported our companies through opportunities and challenges, good years and bad.

The 30th anniversary celebrations will culminate in the Anniversary Dinner at the Istana in November, with about 800 friends, partners and distinguished guests from Singapore and overseas.

Marking our Future

We published our Charter in July 2002, as the first step of a journey into our future. We also recently obtained a Aaa/AAA credit rating from Moody's and Standard and Poor's, respectively. With the release of this Temasek Review, we will be providing our group accounts to the public for the first time.

We will continue to evolve as the world evolves. Our responsibility remains the same – to deliver long-term shareholder value through successful enterprise.

risk management

We adopt a portfolio risk management approach and regularly monitor our portfolio in respect of strategic risks, financial risks and operational risks.

Risk Management Framework

Risk management and oversight is the responsibility of our Board of Directors. Together with senior management and our Risk Management Unit (RMU), our Board determines the objectives and policies that govern our business and investment risks. Our Board is assisted by three Board committees in the following risk areas:

Executive Committee

- Management and oversight of business and political risks
- Structural foreign exchange risks
- Investment and country risks of strategic investments
- Operational risks of Temasek as a whole

Capital Resources Committee

- Management and oversight of business and political risks
- Funding and market liquidity risks
- Market risks
- Credit and investment risks

Audit Committee

- Assessment of compliance with internal controls and operational risks
- Interaction with internal and external auditors to review the auditing process
- Evaluation of the effectiveness of risk management within Temasek

Risk Policies

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

Our policies address the following major risk categories:

Strategic Risks

- Business and political risks
- Funding liquidity
- Aggregate risk profile of Temasek

Financial Risks

- ***Market risk*** due to changes in
  - Interest rates
  - Equity prices
  - Foreign exchange rates
  - Other market driven rates and prices
- ***Credit risk***
  - Country
  - Issuer
  - Counterparty
  - Custodian credit risks
- ***Investment risk***
  - Asset allocation
  - Concentration risks

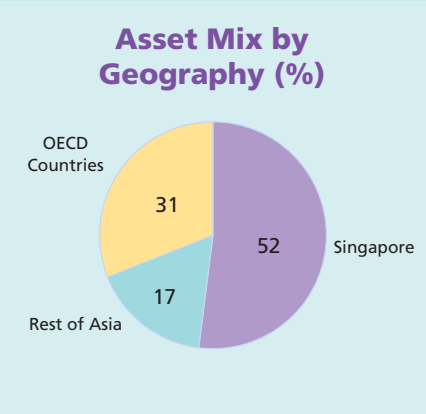
Operational Risks

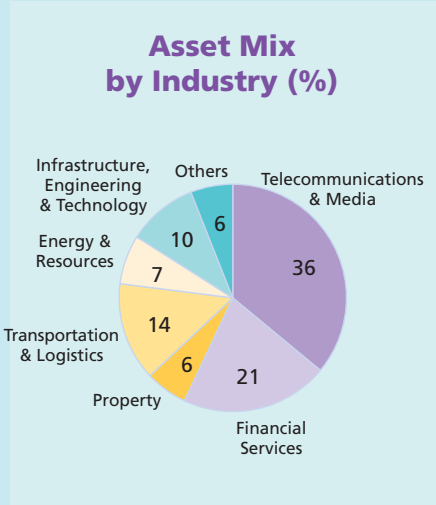
- People
- Process
- Systems
- Legal
- Reputation
- Business continuity

We set out a summary of our respective risk positions as follows:

Strategic risks

The table below shows our asset mix by geography and by industry cluster as at 31 March 2004:





At present, a significant portion of our assets is concentrated in Singapore and specifically in the telecommunications cluster, though no single company accounts for more than 30% of our portfolio. Over time, we intend to move towards a more balanced portfolio, both in terms of geography and industry clusters, to diversify from over-concentration on a particular country or industry.

RMU generates a weekly review of our overall portfolio position, along with analyses of specific event, sectoral or country risks.

Financial risks

At present, 80% of our portfolio consists of listed securities whose fair values are subject to market risks. 62% of these listed securities are in large blocs. We employ the Value-at-risk (VaR) statistical model to measure market risks. VaR is an estimate of the potential gain or loss on a portfolio based on a given confidence level. We use an 84% confidence interval, weekly returns and Monte Carlo simulation for our VaR computation. Stress tests are also conducted to determine how potential changes in market conditions could impact the performance of the portfolio.

Operational risks

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

corporate governance

Our focus on sound corporate governance is an important pillar of our ongoing commitment to achieve long-term shareholder value through corporate excellence and sustainable growth.

A robust and practical governance framework provides a pragmatic balance between accountability, empowerment and organisational agility. This can be achieved by institutionalising a framework that embraces principles of appropriate transparency, checks-and-balances, sensible reward systems and a professional and objective management.

Relationship with Our Shareholder

Temasek was incorporated in 1974 as an exempt private company[1] with limited liability to hold investments in companies previously held directly by Minister for Finance (Incorporated).

This represented a strategic commitment to manage these investments on a sound commercial basis as a private investment company, as distinct from the government's economic functions of policy-making and market regulation. This frees the government to act in the larger interest of the overall economy. It also enables us and our investee companies to operate commercially and flexibly. Temasek operates under the purview of the Singapore Companies Act, and all other laws and regulations that apply to companies incorporated in Singapore.

The company law framework provides for the business of a company to be managed under the direction of the 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 financial reports and conduct periodic briefings and updates to our shareholder. We also review our dividend policy with our shareholder from time to time.

In 2002, we formalised and published our Charter after consultation with the Ministry of Finance, to provide a public framework for our investment approach in the medium and long term. In particular, we are committed to maximising long-term shareholder returns as an investment company.

Put simply, our shareholder requires us to earn a proper return on our investments, as a commercial entity.

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 by the citizens. This constitutional amendment was intended

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.

to institutionalise a system of fiscal discipline in government budgetary processes and spending. Presidential approval is required for any use of past reserves[2] 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 designated government institutions and companies to ensure proper governance and management of key assets. Temasek was designated a Fifth Schedule Company under this constitutional amendment.

As a Fifth Schedule Company, the appointment, re-appointment and/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.

Apart from the normal fiduciary duties, our Board is also accountable to the Elected President to ensure 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 past reserves, except with the approval of the Elected President.

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

Investment and other business and commercial decisions are the responsibilities of our Board and Management.

Relationship with Temasek-Linked Companies

In accordance with the Companies Act, Temasek-linked companies (TLCs) are run 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 investee companies, our fellow institutional shareholders, regulators and other market participants, where necessary and appropriate, no different from any other interested, long-term institutional shareholder.

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

Generally we refrain from appointing our management staff onto the boards of our investee companies. Instead, we work actively with our companies to identify suitable independent board candidates from a wide variety of backgrounds and nationalities to complement and expand board capability and quality. Where appropriate, such candidates are introduced to the target boards for their consideration and decision.

In 2004, our direct and deemed shareholdings in 34 major TLCs range from 29% to 100%. The overall profile of directorships on these boards is as follows:

- Independent : 71%
- Non-Singaporean : 15%
- Female : 8%
- Temasek management : 7%

We are fortunate to have a number of distinguished business leaders serve on the boards of the various TLCs. These include Khun Chumpol NaLamlieng, President of Siam Cement Public Co. Ltd., who chairs SingTel; Sir Brian Pitman, Senior Advisor of Morgan Stanley & Company International and retired Chairman of Lloyds Bank TSB Group, on the Board of SIA; Mr. Cheng

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.*

Wai Keung, Chairman and Managing Director of Wing Tai Holdings, who chairs NOL; Mr. Stephen Lee, businessman and Chairman of the Singapore Business Federation, who chairs PSA; Sir Andrew Buxton, former President of the British Bankers' Association and retired Chairman of Barclays Bank, on the Board of CapitaLand; and Mr. Sim Kee Boon, retired Chairman & CEO of Keppel Group, who chairs Bank Danamon.

We strongly support robust board governance processes that institutionalise professional and objective management of a company and its leadership renewal. These include the separation of the roles and responsibilities between the board chairman and the company CEO, as well as a formalised and regular framework for CEO performance review and succession planning.

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 stock plans, and share ownership plans. We believe that such incentive systems should be coupled with an organisation-wide effort to nurture a culture of integrity and excellence, and to institutionalise scalable systems and best practices for ensuring sustainable delivery and performance.

The Temasek Board and its Committees

The business of Temasek is guided and directed by our 9-member Board, assisted by four Board committees.

Board Composition and Committees

BOARD OF DIRECTORS					
	Board	**ExCo**	**AC**	**CRC**	**LDCC**
S Dhanabalan	C	C		C	
Kwa Chong Seng	D	M			M
Lim Siong Guan	D	M			
Sim Kee Boon	M				M
Fock Siew Wah	M		M		C
Koh Boon Hwee	M	M		M	
Kua Hong Pak	M		C		
Ng Kok Song	M			M	
Ho Ching	ED&CEO	M		M	M

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

The majority of our Board members are independent of the shareholder and the management. Where board members sit on other boards, or have interests which may conflict, they will be recused from the specific board or committee discussions and decisions at Temasek.

Board

Our Board provides the overall guidance and direction to our Management.

It approves the annual audited accounts, and determines the various terms of reference for the Board committees, delegating authority as appropriate to these committees and/or Temasek Management to facilitate timely decisions and approvals in various matters.

Executive Committee (ExCo)

Our Executive Committee is authorised to act on behalf of our Board. It reviews, considers and approves 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/divestments within limits delegated by our Board.

Audit Committee (AC)

Our Audit Committee reviews the following systems and processes to ensure proper conduct of company business:

- Internal control
- Financial reporting
- Internal and external audit
- Compliance with applicable laws and regulations

The AC has full access to and cooperation from all employees. It has authority to engage external legal and professional advisors, where appropriate.

Capital Resources Committee (CRC)

Our Capital Resources Committee is 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

Leadership Development and Compensation Committee (LDCC)

The objective of our Leadership Development and Compensation Committee 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.

Board and Committee Decisions

At meetings of the Board and committees, decisions are based on a majority of the votes. Where a directors' resolution is obtained by circulation, the resolution becomes effective upon approval by at least two-thirds of the directors. In case of an equality of votes, the Chairman has a second or casting vote. Where major urgent decisions are needed, the Management will endeavour to brief each director in person or by telephone prior to obtaining their 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 six Board meetings in the financial year ended 31 March 2004.

Our ExCo meets between Board meetings, as and when required, to provide timely decision-making and clearance on major operational matters.

Our AC meets quarterly. It also reviews the audited financial results before submission for Board approval.

Our CRC is scheduled to meet on a quarterly basis to review asset allocation and portfolio performance, and may meet more often if required.

The LDCC meets three times 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 360° evaluation report, and approve CEO compensation.

For FY 2003, there were a total of 17 Board committee meetings, covering the ExCo (7 times), AC (3 times), CRC (4 times) and LDCC (3 times).

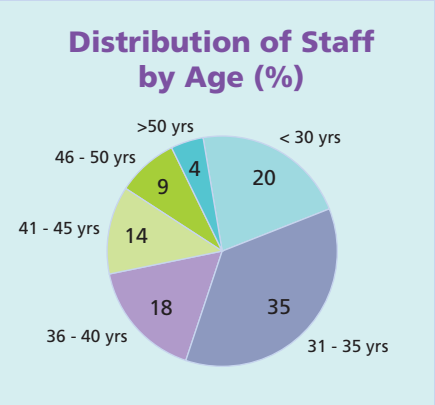
Temasek Management

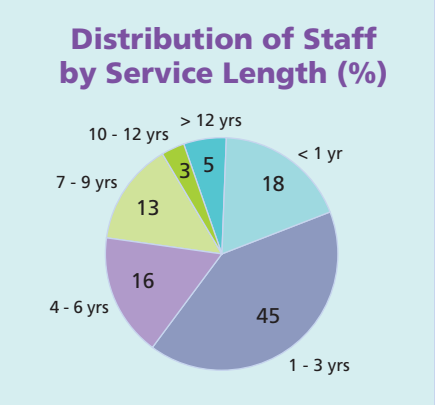
The responsibility of our Management is to deliver sustainable total shareholder returns. We have reviewed and set up various processes and systems to ensure a robust, responsive and thorough approach to our operations and decisions. These range from various management committees with delegated authority from the Board committees, to risk and audit functions.

Our Management regularly interacts with various market participants and other stakeholders to better understand the regulatory and governance needs of the market. We also actively participate in dialogues with regulators and other market participants on governance and other regulatory issues, to help promote fair and practical market practices.

people

Having just turned 30, we remain a young organisation. With a staff count of just over 200, our median age is 35. As our investment activities take us outside of Singapore, we are also seeing an increase in diversity in our staff profile. We are now proud to have colleagues from Canada, China, India, Indonesia, Malaysia, South Africa and the US as well as Vietnam.





Organisational Development

Apart from the investment and business activities over the last two years, we have been engaged in the remaking of Temasek. We conducted an organisational development programme to reposition and enhance our capacities and capabilities.

We realigned and formed investment teams to cover specific industries and geographical areas, and to drive the strategic development investment efforts. The fund management unit and the private equity funds investment unit were integrated to form the Capital Resources Management group. Temasek Management Services was also realigned to spearhead the leadership development for Temasek and our investee companies.

In addition, we have rationalised and streamlined our work functions and processes. We put in place a rigorous performance management process and a performance-linked compensation programme. We moved to our new office in December 2002, taking the opportunity to upgrade our administrative and IT support systems. Our secretarial staff played a significant role in ensuring that our new office had family-friendly facilities and features. Regional offices were set up in India and China. We plan to set up an office in Vietnam by the end of this year.

We are also establishing links with a network of retired chairmen, CEOs and senior business leaders under our Temasek Advisory Panel. Such experienced leaders provide us with a valuable resource for mentoring new CEOs, advising on investment opportunities and supporting leadership development efforts.

People Development

We are committed to developing

the full potential of our staff. Such developmental activities include the comprehensive leadership development programmes organised by the Temasek Learning Network, executive coaching, regional deployment and secondment to the TLCs and other institutions. Through such programmes, we facilitate the grooming of our younger managers and encourage them to rise to new challenges.

Part of our talent management strategy is to build a pipeline of high calibre talent with regional knowledge and other related competencies so that we have the capacity to manage our existing and future investments as we expand beyond Singapore. Our Regional Leadership Programme (RLP) cultivates talent from top universities in the region. Participants under this programme will be given country and industry exposure, including the banking sector, through deployment stints at various TLCs, affiliates and partners in the region and the US/Europe.

To facilitate the effective implementation of the RLP, we continually engage in active college recruitment/internship programmes with reputable universities in the region such as Fudan University, Shanghai Jiaotong University, Beijing University and Tsinghua University in China; the India Institutes of Management; and INSEAD. We also work with National University of Singapore, Nanyang Technological University and Singapore Management University.

We are looking at extending the programme to universities beyond the region, such as Harvard University and University of Chicago in the US.

Temasek Values

In 2003, we reaffirmed our set of shared values called MERIIT. A team of staff organised various activities, such as coffee talks, surveys and an orientation programme held at the Outward Bound School, to enable staff to internalise these values. The Temasek Values are:

Meritocracy - We recognise and reward people based on their contributions and achievements.

Excellence - We are passionate about delivering results and committed to continually improve and succeed 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.

Temasek Cares!

As a responsible corporate citizen, we reach out to the less fortunate in our society through our Temasek Cares! Committee. Formed by a voluntary committee of passionate employees, the committee has over the years been involved in various volunteer activities. In 2001, our staff voted to adopt the Singapore Leprosy Relief Association (Silra) Home as our charity. This home was set up to look after leprosy sufferers, now mostly in their 70s and 80s.

Over the past two years, many of our staff have enthusiastically participated in the many volunteer activities for the residents of Silra Home, giving them precious personal time and lending them our personal touch. Such activities included outings to Changi Airport-cum-MRT ride, celebrating the mid-autumn mooncake festival, watching the Chingay Parade, visiting the MediaCorp studio and the Red Cross charity bazaar.

In addition, we have also been actively raising funds for their new building fund. The home, which has occupied the current premise at Lorong Buangkok since 1971, is moving to a new five-storey building with nursing facilities in Buangkok Green in 2004. To date, we have raised a total of $50,000 for the Silra Home from various activities among all our staff. The company also contributed $100,000 to the building fund of Silra Home in 2002.

Temasek Games

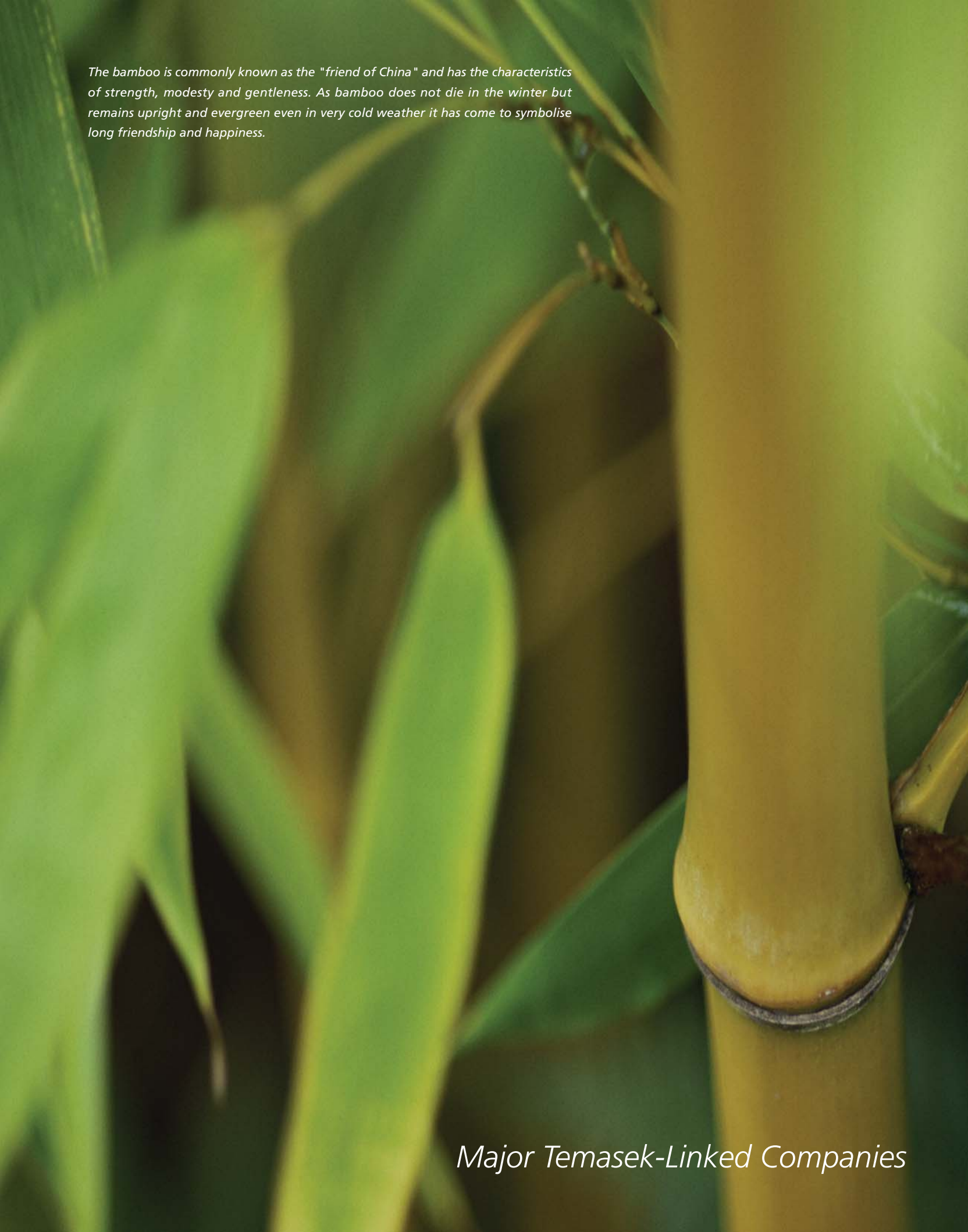
While working hard is part of our culture, we believe that we are a group that can have fun together. Into its 21st year, the annual series of Temasek Games attracts about 1,000 enthusiastic participants from various TLCs each year. Participants come together to take part in friendly games held throughout the year. The games include soccer, table tennis, golf, cross country road relay, bowling and darts.

People, Purpose, Passion

Bonded together by a shared vision and fuelled by passion, we work as a complementary partnership team in a challenging and stimulating environment.

As we continue to skill-up, improve and re-invent ourselves, we hope to emerge as a stronger and more effective whole, enhancing our role as an Asia investment company, a value-adding shareholder and a strategic partner for our investee companies.

Well-plugged into the global market as a key manufacturing base, China serves as an important Asian engine. Our new representative office in China allows us to effectively source investment opportunities in this growth market and reinforces our commitment to contribute to Asia's progress.

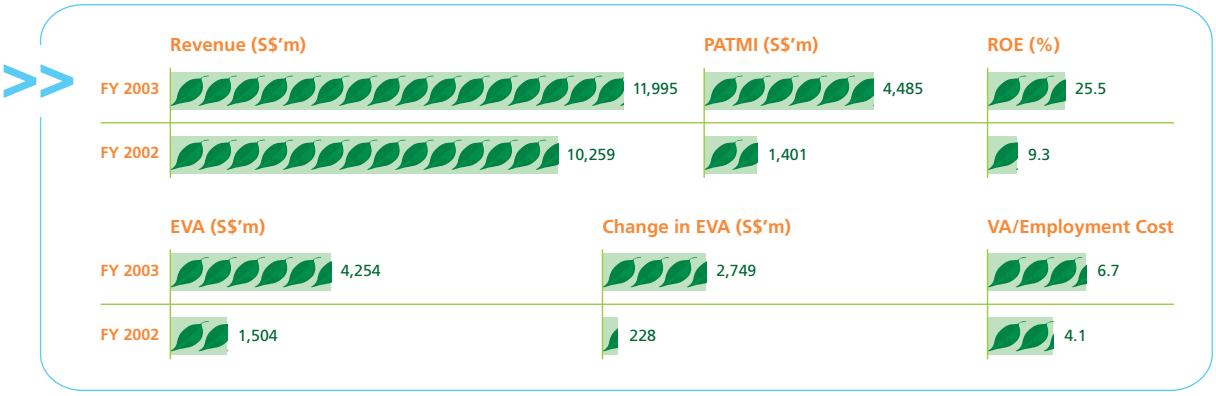


The bamboo is commonly known as the "friend of China" and has the characteristics of strength, modesty and gentleness. As bamboo does not die in the winter but remains upright and evergreen even in very cold weather it has come to symbolise long friendship and happiness.

Major Temasek-Linked Companies

TELECOMMUNICATIONS AND MEDIA

SingTel



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
41,587	23,887	2.1	1.5	9.3	17.0	10.0*	4.1	78	24	9

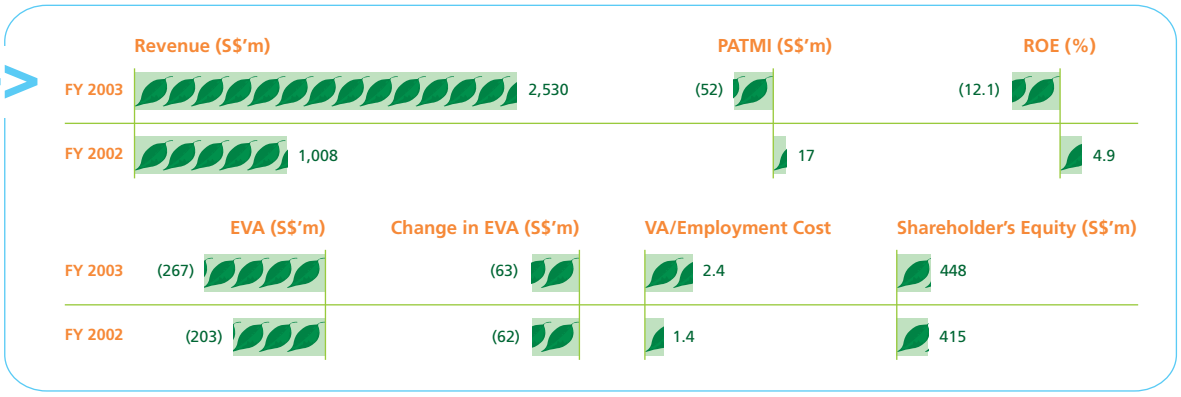
** Includes distributions of $2.36 for every cancelled share pursuant to the capital reduction exercise*

- PATMI increased by 220% to reach $4.5 billion. This was largely contributed by divestment gains from Belgacom, SingPost and Yellow Pages, growth in operating profit at SingTel Optus, and increase in share of results of regional mobile associates
- The company has returned about $4.1 billion to shareholders by way of capital reduction and dividends in 2004
- Share price appreciated 74% in the 12 months ended 31 March 2004, bringing it to the highest level since the acquisition of SingTel Optus in October 2001
- Management has set a target return on invested capital (ROIC) of 16% for the financial year ending 31 March 2006

Notes for all TLCs:

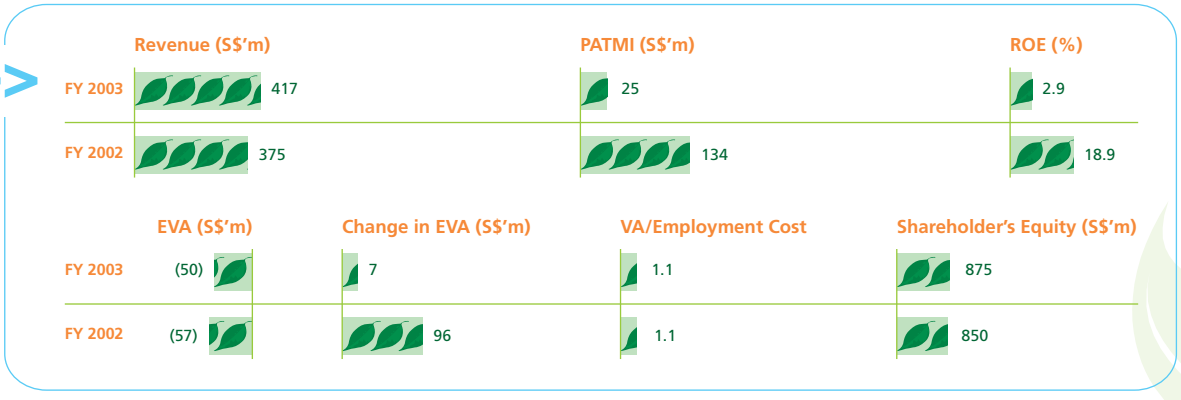
- *For Singapore Technologies Group, Keppel Group, SembCorp Group, DBS, NOL, PSA, Bank Danamon and BII, revenue and PATMI are reported as of their respective financial year-end of 31 December*
- *PATMI: Profit/(loss) after tax and minority interest*
- *ROE: Return on average equity, or PATMI expressed as a percentage of average shareholder's fund*
- *EVA: Economic value added attributable to shareholders, excluding unusual items*
- *VA/Employment Cost: Gross value added per dollar of employment cost*
- *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*
- *TSR: Total shareholder's return for the respective periods ending 31 March 2004; source: Bloomberg*
- *Bar charts provide relative scales between years*
- *N.M.: not meaningful*

Singapore Technologies Telemedia



- STT Communications, 99% owned by ST Telemedia, turned in a loss of $52 million in FY 2003
  - *StarHub (60%)*: StarHub continued to narrow its operating losses in FY 2003 and is in the process of preparing for a listing on SGX in 2004
  - *PT Indosat (42%):* Indosat completed its integration of Satelindo, IM3 and Bimagrata in FY 2003. Share price rose by 153% on the back of 360% increase in net profit
  - *Global Crossing (62%)*: the acquisition was completed in December 2003, giving STT control over 160,000 km of submarine cable linking 200 cities in 27 countries worldwide
  - *TeleChoice (69%)*: ST Sun Page and ST Mobile data were integrated into TeleChoice in November 2003. The company was subsequently listed on SGX in June 2004

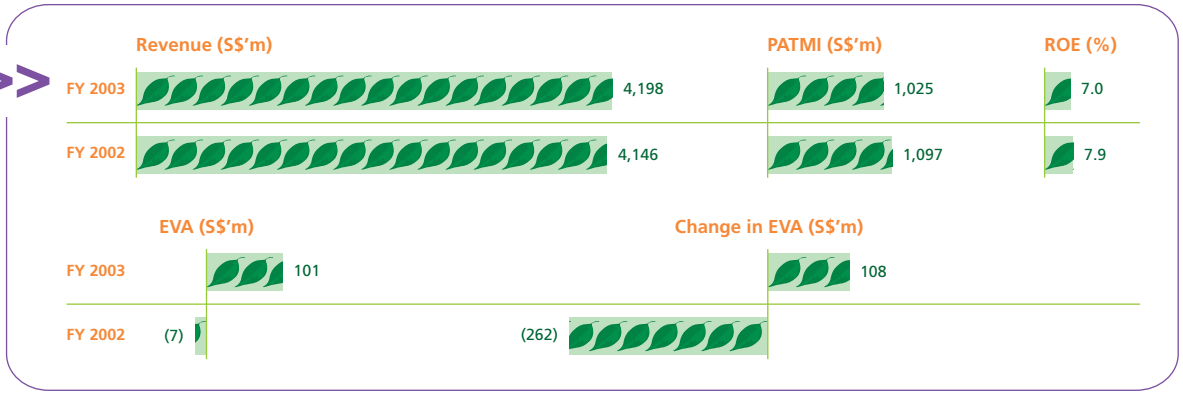
MediaCorp



- Post-liberalisation of the Singapore media sector, MediaCorp continued to command an average of 70% of all free-to-air TV viewership and a 95% reach of radio listeners in Singapore
- PATMI decreased by 81% in FY 2003. FY 2002 results were enhanced by a one-time gain from disposal of its stake in SCV

FINANCIAL SERVICES

DBS

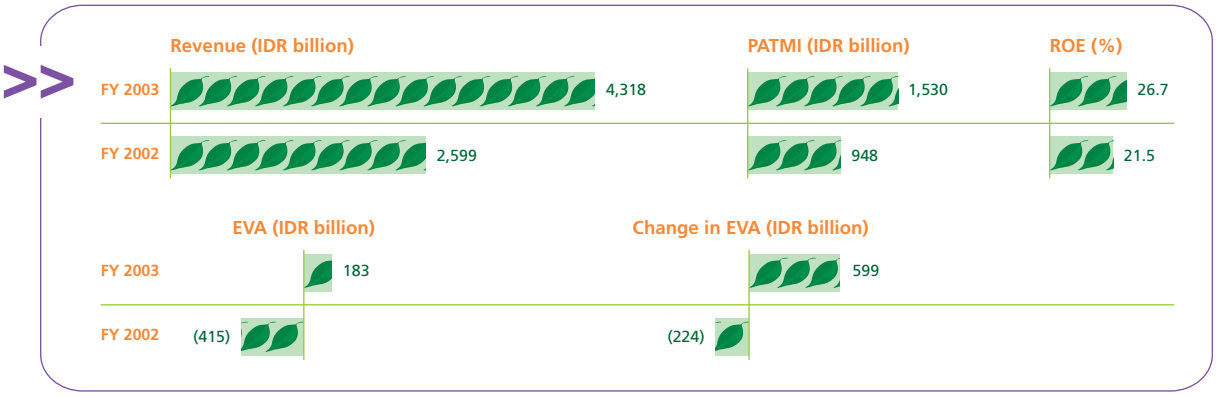


Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
21,458	13,518	1.4	1.0	20.7	12.4	2.1	3.3	60	1	(2)

- Weak consumer and business confidence due to SARS affected DBS's performance in the first half of 2003. A strong rebound was seen in the second half of 2003, with 32% rise in net profit compared with six months ago
- Higher fees and commissions and gains from treasury activities were offset by tightening interest margin
- Profit at DBS HK was up 33%
- Non-Performing Loan (NPL) rate has fallen to 5.2%, the lowest level since the 1997 Asian financial crisis
- Share price increased by 57% from a year ago, and together with dividend, provided a TSR of 60%

For the Financial Services sector, revenue consists of net interest income and other operating revenue

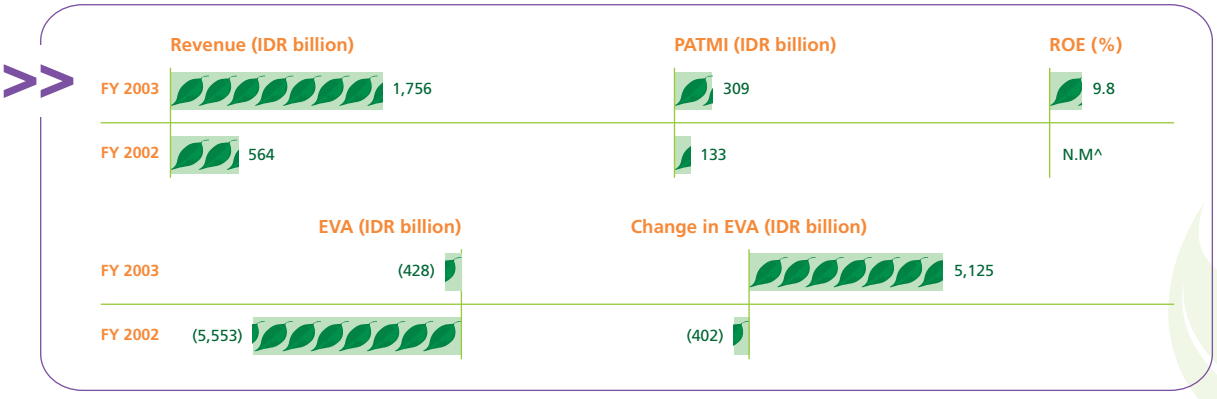
Bank Danamon



Market Capitalisation 31 Mar 04 (IDR'bn)	Market Capitalisation 31 Mar 03 (IDR'bn)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR (IDR) 1-Year %	TSR (IDR) 2-Year %	TSR (IDR) 3-Year %
13,617	6,624	2.0	1.4	8.9	7.0	4.5	8.6	113	7	(5)

- Share price more than doubled from a year ago, on the back of a strong ROE of 26.7%. Together with dividend, TSR amounted to 113% in FY 2003. PATMI increased by 61% in FY 2003, driven by increase in interest margins and a 25% growth in loan portfolio, largely in the consumer and SME sectors
- NPL rate increased to 6.8% due to adoption of more conservative risk policy following a comprehensive review in August 2003. In January 2004, Danamon acquired a 75% stake in Adira Finance, one of the largest motorcycle finance company in Indonesia

bii

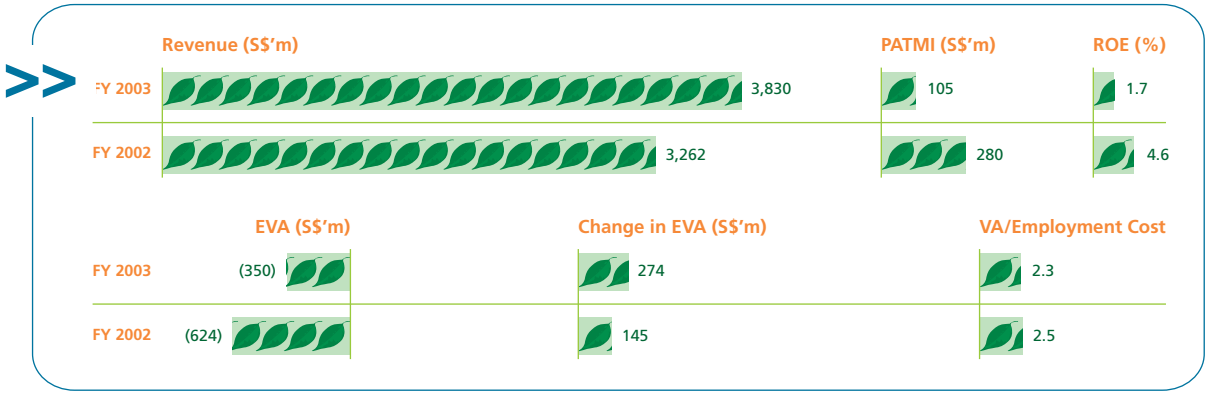


^ Shareholders' Fund was negative in FY 2001

Market Capitalisation 31 Mar 04 (IDR'bn)	Market Capitalisation 31 Mar 03 (IDR'bn)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR (IDR) 1-Year %	TSR (IDR) 2-Year %	TSR (IDR) 3-Year %
5,017	2,628	1.5	0.9	16.2	11.9	–	–	91	(35)	(25)

- Asia Financial Holdings, a wholly-owned subsidiary of Temasek, together with Kookmin Bank, ICB Financial and Barclays, acquired a 51% stake in BII in December 2003. PATMI increased by 133% from a year ago, as a result of higher interest margins. The one-year TSR for BII was 91%

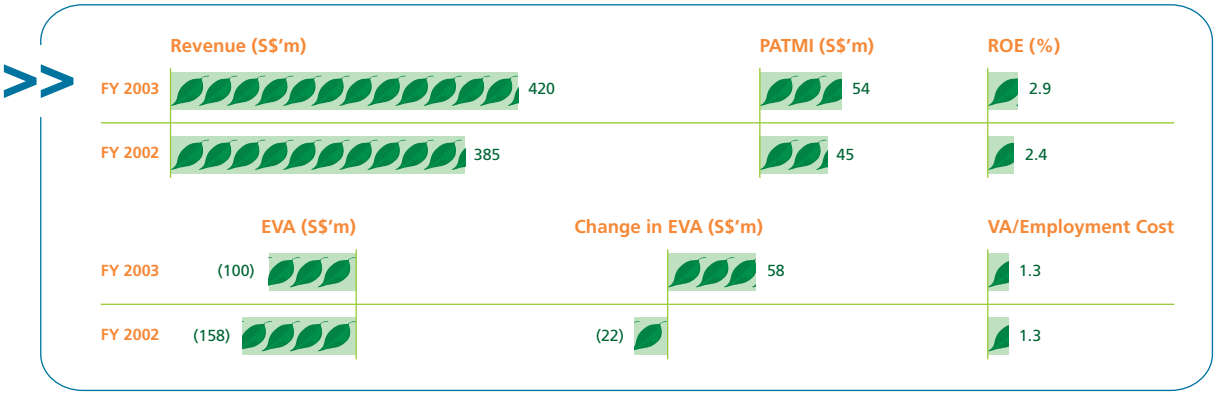
CapitaLand



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
4,232	2,618	0.7	0.4	40.0	9.4	23.8*	4.8	66	0	(5)

** Includes distribution in specie of 200 units of CapitaCommercial Trust for every 1,000 CapitaLand shares*

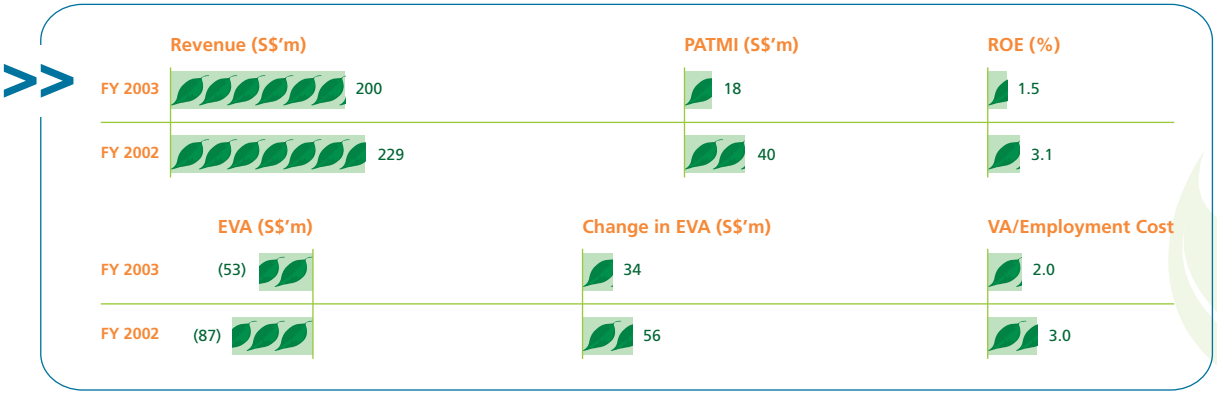
- PATMI declined 62% from previous year, mainly as a result of higher revaluation charges taken in respect of decline in capital value of investment properties
- Share price rose 62%, and including dividends received, CapitaLand returned a TSR of 66% in FY 2003



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
1,333	790	0.7	0.4	24.6	17.3	31.3*	10.5	74	17	13

** Includes distribution of 18¢ per share via capital reduction*

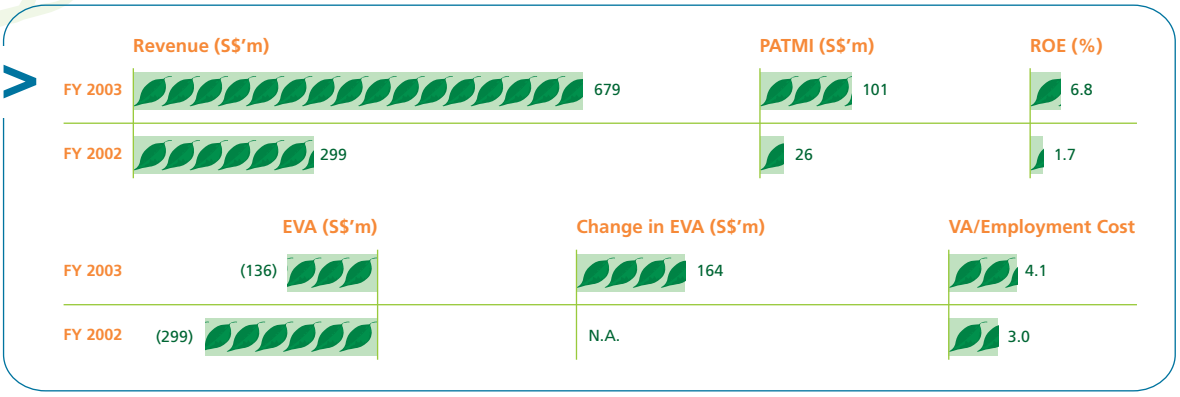
- Raffles Holdings, the listed hotel arm of CapitaLand, saw share price increase by 68% from a year ago, driven by 20% increase in PATMI



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
613	480	0.5	0.4	32.9	11.9	3.0	5.2	33	9	15

- Share price of The Ascott Group, the listed serviced residence arm of CapitaLand, increased by 27% from a year ago

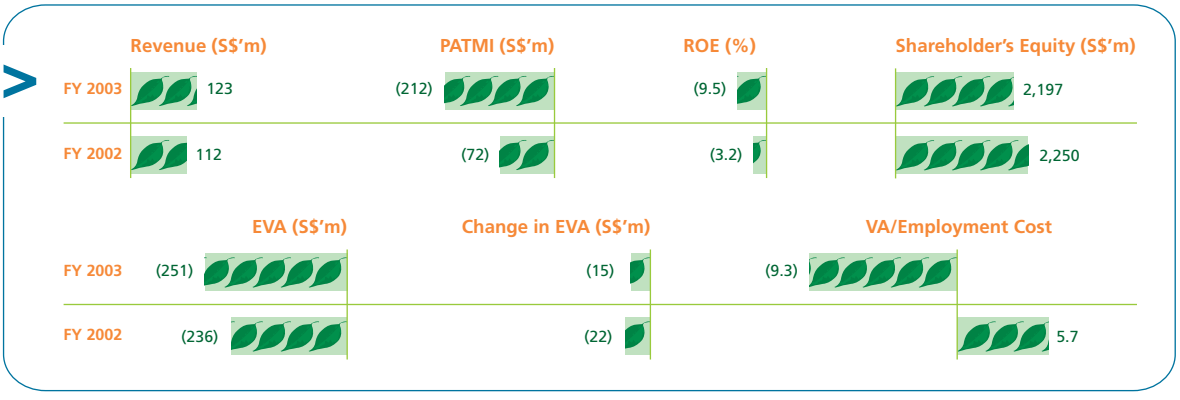
Keppel Land



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
1,329	822	0.9	0.6	13.2	31.4	2.1	3.0	64	4	1

- Sales of trading properties accounted for 83% of total revenue in FY 2003, contributing to revenue growth of 127%. The increase is mainly attributable to sale of residential development in Shanghai and land plots in Singapore
- PATMI increased 288% from a year ago. Results in 2002 were affected by exceptional losses incurred on disposal of Capital Square
- Share price increased by 61% from a year ago, and together with dividends, the company returned a TSR of 64% in FY 2003

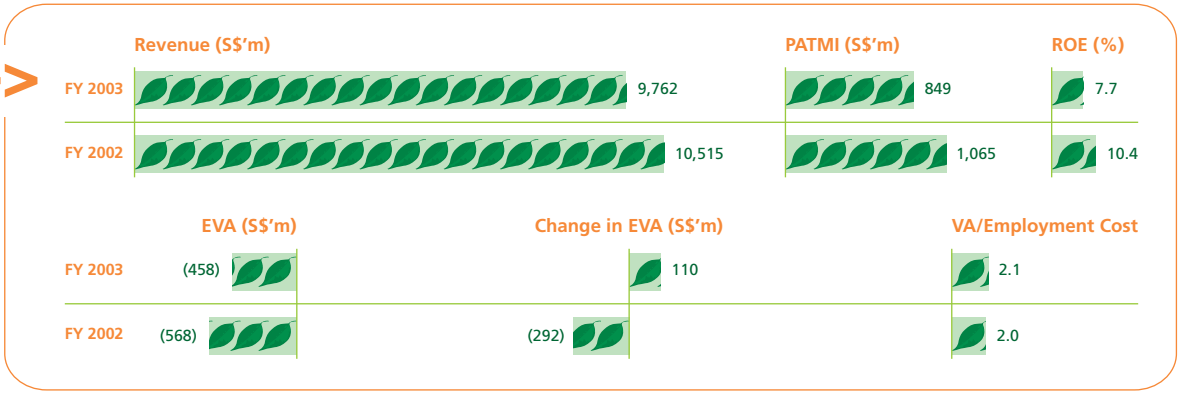
mapletree
shaping & sharing



- Mapletree's properties comprise primarily waterfront office, logistics, industrial and retail properties in Singapore
- Losses increased to $212 million, primarily as a result of $243 million loss provision on revaluation of leasehold investment properties

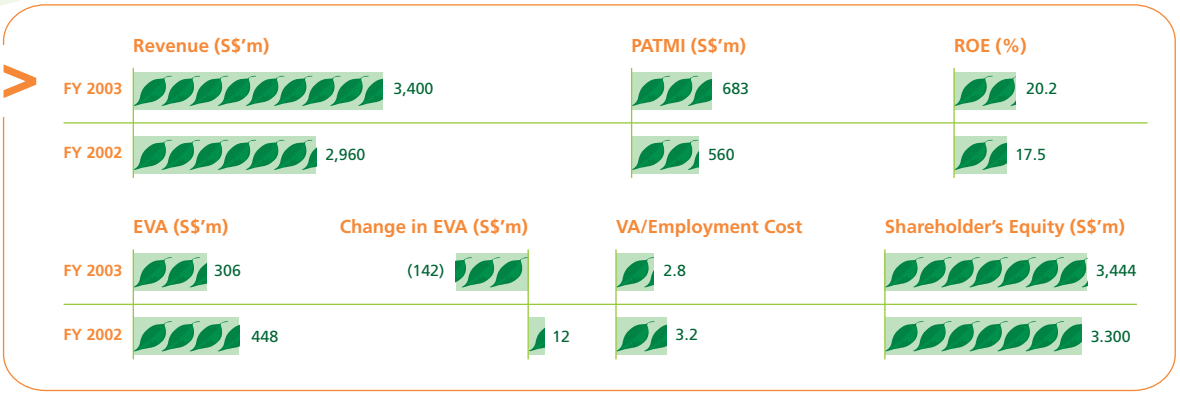
TRANSPORTATION AND LOGISTICS

SINGAPORE AIRLINES

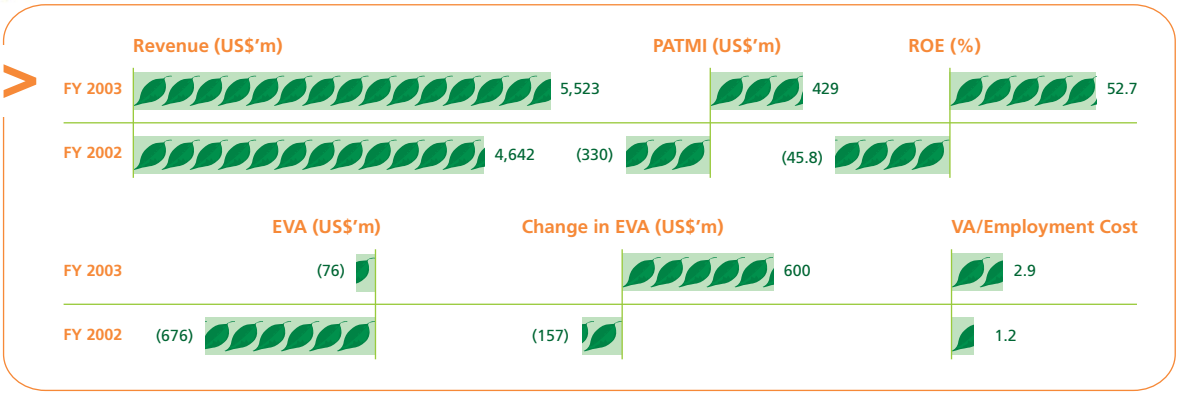


Market Capitalisation		Price/Book		Price/Earnings		Gross Dividend Yield		TSR		
31 Mar 04 (S$'m)	31 Mar 03 (S$'m)	31 Mar 04	31 Mar 03	31 Mar 04	31 Mar 03	31 Mar 04 %	31 Mar 03 %	1-Year %	2-Year %	3-Year %
13,400	10,659	1.2	1.0	15.8	10.0	2.3	1.7	27	(12)	(4)

- The confluence of the Iraq war and SARS in the first half of 2003 resulted in SIA registering a 13% reduction in revenue passenger-km for the year ended 31 March 2004
- In view of the difficult environment, SIA underwent its first retrenchment exercise in 20 years as part of its overall cost cutting measures
- Offsetting the decline in passenger revenue is record profit at SIA Cargo, which tripled from the level in FY 2002. Overall, the airline remained profitable in spite of the challenges
- Share price rose 26% from a year ago
- The company also took up a 49% stake in Tiger Airways, a new low-cost airline



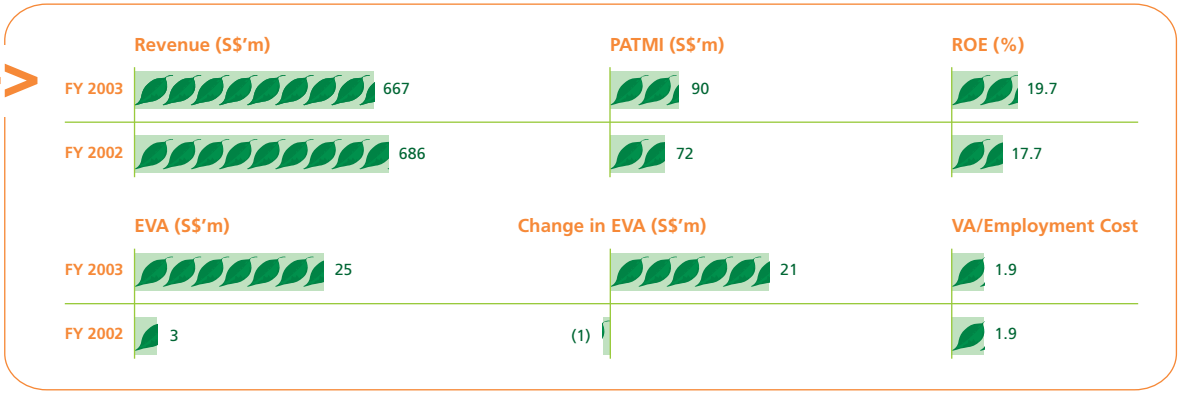
- Group container throughput increased by 17%, with overseas terminals registering a 38% increase
- Higher turnover together with stringent cost reduction measures resulted in 22% increase in PATMI
- In FY 2003, some non-core businesses were divested, as part of the strategy to focus on the core business of operating container terminals. The company registered an ROE of 20.2% in 2003, and declared dividends of $623 million



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
3,138	1,235	1.4	1.3	3.7	N.M.	1.8	–	108	42	19

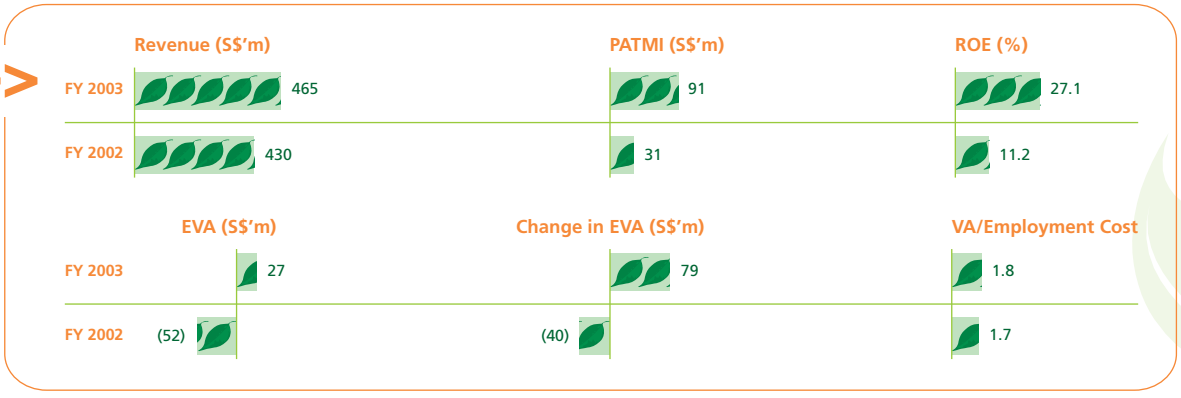
- NOL's performance rebounded to a profit of US$429 million after two years of losses, driven by strong freight rates recovery and disciplined cost cutting measures. The strong profits allowed NOL to register one of the highest ROE amongst the TLCs in FY 2003
- NOL also divested American Eagle Tankers in July 2003 and Neptune Associated Shipping Pte Ltd in March 2004, generating US$142 million in profit, and helping to reduce gearing significantly.
- The company undertook a share placement exercise in 2003, raising US$310 million in the process. Share price increased 109% from a year ago, to reach $2.19 per share. The company resumed dividend payments after a six-year freeze

FY 2002 = US$0.578/S$; FY 2003 = US$0.588/S$



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
900	780	1.9	1.8	10.0	10.8	7.5	5.9	21	(2)	(2)

- PATMI increased by 24% from a year ago, despite challenging environment brought about by SARS. Share price appreciated by 15% from a year ago, and together with dividends, provided a TSR of 21%
- The trains division is the main driver of increase in profit, mainly through implementing cost cutting measures in face of revenue declines, and accounted for 60% of the group's operating profit
- Operating losses at the light rail division increased as higher repair and maintenance costs were incurred to improve reliability

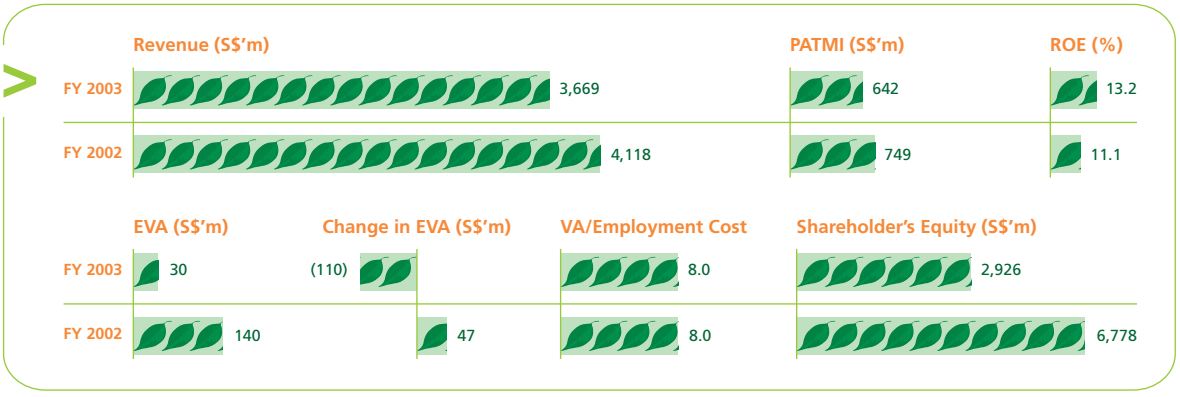


Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
1,684	1,389	4.4	4.9	18.6	45.3	1.4	2.0	23	(4)	4

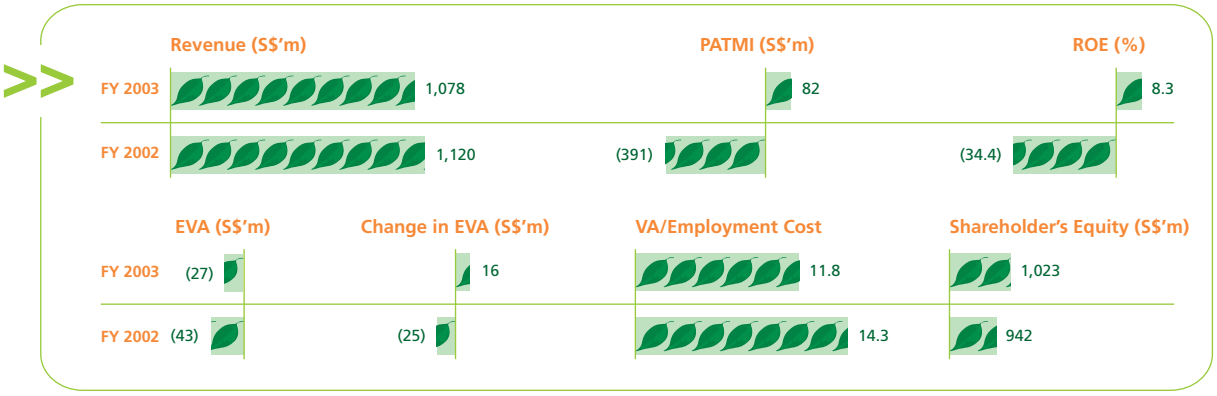
- PATMI tripled from a year ago, led mainly by improved contributions from operations in China and share of results from associate, Kuehne & Nagel. Share price rose 21% from a year ago

ENERGY AND RESOURCES

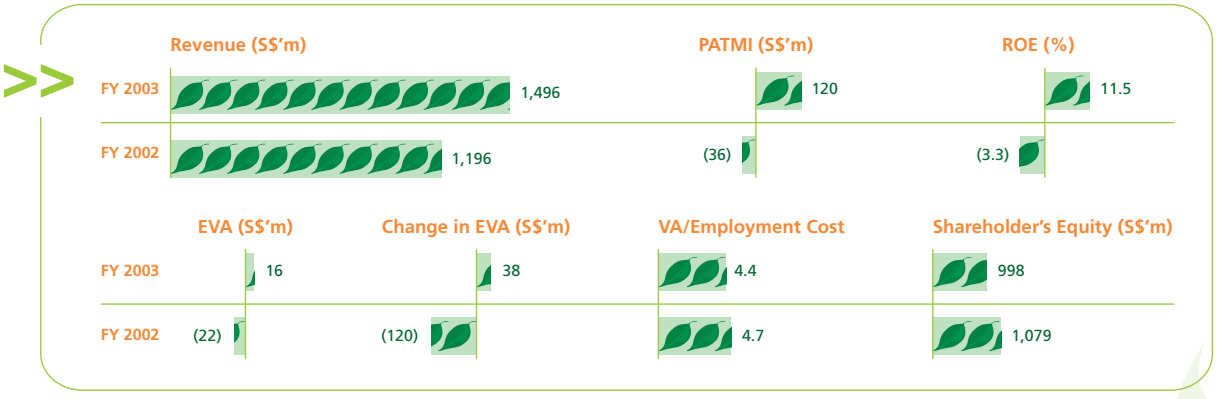
SINGAPORE POWER



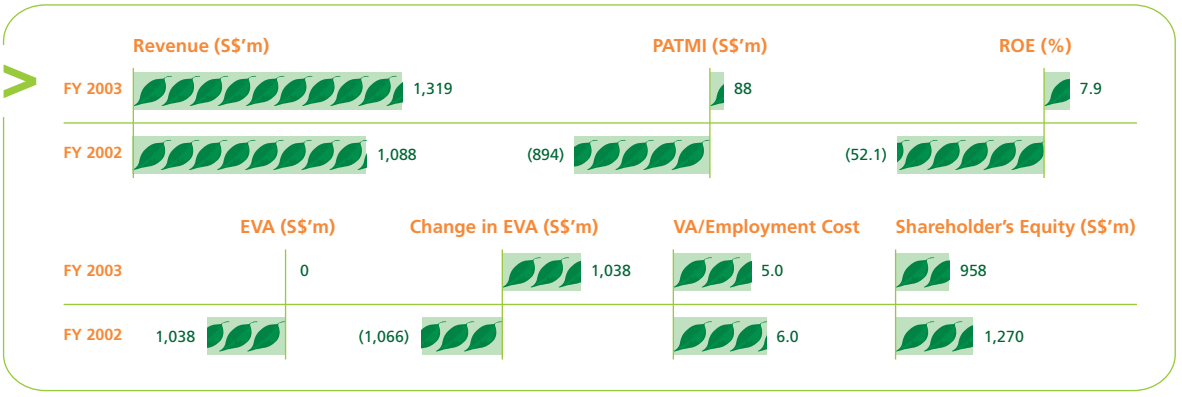
- PATMI decreased by 14% to $642 million. Operating margins remained fairly stable. The decline in profit was primarily due to impairment loss provision, as well as higher interest expense arising from $3.8 billion of new debt issued in FY 2003 to optimise the group's capital structure
- Excluding discontinued operations, EVA would have increased from $173 million in FY 2002 to $243 million in FY 2003
- ROE increased to 13.2%, and Singapore Power returned gross dividends of $4.6 billion to Temasek in FY 2003



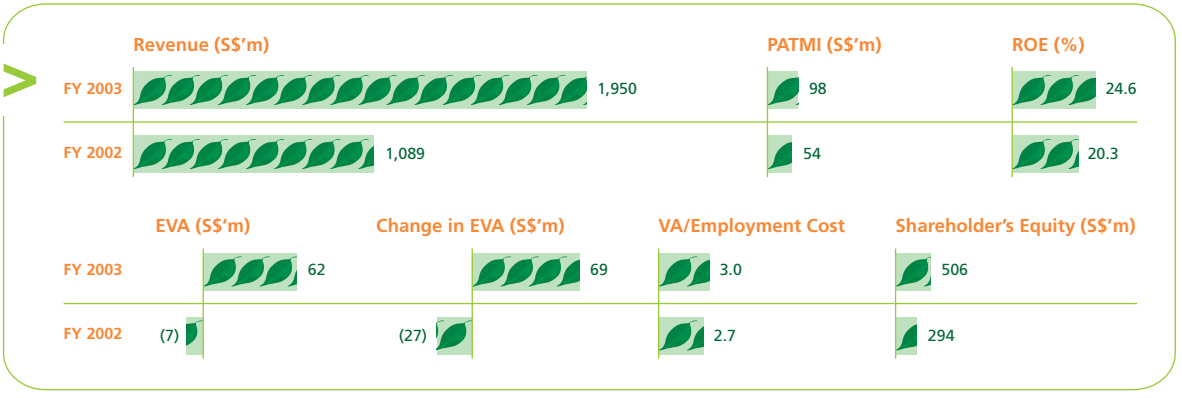
- PATMI reached $82 million in FY 2003, turning around from a loss of $391 million in FY 2002. FY 2002 results were affected by asset impairment charges of $605 million at certain generation plants
- The company turned in ROE of 8.3% in FY 2003



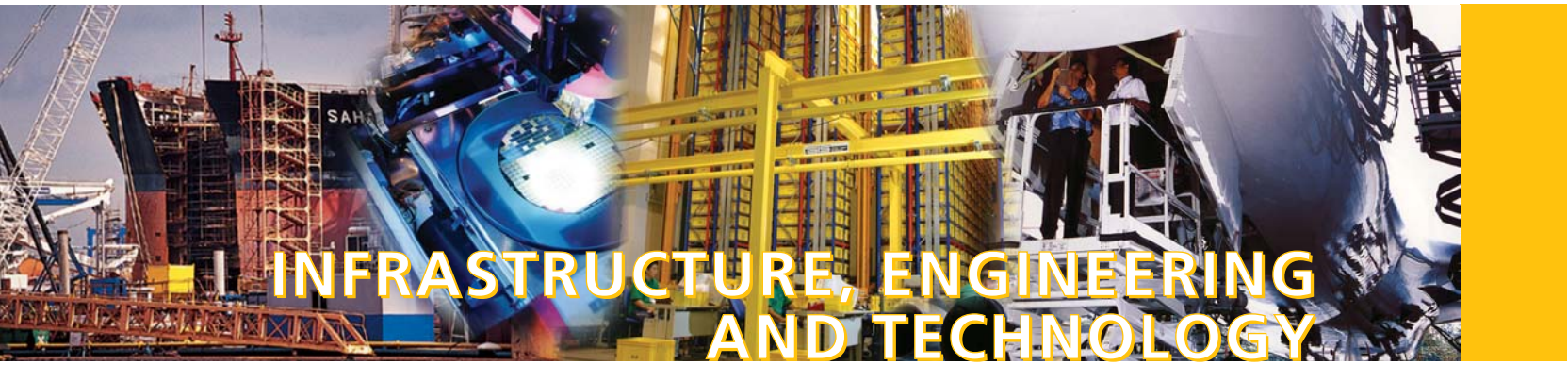
- The company turned in PATMI of $120 million in FY 2003, compared with a loss of $36 million in FY 2002. FY 2002 loss was primarily a result of asset impairment charges of $155 million
- In October 2003, as part of its capital restructuring exercise, Senoko issued $200 million of 10-year bonds, and returned dividends of $200 million to Temasek
- ROE at Senoko Power was the highest amongst the three generation companies, at 11.5%



- PATMI in FY 2003 reached $88 million, compared with a loss of $894 million in FY 2002 which resulted primarily from asset impairment charges of $1.2 billion in FY 2002
- In September 2003, PowerSeraya issued $350 million of 7-year notes to optimise its capital structure, and returned $300 million to Temasek in FY 2003 by way of capital reduction
- ROE in FY 2003 was 7.9%

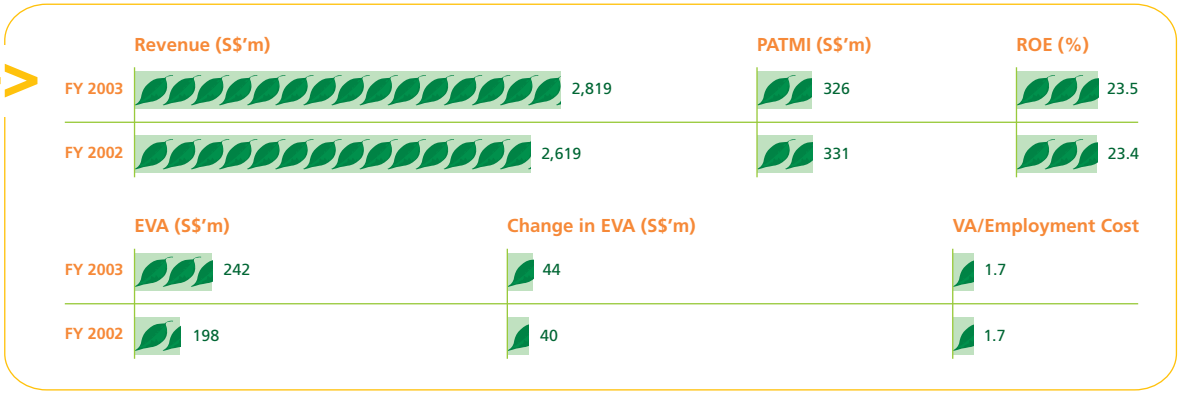


- PATMI grew by 81% over 2002, contributing to 35% of SembCorp Industries' profit. This is due to increase in acquisitions as well as organic growth from SembCorp Cogen, SembCorp Power and SembCorp Gas in Singapore



INFRASTRUCTURE, ENGINEERING AND TECHNOLOGY

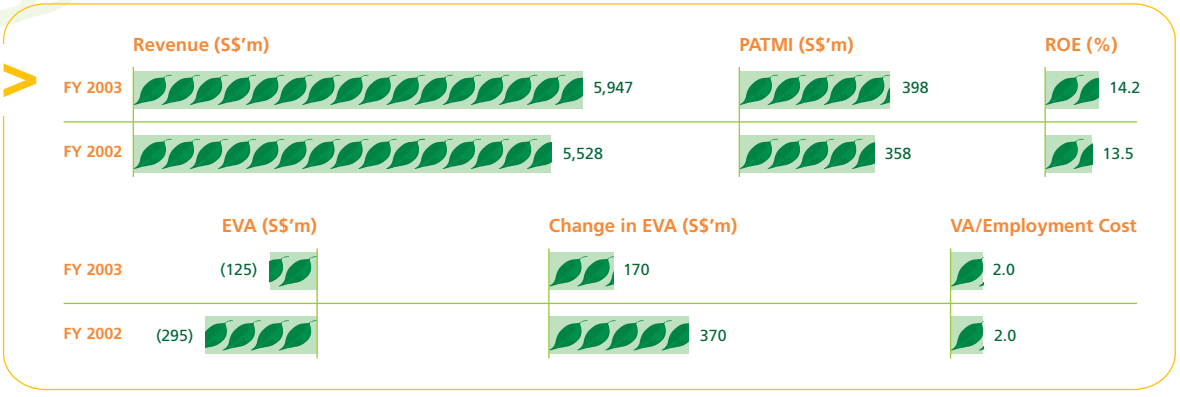
Singapore Technologies Engineering



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
6,038	5,134	4.3	3.4	18.5	15.5	5.4	10.4	28	2	(2)

- PATMI remained fairly stable. Improvements in the aerospace and electronics sectors were offset by losses in the marine sector's US start-up and absence of tax writebacks and tax benefits in the land systems sector, as compared to the previous year
- Share price rose 17% from a year ago, and the company paid out 100% of its profit in dividends, or a yield of 5.4%

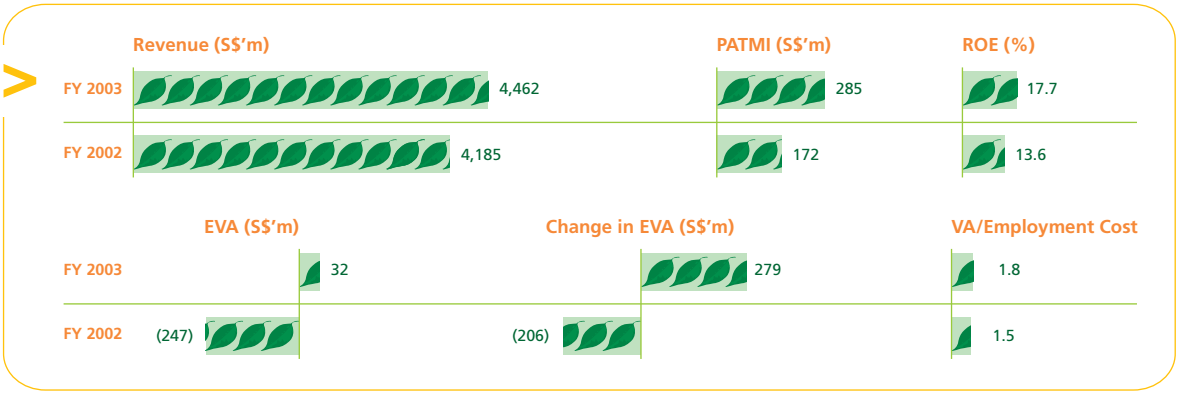
Keppel Corporation



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
5,663	3,240	2.0	1.2	14.2	9.1	5.1	7.1	81	38	40

- PATMI increased 11% in FY 2003, primarily as a result of strong improvements in the property, infrastructure and investment divisions. Offshore & Marine division remained the largest contributor to PATMI
- Share price increased by 74%, and together with dividend and capital distribution, provided a TSR of 81% for FY 2003
- Management has articulated a financial earnings target of 8 – 12% compounded annual growth through 2005

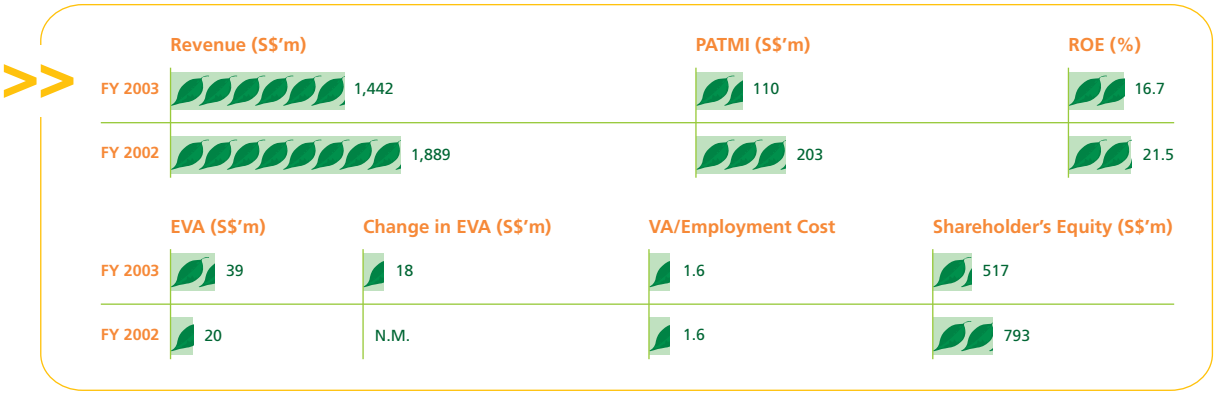
SembCorp Industries



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
2,806	2,003	1.6	1.3	9.8	11.6	4.5	4.1	47	0	1

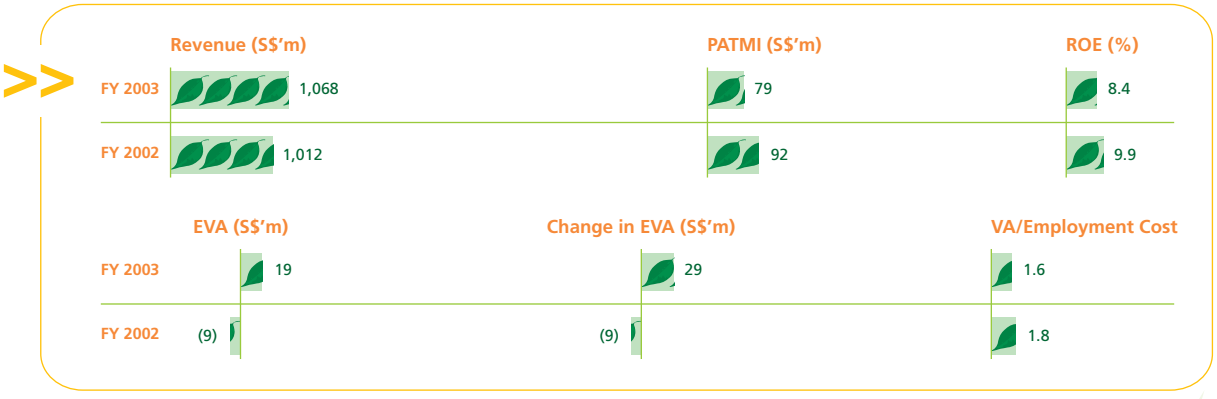
- PATMI increased by 66%, on the back of strong contributions from the utilities and logistics divisions, as well as divestment gains
- Share price rose by 40% from a year ago. Together with dividends, the group provided shareholders with a TSR of 47%

Keppel Offshore & Marine



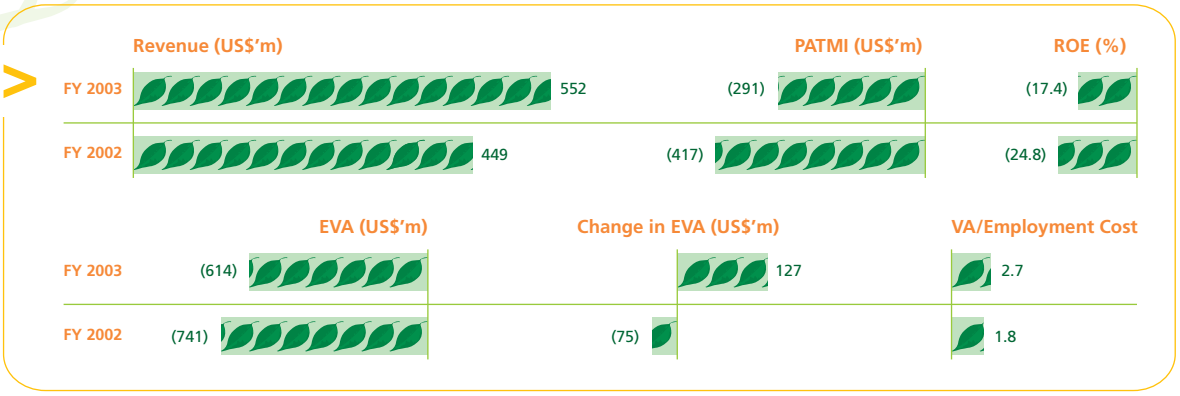
- PATMI decreased by 46%, on the back of lower contracts secured in 2002 as customers delayed their decisions to invest in new projects
- The order book recovered in 2003, amounting to $3.0 billion as of 1st quarter 2004

SembCorp Marine



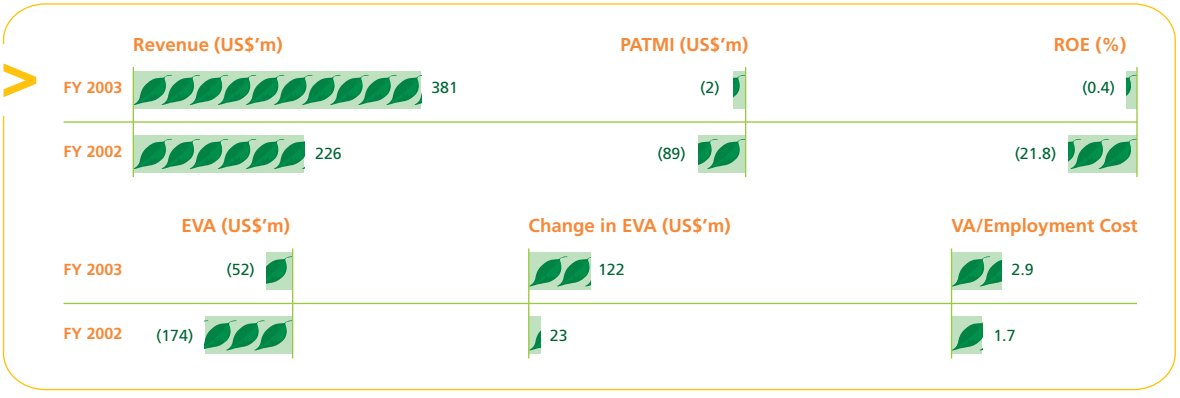
Market Capitalisation		Price/Book		Price/Earnings		Gross Dividend Yield		TSR		
31 Mar 04 (S$'m)	31 Mar 03 (S$'m)	31 Mar 04	31 Mar 03	31 Mar 04	31 Mar 03	31 Mar 04 %	31 Mar 03 %	1-Year %	2-Year %	3-Year %
1,364	1,330	1.5	1.4	17.3	14.4	5.2	6.9	10	9	14

- PATMI declined by 14%, as a result of customer postponement of vessel repairs stemming from high freight rates
- Order book has since recovered and stood at $1.1 billion as at December 2003
- The company provided a TSR of 10% in FY 2003



Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield 31 Mar 04 %	Gross Dividend Yield 31 Mar 03 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
3,963	1,576	1.6	0.5	N.M.	N.M.	–	–	151	(39)	(25)

- Net losses narrowed to US$291 million as a result of improvements in average capacity utilisation from the mid-30s in 2002 to 58% in 2003. In November 2002, Chartered signed a joint development and manufacturing agreement with IBM to jointly develop leading-edge 90nm and 65nm logic processes for foundry chip production on 300 mm silicon wafers. Share price rose by 151% from a year ago

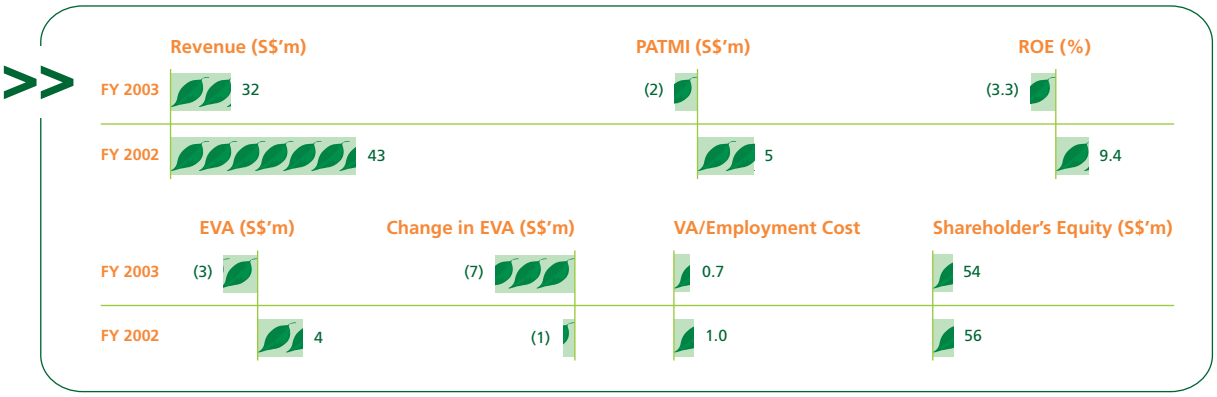


Market Capitalisation 31 Mar 04 (S$'m)	Market Capitalisation 31 Mar 03 (S$'m)	Price/Book 31 Mar 04	Price/Book 31 Mar 03	Price/Earnings 31 Mar 04	Price/Earnings 31 Mar 03	Gross Dividend Yield FY 2003 %	Gross Dividend Yield FY 2002 %	TSR 1-Year %	TSR 2-Year %	TSR 3-Year %
1,874	1,151	2.3	1.8	N.M.	N.M.	–	–	50	(25)	1

- Net losses narrowed to US$2 million in FY 2003, on the back of strong revenue growth of 69%. Share price rose to a peak of $2.65 in October 2003, or a 128% increase, before receding to $1.74 in March 2004 following the offering of US$230 million in stock and convertible bond offering. In February 2004, STATS announced its merger with ChipPAC Inc. to become the world's third largest provider of chip-testing and packaging services. The merged company has been renamed STATS ChipPAC Inc.

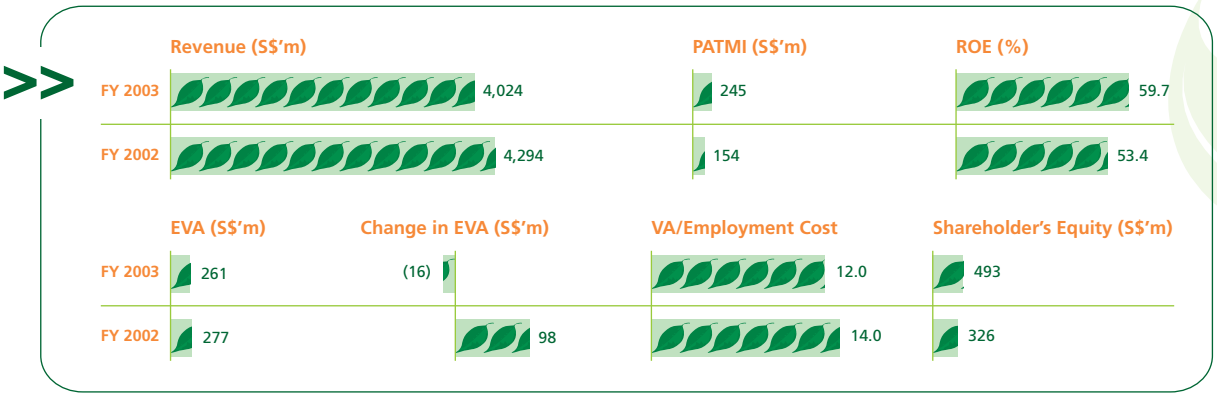
FY 2002 = US$0.578/S$; FY 2003 = US$0.588/S$

Wildlife Reserves Singapore



- The combined effect of SARS and threat of bird flu drove down number of visitors by an average of 23% at the Zoo, Night Safari and Bird Park, resulting in a net loss recorded for 2003. A new restructuring plan is underway to position WRS for improved organisational and financial performance

Singapore Pools



- Singapore Pools devotes a substantial part of its profit from operations towards donations. In FY 2003, the company contributed $163 million in donations and paid $67 million in taxes. On 1 May 2004, Temasek sold its entire stake in Singapore Pools to the Singapore Totalisator Board

Malaysia is the largest and second fastest trade growth partner in ASEAN for Singapore post crisis. Our first direct investment in Malaysia, Telekom Malaysia, reflects our view of Malaysia's potential in the medium- to long-term.

Known as the Queen of Tropical Flowers, the hibiscus is said to signify peace and bravery. The red five-petaled hibiscus, or the Bunga Raya, is the national flower of Malaysia and found in abundance throughout the country.

Board of Directors
Senior Management

board of directors

Mr. S Dhanabalan
Chairman

Mr. S Dhanabalan 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).

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

Mr. 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.

Mr. Kwa 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, Mr. Kwa 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. Mr. Kwa also received the National University of Singapore's Engineering Alumni Award in 1994.

Mr. Lim Siong Guan
Deputy Chairman

Mr. Lim Siong Guan is the Permanent Secretary of the Ministry of Finance. He is also Head of the Singapore Civil Service, Chairman of the Inland Revenue Authority of Singapore, Appointing Governor of the Institute of Policy Studies, and a Board Member of the Monetary Authority of Singapore.

Mr. Lim 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.

Mr. Sim Kee Boon
Director

Mr. Sim Kee Boon was most recently Senior Advisor to Keppel Corporation Ltd and its group of companies. He has since retired from Keppel and is currently a member of the Temasek Advisory Panel and President Commissioner of Bank Danamon. He is also Advisor to the Civil Aviation Authority of Singapore and Lum Chang Group. He has been the Chairman of the Singapore Council of Presidential Advisors since January 2004.

After graduation in 1953, Mr. Sim 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 for 15 years until he stepped down 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. Mr. Sim was awarded the Distinguished Service Order in 1991.

Mr. Fock Siew Wah
Director

Mr. Fock Siew Wah is currently the Deputy Chairman of Fraser & Neave Limited and Chairman of SIA Cargo Pte Ltd. He is also Board member of Singapore Airlines, DBS Group Holdings Ltd and Times Publishing Limited; and Senior Advisor of Nuri Holdings (S) Pte Ltd.

Mr. Fock 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/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 of Finance of Singapore and later as Chairman of East West Bank in USA. He was the Chairman of the Land Transport Authority of Singapore from 1995 to 2002.

Mr. Fock was awarded the Meritorious Service Medal in 1997.

Mr. Koh Boon Hwee
Director

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

Mr. Koh 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.

Mr. Kua Hong Pak
Director

Mr. Kua Hong Pak is the Managing Director and Group CEO of ComfortDelGro Corporation Limited. He also sits on the Boards of various public and private companies including Overseas Union Enterprise Limited, PSA International, StarHub Ltd and Ringier Print (HK) Limited. He was previously the President and CEO of Times Publishing Group.

He 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.

Mr. Ng Kok Song
Director

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).

Mr. Ng 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 an Advisory Board member of IDEA.global and the founding Chairman of the Wealth Management Institute.

Before joining GIC in 1986, Mr. Ng 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.

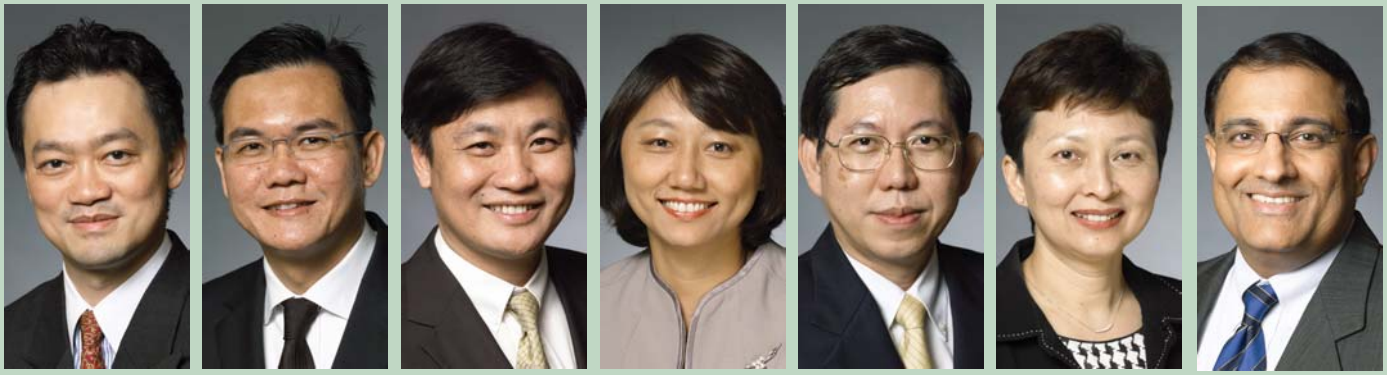
Mr. Ng graduated in Physics from the University of Singapore (1970) and in Management from Stanford University (1980).

Ms. Ho Ching
Executive Director
& Chief Executive Officer

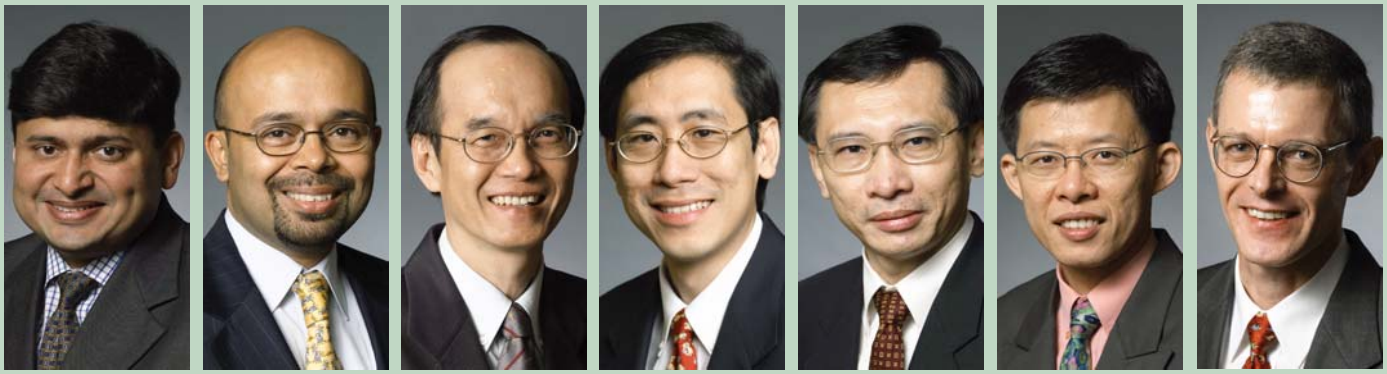
Ms. Ho Ching previously headed Singapore Technologies, before joining Temasek.

For her public service, she was awarded the Singapore Public Administration Medal (silver, 1985), and the Public Service Star (1996) by the Singapore government. Ms. Ho received a Bachelor of Engineering (Electrical, First Class Honours, 1976) from the University of Singapore, and the Master of Science (Electrical engineering, 1982) from Stanford University. She was awarded the President's Scholarship (1972 – 1976), and the Loke Foundation Scholarship (1980 – 1982). She also received the National University of Singapore's Distinguished Engineering Alumni Award in 1995.

senior management



MR. CHARLES ONG *Senior Managing Director Strategic Investments,* **MR. JIMMY PHOON** *Managing Director Strategic Development,* **MR. TOW HENG TAN** *Managing Director Strategic Development,* **MS. MARGARET LUI** *Managing Director Strategic Development,* **MR. GAN CHEE YEN** *Managing Director Finance and Legal & Secretariat,* **MS. CHEO HOCK KUAN** *Managing Director Organisation Development & Corporate Services,* **MR. S ISWARAN** *Managing Director Strategic Development*



MR. MANISH KEJRIWAL *Managing Director India Office,* **MR. R. SHYAMSUNDER** *Managing Director Strategic Development,* **MR. WONG HENG TEW** *Managing Director Strategic Development,* **MR. DENNIS SIEW** *Managing Director Strategic Development,* **MR. TAN SUAN SWEE** *Managing Director Strategic Development,* **MR. PHUA KOK KIM** *Managing Director Strategic Development,* **MR. ALAN THOMPSON** *Managing Director Value Management*

MR. HIEW YOON KHONG *Managing Director Private Equity Funds Investments,* **MR. GERARD LEE** *Managing Director Fund Management,* **MS. CHAN CHIA LIN** *Managing Director Fund Management,* **MR. WILLIE CHAN** *Managing Director Human Capital,* **MR. ONG BOON HWEE** *Managing Director Temasek Management Services,* **MR. SEBASTIAN TAN** *Managing Director Human Resource,* **MR. DAVID BELMONT** *Managing Director Risk Management*

temasek turns 30

Like an evergreen tree, Temasek continues to thrive and grow outwards.

Our tree is deeply rooted in the values of Temasek – each leaf an affirmation of life and renewal, drawing strength from the other members of the tree, and in turn nourishing and enriching the tree.

Our tree basks in the warmth of a vibrant rising sun – each branch reflecting our confidence in our world and our future. Our future is bright.

Temasek is 30. We reaffirm our commitment to strive and nurture our tree. We too will continue to plant trees for our future generations.

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