

Temasek Review 2016

Generational Investing



TEMASEK



Generational Investing

Temasek, at 42, is just a little younger than modern Singapore.

However, Singapore's history reaches back before its independence in 1965. This former colony was founded as a trading outpost of the British Empire nearly 200 years ago.

The Malay Annals mentioned *Singapura* (Lion City) over 500 years ago. The ancient Javanese text, *Nagarakretagama*, described *Tumasik* in the 14th century, while 淡马锡, the Chinese transliteration of *Tumasik*, was found in early maps of the region.

In choosing Temasek as our name, our forefathers embraced a sense of history, purpose and possibilities far beyond their time.

That history does not start or stop with them, nor shall it do so with us, as we invest for future generations.

We choose to place sustainability at the core of everything we do, to make a difference always with tomorrow in mind and leave our world a better place for our children, and their children.

For generations to come.

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 or scan the QR code



The Temasek Charter

Temasek is an active investor and shareholder.

We deliver sustainable value over the long term.

- Temasek is an investment company. We own and manage our assets based on commercial principles.
- As an active investor, we shape our portfolio by increasing, holding or decreasing our investment holdings. These actions are driven by a set of commercial principles to create and maximise risk-adjusted returns over the long term.
- As an engaged shareholder, we promote sound corporate governance in our portfolio companies. This includes the formation of high calibre, experienced and diverse boards.
- Our portfolio companies are guided and managed by their respective boards and management; we do not direct their business decisions or operations.
- Similarly, our investment, divestment and other business decisions are directed by our Board and management. Neither the President of Singapore nor our shareholder, the Singapore Government, is involved in our business decisions.

Temasek is a forward looking institution.

We act with integrity and are committed to the pursuit of excellence.


- As an institution and as individuals, we act with integrity and are guided by our Temasek values.
- We foster an ownership culture which puts institution above individual, emphasises long term over short term, and aligns employee and shareholder interests.
- We pursue excellence as an institution by developing our people, capabilities and processes.
- We challenge and reinvent ourselves to stay relevant in a rapidly changing world. We do things today with tomorrow in mind.



Temasek is a trusted steward.

We strive for the advancement of
our communities across generations.

- Temasek is a responsible corporate citizen. We engage our communities based on the principles of sustainability and good governance.
- We support community programmes that focus on building people, building communities, building capabilities and rebuilding lives in Singapore and beyond.
- We engage stakeholders in the development of sound governance practices.
- Under the Singapore Constitution, Temasek has a responsibility to safeguard its past reserves.



Students kayaking early in the morning
at MacRitchie Reservoir, Singapore.

Ten-year Performance Overview

Our net portfolio value almost doubled over the last 10 years.

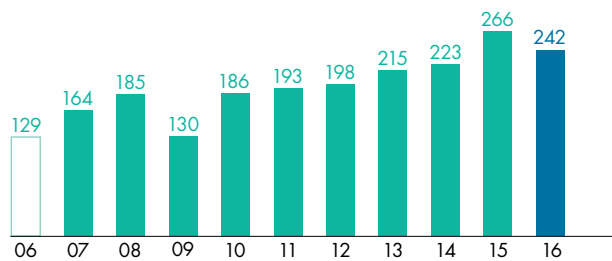
(as at 31 March)

S\$242b

Net portfolio value

Up S\$113 billion
over the decade

Net Portfolio Value (S\$b)

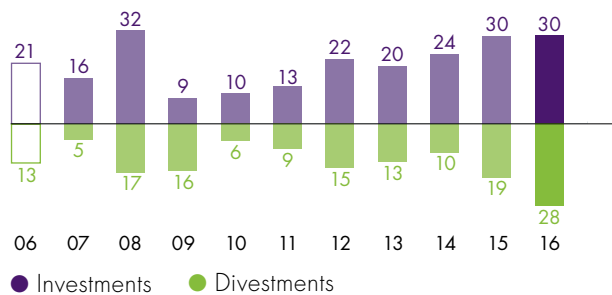


Investments & Divestments (S\$b)

S\$30b

Invested during the year

Invested S\$206 billion
over the decade



Portfolio by Geography¹ (%)

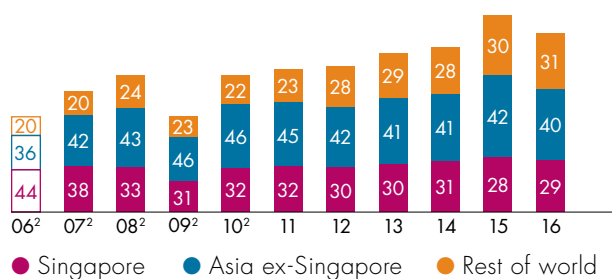
Net portfolio value (S\$b)

129 164 185 130 186 193 198 215 223 266 242

69%

Exposure to Asia

Singapore exposure up
S\$13 billion over 10 years



¹ Distribution based on underlying assets.

² Restated on a comparative basis.

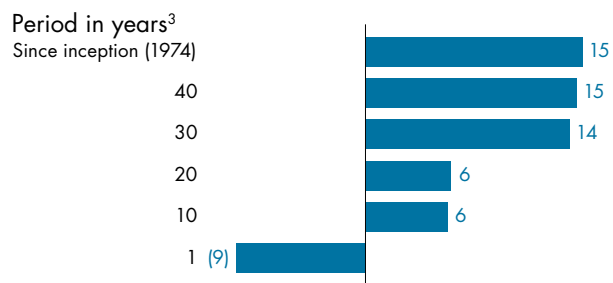
(as at 31 March)

-9.02%

One-year return to shareholder

Total shareholder return of 15% since inception

S\$ Total Shareholder Return (%)

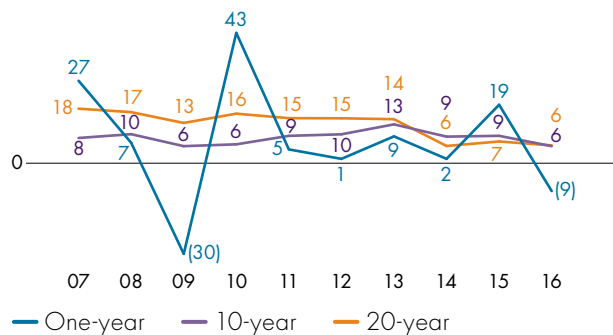


6%

Ten-year return to shareholder

Relatively stable long term returns over the decade

Rolling S\$ Total Shareholder Return (%)

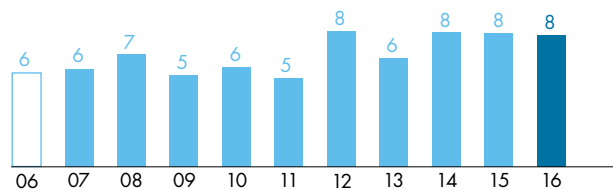


Dividend Income (S\$b)

S\$8b

Dividend income

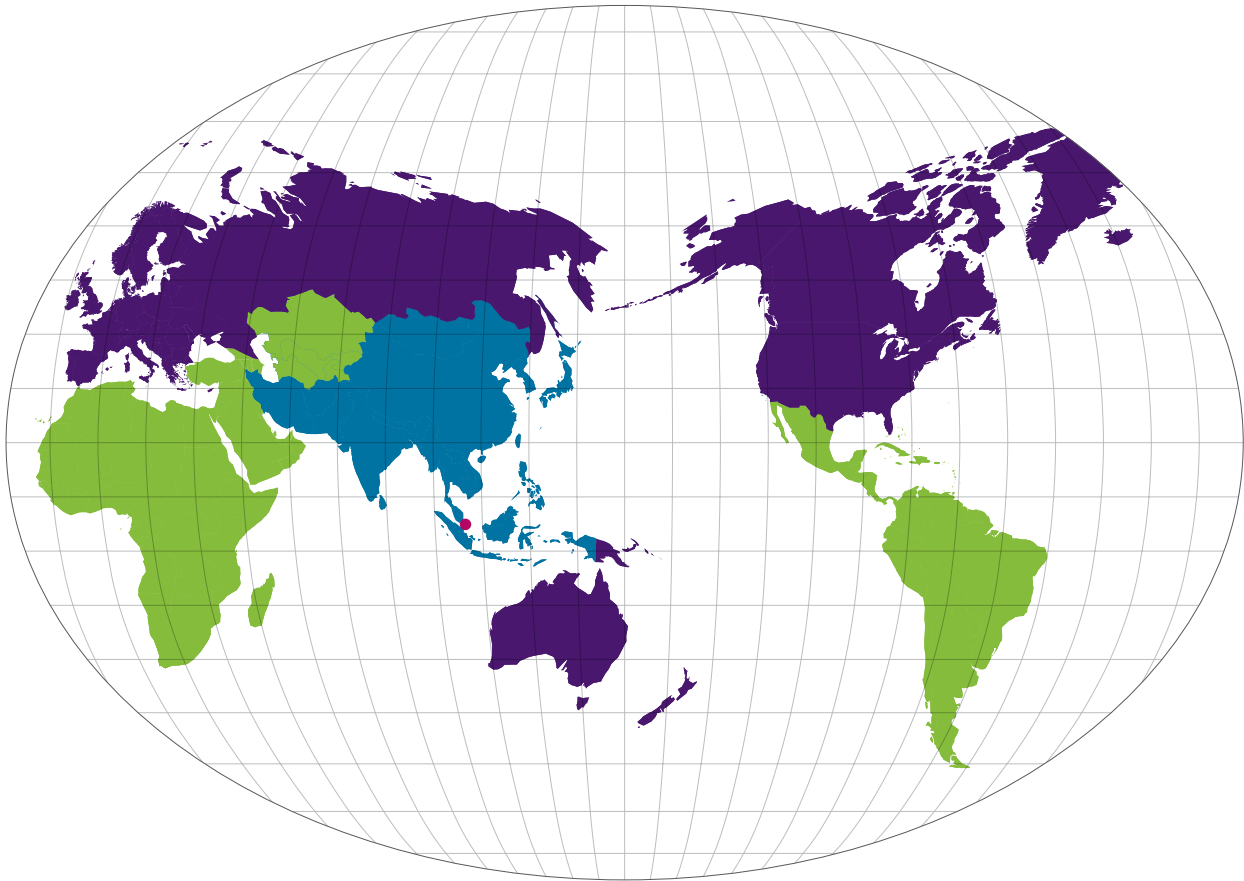
Average annual dividend income of S\$7 billion over the decade



³ As at 31 March 2016.

Portfolio Highlights

Our net portfolio was S\$242 billion, with a 60:40 underlying exposure to mature economies¹ and growth regions².



(as at 31 March 2016)

Global Exposure³

40%

Asia ex-Singapore

29%

Singapore

27%

North America,
Europe, Australia
& New Zealand

4%

Latin America,
Africa, Central Asia
& the Middle East

¹ Singapore, Japan & Korea, North America, Europe, Australia & New Zealand.

² Asia (excluding Singapore, Japan & Korea), Latin America, Africa, Central Asia & the Middle East.

³ Distribution based on underlying assets.

(as at 31 March)

Geography³ (%)

	2016	2015	2014
Asia ex-Singapore	40	42	41
Singapore	29	28	31
North America	10	9	8
Australia & New Zealand	9	9	10
Europe	8	8	6
Africa, Central Asia & the Middle East	2	2	2
Latin America	2	2	2

Sector³ (%)

	2016	2015	2014
Telecommunications, Media & Technology	25	24	23
Financial Services	23	28	30
Transportation & Industrials	18	17	20
Consumer & Real Estate	17	15	12
Life Sciences & Agriculture	4	3	2
Energy & Resources	3	5	6
Multi-sector Funds	7	5	5
Others (including Credit)	3	3	2

Liquidity (%)



	2016	2015	2014
Liquid & sub-20% listed assets ⁵	31	34	36
Listed large blocs (≥ 20% and < 50% share)	10	12	14
Listed large blocs (≥ 50% share)	20	21	20
Unlisted assets	39	33	30

Currency⁶ (%)

	2016	2015	2014
Singapore dollars	58	58	61
US dollars	19	14	12
Hong Kong dollars	13	15	12
Indian rupees	2	2	2
Renminbi	2	1	1
Others	6	10	12

⁴ Exchange rates as at 31 March 2016.

⁵ Mainly cash and cash equivalents, and sub-20% listed assets.

⁶ Distribution based on currency of denomination.

From Our Chairman

2015 was a challenging year for the global economy, reflecting fears over policy ineffectiveness after a long period of quantitative easing since the 2008/09 Global Financial Crisis and heightened concerns over leverage in China.

Real global growth last year was just 3.1%¹, the slowest rate of expansion since the Crisis. Increased volatility in the global equity markets, depressed commodities prices and rising uncertainty around policy toolkits and their effectiveness added to the muted outlook.

Notwithstanding the headwinds, we in Temasek remain committed to our mission to generate sustainable returns beyond our present generation; to make a difference, where we can, by fostering development and progress for our wider communities across generations.

Portfolio Performance

As at 31 March 2016, our net portfolio value was S\$242 billion², down S\$24 billion from last year, largely due to the fall in market values of our listed holdings.

One-year Total Shareholder Return (TSR) was negative 9.02% in Singapore dollar terms, in tandem with the share price declines for our listed investments. Longer term 10-year and 20-year TSRs were both 6%, and TSR since inception in 1974 was 15%.

6%

10-year TSR

Our Wealth Added was negative S\$44.7 billion for the year.

Dividend income from our portfolio was a steady S\$8 billion, or about 18 times our interest expense for the year ended 31 March 2016.

6%

20-year TSR

We invested S\$30 billion and divested S\$28 billion last year, as we continued to rebalance our portfolio towards longer term or emerging trends, such as the needs of the growing middle income populations and the internet-enabled sharing economy.

We ended the year in a net cash position. In liquidity terms, our cash and bank balances, together with our short term investments, were three times our S\$8 billion debt due over the next decade.

¹ International Monetary Fund, *World Economic Outlook*, April 2016.

² US\$180 billion as at 31 March 2016.

Post March 2016 year end, we tendered our shares in Neptune Orient Lines (NOL) as part of the Voluntary General Offer made by CMA CGM in December 2015. As a member of the pioneer management of NOL, I viewed this development with regret, but I am confident that the combination of NOL and CMA CGM will create a leading company that can best hold its own to deliver reliable and efficient service to customers.

S\$242b

Net portfolio value

Economic Outlook

We remain cautiously optimistic about the next few years.

The US economic recovery is largely on track, while we expect China to transit successfully to a more sustainable growth path in the medium term. Monetary policy is likely to remain accommodative across most of the major economies, including additional easing in Europe and Japan, though that may aggravate risks further down the road.

In Singapore, our open economic structure will keep us vulnerable to shifts in the global economy. This is mitigated by the ongoing domestic restructuring to help unlock stronger productivity growth for the future.

Overall, we see positive underlying fundamentals in both mature and growth markets, though equity markets remain susceptible to bouts of volatility. China will grow more slowly but more sustainably, while energy prices are likely to be range bound.

Our Institution

Our focus on sustainability anchors our philosophy of generational investing. It encompasses sound and sustainable governance, values and a culture of integrity and excellence as an organisation, and an abiding respect for our larger community and the world in which we live.

Even as we invest for our future generations, we are also mindful of a changing world, and the need to ceaselessly adapt and transform to remain relevant – no different from what drove us in our founding years.

In 2011, we formed Temasek International (TI) as the wholly owned management arm of Temasek Holdings, anticipating the capabilities and bandwidth to manage a growing and increasingly global portfolio.

In October 2015, Lee Theng Kiat was appointed Executive Director and Chief Executive Officer of TI, to helm Temasek's role as an active investor and shareholder.

Ho Ching remains Executive Director and Chief Executive Officer of Temasek Holdings to oversee our stewardship role, including our constitutional responsibility to protect the Company's past reserves.

Ho Ching and Theng Kiat will play complementary roles to oversee and strengthen Temasek's foundation as a forward looking institution.

Post March 2016, we were happy to welcome Theng Kiat to the Board of Temasek Holdings.

In May 2016, Theng Kiat re-organised Temasek management, as we continue to evolve with our changing needs. Our sector and market investment teams were regrouped together under a single Investment Group, while a new Portfolio Strategy & Risk Group will strengthen our focus on long term portfolio resilience and risks, and help to proactively shape our portfolio to capitalise on major global trends.

To provide focus for our diverse efforts to foster ideas and programmes for sustainability and stewardship, we have regrouped various units into a new Sustainability & Stewardship Group.

Together with the Enterprise Development, Portfolio Management, and Corporate Development Groups, as well as our international network of offices, we should be better organised to address immediate as well as longer term priorities.

Our *Temasek Review*, Credit Profile and Temasek Bonds serve as public markers to instil and foster long term discipline. They also facilitate our engagement with the wider community, and broaden our stakeholder base to lay the foundation for a disciplined institution for the future.

On the international front, we were very pleased to extend a warm welcome to the distinguished members of our Temasek European Advisory Panel and Temasek Americas Advisory Panel, formed this January and June respectively. They complement the Temasek International Panel, to address trends and issues relevant to our key markets.

\$8b

Dividend income

18x

Dividend income
over interest expense

Our Communities

We were deeply saddened by the tragic loss of young lives during the Sabah earthquake in June last year. The 'Sabah Earthquake Fund' was established later that month, for the dependents of Singaporeans who lost their lives, as well as for the trainers and guides in Sabah whose livelihoods had been affected, and to support the families of those who perished.

Managed by the Ministry of Education and Temasek Foundation, the Fund saw generous contributions from individual and corporate well-wishers, raising almost S\$1 million, including Temasek's dollar-for-dollar matching of our own staff's donations.

Our staff also helped to structure the donations into endowments to provide ongoing financial support for dependents of the brave teachers and guide who died on the mountain protecting the students: the late Mr Mohammad Ghazi Bin Mohamed, Mr Terrence Loo and Mr Muhammad Daanish Bin Amran.

The only certified N95 masks sized for children, the *AIR+ Smart Masks*, commissioned earlier by Temasek, proved timely. They helped mitigate some of the worst effects of the prolonged haze from extensive forest burning in Indonesia that affected the region, including Singapore, last year.

In November 2015, Temasek Cares and SMRT Taxis launched the SMRT-Temasek Cares *AED on Wheels* programme in Singapore. This three-year pilot programme equipped 100 SMRT taxis with Automated External Defibrillators, boosting the community's emergency preparedness.

We will continue supporting community programmes that focus on building people, building communities, building capabilities and rebuilding lives in Singapore and beyond.

In Appreciation

I would like to thank our shareholder, bondholders, portfolio companies, co-investors, regulators, philanthropic organisations, and the broader public, for their continued trust in us over the years. I would also like to thank my Board colleagues for their guidance, and the Temasek management and staff for their unwavering commitment and dedication.

As we continue our journey of generational investing, we look forward to working together, to growing collectively, and to making a difference in everything we do.



LIM BOON HENG

Chairman

July 2016

Our *Temasek Review*, Credit Profile and Temasek Bonds serve as public markers to instil and foster long term discipline.

We continue supporting community programmes that build people, build communities, build capabilities, and rebuild lives.

Investing with Tomorrow in Mind

"Generating returns for our shareholder is just a catalyst for laying the financial foundation for future generations – it's important that we have future generations in mind when we do business."

Quote from Temasek staff discussions

We invest to deliver long term returns.
We do things today with tomorrow in mind.
We promote sustainability and good corporate governance in our wider community.
We are a generational investor.

Sustainability and Generational Investing

Sustainability has been our watchword, not just in our mission to deliver sustainable long term returns. It is fundamental to the way we shape our values and ethos, and evolve our systems and practices, with an ownership mindset.

Sustainability is the defining challenge of our time. We have a collective responsibility to protect our world and our people. Demographic and social trends, globalisation and technology, climate change and shifting regulations – these will impact us all. They may also offer new opportunities to make a difference.

At Temasek, we are stewards, investing for generations to come.

We share the common desire for fresh air, clean water, fertile land and bountiful nature. We embrace the aspirations and hopes for a better world for everyone.

We consider environmental, social and governance factors together with commercial and other critical considerations when we make decisions as an investor, shareholder and owner.

We encourage all stakeholders to adopt responsible and sustainable practices in their businesses and operations, including the reduction of waste and the proactive prevention of pollution.

We take a long view in our investments, always looking for sustainable solutions, and looking out for the long term interests of our people and our communities. We are committed to share our successes through our endowments to support others to build a better life and have better livelihoods.

The essence of Temasek is a passion to make a difference for the better.



When we answered the call to rejuvenate Mandai, we saw an opportunity to go beyond a nature attraction.

Mandai represents an opportunity to invest for our great-great-grandchildren, to amaze them with the majesty of our rainforest heritage in Singapore, and inspire our people with a respect for the diversity and wealth of nature.

Through Mandai Safari Park Holdings, we plan to sensibly conserve Singapore's tropical heritage in a nature precinct, offer immersive nature and wildlife experiences to all ages, and provide ample public access such as boardwalks, waterways and gardens for our public.

The Mandai rejuvenation is also an opportunity to explore new technologies and create sustainable solutions which can withstand the test of time.

Some years ago, we wanted to encourage Singaporeans to stay prepared for emergencies, such as dangerous pandemics or severe haze. We discovered that no N95 masks provided effective protection for children.

We commissioned ST Engineering to find a solution. They developed the world's first certified N95 *AIR+ Smart Mask* with sizes to fit children from age seven and up.

Earlier, during the height of SARS in 2003, ST Engineering had quickly adapted thermal imagers for mass fever screening at airports and public events. These provided reassurance and reduced panic.

We salute the ST Engineering team. They not only delivered innovative solutions; they also share our passion to make a real difference for the vulnerable among us.



Our *Temasek Review*, Credit Profile and Temasek Bonds serve as public markers to anchor our commitment to be a robust and disciplined institution through generations.

The *Temasek Review* presents our annual scoreboard to our stakeholders.

Our Credit Profile provides a snapshot of Temasek's key credit parameters¹ and our credit ratings by external agencies. We have been rated AAA/Aaa by S&P Global Ratings and Moody's Investors Service respectively since 2004, when our *Temasek Review* was first published.

Our Temasek Bond and Euro-commercial Paper (ECP) spreads act like canaries in coal mines, to signal our credit quality. Our Temasek Bonds and short-dated ECP provide a flexible balance between long and short term funding.

Together, they instil financial discipline, broaden our stakeholder base, and facilitate our communications with the wider community.

Institutional Discipline

Public Marker	Function	Indicator
<i>Temasek Review</i>	Performance scoreboard	Portfolio strategy and performance
Credit Profile	Snapshot of credit quality	Credit parameters and credit ratings
Temasek Bonds	Singing canaries in coal mines	Real time market signals of changes in Temasek's credit

¹ Based on the financial information of Temasek as an investment company, namely Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are THPL's wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, and/or the provision of investment advisory and consultancy services to THPL and its IHCs.

Financial Discipline

We are governed by a set of stringent financial policies and disciplines.

We manage our leverage and liquidity prudently to ensure balance sheet resilience and flexibility, even in times of extreme stress. We aim to ensure that our primary sources of cashflows can cover our non-discretionary operating expenses and debt repayments.

Our Board sets our overall debt limit, taking into account our shareholder funds, cash flow and credit profile.

Capital and Liquidity Management

Our primary sources of funds include divestment proceeds, as well as dividends and distributions received from our portfolio, supplemented by our Temasek Bonds and Euro-commercial Paper.

We plan proactively for a long-dated and well distributed debt maturity profile, and avoid a large debt tower in any one year.

Liability Management

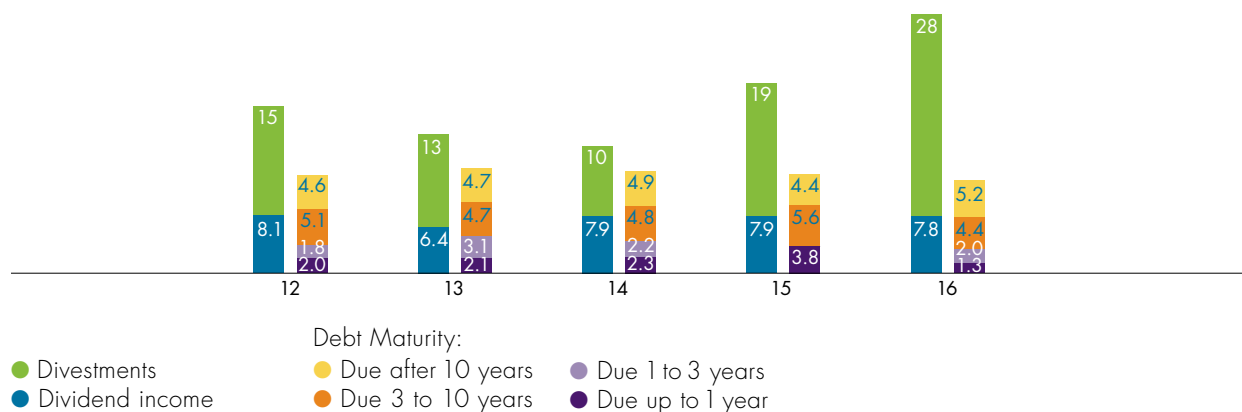
As a policy, Temasek does not issue any financial guarantees for the obligations of our portfolio companies.

Foreign Exchange Management

Our risk-adjusted return for each investment factors in foreign exchange (FX) risk. Where appropriate, we close up our FX exposure in the forward market.

(for year ended 31 March)

Key Recurring Income vs Debt Maturity Profile (\$b)

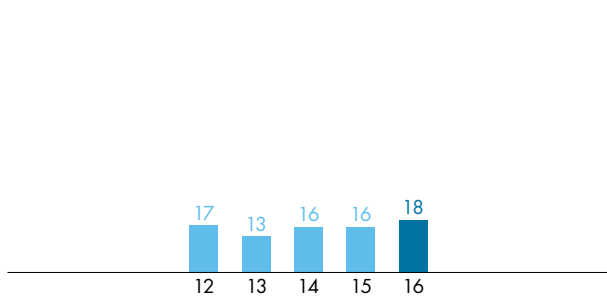


Credit Profile

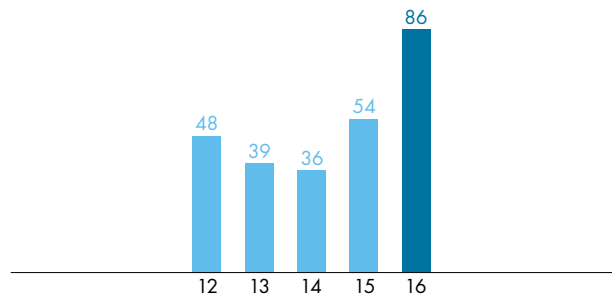
Our Credit Profile provides a snapshot of our credit quality and the strength of Temasek's financial position¹.

(for year ended 31 March)

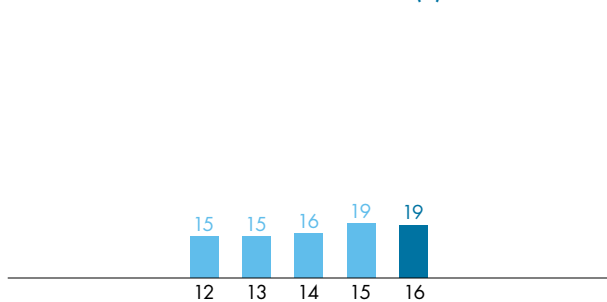
Dividend Income over Interest Expense (x)



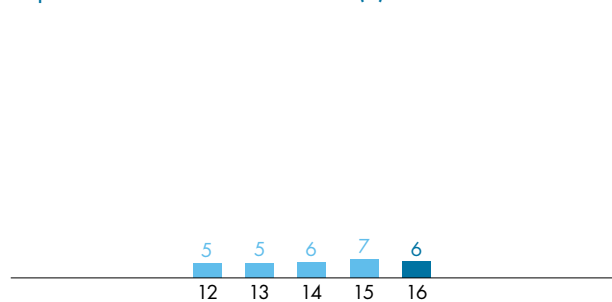
Recurring Income² over Interest Expense (x)



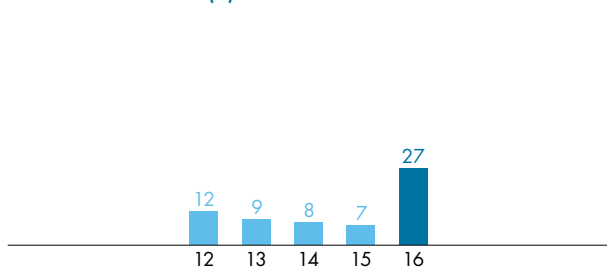
Net Portfolio Value over Total Debt (x)



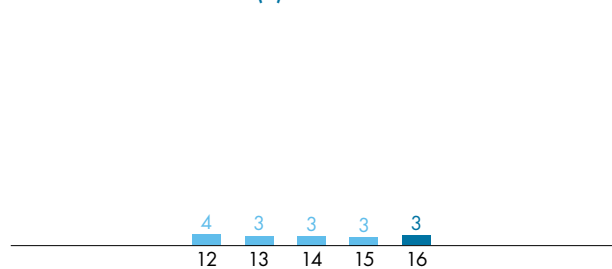
Liquid Assets³ over Total Debt (x)



Recurring Income² over Total Debt due in One Year (x)



Liquidity Balance⁴ over Total Debt due in next 10 Years (x)



¹ Based on the financial information of Temasek as an investment company, namely Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are THPL's wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, and/or the provision of investment advisory and consultancy services to THPL and its IHCs.

² Dividend income, income from investments, interest income and divestments.

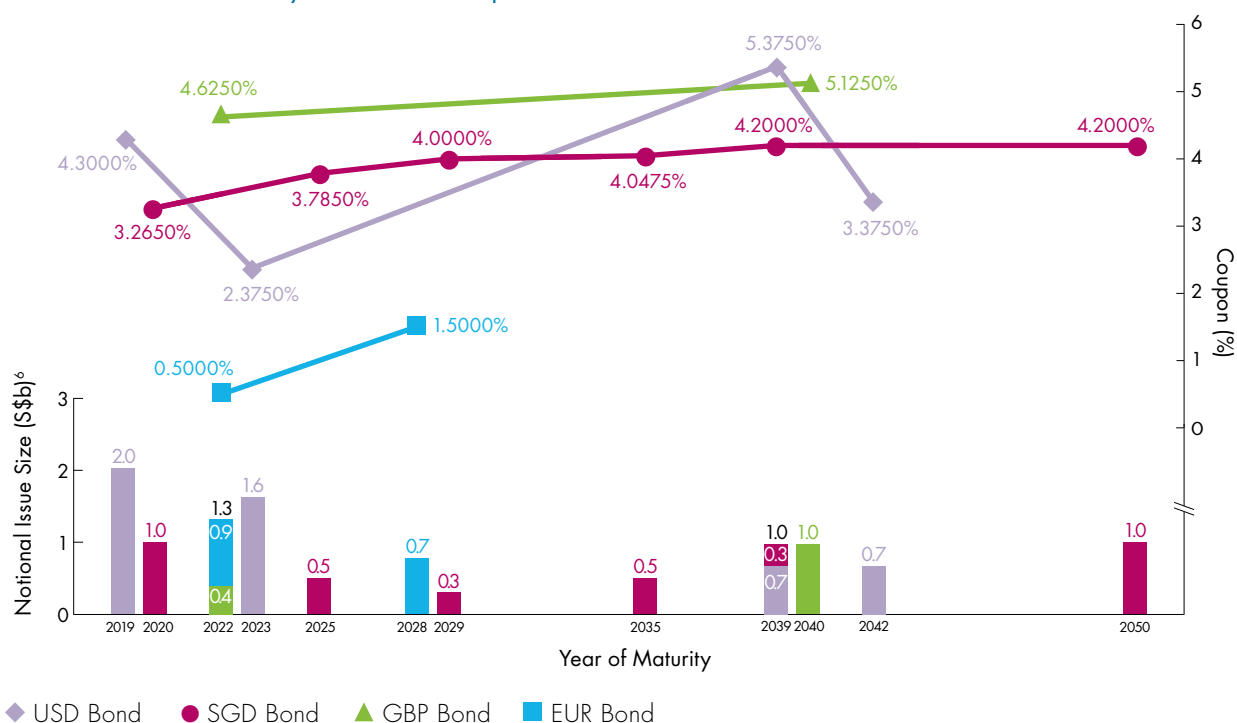
³ Mainly cash and cash equivalents, and sub-20% listed assets.

⁴ Cash and cash equivalents, and short term investments.

Key Credit Parameters (in S\$ billion)

For year ended 31 March	2012	2013	2014	2015	2016
Divestments	15	13	10	19	28
Dividend income	8.1	6.4	7.9	7.9	7.8
Income from investments	0.1	0.1	0.1	0.1	0.2
Interest income	0.2	0.1	0.1	0.1	0.2
Interest expense	0.5	0.5	0.5	0.5	0.4
Net portfolio value	198	215	223	266	242
Liquid assets ³	71.8	76.5	80.3	90.6	74.3
Liquidity balance ⁴	33.7	33.3	29.9	26.7	27.1
Total debt ⁵	13.5	14.6	14.2	13.8	12.9

Temasek Bonds – Maturity Profile and Coupon



⁵ As at 31 March 2016, comprised Temasek Bonds totalling S\$11.6 (US\$8.6) billion, with a weighted average maturity of 13 years, issued under our US\$15 billion Guaranteed Global Medium Term Note (MTN) Programme, and Temasek Euro-commercial Paper (ECP) totalling S\$1.3 (US\$1.0) billion, with a weighted average maturity of over one month, issued under our US\$5 billion ECP Programme. All Temasek Bonds are rated AAA/Aaa by S&P Global Ratings (S&P) and Moody's Investors Service (Moody's) respectively. Our ECP Programme has the highest short term ratings of A-1+/P-1 by S&P and Moody's respectively.

⁶ Exchange rates as at 31 March 2016.

The Discipline of Temasek

Temasek's primary sources of regular income are dividends and distributions received from its investments, and proceeds from divesting assets.

We do not need to be credit-rated or to borrow in order to invest.

We choose to be credit-rated as a tripwire discipline. Any changes in credit ratings are public signals of our financial stance.

Temasek Bonds

From time to time, we issue bonds – borrowing money directly from investors via the bond markets. In return, we pay our bondholders a 'coupon', like an interest rate on the money they have invested in our bonds.

When the tenor or borrowing period ends, bond investors expect to be repaid the principal sum of the bond value that they had invested upfront.

Temasek's maiden 10-year bond matured in September 2015, and was repaid in full.

Our dividend income and divestment proceeds are used to operate our business, pay interest to bond investors, pay a dividend to our shareholder and make new investments, as well as repay bonds which come due.

Bonds may be rated by rating agencies. All Temasek Bonds have been top-rated AAA/Aaa by S&P Global Ratings (S&P) and Moody's Investors Service (Moody's) respectively.

In addition, information on pages 17-19 on our Credit Profile may help our stakeholders judge for themselves our ability to service or repay our debt.

What Does Temasek's Credit Profile Show?

Our Credit Profile is designed as a basic snapshot of our credit quality.

Last year, Temasek earned S\$8 billion in dividend income and made S\$28 billion of divestments.

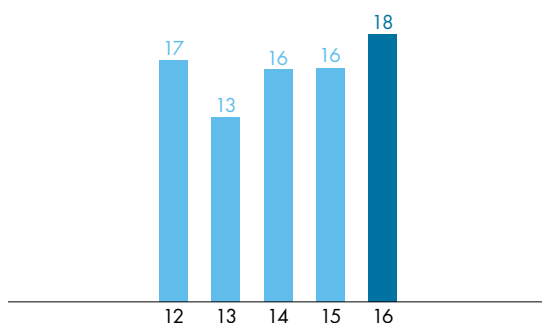
Our dividend income was sufficient to cover our interest expenses 18 times over for the year ended 31 March 2016.

The chart on page 17 shows Temasek had S\$13 billion of debt outstanding as at 31 March 2016, with S\$8 billion due within the next 10 years. This means our S\$8 billion dividend income for the year ended 31 March 2016 is also enough to repay the S\$8 billion debt due over the next decade.

Using another Credit Profile parameter based on Temasek's cash and cash equivalents, plus short term investments, as at 31 March 2016, Temasek would be able to cover all its short and long term debt obligations due over the next 10 years three times over.

Dividend Income over Interest Expense (x)

(for year ended 31 March)



What Does a Credit Rating Mean?

Rating agencies have their own proprietary criteria and analytical judgement, including both qualitative assessments and quantitative measures, to determine the ability of an organisation to service its debt obligations. Rating agencies assign ratings on a scale, e.g. starting at AAA for S&P and Fitch Ratings, and Aaa for Moody's as their top credit ratings.

Bonds may or may not be rated.

If bond investors are seeking a higher probability of principal repayment upon maturity of the bond, they may invest in a bond rated towards the top end of the ratings spectrum, which will typically pay a lower coupon.

Bonds of lower credit quality, such as those in the speculative grade band, theoretically have a higher risk of default, and therefore may pay a higher coupon.

What Does it Mean for Investors?

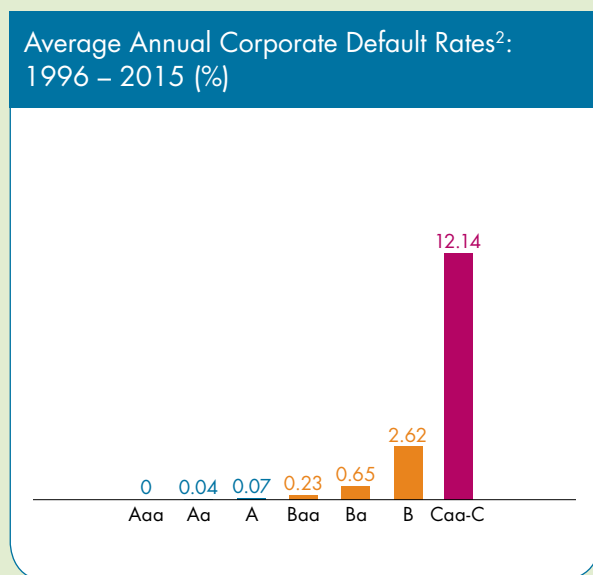
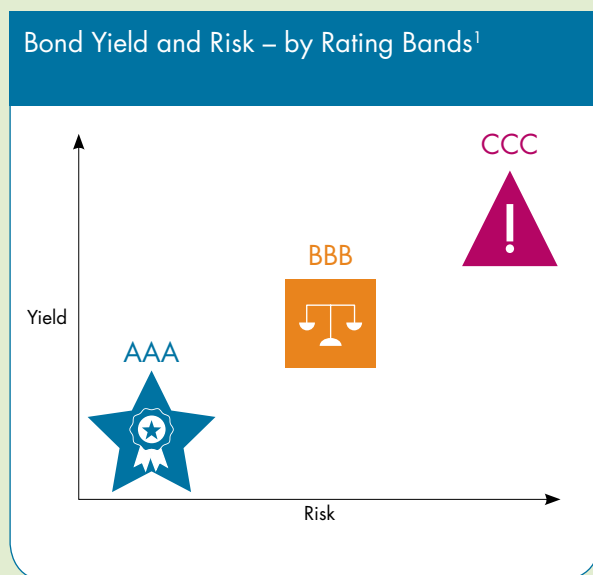
All investments carry risk. Investors need to understand the risks and balance them against their desire to earn higher returns.

Buying or investing in a bond is akin to lending money to a company. Hence, bond investors will need to assess the company's ability to service its debt or repay its debt.

Data shows that the higher the rating, the lower the observed frequency of default, and vice versa. The chart below shows the average annual corporate default rates in the last 20 years.

A credit rating is one data point; it is a statement of opinion and is not an investment recommendation.

Likewise, information in our Credit Profile is a basic snapshot to facilitate understanding of our credit quality, and is not a recommendation to buy or sell our Temasek Bonds or Euro-commercial Paper.



¹ Rating bands have been simplified for illustration.

² Derived from data in Moody's Investors Service, *Annual Default Study: Corporate Default and Recovery Rates, 1920 – 2015*, February 29, 2016.

Ins & Outs at Temasek

A quick visual guide to Temasek's sources of funds and how they may benefit you, businesses or the community at large.

Divestments

We buy, sell or hold shares and assets. We divested S\$85 billion over the last five years, or an average of about S\$17 billion a year.



Dividends from Portfolio

We receive dividends from our portfolio companies. Our annual dividends averaged S\$8 billion in the last five years.



Distribution from Funds

A small part of our portfolio is invested in funds. Their returns are distributed to us in the form of cash.



Temasek's sources of funds come mainly from our business as an investor and shareholder.

We do not manage:

- Singapore CPF savings
- Singapore Government reserves
- Singapore foreign reserves

Major sources

TEMASEK

Investments and Associated Costs²

We invest in companies with outstanding management, good employees and sound governance, along with competitive products and services. By investing in such companies, Temasek supports them to grow and sometimes expand into new markets, develop new products, provide services that help make lives better or fulfil the needs of customers.

Dividends to Shareholder

We pay dividends to our shareholder as part of our financial discipline. Up till last year, 50% of these dividends, also known as NII³, could be used by the Singapore Government for spending, including long term commitments like the Pioneer Generation Package of 2014.

NII/NIR Contributions to Singapore Government Budget

From 2009 to 2015, apart from Temasek's NII Contributions, other Singapore entities such as GIC also contributed to the budget through the NIR⁴ spending rule based on their expected long term real returns.

Together, such NII/NIR Contributions totalled about S\$7 billion to over S\$9 billion each year from 2009 to 2015. They supplemented other sources of operating revenue (e.g. taxes and other charges) and enabled the Government to prepare for long term needs, including enhanced support for the silver generation.

From 2016 onwards, Temasek has been included in the NIR framework. This has increased the spending capacity of the Government, with NII/NIR Contributions projected to be the largest component of Government revenue at about 18% for the 2016 Government Budget.

Temasek will continue to pay dividends as part of our financial discipline, based on our dividend policy. The NIR framework does not require Temasek to pay more dividends, or sell any assets.

¹ Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

² Other associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs.

Temasek Bonds



Bonds are essentially a way to borrow directly from bond investors for a specified period of time at a specified interest rate. Investors may buy and sell their bonds in the market.

As at 31 March 2016, we had 14 Temasek Bonds outstanding under our US\$1.5 billion Guaranteed Global Medium Term Note (MTN) Programme. They totalled S\$11.6 billion with weighted average maturity of over 13 years.

Temasek Euro-commercial Paper (ECP)



ECP is a way to borrow short term money in any currency, with a fixed maturity typically not more than a year.

As at 31 March 2016, we had ECP outstanding of S\$1.3 billion with a weighted average maturity of over one month.

New Capital from Shareholder



From time to time, our shareholder, the Minister for Finance¹, may inject fresh capital into Temasek as part of the Singapore Government's own overall asset allocation of its total reserves.

For example, Temasek's stakes in our joint ventures with Malaysia's Khazanah Nasional Berhad were funded by a capital injection from the Singapore Government.

Bank Borrowings



We may also borrow from banks from time to time, especially for short term funding or bridging needs.

Additional sources

Supporting Communities



Whenever Temasek achieves a return above its risk-adjusted target, we set aside a portion of the excess returns to share with the community.

These are gifted into endowments, each with specific mandates for research and social initiatives, and for community and capacity building programmes, mostly in Singapore and across Asia.

To date, our various non-profit initiatives have touched the lives of over 300,000 people, in Singapore and Asia.

Staff-initiated Programmes



Our staff-driven volunteer *T-Touch* initiative empowers our staff to make a difference in the community in their own way.

They volunteer ideas, time and money regularly to support their chosen charities, benefiting the elderly, children with special needs, the disadvantaged and the needy.

Our staff also choose causes which they personally support and pursue, including supporting the integration of the blind and raising funds for the less fortunate through running.



Taxes

Temasek pays taxes⁵ on the profits it earns in the various countries. Such taxes contribute to the revenues of governments around the world. Taxes paid to the Singapore Government help to fund spending for public services ranging from defence and education, to healthcare and social services in Singapore.

³ NII is Net Investment Income comprising actual dividends and interest income.

⁴ NIR is Net Investment Returns based on expected long term real rates of returns from investments.

⁵ Temasek pays taxes, unlike other sovereign owned companies which may claim sovereign exemption from taxes.





Investor

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"These improved rice grains could ensure food security for future generations."

Adeline Seah (centre) learning about innovative rice breeding technology from her mentors, Dr Luo Yanchang and Dr Yin Zhongchao (right) at Temasek Life Sciences Laboratory.

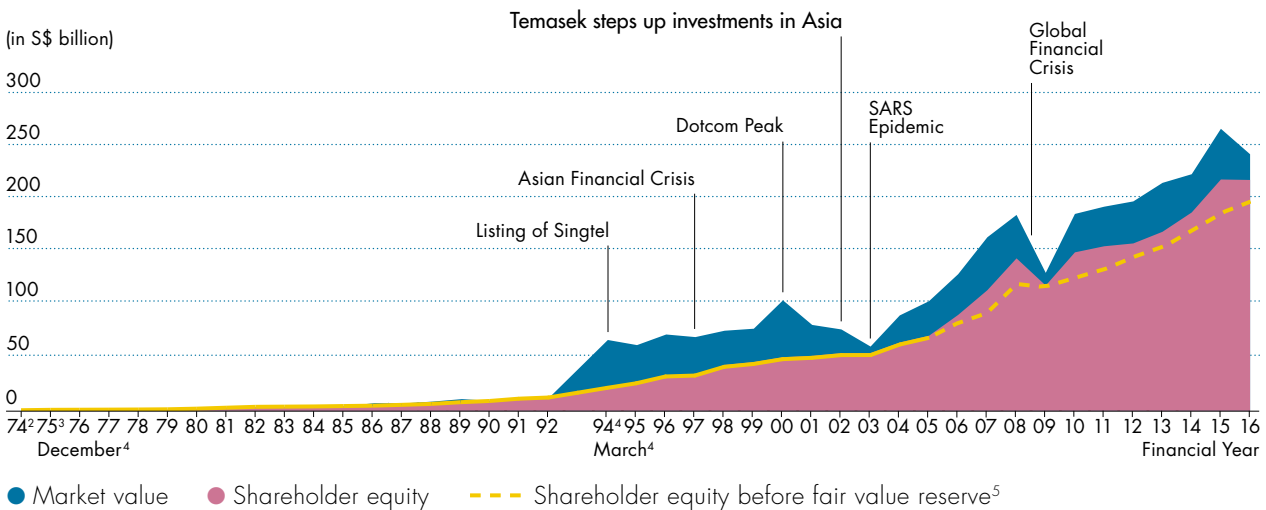
Value since Inception

In our earlier years, we grew with our portfolio companies as Singapore transformed. Since 2002, we have actively invested in the transformation of Asia and beyond.

We began in 1974 with a portfolio¹ that reflected an industrialising Singapore. Over time, some of these companies have grown into iconic Singapore brands such as Singapore Airlines and the Jurong Bird Park. Companies like DBS, Singtel and PSA have transformed into regional and global businesses, alongside the country's rapid development.

In 2002, we stepped out into Asia; since then, we have extended further afield. Through our Enterprise Development Group, we continue to seed and grow the next generation of emerging companies. As at 31 March 2016, our net portfolio value was S\$242 billion.

Temasek Net Portfolio Value since Inception



¹ See the list of companies in the initial portfolio on page 100.

² Incorporation of Temasek on 25 June 1974.

³ Financial year 75 began on 25 June 1974 and ended 31 December 1975.

⁴ Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.

⁵ FRS39 *Financial Instruments: Recognition and Measurement*, introduced during the financial year ended 31 March 2006, requires available-for-sale financial assets to be measured at fair value.

Total Shareholder Return

We track our total returns to our shareholder over various periods.

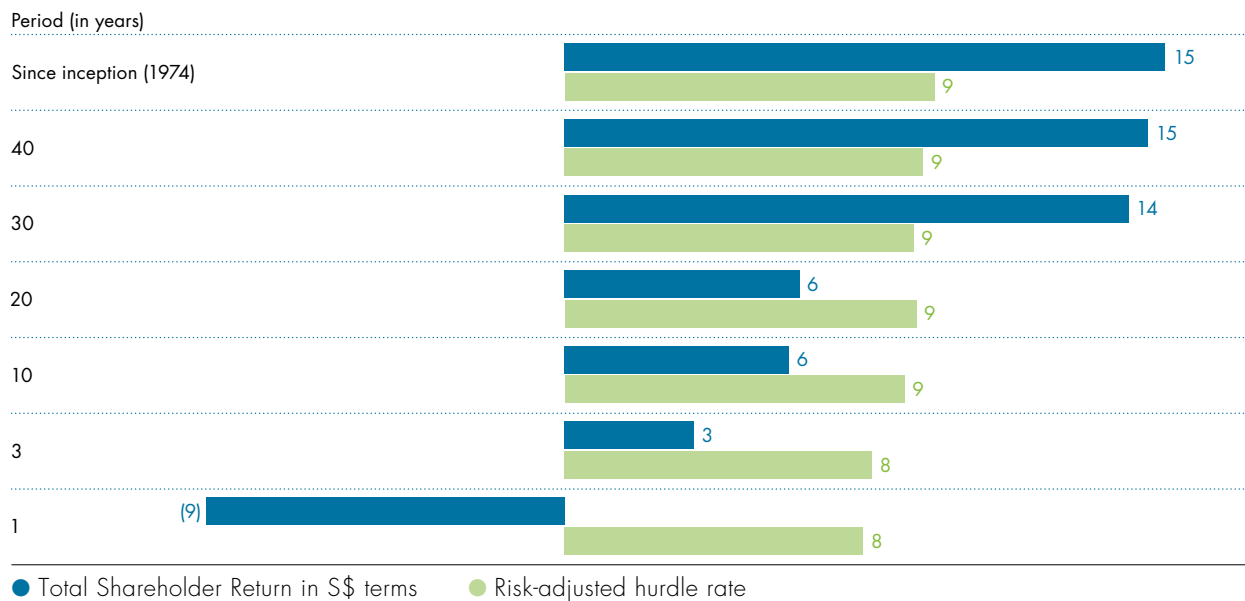
Total Shareholder Return (TSR) is a compounded and annualised measure, which includes dividends paid to our shareholder and excludes capital injections from our shareholder. We track our TSR over short, medium, and long time periods.

As at 31 March 2016, our Singapore dollar⁶ one-year TSR was negative 9.02%. Our three-year TSR was 3.25% and our 10-year TSR was 6%. Our 20-year TSR was 6%, versus the Singapore 20-year annualised core inflation⁷ of under 2%; 40-year TSR was 15%.

Our TSR is measured against our risk-adjusted hurdle rate, which is derived using a capital asset pricing model. The hurdle rate is built bottom-up, and aggregated over all our investments.

(as at 31 March 2016)

S\$ Total Shareholder Return and Risk-adjusted Hurdle Rate (%)



⁶ TSR in US\$ terms was (7%), 0.5%, 8%, 6%, 16%, 16%, and 17% for 1, 3, 10, 20, 30, 40, and 42-year periods respectively.

⁷ As of the year ended March 2016, annualised core inflation in Singapore was 0.3%, 1.9%, 1.5% for 1, 10, and 20-year periods respectively (Source: Monetary Authority of Singapore).

An Active Investor

We are owners of our portfolio, working to deliver long term sustainable value to our stakeholders and making a difference in what we do.

Our investment philosophy remains largely unchanged as an owner and investor for the longer term, even as we have expanded beyond Singapore, particularly since 2002. Our portfolio companies have also increased their global and regional footprint over the years. Since 2002, our investments in growth regions have delivered better returns than those in mature economies, though relative performance varies across cycles.

Our investment activities are guided by four investment themes and the long term trends they represent:

- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

As an investor, we continue to focus on intrinsic value and our core risk-return framework. Our investment and divestment decisions are shaped by bottom-up intrinsic value tests. We track investment returns against a risk-adjusted hurdle rate. Our investment strategy, capital allocation, performance measurement and incentive system are driven by this risk-return framework.

As a shareholder, we also identify value creation opportunities within our portfolio companies and engage with the boards and management to share our perspectives, as appropriate, for their consideration. We promote good governance and look to their boards to drive strategy, and their management to manage day-to-day operations.

We invest in unlisted assets to derive better than market returns.

As an owner, we invest, rationalise, consolidate and divest to deliver sustainable long term value to our stakeholders. We maintain full flexibility to reshape and actively rebalance our portfolio as opportunities or challenges arise. We have the option of taking concentrated positions or remaining in cash. Our capital structure allows us to take a view of long term trends and weather cycles of volatility. We are committed to protecting our portfolio during volatile times.

We invest in unlisted assets to derive better than market returns and benefit from the listings or sales of such investments. Our unlisted assets comprise companies and funds. Our unlisted blue chip companies, such as PSA and Mapletree, and portfolio of high quality funds, pay steady dividends and distributions. Since 2002, our investments in unlisted securities have delivered better returns than our investments in listed securities.

Our investments in funds have been instrumental in helping us gain deeper insights into new markets and have provided co-investment opportunities. We also share some of the investment opportunities with like-minded co-investors.

From time to time, we may express our interest to invest or divest selected positions or manage our portfolio through options and warrants. We may also use derivatives to hedge the currency and share price fluctuations of our underlying investments, where gains and losses of the derivatives are matched against corresponding losses and gains in the underlying investments.

We maintain full flexibility to reshape and actively rebalance our portfolio.

Delivering Sustainable Returns over the Long Term



Investing for Generations

We continued to actively invest in opportunities around the world, while stepping up our divestment pace.

During the financial year ended 31 March 2016, we invested S\$30 billion and divested S\$28 billion. We capitalised on the liquidity-driven market rally seen in the earlier part of the financial year to step up our divestment pace, resulting in a lower net investment amount, of S\$2 billion, relative to the past few years.

Temasek also plays an enabler role across all stages of enterprise, from startups to later stage companies, seeking out those with disruptive business models that are potential game changers and transforming existing businesses. Our direct investing activities are complemented by the Private Equity Fund Investment team, which develops our network of relationships and extends our reach.

We identify and nurture enterprises that are potential leaders in their industry with a focus on innovation to drive success and make a difference.

Investment Highlights

The major sectors for our investments during the year were financial services, telecommunications, media & technology, and life sciences & agriculture.

In the financial services space, we continued to expand into non-banking sub-sectors including an investment in PayPal, a digital payment service provider operating in more than 200 markets worldwide.

We have also been actively investing in smaller but fast-growing technology-enabled companies, such as SoFi and C2FO in the US, Funding Circle in the UK, and BillDesk and Policy Bazaar in India. Within the investment brokerage space, we invested about HK\$2 billion in CITIC Securities, a full-service securities firm in China.

In line with our theme of investing in companies with distinct competitive advantages, we invested in Airbnb, a global marketplace for travel accommodation in 190 countries worldwide. We also increased our investment in Didi Chuxing, a Chinese transportation network company; and Meituan-Dianping, an online-to-offline local service platform in China. In October 2015, we committed to funding Dell's merger with EMC, which, when completed, will result in one of the world's top technology vendors.

The US accounted for the largest share of new investments during the year.

In life sciences & agriculture, we invested US\$300 million in the management buyout of China-based WuXi PharmaTech, a global provider of laboratory and manufacturing services to biopharma and medical device companies. We also invested in Alvogen, an international generics pharmaceuticals company. And we increased our investment in COFCO International Limited, a holding company which owns the controlling stakes in international supply chain managers Nidera and Noble Agri, in conjunction with its buyout of the remaining Noble Agri minority stake.

The US accounted for the largest share of new investments during the year, reflecting our view of the recovering economic environment and sourcing from networks that we have steadily built there.

In the US, we increased our position in the logistics sector via a US\$450 million investment in Univar, a distributor of commodity and specialty chemicals. We also continued our investment in the biotechnology space through investments in Alexion and Regeneron, companies that develop transformative treatments for serious diseases.

We also continued to make new investments in Asia, of which China accounted for the largest share. In addition to the investments in China mentioned earlier, we also invested in Zhongce Rubber, a domestic tyre manufacturer; and in Cainiao, a data and technology-based logistics platform focused on e-commerce. In financial services, we increased our stake in Industrial and Commercial Bank of China, and invested in Postal Savings Bank of China, a provider of financial services to rural, small-to-medium enterprises, and retail banking segments.

Apart from China, we increased our investments in the consumer sector in South Korea by investing in Homeplus, a domestic hypermarket operator with 140 stores. In India, we invested in Glenmark Pharmaceuticals, a global manufacturer and distributor of branded and generic pharmaceuticals; ICICI Prudential, a life insurance company; and CarTrade, an online auto classifieds company.

In Europe, we made a CHF600 million investment in Switzerland-based airport retail operator, Dufry AG, to help finance its merger with World Duty Free to create one of the largest travel retailers worldwide. We also continued our investments in UK real estate by acquiring a stake in Blue Fin Building, a Grade A property located in South Bank, London.

\$30b

Investments
for the year

\$28b

Divestments
for the year

We invested US\$3 billion in the Avanda Global Multi-asset Master Fund. It is managed by Avanda Investment Management, a Singapore-based multi-strategy, global asset manager.

From time to time, we look to reshape and rebalance our portfolio as opportunities arise. Our key divestments during the year included our majority interest in STATS ChipPAC and our positions in Cognizant Technology Solutions, Lloyds Banking Group, and Kweichou Moutai.

As at 31 March 2016, we also divested part of our holdings in China Construction Bank, Gilead Sciences, AIA Group and China Pacific Insurance Group. However, we continue to retain significant exposures in these companies.

Post year end, in June 2016, we tendered our shares in Neptune Orient Lines as part of the Voluntary General Offer made by CMA CGM in December 2015. We also invested an additional US\$500 million in Alibaba shares.

Seeding New Businesses

Although requiring long term nurturing, we seed new businesses that are expected to yield sustainable returns over cost of capital. The rejuvenation of Mandai into an integrated wildlife and nature heritage precinct is an example of a project with a long gestation period.

Temasek set up Mandai Safari Park Holdings to further develop concepts for the rejuvenation of Mandai and seek the appropriate approvals for the project, as well as integrate the operations of Singapore's existing nature-based attractions, under the long-standing ownership of Wildlife Reserves Singapore.

Temasek as an Enabler of Growth Capital

In July 2015, Temasek partnered UOB to build InnoVen Capital (InnoVen), the first venture debt financing platform for high growth startup companies in India, China, and South East Asia. Before its acquisition by Temasek, InnoVen was previously known as SVB India – at that time, India's largest provider of venture debt.

Following the Temasek-UOB partnership in 2015, InnoVen has more than doubled its loan volumes in India. In March 2016, InnoVen signed its first financing agreements in South East Asia, with loans totalling US\$5 million to Malaysia-based KFit Holdings, an e-commerce health and fitness company; and Thailand-based Pomelo Fashion, an e-commerce fashion company.

We identify and nurture enterprises that are potential leaders in their industry.

Heliconia Capital continued to deploy capital from its SME Co-Investment Fund and SME Growth Mezzanine Fund. New investments during the year included Jumbo Seafood, a Singaporean seafood restaurant chain; Hope Technik, an advanced engineering company; Fagerdala Singapore, an integrated packaging solutions provider; and Futuristic Store Fixtures, a store fixture specialist serving global retail clients.

Temasek also invested in Pierfront Capital, which provides mezzanine financing for projects in the infrastructure, offshore and marine, and transportation and logistics sectors. Pierfront, together with Clifford Capital, offers customers a complete suite of project financing solutions.

Transforming Existing Businesses

Temasek works to transform existing businesses through developing business strategies with management, investing in companies to tap growth potential and providing people support to bridge capabilities gaps.

Surbana Jurong was created in June 2015 from the merger of entities owned by Temasek and JTC Corporation to form an integrated platform for sustainable urban solutions. Surbana Jurong then acquired KTP Consultants and Sino-Sun Architects & Engineers to strengthen its infrastructure development capabilities.

In November, Surbana Jurong bolstered its sustainability and building design capabilities by investing, together with Temasek, in Flux Factory, a spin-off from Google X, which is a developer of cloud-based collaboration tools for urban solutions and master planning.

Ascendas-Singbridge – the other new entity created in this platform – strengthened its urban solutions capabilities by acquiring commercial buildings in Singapore, Australia and South Korea. These acquisitions broaden its business space solutions offering to include Central Business District offices.

As a master developer of larger-scale urbanisation projects, Ascendas-Singbridge works with its partners to drive economic development. For example, the Sino-Singapore Jilin Food Zone, a joint project with the Jilin City government, exported its first product, a brand of japonica rice, to Singapore in December 2015.

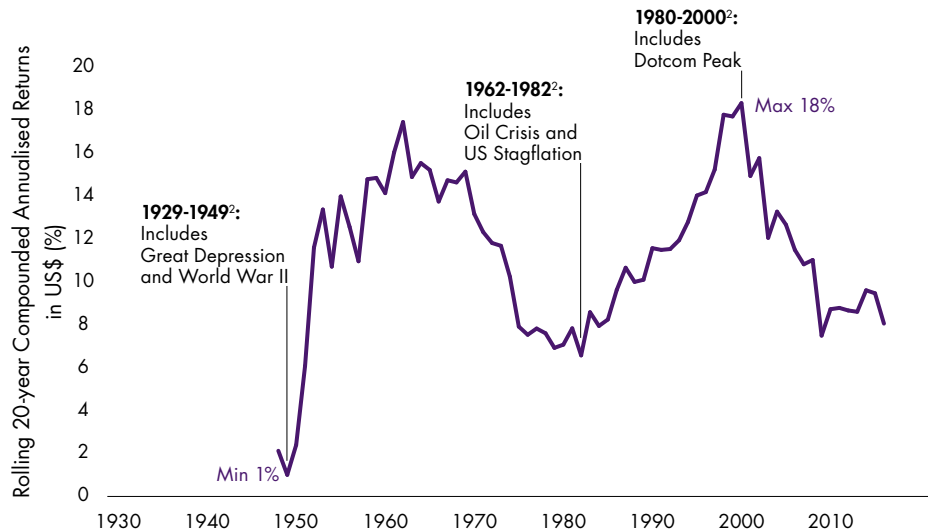
We seed new businesses that are expected to yield sustainable returns.

T-GEM Simulations

Our T-GEM, or Temasek Geometric Expected Return Model, enables us to methodically simulate the range of possible returns for our portfolio over 20 years.

The Temasek portfolio is predominantly in equities and the T-GEM modelling approach seeks to reflect the volatile nature of equities. The chart below shows that historically, equity returns were volatile even over long periods.

US Equity¹ Rolling 20-year Returns over Time (Compounded Annualised)



Economic Scenario-based Approach

Given that equity returns are volatile over time and driven by macroeconomic or geopolitical events, T-GEM uses a scenario-based approach to simulate our 20-year long term expected returns. This approach reflects our long term views of macroeconomic fundamentals over the next 20 years, adjusted for current market valuation. We do not assume an equilibrium return that does not change for any 20-year period.

¹ The Standard & Poor's 500 Index.

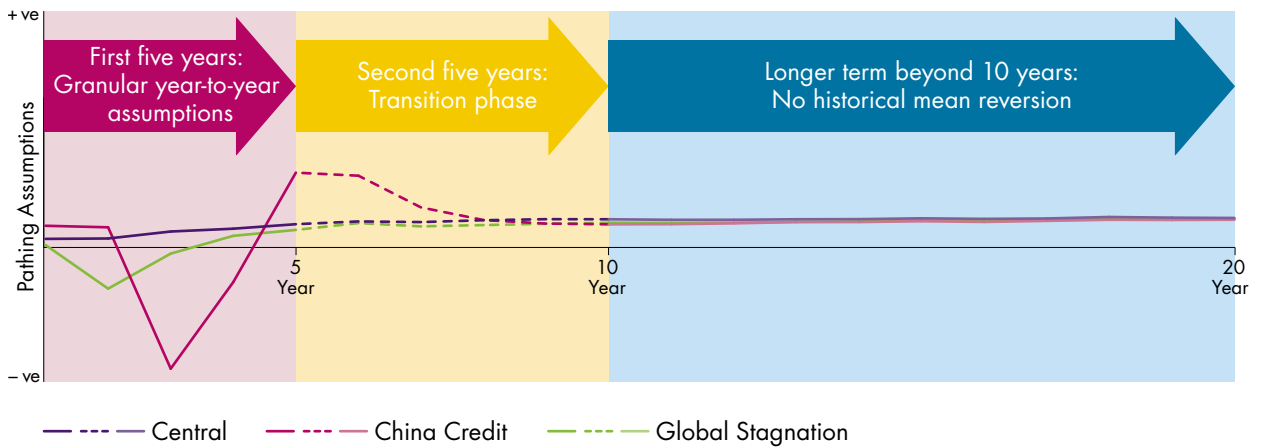
² Rolling 20-year returns include events of the preceding 20 years.

Projection based on Economic Fundamentals

In projecting economic fundamentals, we have more granular year-to-year assumptions for the first five years, and less granular long term assumptions beyond 10 years. The second five-year period is treated as a transition phase.

T-GEM uses this pathing approach to reflect how the current economic conditions transit towards the long term fundamentals.

Economic Scenario Pathing (Illustrative)



2016 Potential Scenarios

Potential Scenarios	Description
Central	Our baseline expectations of growth, reflecting our views of the most likely economic pathway.
China Credit	A sharper-than-anticipated slowdown in growth as reforms prove too slow to rebalance the economy and address corporate debt-related vulnerabilities, a lower likelihood alternate scenario.
Global Stagnation	Global policy support reaches its limits and is unable to feed into sustainable recovery in key markets, a lower likelihood alternate scenario.

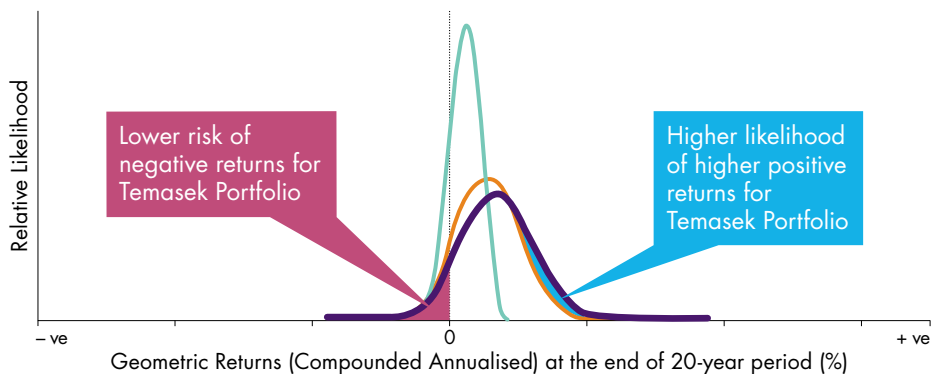
T-GEM 20-year Simulations for Different Portfolio Mix

The charts below show the simulated return for a Global Equity Portfolio, a Global Bond Portfolio and the Temasek Portfolio under our Central Scenario.

The Global Bond Portfolio has the lowest upside potential as compared to the Global Equity and Temasek Portfolios. It also has the least volatility as shown by the narrower year-to-year annual returns distribution curves. The Temasek Portfolio has the highest upside potential (see blue shaded) at the end of 20 years, with the highest year-to-year volatility.

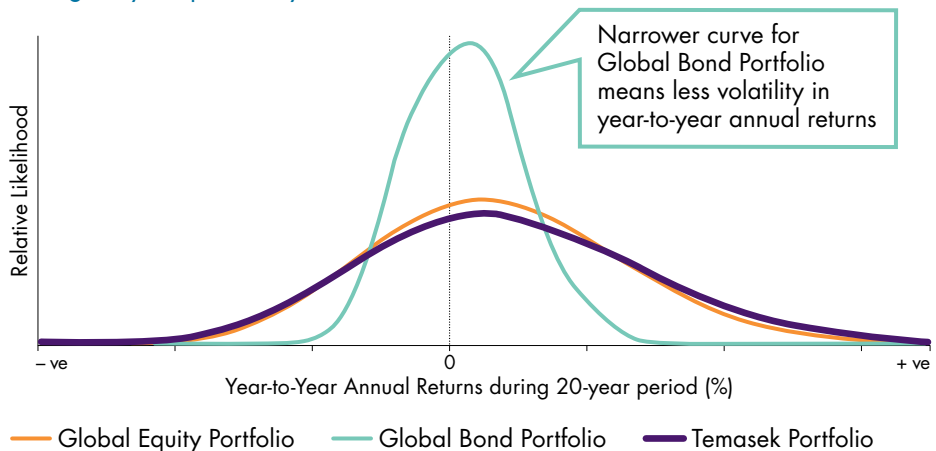
(as at 31 March 2016)

Likelihood of Geometric Returns (Compounded Annualised) at the end of 20-year period by Portfolio Mix



(as at 31 March 2016)

Likelihood of Year-to-Year Annual Returns during 20-year period by Portfolio Mix



Temasek's 20-year Expected Returns for Various Potential Scenarios

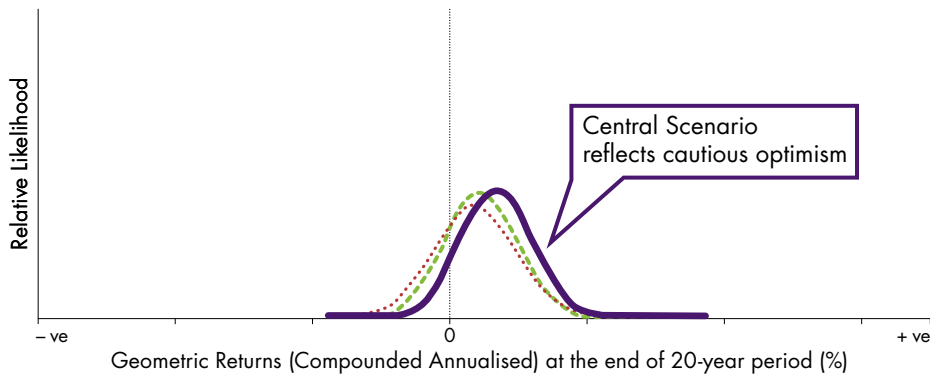
The T-GEM 20-year returns curves for the Temasek Portfolio are shown below for the Central, China Credit and Global Stagnation Scenarios.

Compared to our Central Scenario, our expected returns at the end of 20 years would be lower in a China Credit or Global Stagnation Scenario.

We expect slightly greater volatility in yearly returns for a China Credit case than for our Central Scenario.

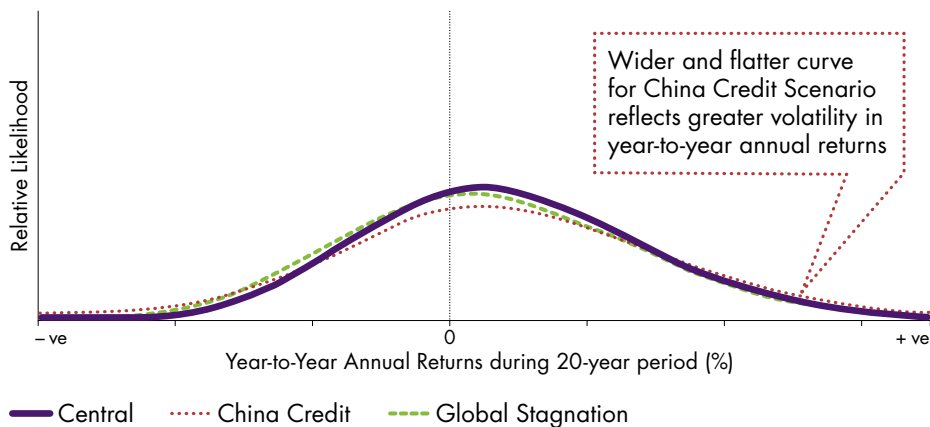
(as at 31 March 2016)

Likelihood of Geometric Returns (Compounded Annualised) at the end of 20-year period by Scenario



(as at 31 March 2016)

Likelihood of Year-to-Year Annual Returns during 20-year period by Scenario



Managing Risk

There are inherent risks whenever we invest, divest, or hold our assets, and wherever we operate.

As an owner, we are fully flexible in our ability to deploy capital across listed and unlisted assets. We do not have predefined concentration limits or targets for investing, whether by asset class, country, sector, theme or single name. We also have the flexibility to take concentrated positions and adopt a long investment horizon.

Our portfolio of mostly equities means higher year-to-year volatility of annual returns, including a higher risk of negative returns, such as for the year ended March 2016. The higher risk of negative returns in some years comes with an expectation of higher positive returns over the long term.

We promote a culture of risk awareness and balanced risk taking. Our risk-sharing compensation philosophy aligns the interests of employees with those of the shareholder, puts the institution above the individual and emphasises long term over short term. Balanced risk taking applies to both our investments as well as building institutional capabilities.

Our risk management framework covers strategic, performance and operational risks. We track and manage risks proactively and through cycles. There are designated risk owners for specific risks at Company or unit levels. We manage our leverage and liquidity conservatively for resilience and flexibility, even in times of extreme stress.

Risk Categories

Strategic risks	Performance risks	Operational risks
<ul style="list-style-type: none">• Reputation• Aggregate risk profile• Funding & liquidity• Political• Structural foreign exchange	<ul style="list-style-type: none">• Macroeconomic• Geography• Industry• Markets• Tax	<ul style="list-style-type: none">• People• Legal & regulatory• Systems & processes• Counterparty• Business disruption

To minimise operational risks, we embed risk management in our systems and processes. These include our approval authority delegation, company policies, standard operating procedures and risk reporting to our Board.

We have disciplined processes to ensure that various perspectives are always considered. Investment proposals are submitted under a two-key system, for instance by market and sector teams, to our investment committee. Depending on the size or risk significance, these proposals may be escalated to our Executive Committee or Board for final decision. Functional teams provide additional specialist perspectives and independent reviews. Risk considerations for individual investments include reputation, business, legal and regulatory, tax, funding, and key management risks.

Country and sector risks are factored into our risk-adjusted cost of capital for each investment. We seek to buffer risk through valuation discipline.

Legal & Regulations

We comply with all obligations under Singapore laws and regulations, including those arising from international treaties. We also comply with the laws and regulations of the jurisdictions where we have investments or operations.

Our Legal & Regulations department (LR) ensures that policies, processes and systems are consistent with applicable laws, and aligned with Board directives. For instance, our policy on derivative transactions permits only personnel authorised by a board resolution to enter into such transactions within tightly defined scopes and limits on behalf of specific designated entities.

LR monitors regulatory reporting compliance through robust securities tracking systems. Regulatory requirements and monitoring systems are continually reviewed and updated to track changes in laws and regulations.

Our Temasek Code of Ethics and Conduct (T-Code) and its related policies guide our Board directors and staff in their daily dealings and conduct. With integrity as a key overarching principle, T-Code policies on probity cover areas such as anti-bribery, whistle-blowing, management of confidential information, and prohibition against insider trading. Our annual staff bonus plans include T-Code compliance requirements.

Our policy permits only personnel authorised by a board resolution to enter into derivatives transactions within tightly defined scopes and limits.

Business Continuity and Incident Management

Our contingency management framework helps ensure business continuity and manage potential risk incidents arising from safety, security and other threats.

We care for the safety, security and well-being of our staff and their families during emergencies. For example, we provided supplies of N95 masks to our Singapore and Beijing staff during episodes of severe haze.

As we expand globally, we are ready to provide assistance to our staff wherever they operate.

Concentration Profile

Temasek has the flexibility to take large stakes in investments in expectation of superior returns. Our concentration profile is the result of such investments in aggregate. Our top 10 holdings represent 46% of the total net portfolio value.

Our largest geographic concentration by underlying assets¹ remains in Asia, with 29% and 25% in Singapore and China respectively as at 31 March 2016. The US is third largest at 10%.

Our largest sector concentration as at 31 March 2016 was in the telecommunications, media & technology sector, at 25% of the total portfolio, up from 24% a year ago.

Singtel remains our largest single name concentration at 13% of our portfolio in March 2016, down from 19% in March 2006.

Our portfolio of mostly equities means higher year-to-year volatility for our annual returns.

¹ We allocate our holdings in companies according to the assets they have in different countries.

Notes to charts on page 41:

² Distribution based on underlying assets.

³ Exchange rates as at 31 March 2016.

⁴ Mainly cash and cash equivalents, and sub-20% listed assets.

* Australia was the third largest country at 9% and 10% of 2015 and 2014 portfolio values respectively.
The US was 9% and 7% of 2015 and 2014 portfolio values respectively.

Concentration Profile of S\$242b Portfolio

(as at 31 March)

Country² (%)

	2016	2015	2014
● Singapore	29	28	31
● China	25	27	25
● The US	10	*	*
● Rest of portfolio	36	45	44

Sector² (%)

	2016	2015	2014
● Telecommunications, Media & Technology	25	24	23
● Financial Services	23	28	30
● Transportation & Industrials	18	17	20
● Rest of portfolio	34	31	27

Single Name (%)



	2016	2015	2014
● Singapore Telecommunications Limited	13	13	13
● DBS Group Holdings Ltd	5	6	5
● China Construction Bank Corporation	4	6	6
● Rest of portfolio	78	75	76

Liquidity (%)



	2016	2015	2014
● Liquid & sub-20% listed assets ⁴	31	34	36
● Listed large blocs (≥ 20% and < 50% share)	10	12	14
● Listed large blocs (≥ 50% share)	20	21	20
● Unlisted assets	39	33	30

Risk to Short Term Reported Returns

Our mark to market policy aims to reduce the behavioural risk of holding on to poor investments for fear of reporting realised losses. As a result of valuing our listed investments on a mark to market basis, there is consequently greater volatility in our reported annual results.

In any given year, our net portfolio value may see a once-in-20-years swing of as much as 30-40%. We saw this during the Global Financial Crisis, when our net portfolio value fell 30% in one year, only to rebound 43% the next year.

We use a range of formal market risk metrics to track the forward looking volatility of our portfolio. These include portfolio Value-at-Risk (VaR), the 12-month forward looking Monte Carlo simulation of the portfolio, and general market risk indicators such as the CBOE¹ Volatility Index (VIX).

These metrics have all signalled higher risks since the third quarter of 2015, when market sentiment towards China deteriorated and global commodities prices declined further. Broader long term risks may still be masked by successive and extremely accommodative central bank policies. Globally, central banks' ability to effectively manage financial stability risk is increasingly being questioned.

Looking into the immediate future, we use Monte Carlo simulation based on past market data to give a sense of the likelihood of a range of returns at the end of the next 12 months.

Applied to the current Temasek portfolio mix, our Monte Carlo simulation shows a five-in-six chance that our one-year portfolio returns can range from -21% to +32%. This is more biased towards the negative and just slightly wider than the 10-year average of -19% to +33%.

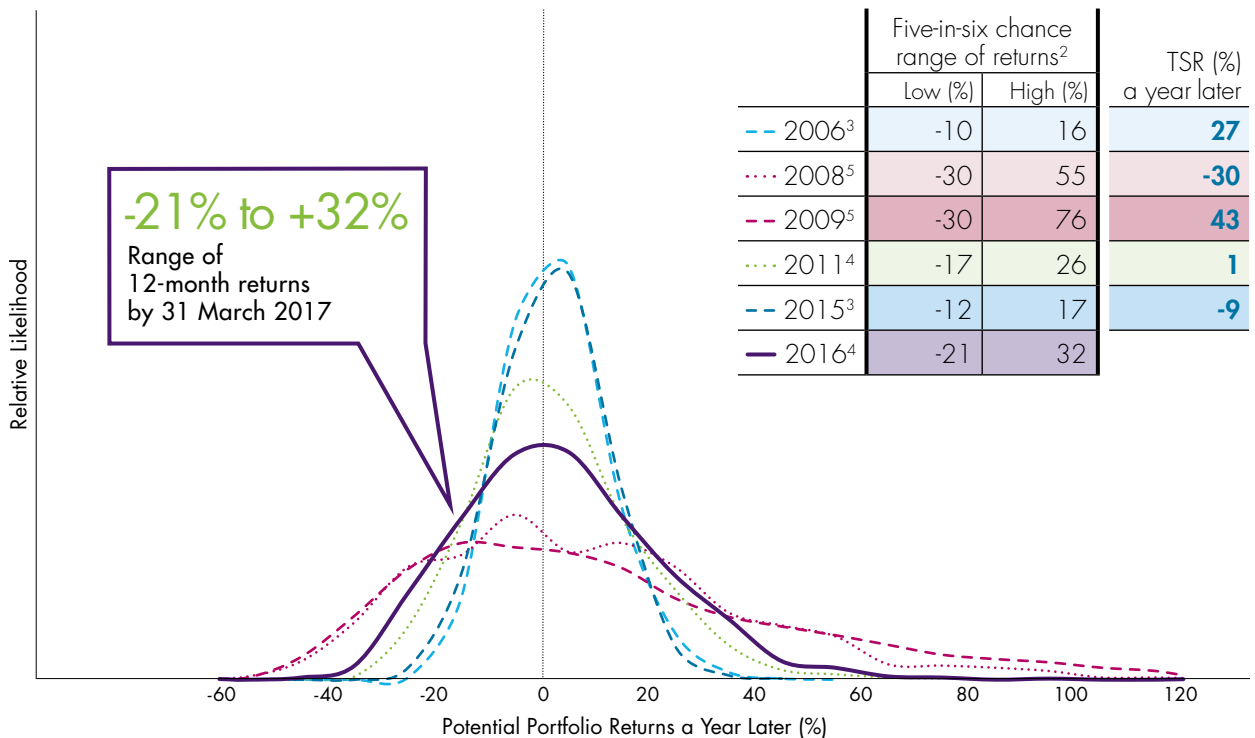
Our mark to market policy aims to reduce the behavioural risk of holding on to poor investments for fear of reporting realised losses.

¹ Chicago Board Options Exchange.

In the chart below, the Monte Carlo simulation curves represent the likelihood of one-year returns for some of the recent financial years. Narrower curves mean less volatility compared to the broader, flatter curves of the 2008/09 Global Financial Crisis years.

(as at 31 March)

Simulation of 12-month Forward Portfolio Returns



Read more on Temasek's formal market risk metrics at temasekreview.com.sg/risk or scan the QR code



² Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.

³ Periods of low market volatility.

⁴ Periods of medium market volatility.

⁵ Periods of high market volatility.





Institution

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*"Meet Sally the Oriental Pied Hornbill,
a bird species native to Singapore."*

Arjun Alpin Mehta and his grandmother,
Mrudula Mehta, get up close with
Jurong Bird Park's iconic hornbill,
and her handler,
Madelyn Leow Mei Lin.

Our character and culture as an institution are rooted in our MERITT values. They shape our thoughts, actions and habits as individuals and as one team.



A Forward Looking Institution

We are an investor, institution and steward, guided by the principles of good governance and sustainability.

At Temasek, as we do things today, we seek to make a difference, not just today but tomorrow; not just for our present generation but also for generations to come.

Our MERITT values underpin our actions – how we do things is as important as what we do and why. We believe in meritocracy. We always strive for excellence, and to act with integrity and respect for others. Teamwork and trust complete our values set. We support a balanced and sustainable work life environment through programmes that develop both professional competencies and personal growth.

As a responsible investor, we are committed to delivering value over the long term in a sustainable manner. The generation of long term sustainable returns depends on stable, well-functioning and well-governed social, environmental and economic systems. We consider social, environmental and governance factors when we make decisions as an investor, asset owner and shareholder. We work to understand the impact of our portfolio companies. We would encourage companies to adopt responsible and sustainable practices in their businesses, operations and supply chains.

As a disciplined investor, we believe that dialogue and robust exchanges of information, best practices and ideas between key stakeholders from the public and private sectors are critical enablers of sustainable growth. We seek sustainable solutions, and regularly discuss sustainability issues with interested stakeholders to keep ourselves abreast of the latest trends and developments. Through our *Ecosperity*¹ platform, we aim to promote the idea that growth and development go hand in hand with an abiding respect and commitment for a clean and sustainable environment.

We continue to advocate good governance and to uphold the Santiago Principles for sovereign investing, which we helped shape in 2008 alongside the International Monetary Fund and other international stakeholders.

We look across generations as a steward, investing with tomorrow in mind. Our investments in people, through various endowments, focus on education and health care, community building, scientific and medical research, institutional development as well as sustainability.

¹ In 2015, our *Ecosperity* conference brought together global CEOs, top public officials and thought leaders to explore sustainability issues and ideas on urbanisation. In 2016, the conference will explore sustainability at the individual level focusing on health, well-being and biodiversity.

Wealth Added

In 2003, we adopted the discipline of measuring our returns against risk-adjusted hurdles, to account for capital deployed and the associated risks.

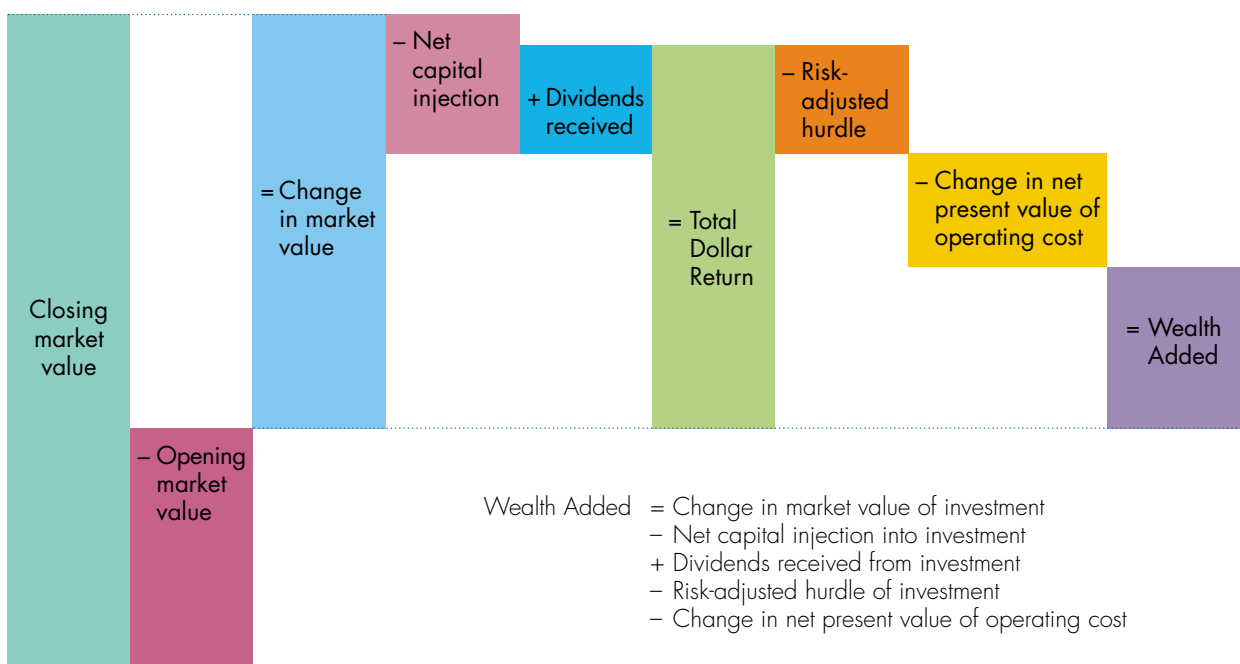
Wealth Added (WA) is our dollar returns above a risk-adjusted hurdle. Investments in riskier sectors or markets have higher hurdles.

Total WA is the sum of all our individual investment WA, adjusted for changes in the net present value of our operating costs.

When WA is positive, we have a positive WA bonus pool to share. Part of this WA bonus pool is deferred to future years. When returns are negative, we share a negative bonus pool. This means a clawback of the deferred bonuses earned in prior years, and if needed, from future bonus pools as well.

Our WA was negative S\$44.7 billion for the year.

Illustration of Wealth Added



Remuneration Philosophy

Our ownership ethos puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests over economic cycles.

Our compensation framework fosters a high performing and responsible culture where our employees think and act as owners, sharing gains and pains alongside our shareholder. It balances short term performance and long term value creation.

Our base salaries are benchmarked against relevant markets where we compete for talent. Short term bonuses are driven by annual targets. Returns above our risk-adjusted hurdle determine our Wealth Added (WA) incentive pool, while negative returns determine our clawback pool. Longer term incentives are deferred up to 12 years and subject to market risks and clawbacks, to account for sustainability of returns over market cycles.

Deferrals and clawbacks have been integral to our incentive plans since 2003. We have exercised bonus clawbacks seven times in the last decade, including three carry-forward clawbacks when deferred incentives were insufficient to clear the clawback pool.

Annual Cash Bonuses – Our Short Term Incentive

Annual cash bonuses are driven by company-wide, team and individual performance, and capped within budgeted limits. One annual performance target requires our three-year Total Shareholder Return (TSR) to exceed our three-year cost of long term debt.

Apart from financial targets, our “Make-A-Difference” (MAD) Programme rewards employees for achieving non-financial goals targeted at strengthening the institution, contributing to our community, and taking care of our families and ourselves.

For example, our staff are all trained in Cardiopulmonary Resuscitation (CPR) and the use of Automated External Defibrillators (AEDs) resuscitation protocols as a life skill under our MAD Programme.

WA Bonus Bank – Our Medium Term Incentive

Positive or negative, a portion of our WA incentive pool is distributed into the individual notional WA bonus bank accounts, based on each individual's performance and relative contributions over a period.

If WA bonus bank balances are positive, senior management receive payouts of no more than a third of their WA bank balances. Payouts are half for mid-level management and two thirds for other staff. The retained balances remain at risk of clawbacks in the future should returns be negative.

Co-ownership Grants – Our Long Term Incentive

Our staff may be awarded co-investment grants with performance or time-based vesting conditions. These units grow or decline in value with our yearly TSRs, reinforcing the ownership culture in our team. Co-investment units lapse after 12 years.

Part of our positive WA incentive pool funds the Temasek co-investment (T-Scope) grants with stringent multi-year portfolio performance conditions to trigger a five-year vesting. Another portion is held as a company-wide reserve for three to seven years to be released progressively for time-based co-investment grants. When returns are negative, clawbacks are first taken from this common reserve, before deducting from the deferred bonus banks of our staff.

Our annual operating budget funds limited time-based staff co-investment (S-Scope) grants, which vest over five years, starting in the third year.

Co-ownership Alignment in Practice

Two years ago, we had an accumulated clawback balance carried forward from prior negative WA years. We ended the year 31 March 2015 with a positive WA of S\$25.5 billion. The WA incentive pool allowed us to fully clear the clawback balance, and distribute the rest for employee incentives.

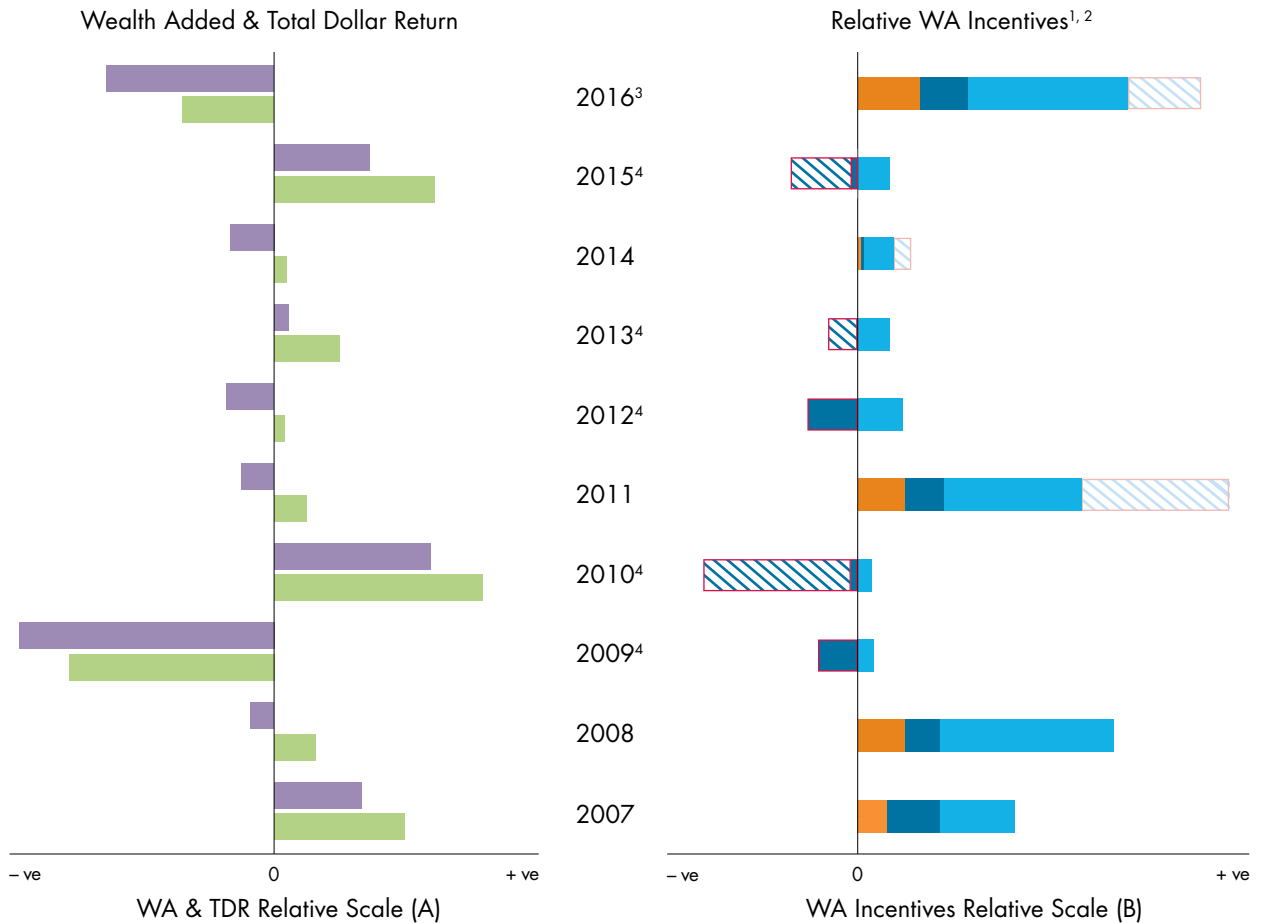
For the year ended 31 March 2016, our negative WA of S\$44.7 billion means that no new T-Scope units will be awarded. The resultant negative clawback pool will be allocated to individual employees, and deducted from their retained WA bonus bank balances. The remaining negative allocations will be aggregated and carried forward as a company-wide clawback pool to be made good from future years of positive WA.

This framework for sharing gains and the associated risks and pains through market cycles has been tested during the Global Financial Crisis and its aftermath, reaffirming our ownership ethos.

Incentives are deferred up to 12 years and subject to market risks and clawbacks.

(for year ended 31 March)

WA Incentives of Key Team



- Wealth Added (WA) in dollars
- Total Shareholder Return in dollars (Total Dollar Return or TDR)
- Paid-out portion of WA Bonus earned for prior year's performance
- Deferred portion of WA Bonus earned for prior year's performance, with future clawback risks
- Co-investment units which grow or shrink with total returns to shareholder, and are subject to performance and time-based conditions
- Clawback of deferred WA Bonus from prior years
- Clawback balances carried forward for future bonus offset
- Part of earned incentive used to offset the clawback balances brought forward from prior year(s)

¹ WA incentives awarded in the year were for WA performance in the prior year.

² Relative WA incentives of key management team which includes CEO, Presidents, Senior Managing Directors, Managing Directors, management Directors as well as Executive Directors.

³ Excludes two tranches of deferred bonus from Alibaba's WA, to be allocated in years ending 31 March 2017 and 2018, subject to sustained performance.

⁴ No T-Scope units were awarded due to negative WA in the prior year.

Our Board provides overall guidance and policy directions to management.

Our Board comprises 14 members, the majority of whom are non-executive independent private sector business leaders. Our Board operates on a commercial basis, with the added constitutional responsibility, together with our CEO, of protecting the Company's past reserves, given Temasek's status as a Fifth Schedule entity¹ under the Singapore Constitution.

The annual Board schedule includes quarterly two-day meetings, plus additional meetings as needed. Four Board meetings were held in the last financial year.

The Board has reserved the following matters for its decision:

- overall long term strategic objectives
- annual budget
- annual audited statutory accounts
- major investment and divestment proposals
- major funding proposals
- CEO appointment and succession planning
- Board changes

The following Board committees, each chaired by a non-executive Director who is independent of management, have been set up with specific delegated authorities:

- Executive Committee
- Audit Committee
- Leadership Development & Compensation Committee

The Board has separate and independent access to information to assist it with its deliberations, including the opportunity to request supplementary or explanatory information from management. Management provides information to the Board on an ongoing basis to allow the Board to effectively discharge its responsibilities.

Board members with interests that may conflict with Temasek's are recused from relevant information and decisions.

¹ Fifth Schedule entities under the Singapore Constitution include GIC Private Limited, which manages the reserves of the Singapore Government, the Central Provident Fund Board, the Monetary Authority of Singapore, Housing and Development Board, and Jurong Town Corporation. See section on *A Trusted Steward* on page 64 for more information.

Executive Committee (ExCo)

The ExCo has been delegated the authority to approve new investment and divestment decisions up to a defined threshold, beyond which, transactions will be considered by the Board. The minutes of ExCo meetings are circulated to the Board. The ExCo met four times during the year.

Audit Committee (AC)

Comprising only independent directors, the AC supports the Board in its oversight responsibilities by reviewing, among other things, our system of internal controls, and processes used for financial reporting, audit, and monitoring compliance with laws and regulations. The AC also reviews the scope and results of the external audit, and the independence of the external auditors.

The AC is supported by Internal Audit (IA). To ensure its independence, IA reports functionally to the AC and administratively to the office of the CEO. IA has full and unrestricted access to all records, properties and personnel to effectively perform its functions. Aside from periodic planned reviews of key control processes for all offices, IA may also undertake special reviews requested by our Board, AC or senior management. The AC met four times last year.

Leadership Development & Compensation Committee (LDCC)

The LDCC is responsible for recommending Board and management leadership plans to the Temasek Board. This includes Board and CEO succession, as well as guidelines and policies on performance measurement and compensation plans. The LDCC met four times last year.

Board and Committee Processes and Decisions

Decisions at Board and Committee meetings are based on a simple majority of the votes, including those via telephone or video conference. Where a Board resolution is obtained via circulation, the resolution becomes effective upon approval by at least two thirds of the Board.

Board members with interests that may conflict with specific Temasek interests are recused from the relevant information flow, deliberations and decisions.

Quarterly Board meetings include Executive Sessions for non-executive Directors to meet without management presence. The annual CEO succession review is a part of these deliberations.

Our Board and CEO have the added constitutional responsibility of protecting Temasek's past reserves.

Board Committee Membership as at 31 March 2016

	Board	ExCo	AC	LDCC
Lim Boon Heng	Chairman	Chairman		Chairman
Cheng Wai Keung	Deputy Chairman	Member		
Kua Hong Pak	Member		Chairman	
Bobby Chin YC	Member		Member	
Goh Yew Lin	Member		Member	Member
Ho Ching	ED & CEO	Member		Member
Michael Lien JL	Member		Member	Member
Robert Ng CS	Member			
Teo Ming Kian	Member	Member		
Peter R Voser	Member			
Marcus Wallenberg	Member			
Lucien Wong YK	Member		Member	Member
Robert B Zoellick	Member			

Additional Board Member after 31 March 2016

	Board	ExCo	AC	LDCC
Lee Theng Kiat ¹	Member	Member		



Read the full description
of our Board at
temasekreview.com.sg/board
or scan the QR code

¹ Appointed on 1 April 2016.

Senior Management

Senior management sets the tone and culture of our team, and leads the execution and delivery of Temasek's vision and mission.

Housed under Temasek International together with the rest of our employees, our management team implements the strategy and policy directions set by our Board. Levels of authority for investment, divestment and other operational matters are defined according to our Board's delegation.

Our CEO of Temasek International oversees our team and portfolio with the support of the following committees:

- Senior Divestment and Investment Committee (SDIC)
- Senior Management Committee (SMC)
- Strategy, Portfolio and Risk Committee (SPRC)

The SDIC manages and shapes our portfolio on an ongoing basis, and decides on investments and divestments up to the authority limits delegated by our Board.

The SMC reviews and sets overall management and organisational policies. These include internal controls, the implementation of our Derivatives Framework, and the Valuation Policy approved by the Audit Committee. The SMC has developed the Temasek Code of Ethics and Conduct (T-Code) and constituted the Ethics Committee to assist in its implementation. All employees are required to observe and comply with the T-Code.

The SPRC reviews macroeconomic, global, political, technological and social trends that provide the context in which new opportunities and risks may arise, in both existing and new markets. It reviews the risk tolerance framework to keep it relevant, as well as value creation opportunities.

Our senior management also oversees Temasek's compliance with the rules and regulations of the jurisdictions where we have investments or operations. Policies, systems and processes are in place to assist with such compliance. These are reviewed and updated regularly, in particular for new markets and new asset classes.

All employees are required to observe and comply with the T-Code.

See the list of
our senior team at
temasekreview.com.sg/team
or scan the QR code



Our Temasek Heartbeat

We are 580 strong, diverse across 33 nationalities, working together as one team.

We strive to live by our Temasek Charter, and are guided by our MERITT values in all that we do.

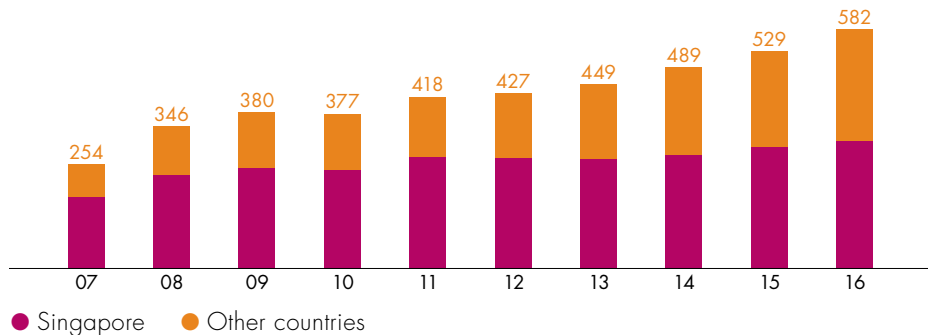
Learning and Growing Together

We are committed to fostering an enterprising spirit in our people, continuously learning and growing together. Seeking new ideas and insights, we constantly challenge ourselves to reinvent and renew for the future.

Technological advances and innovation bring risks and opportunities. To encourage our employees to embrace change and an innovation mindset, we developed new learning experiences around the theme of innovation during the year. We designated a day at our Singapore office to showcase the latest technologies in working, collaborating and living, to inspire our staff. We also invited behavioural science practitioners to share on topics such as “nudge” and adaptive leadership, to help our people stay up-to-date with the latest leadership best practices.

(as at 31 March)

Our Staff by Nationality



Making A Difference

We believe we can make a difference, individually and collectively. “Make-A-Difference” (MAD) was introduced to inculcate a culture of taking personal ownership and responsibility. We are especially proud that our people have embraced this concept personally and professionally. Various non-financial individual and team MAD targets are set for each year, covering health, self, institution and community. These are facilitated by various company-supported initiatives such as learning first responder skills like Cardiopulmonary Resuscitation (CPR) and the use of Automated External Defibrillators (AEDs), so that we can help our people to be responsible, able and knowledgeable global citizens.

Keeping in line with our theme of innovation, this year’s “CEO Challenge” encouraged staff to step out of their comfort zone and learn a non-native language, coding or to play a musical instrument. As at 31 March 2016, 96% of our staff accepted the challenge, close to 60% completed it, while the others are still on their learning journey.

Family and Community

We encourage our families to be part of the larger Temasek family through events such as Kids@Work and family-friendly facilities that include nursing rooms for new mothers, while maternity and paternity leave support young parents.

Our Active Volunteers

Our people are active volunteers, making a difference to the broader community in diverse ways.

Contributions through *T-Touch*, our staff volunteer initiative, are supported and supplemented by company-wide programmes and initiatives. We have designated our incorporation date, 25 June, as our annual Community Day, where staff in our Singapore and international offices adopt and work with different beneficiaries. Our *T-Touch* volunteers are active throughout the year, organising a range of activities for different beneficiaries and community organisations.

We are committed to fostering an enterprising spirit in our people.

Our Temasek Heartbeat

Our staff are active volunteers who help make a difference in many outreach programmes with different non-profit groups and self-help organisations around the world.

Fresh Food for the Needy

Our New York colleagues partnered City Harvest Mobile Market to pack and deliver fresh vegetables to low income families.



Maintaining Green Spaces

In London, we have been volunteering with the Queen Elizabeth's Foundation for Disabled People by helping to maintain gardens and open spaces for the enjoyment of their beneficiaries.



Celebrating with Children

Our Mexico City colleagues organised a Christmas party for children under the Dr Sonrisas programme, which assists children with terminal or life threatening diseases.



Engaging the Underprivileged

Our Brazil team joined more than 400 underprivileged children in their recreational activities at the nursery school, Creche Anglicana Do Morumbi.

Interacting with the Elderly

In Beijing, we did craftwork with residents at a charitable nursing home in the Xicheng District, and presented them with warm clothing for the Spring Festival.



Building Homes, Building Teams

At our annual staff offsite, we held two team-building events in Singapore and Batam. One group built homes for villagers living in Kabil, Batam; while the other assembled and installed new furniture for the elderly residents of Peacehaven Nursing Home, Singapore.



Nurturing Our Youth

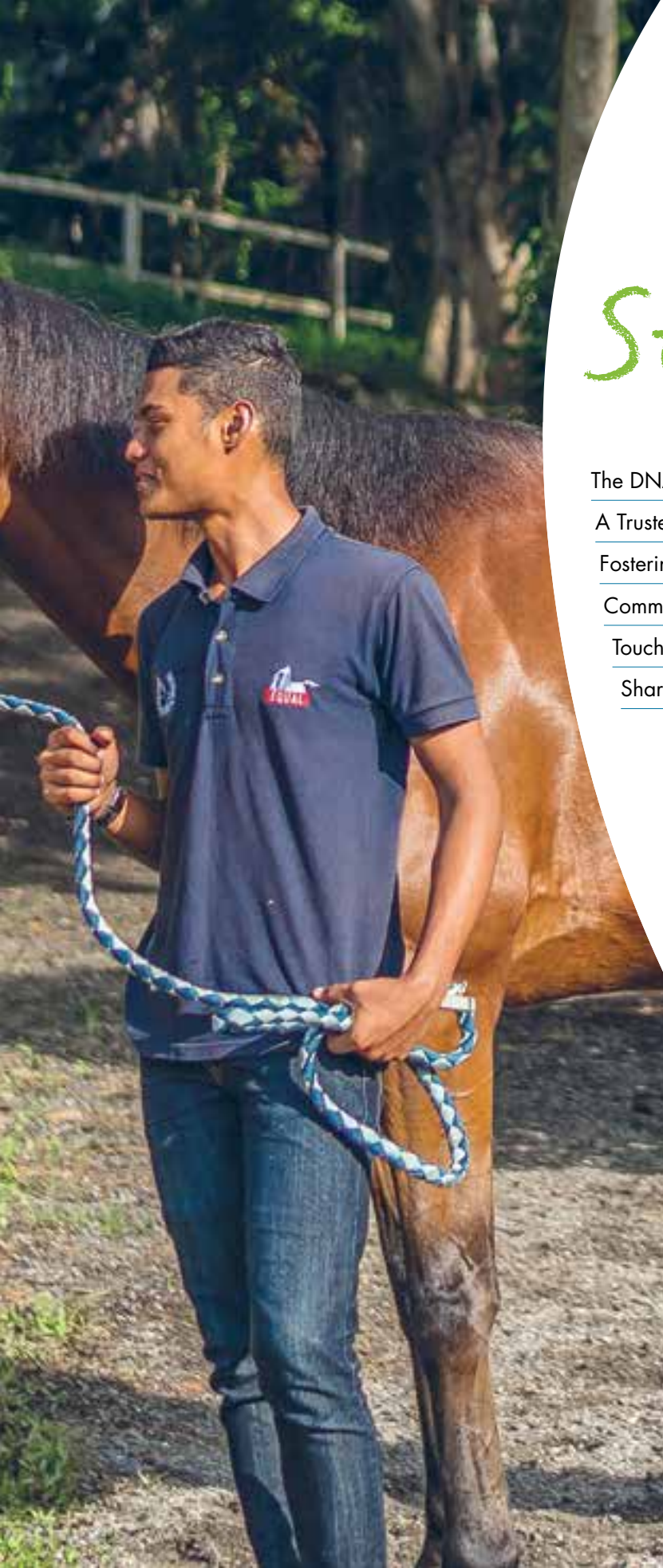
In Mumbai, we partnered Magic Bus, a non-governmental organisation to develop a livelihood centre, which provides training, mentoring, and job placement services for youth.



Honouring Our Pioneers

In Singapore, we organised a walk down memory lane for 500 senior citizens from the Central Community Development Council and Touch Senior Activities Centres. We recreated the Great World Amusement Park, a well-loved Singapore amusement park in the 1960s, for their enjoyment.





Steward

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"Observing the horse's ears can give an indication of its mood."

Haifitri Bin Jusri (left) sharing tips with Abdul Hamid Bin Rahmat on handling a horse during EQUAL-ARK's horsemanship programme, which supports young people from disadvantaged backgrounds.

The DNA of Temasek

1959 saw Singapore's first year of self-government.

Members of the newly-elected government were aghast to inherit a budget deficit of S\$14 million from their colonial predecessors. They went to work, and delivered a S\$1 million surplus that year, through determination and collective sacrifice.

This early financial discipline set the tone for Singapore ever since. There was a determination to grow the economy to create jobs and not burden future generations with debt.

The ethos of Temasek was already well shaped at our birth in 1974 – to live within our means and be financially disciplined; to do the right things with tomorrow clearly in our minds; to drive for survival and prosperity while ensuring a clean, green and healthy environment for our people.

From the start, the Singapore Government took a hands-off approach to Temasek. Indeed, Temasek was formed to take over the responsibility of owning shares in companies and managing assets, freeing the Ministry of Finance to focus on its larger role of looking after the economy as a whole.

The budding portfolio companies were subject to market discipline. The CEO of the then young startup, Singapore Airlines, knew that the company had to be profitable or face winding up. A handful of ailing companies were shuttered.

The message was clear: the portfolio companies had to stand on their own.

This ethos of market and financial discipline remains well and alive today.

Temasek and the Singapore Government Finances

Temasek contributes to the Singapore Government finances in two ways.

First, we pay taxes¹ on the profits we earn, be it in Singapore or in other countries.

Second, we pay dividends to our shareholder.

For many years, the Singapore Government ran primary budget surpluses, so our dividends would add to Government reserves – the country's savings for a rainy day.

From 2001 till last year, the Government was permitted to spend up to 50% of Temasek's dividends². The rest were locked up as the Government's past reserves. This spending framework, alongside other revenue sources, helped to fund Singapore's needs, including the Pioneer Generation Package³ of 2014 and other long term social and economic programmes.

However, dividends may dry up in an economic downturn, when governments most need budget flexibility to lean against the wind.

Hence, from this Budget Year onwards, Temasek has been included in the Net Investment Returns (NIR) framework⁴, similar to GIC and the Monetary Authority of Singapore (MAS)⁵.

¹ Temasek pays taxes, unlike other sovereign owned companies which may claim sovereign exemption from taxes.

² This was under the Net Investment Income (NII) framework – see page 22 for more information.

³ The Pioneer Generation Package subsidises an additional 50% off the net subsidised medical bills of Singaporeans who were 16 years and older in 1965, and funds were set aside to support such subsidies for life. This is another example of not burdening future generations with debts or obligations committed by the present generation.

The NIR Framework

The Government may spend up to 50% of Temasek's expected long term real returns.

The NIR framework does not require Temasek to change its dividend policy, or sell assets to raise funds for Government spending. Our constitutional responsibility to protect our own past reserves remains.

The T-GEM of Temasek

The expected long term real rate of return is a projection, simulated under various assumptions and scenarios, using our T-GEM⁶ tool.

We remain acutely aware that this projection is just one possible outcome in a range of possible outcomes. Our actual returns will likely be below or above our projected expected returns.







How Temasek Contributes to the Singapore Government Finances

1

Pays **taxes** on profits

2

Pays **dividends** to our shareholder

Then (2001 – 2015)	Now (since 2016)
Net Investment Income (NII)	Net Investment Returns (NIR)
 Based on dividends	 Based on expected long term real returns
 More volatile	 More stable
 Singapore Government permitted to spend:	
Up to 50% of Temasek's dividends	Up to 50% of Temasek's expected long term real rate of return
 The NIR framework does not require Temasek to change its dividend policy or sell assets to raise funds for the Singapore Government. Temasek's constitutional responsibility to protect our own past reserves remains unchanged.	

⁴ NIR framework allows spending to be based on an expected long term real rates of return from investments – see page 22 for more information.

⁵ GIC invests the reserves of the Singapore Government, and MAS manages the official foreign reserves of Singapore. GIC and MAS were on the 50% NII framework from 2001 till 2008 and were moved to the NIR framework from 2009 onwards.

⁶ Temasek Geometric Expected Return Model – see pages 34-37 for more information.

Temasek's role and reputation as a trusted steward depends on our people and values, and our conduct and governance.

Our Temasek Charter defines who we are and what we do as a commercial investment company, and a corporate member of the wider community.

We own and manage our assets and portfolio. We are governed by the Singapore Companies Act and the Singapore Constitution. Our annual statutory financial statements are audited by a major international audit firm.

Under the Singapore Companies Act, Temasek is an exempt private company¹ with our own Board.

Under the Singapore Constitution, Temasek² is a Fifth Schedule entity³ with a constitutional responsibility to safeguard our Company's past reserves.

Temasek's past reserves are those accumulated by the Company before the current term of Government.

Neither the President of the Republic of Singapore⁴ nor the Singapore Government, our shareholder, is involved in our investment, divestment or other business decisions, except in relation to the protection of Temasek's own past reserves.

Temasek does not manage CPF savings.

Temasek does not manage Central Provident Fund (CPF) savings, Government budget surpluses, the foreign exchange reserves of Singapore, or the reserves of any other Fifth Schedule entity. These are independently managed by the relevant Fifth Schedule entities such as the CPF Board and the Monetary Authority of Singapore. Each Fifth Schedule entity is separately accountable for the protection of its own past reserves.

¹ Under the Singapore Companies Act (Chapter 50), an exempt private company has no more than 20 shareholders and no corporate shareholder, and is exempted from filing its audited financials with the public registry.

² Temasek Holdings (Private) Limited.

³ Fifth Schedule entities under the Singapore Constitution include GIC Private Limited, which manages the reserves of the Singapore Government, the Central Provident Fund Board, the Monetary Authority of Singapore, Housing and Development Board, and Jurong Town Corporation.

⁴ The Singapore President has an independent custodial role under the Singapore Constitution to safeguard the respective past reserves of the Singapore Government and the Fifth Schedule entities, including that of Temasek.

Relating to the President of Singapore

Our Board and CEO have the responsibility under the Singapore Constitution to protect our Company's past reserves.

Our Board and CEO have a duty to seek the President's approval before any draw occurs on our Company's past reserves.

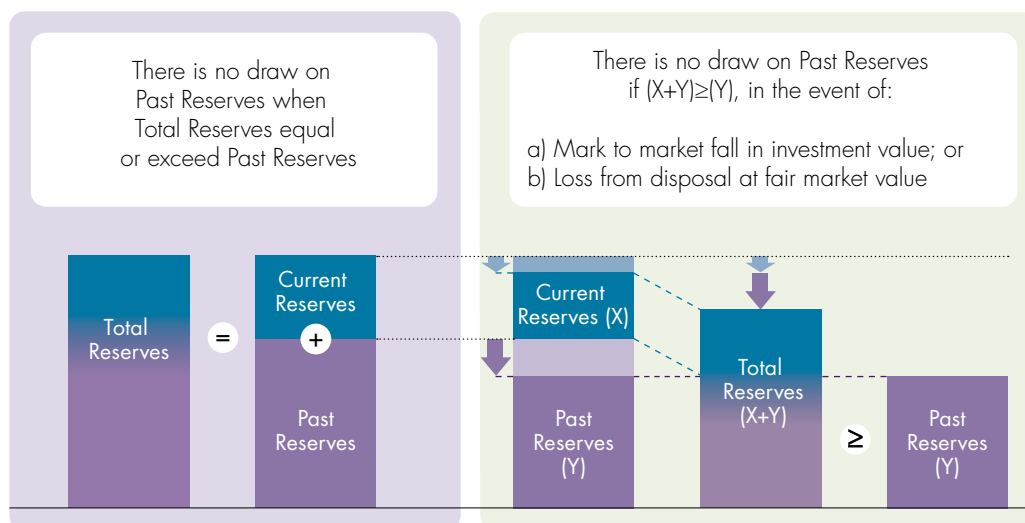
There is no draw on our past reserves if our total reserves equal or exceed our past reserves.

Mark to market declines on existing investments would not be a draw on past reserves.

Duties to protect our past reserves include ensuring that every disposal of investment is transacted at fair market value⁵. A realised loss arising from such disposals at fair market value would not be a draw on past reserves.

There is no draw on our past reserves if our total reserves equal or exceed our past reserves.

Protection of Temasek's Past Reserves



⁵ Fair market value is the price agreed between a willing buyer and a willing seller on an arm's length basis.

Under the Singapore Constitution, our past reserves are those accumulated by Temasek before the current term of Government. Our current reserves are those accumulated by Temasek during the current term of Government.

The swearing-in of Singapore's new Cabinet on 1 October 2015 marked the start of a new term of Government.

On the eve of the first day of each term of Government, Temasek's total reserves – comprising our past reserves and current reserves at the changeover – are locked up as past reserves. This cycle repeats every time there is a change of Government after each General Election.

Relating to Our Shareholder

Incorporated on 25 June 1974, Temasek is wholly owned by the Singapore Minister for Finance¹. We own and manage our own assets as an investment company, and not as an asset manager for our shareholder.

Our shareholder's right under the Singapore Companies Act to appoint, reappoint or remove our Board members is subject to the President's concurrence². The appointment or removal of the CEO by our Board is also subject to the concurrence of the President³. These constraints are part of the "second key" concept to safeguard the integrity of our Board and CEO in protecting Temasek's past reserves.

Temasek declares dividends annually, based on the profits we earn, in accordance with our dividend policy. Our Board recommends the dividends for our shareholder's consideration at the annual general meeting. The dividend policy balances the sustainable distribution of profits as dividends to our shareholder, with the retention of profits for reinvestment to generate future returns. The policy also takes into account our constitutional responsibility to protect Temasek's past reserves.

Companies in our portfolio are the responsibility of their respective boards and management.

Under the Net Investment Returns (NIR) framework, the Government is permitted to spend up to 50% of the expected long term real rates of return of GIC, the Monetary Authority of Singapore and Temasek. The NIR framework does not affect, change or impact Temasek's dividend policy, strategies and operations as a long term investor, and our responsibility to protect Temasek's past reserves.

¹ Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

² The President's concurrence is exercised independently and not on the advice of Cabinet.

³ The Singapore President has an independent custodial role under the Singapore Constitution to safeguard the respective past reserves of the Singapore Government and the Fifth Schedule entities, including that of Temasek.

Relating to Our Portfolio Companies

We manage our portfolio as an active investor and owner. We increase, decrease or hold our investment positions to enhance our risk-adjusted returns for the long term.

The day-to-day management and business decisions of companies in our portfolio are the responsibility of their respective boards and management.

We promote sound corporate governance in our portfolio companies, even as we recognise that corporate governance practices and norms may vary in the different markets in which our companies operate. We support the formation of high calibre, experienced and diverse boards to guide and complement management leadership. This includes encouraging the boards of portfolio companies to identify and consider potential directors with relevant backgrounds and experience, and conduct annual reviews of their succession plans.

Board directors have a fiduciary duty to safeguard the interests of their respective companies. Accordingly, we advocate that boards be independent of management in order to provide effective oversight and supervision of management. This includes having mostly non-executive board members with the independence and experience to oversee management.

We advocate that the Chairman and CEO roles be held by separate persons, independent of each other, to ensure a healthy balance of power for independent decision making, and a greater capacity for management supervision by the board. In markets or industries where having Chairman CEOs is an accepted practice, we advocate that our portfolio companies appoint a lead independent director.

Companies in our portfolio are guided and managed by their respective boards and management. Temasek does not direct their business decisions or operations.

We regularly monitor the strategy and performance of our portfolio companies and keep abreast of industry developments that impact our companies. This informs how we exchange and share views and perspectives with the boards of our companies, so as to better understand their strategy and operating environment. We protect our interests by exercising our shareholder rights, including voting at shareholders' meetings.

We comply with all obligations under Singapore laws and regulations, as well as those of the jurisdictions where we have investments or operations. Likewise, we expect our portfolio companies to comply with all laws and regulations of jurisdictions in which they have investments or operations.

We comply with all obligations under Singapore laws and regulations, as well as jurisdictions where we have investments or operations.

We expect our portfolio companies to comply with all laws and regulations of jurisdictions in which they have investments or operations.

Relating to Our Communities

As a Singapore exempt private company, Temasek is exempted from disclosing financial information publicly. However, we have published our Group Financial Summary and portfolio performance in our annual *Temasek Review* since 2004. As a trusted steward, our engagement with our communities in Singapore and around the world is based on the twin pillars of sustainability and good governance.

We support programmes that focus on building people, building communities, building capabilities and rebuilding lives. These programmes enable individuals, families and communities to have sustainable improvements and progress in their lives.

More than a decade ago, we instituted a policy of setting aside a share of our excess returns for community contributions in each year that we exceed our risk-adjusted hurdle. This policy is founded on the concept of sustainable and responsible contributions.

The skills and capabilities for the management of endowment funds and for developing and managing community and social programmes are very different. This was why we established Temasek Trust in 2007 to oversee the management and distribution of endowments and gifts from Temasek, which have been earmarked for specific non-profit philanthropic organisations (NPPOs).

The governance model separates the financial management of endowments from the NPPOs. This enables them to focus on what they do best – developing programmes for the community, knowing their endowments are professionally managed to give them a sustainable source of support over the years.

We comply with all obligations under Singapore laws and regulations, as well as those of the jurisdictions where we have investments or operations.

We follow developments in international investment and trade agreements, and engage with thought leaders and authorities. We also aim to promote a better understanding of how state owned entities like ourselves operate based on commercial principles, independent of government interference.

An example is our active participation with the International Monetary Fund and various sovereign investors from around the world to develop best practices under the Santiago Principles for sovereign investments. Temasek exceeds the applicable standards of disclosure and other guidelines under the Santiago Principles.

Our engagement with our communities is based on the twin pillars of sustainability and good governance.

Fostering Stewardship and Governance

Good corporate governance and sound stewardship will help foster sustainable long term development and progress. At Temasek, we have seeded institutions to build new capabilities and make a difference. We have partnered multilateral agencies to promote good governance and exchange best practices.



Community Stewardship

We have a stake in the well-being of our community, and exercise good stewardship through community contributions in order to make a difference.

Since our inception in 1974, we have established 16 endowments. Our endowments and philanthropic entities aim to build people, build communities, build capabilities and rebuild lives. To date, they have touched the lives of more than 300,000 people in Singapore and Asia.



Temasek Trust

Temasek Trust was established in 2007 to independently oversee the financial management and disbursement of Temasek's philanthropic endowments and gifts. Its Board of Trustees comprises Chairman S Dhanabalan, Euleen Goh and Ng Kee Choe from Singapore, and Ratan Tata from India.

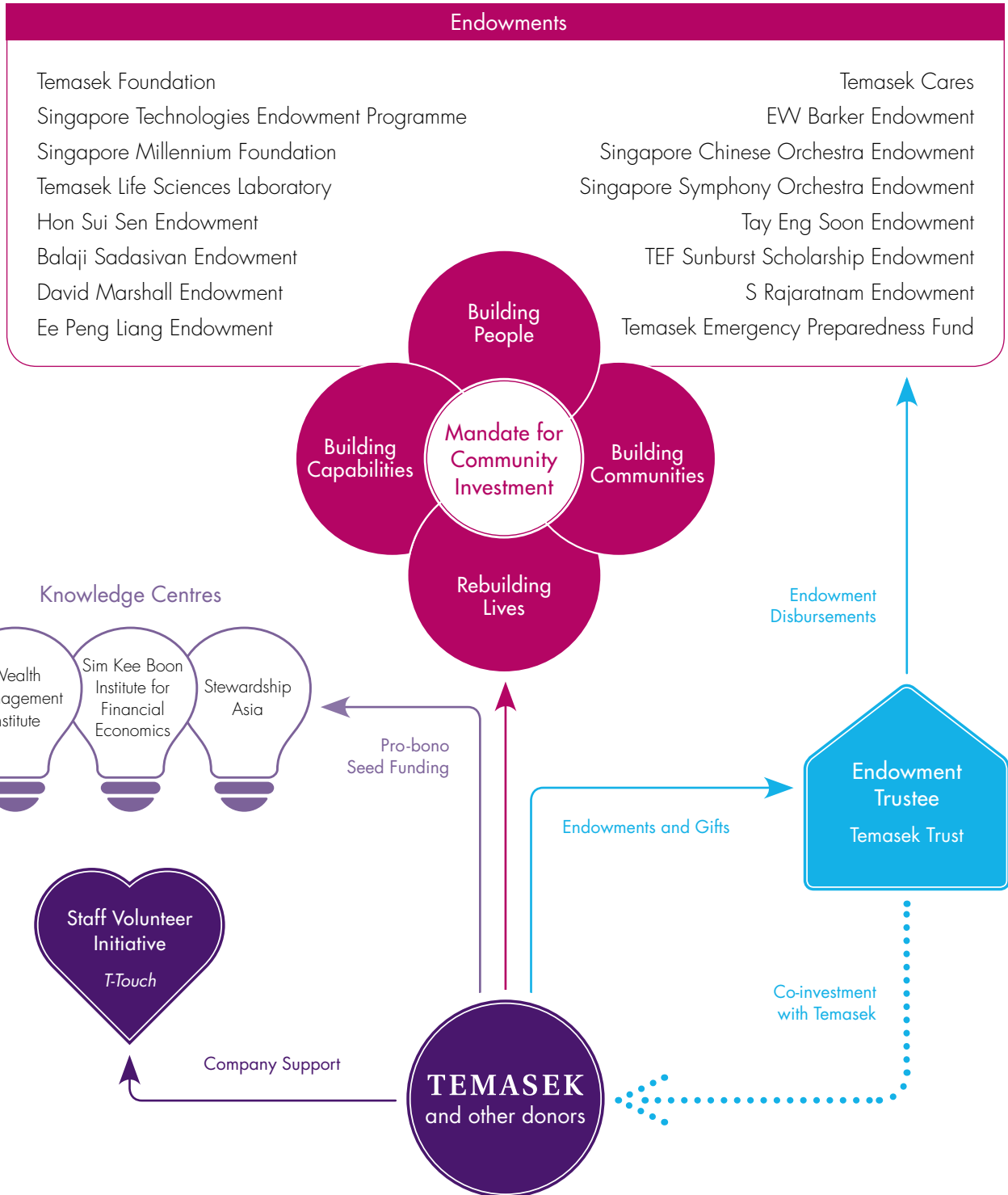
Endowment gifts from Temasek are initially co-invested with Temasek. When the endowments reach critical mass, the Trust may appoint other third party fund managers approved by Temasek. The Trust is responsible for the disciplined disbursement of the endowments to designated non-profit philanthropic organisations (NPPOs) on a sustainable basis. In turn, the NPPOs are charged with fulfilling their respective community mandates.



Temasek Foundation (TF)

Supported by Temasek's largest endowment, TF partners Singapore and international institutions to support the building of social and human capital in Asia.

TF seeks to build people through education and health care; build institutions through governance, public administration and urban management; build bridges among Asia's diverse communities through networks of exchange for students, journalists, leaders and others; and rebuild lives and livelihoods of communities affected by natural disasters by boosting their disaster response capabilities. Since May 2007, TF has supported 303 programmes in 20 countries across Asia.





Temasek Cares

Set up in 2009, Temasek Cares is a Singapore-based charity¹ focused on improving the lives of underprivileged individuals, families and communities in Singapore, especially those with unmet needs.

Temasek Cares has since sponsored over S\$41 million in grants to fund 95 programmes, including pilot programmes for new services. These have directly touched more than 29,000 lives in the community, including those with physical disabilities or requiring psychological support, children with learning, developmental and traumatic challenges, abused women and their children, single parents, and the elderly requiring long term care.

Temasek Cares manages other community endowments on behalf of Temasek. These include the Balaji Sadasivan Endowment for healthcare services, the Ee Peng Liang Endowment for social services, and the Temasek Emergency Preparedness Fund or T-PREP Fund for community emergency resilience and recovery. Through the T-PREP Fund and the *Stay Prepared* initiatives, more than 1.2 million households including 65,000 vulnerable children and elderly in the community are better prepared for emergencies.



Singapore Technologies Endowment Programme (STEP)

Now in its 19th year, STEP helps youth in Asia to build friendships and contribute to their education. Its popular Sunburst Youth Camp has hosted more than 2,200 teenage students since 1998, including over 700 students from Singapore. Since 2013, STEP has organised the Sunburst Environment Programme to raise awareness among youth on environmental sustainability in Asia.



Temasek Life Sciences Laboratory (TLL)

TLL is well recognised for biomolecular science research and applications that aim to benefit people and to create positive impact to society. Its primary focus on understanding the cellular mechanisms underlying the development and physiology of plants, fungi and animals is the foundation for biotechnology innovation. In 2015, TLL scientists published 74 papers in peer-reviewed journals, with about 30% in high impact journals. Over the last 13 years, TLL has made more than 80 discoveries, of which about half have been licensed.

¹ Temasek Cares is an Institution of a Public Character set up in 2009 to commemorate the 35th anniversary of Temasek Holdings, and formalise our charity support in Singapore.

Singapore Millennium Foundation (SMF)

Established in 2001, SMF funds research relevant to Singapore, covering mental health, Parkinson's disease, liver and lung cancer, ageing and palliative care, pedagogy and special needs education, and non-medical bioscience. In 2008, SMF broadened its mandate to cover institutional programmes, and has since granted a total of S\$47 million, for programmes in education and research institutions, and hospitals. SMF has been a key sponsor of the Lee Kuan Yew Water Prize since 2008, which honours individuals or organisations with major contributions in solving the world's water challenges.



Temasek Education Foundation (TEF)

TEF supports programmes that nurture young talent in the areas of sports, mathematics and science, arts, and music. TEF has endowments totalling S\$150 million, including the TEF Sunburst Scholarship and three S\$35 million endowments named after Singapore's pioneering leaders, EW Barker, Tay Eng Soon and David Marshall. The Singapore Symphony Orchestra and Singapore Chinese Orchestra endowments are also supported by TEF.



S Rajaratnam Endowment

The S\$100 million endowment, named after Singapore's first and longest-serving Foreign Minister, promotes development, peace and stability in Asia through programmes and partnerships targeted at business and political leaders. Its flagship programme, the Singapore Forum, focuses on geostrategic, politico-economic and governance issues impacting regional development and stability. The endowment also supports other programmes such as the Asia Society – S Rajaratnam Endowment Asia Rising Dialogue and the Youth Model ASEAN Conference.



Hon Sui Sen Endowment

Named after the former Singapore Minister for Finance, the late Hon Sui Sen, the S\$35 million endowment focuses on developing talented individuals in the financial industry in Asia, including policymakers, central bankers, market regulators and financial professionals in public service.



Touching Lives

Our NPPOs identify needs and spearhead programmes where they can make a difference to people in our communities.

Building Capabilities

Temasek Foundation

Singapore International TVET Conference 2015

Gathering over 350 professionals from Asia, Europe and the US to share insights on advancing Technical and Vocational Education and Training and workforce development.

Temasek Foundation

Temasek Foundation Healthcare Executives in Asia Leadership Programme

Partnering Singapore Health Services and National Healthcare Group to train 100 healthcare leaders and public officials from Asia in healthcare governance and leadership.

Temasek Foundation

ASEAN Financial Regulators' Executive Programme

A partnership with the NUS Lee Kuan Yew School of Public Policy and the Monetary Authority of Singapore to train 55 ASEAN senior officials in financial policymaking and best practices.

Temasek Life Sciences Laboratory

Research on Intestinal Microorganisms for Potential Therapies

Understanding the influence of the intestine's microorganisms on our health. Led by Dr Henning Seedorf, the findings could aid in the development of more targeted treatments.

Singapore Millennium Foundation

Robotic Puppetry in Early Education

A three-year research project to develop and use robotic puppets to aid early childhood to primary school children with their learning.

S Rajaratnam Endowment

Singapore Forum

Bringing together over 200 business, political and thought leaders across Asia to discuss geostrategic, politico-economic and governance issues impacting the region's future.



Dr Seedorf uses the anaerobic chamber to perform research on gut microorganisms.



Education specialists discuss best practices in vocational training at the Singapore International TVET Conference 2015.

Watch how our NPPOs and endowments make a difference at temasekreview.com.sg/community or scan the QR code



Building People

Temasek Education Foundation

School within a School

Partnering with the Singapore Sports School to help 55 student athletes realise their sporting potential and academic aspirations via customised curricula.

STEP

STEP-NUS Sunburst Brain Camp

Week-long camp for more than 150 students across Asia, offering them an opportunity to interact with university professors and have hands-on learning about neuroscience.



Students learn about neuroscience through hands-on activities at the Sunburst Brain Camp.

Building Communities

Temasek Cares

'The Future of Us' Exhibition

Provided opportunities for more than 6,000 children with special needs to share their aspirations and hopes for the future at the exhibition.

Temasek Cares

SMRT-Temasek Cares AED on Wheels

A three-year pilot programme with SMRT to equip 100 taxis with Automated External Defibrillators (AED) as a community service to help resuscitate public cases of cardiac arrest.



SMRT taxis equipped with AEDs to provide quick response during emergencies.

Rebuilding Lives

Temasek Foundation

TF-NTU Programme on Improving Seismic Resistance in Thailand

150 master trainers and local builders across Thailand were trained in strengthening techniques to increase the seismic resistance of public school buildings.

Temasek Cares

Yellow Ribbon Fund-Temasek Cares Star Award

Providing financial assistance to needy ex-offenders by helping them to achieve self-sufficiency through further studies and eventually, gainful employment.



Trainers and builders learn how to improve the seismic resistance of a Thai public school.

Sharing Perspectives

Temasek regularly engages distinguished industry and policy leaders to provide us with valuable insights on policy, business and financial markets.

Temasek International Panel

Formed in 2004, the panel consists of prominent global leaders whose knowledge and insights have helped shape Temasek's strategies in a rapidly changing global business landscape.

(as at 30 June 2016)

Members

Dr CHEN Deming

President

Association for Relations
Across the Taiwan Straits

Former Minister of Commerce

People's Republic of China

Dr Jacob A FRENKEL

Chairman

JP Morgan Chase International

Timothy F. GEITHNER

President

Warburg Pincus LLC

Hon John HOWARD OM AC

Former Prime Minister

Australia

Dame DeAnne JULIUS

Chairman

University College London

Dr Pedro Sampaio MALAN

Chairman

International Advisory Board,
Itaú Unibanco Holdings S.A.

Yorihiko KOJIMA

Honorary Chairman

Mitsubishi Corporation

Emeritus Members

David BONDERMAN

Founding Partner

TPG

Ratan N TATA

Chairman

Tata Trusts

Lucio A NOTO

Managing Partner

Midstream Partners, LLC

Minoru MAKIHARA

Senior Corporate Advisor

Mitsubishi Corporation

Dr HAN Seung-soo

Former Prime Minister

Republic of Korea

Sir Richard SYKES, FRS

Chairman

The Royal Institution of
Great Britain

Lee R RAYMOND

Retired Chairman and CEO

Exxon Mobil Corporation

Temasek Regional Advisory Panels

As we expand our presence globally, we formed regional advisory panels to provide us with a platform to regularly engage advisers on issues relevant to our investment activities across key markets, and to facilitate closer collaboration with business stakeholders.

(as at 30 June 2016)

Temasek Americas Advisory Panel Members

Timothy F. GEITHNER
President
Warburg Pincus LLC

Prof Richard C. LEVIN
CEO
Coursera Inc.

Dr Ronald D. SUGAR
Former Chairman and CEO
Northrop Grumman Corporation

David M. COTE
Chairman and CEO
Honeywell International Inc.

Indra K. NOOYI
Chairman and CEO
PepsiCo, Inc.

Alberto WEISSER
Former Chairman and CEO
Bunge Limited

Ellen J. KULLMAN
Former Chairman and CEO
DuPont

(as at 30 June 2016)

Temasek European Advisory Panel Members

Patrick CESCAU
Chairman
InterContinental Hotels Group PLC

Michael DIEKMANN
Former Chairman of the Board
of Management and CEO
Allianz SE

Gabriele GALATERI DI GENOLA
Chairman
Assicurazioni Generali S.p.A.

Ian DAVIS
Chairman
Rolls-Royce Holdings plc

Franz FEHRENBACH
Chairman of the Supervisory Board
Robert Bosch GmbH

Dr Franz B. HUMER
Chairman
Diageo plc



Group Financial Summary

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Temasek Group Financials are a consolidation of financial information of Temasek as an investment company and its operating subsidiaries, such as PSA, Singapore Airlines, Singtel and ST Engineering.

"There's so much to learn from nature."

Elyssa Grace Ewing-Chow (left) and Ava Yi Xuan Pang sketching trees.

Statement by Auditors

We are the auditors of Temasek Holdings (Private) Limited ("Temasek"). We have audited the statutory consolidated financial statements of Temasek and its subsidiaries (the "Group") for the financial years ended 31 March 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 and have issued unqualified audit reports¹. The audited statutory consolidated financial statements of the Group for the financial year ended 31 March 2007 were audited by PricewaterhouseCoopers LLP² whose auditors' report³ were also unqualified.

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

Management is responsible for the preparation and presentation of the Group Financial Summary for the financial years ended 31 March 2007 to 2016 set out from pages 82 to 85. The Group Financial Summary consists of the Group Income Statements, Group Balance Sheets and Group Cash Flow Statements as at and for the financial years ended 31 March 2007 to 2016 and Group Statements of Changes in Equity for the financial years ended 31 March 2015 and 2016, which is prepared and presented based on the audited statutory consolidated financial statements. The Group Financial Summary does not contain all the disclosures required by Singapore Financial Reporting Standards applied in the preparation of the audited statutory consolidated financial statements of the Group. Reading the Group Financial Summary, therefore, is not a substitute for reading the audited statutory consolidated financial statements of the Group.

Our responsibility is to express an opinion on the Group Financial Summary based on our procedures, which were conducted in accordance with Singapore Standard on Auditing (SSA) 810 – *Engagements to Report on Summary Financial Statements*.

In our opinion, the Group Financial Summary is summarised and presented consistently, in all material respects, with the audited statutory consolidated financial statements of the Group.

KPMG LLP

KPMG LLP

Public Accountants and Chartered Accountants
Singapore

27 June 2016

¹ Dated 16 July 2008, 15 July 2009, 1 July 2010, 29 June 2011, 27 June 2012, 26 June 2013, 30 June 2014, 29 June 2015 and 27 June 2016 respectively.

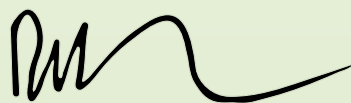
² PricewaterhouseCoopers LLP was converted from a partnership to a limited liability partnership on 1 January 2009.

³ Dated 5 July 2007.

Statement by Directors

Our auditors, KPMG LLP, have expressed unqualified opinions on the audited statutory consolidated financial statements of Temasek Holdings (Private) Limited and its subsidiaries (the "Group") for the financial years ended 31 March 2008 to 2016. Our auditors for the financial year ended 31 March 2007, PricewaterhouseCoopers LLP², have expressed an unqualified opinion on the audited statutory consolidated financial statements of the Group for the financial year ended 31 March 2007.

On behalf of the directors



LIM BOON HENG

Chairman

27 June 2016



HO CHING

Executive Director & Chief Executive Officer

27 June 2016

Group Income Statements

In S\$ billion

For year ended 31 March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	74.6	83.3	79.6	76.7	83.5	83.5	94.3	92.4	101.6	101.5
Cost of sales	(49.3)	(53.3)	(57.5)	(50.7)	(53.0)	(56.3)	(64.5)	(63.7)	(70.4)	(73.3)
Gross profit	25.3	30.0	22.1	26.0	30.5	27.2	29.8	28.7	31.2	28.2
Other income	8.3	15.8	16.2	4.5	4.9	6.3	5.5	6.0	9.2	11.0
Expenses:										
Selling & Distribution	(4.3)	(5.2)	(5.0)	(5.3)	(5.8)	(5.6)	(5.2)	(4.7)	(5.0)	(4.4)
Administrative	(8.1)	(8.6)	(8.1)	(8.7)	(7.3)	(8.0)	(8.7)	(8.9)	(9.6)	(8.0)
Finance	(2.6)	(3.2)	(2.7)	(2.4)	(2.6)	(2.6)	(2.6)	(2.3)	(2.1)	(2.7)
Other expenses	(5.1)	(8.7)	(15.3)	(10.0)	(6.2)	(7.1)	(6.7)	(7.5)	(8.1)	(16.0)
Profit before share of results of associates, partnerships and joint ventures	13.5	20.1	7.2	4.1	13.5	10.2	12.1	11.3	15.6	8.1
Share of results of associates and partnerships	(0.8)	3.2	1.3	2.4	2.6	3.0	2.5	4.3	3.5	4.4
Share of results of joint ventures	1.6	2.2	1.9	2.0	1.7	1.6	1.9	1.9	2.1	2.2
Profit before tax	14.3	25.5	10.4	8.5	17.8	14.8	16.5	17.5	21.2	14.7
Tax expense	(1.3)	(3.0)	(1.3)	(1.7)	(2.0)	(1.4)	(2.0)	(2.3)	(2.5)	(2.1)
Profit from continuing operations	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	18.7	12.6
Profit from discontinued operations	*	–	–	–	–	–	–	–	–	–
Total profit	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	18.7	12.6

Profit attributable to:

Equity holder of the Company	9.1	18.2	6.2	4.6	12.7	10.7	10.7	10.9	14.5	8.4
Non-controlling interests	3.9	4.3	2.9	2.2	3.1	2.7	3.8	4.3	4.2	4.2
Total profit	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	18.7	12.6

* Less than S\$0.1 billion.

Group Balance Sheets

In S\$ billion

As at 31 March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Shareholder equity before fair value reserve	92.9	120.2	119.9	127.8	134.6	146.4	156.0	172.5	188.0	198.2
Fair value reserve ¹	21.1	23.9	(1.5)	21.9	20.9	11.8	13.2	14.9	30.6	19.9
Shareholder equity	114.0	144.1	118.4	149.7	155.5	158.2	169.2	187.4	218.6	218.1
Non-controlling interests	24.4	25.7	22.6	23.5	24.0	23.5	35.2	34.8	37.8	40.6
	138.4	169.8	141.0	173.2	179.5	181.7	204.4	222.2	256.4	258.7
Property, plant and equipment	65.5	75.3	68.2	68.0	66.8	67.8	73.8	59.5	67.5	69.9
Intangibles	14.8	21.4	19.9	19.1	18.9	17.9	18.2	16.4	20.0	20.5
Biological assets	–	–	–	–	–	–	–	–	1.3	1.4
Investments in associates, partnerships and joint ventures	35.0	39.5	41.1	44.6	42.1	49.5	50.3	56.7	70.2	80.1
Financial assets	52.3	73.9	40.2	64.2	65.3	60.7	70.3	81.4	101.3	88.4
Investment properties	3.6	5.0	5.3	6.5	7.1	7.9	19.4	20.9	23.5	34.4
Properties under development	0.2	0.6	0.8	0.2	0.2	0.4	0.5	1.5	2.0	1.9
Deferred tax assets	1.6	1.8	2.0	1.8	1.7	1.5	1.4	1.4	1.4	1.4
Other non-current assets	10.4	9.4	9.5	10.2	11.3	10.7	12.4	10.9	13.0	13.1
Net current assets/(liabilities)	8.4	(3.1)	11.8	22.0	27.6	32.8	34.0	35.9	31.8	31.5
Current assets	59.0	68.6	60.9	70.2	84.5	86.2	95.2	95.3	105.6	104.7
Current liabilities	(50.6)	(71.7)	(49.1)	(48.2)	(56.9)	(53.4)	(61.2)	(59.4)	(73.8)	(73.2)
	191.8	223.8	198.8	236.6	241.0	249.2	280.3	284.6	332.0	342.6
Non-current liabilities	(53.4)	(54.0)	(57.8)	(63.4)	(61.5)	(67.5)	(75.9)	(62.4)	(75.6)	(83.9)
	138.4	169.8	141.0	173.2	179.5	181.7	204.4	222.2	256.4	258.7
Net debt ²	23.6	33.8	22.1	17.8	9.5	16.1	19.6	9.0	32.6	44.4

¹ Prior to the financial year ended 31 March 2006, long term investments were stated at cost less allowance for diminution in value. With the introduction of FRS39 *Financial Instruments: Recognition and Measurement* during the financial year ended 31 March 2006, available-for-sale financial assets (AFS) were required to be measured at fair value. At each reporting date, AFS are remeasured at their fair value. Changes in fair value, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS are disposed. Impairment losses are recognised in the income statement.

² Total debt less cash and cash equivalents.

Group Cash Flow Statements

In S\$ billion

For year ended 31 March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating cash flow before working capital changes	17.6	21.2	14.0	16.4	20.2	16.8	20.1	20.0	20.3	18.4
Changes in working capital	2.5	(0.3)	1.5	(4.1)	(2.9)	(1.6)	(4.0)	(1.5)	(3.2)	(5.1)
Cash generated from operations	20.1	20.9	15.5	12.3	17.3	15.2	16.1	18.5	17.1	13.3
Income tax paid	(1.6)	(2.0)	(1.8)	(1.3)	(1.3)	(2.0)	(1.8)	(2.3)	(2.0)	(2.1)
Net cash inflow from operating activities	18.5	18.9	13.7	11.0	16.0	13.2	14.3	16.2	15.1	11.2
Net cash inflow/ (outflow) from investing activities	(23.3)	(30.4)	0.1	(5.3)	(4.9)	(14.8)	(15.3)	(19.2)	(22.6)	(14.7)
Net cash inflow/ (outflow) from financing activities	2.2	13.3	(6.4)	(0.2)	(1.7)	(1.4)	4.0	1.0	1.1	2.4
Net increase/ (decrease) in cash and cash equivalents held	(2.6)	1.8	7.4	5.5	9.4	(3.0)	3.0	(2.0)	(6.4)	(1.1)

Group Statements of Changes in Equity

In S\$ billion

	Attributable to Equity Holder of the Company				Total
	Share Capital and Other Reserves	Revenue Reserve	Currency Translation Reserve	Non- controlling Interests	
Balance at 1 April 2014	78.2	115.4	(6.2)	34.8	222.2
Total profit	–	14.5	–	4.2	18.7
Others, net ¹	18.0	(2.9)	1.6	(1.2)	15.5
Balance at 31 March 2015	96.2	127.0	(4.6)	37.8	256.4
Total profit	–	8.4	–	4.2	12.6
Others, net ¹	(8.4)	(0.7)	0.2	(1.4)	(10.3)
Balance at 31 March 2016	87.8	134.7	(4.4)	40.6	258.7

¹ Comprise movements during the financial year including but not limited to:

- Issuance of ordinary shares;
- Change in fair value of financial assets;
- Dividends to shareholder;
- Share of associates and joint ventures' reserves; and
- Currency translation differences.





Major Investments

Telecommunications, Media & Technology	88
Financial Services	90
Transportation & Industrials	92
Consumer & Real Estate	94
Life Sciences & Agriculture	96
Energy & Resources	96




"In nature, every plant plays a role in the ecosystem, no matter how small it is."

Sarah Wei Jan Pang and her daughter, Ava, exploring a bamboo grove at Singapore Botanic Gardens.

Major Investments

Sources:

1. Financials for the companies are based on their respective annual filings.
2. EVA figures are provided by the respective companies, except for the following, which are calculated by Temasek based on their respective annual filings: Markit, Alibaba Group, Bharti Airtel, AIA Group, Bank of China, China Construction Bank, China Pacific Insurance (Group), DBS Group, Industrial and Commercial Bank of China, Ping An Insurance (Group), Prudential plc, PT Bank Danamon Indonesia, Standard Chartered, Univar, A.S. Watson, Dufry, Celltrion, Gilead Sciences, Thermo Fisher Scientific, Repsol and Turquoise Hill Resources.
3. Market relevant information is sourced from Bloomberg, Stock Exchanges and public filings by companies.

			Market Capitalisation or Shareholder Equity ¹		
Telecommunications, Media & Technology		Shareholding ⁴ (%) as at 31 March 2016	Currency	2016	2015
	Intouch Holdings Public Company Limited	41	THB'm	204,409	247,696
	Markit Ltd.	12	USD'm	6,368	5,058
	Singapore Technologies Telemedia Pte Ltd	100	SGD'm	4,754	3,892
	Alibaba Group Holding Limited	2	USD'm	195,515	207,725
	Bharti Airtel Limited	3	INR'm	1,402,288⁷	1,572,177 ⁷
	Mediacorp Pte Ltd	100	SGD'm	761	729
	Singapore Telecommunications Limited	51	SGD'm	60,904	69,833

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2016 refers to positions as at 31 March 2016. For unlisted companies, 2016 refers to positions as at 31 March 2016 or 31 December 2015, in accordance with their respective financial year ends. Similarly for 2015.

² Key Figures: FY2015 refers to financial year ended March 2016 or December 2015 or November 2015 in accordance with the respective financial year ends of the companies. Similarly for FY2014. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2015 to 31 March 2016.
 Period for three-year TSR is from 31 March 2013 to 31 March 2016.
 Period for five-year TSR is from 31 March 2011 to 31 March 2016.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

Glossary

Market Capitalisation	= Market value as at 31 March 2016 and 31 March 2015
Shareholder Equity	= Shareholder equity reported by the respective companies based on their annual filings
PATMI	= Profit/(Loss) after tax and non-controlling interests
Dividends Declared	= Dividends declared during the respective financial year of the companies
EVA	= Economic Value Added, attributable to investors
TSR	= Total Shareholder Return
NA	= Not applicable

	Key Figures ²							TSR ³ (%)			
	Revenue		PATMI		Dividends Declared		EVA		Years		
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	1	3	5
	12,665	12,021*	16,078	14,761	14,833	14,054	11,577	10,824	(14.8)	(2.1)	25.1
	1,113	1,065	153	165	-	-	(24)	(22)**	31.3	NA	NA
	3,310	3,218	805	713	-	-	(170)	573	22.1	15.1	21.3
	101,143⁵	76,204 ⁵	71,460⁵	24,149 ⁵	NA⁶	NA ⁶	9,753⁵	14,978 ⁵	(5.0)	NA	NA
	965,321	920,395	54,842	51,835	10,679⁸	16,034 ⁸	NA⁶	(142,825)	(11.1)	6.6	0.5
	739	699	36	8	4	2	11	6	4.9	2.6	9.8
	16,961	17,223	3,871	3,782	2,789	2,678	2,027	1,982*	(8.9)	6.6	10.4

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in RMB'm.

⁶ Information not available.

⁷ Market information based on date from the National Stock Exchange of India Ltd. using the ticker "BHARTI IN".

⁸ Represent dividends paid.

* Restated by respective companies.

** Restated due to change in adjustment basis.

● For year ended December 2015/2014.

● For year ended March 2016/2015.

		Market Capitalisation or Shareholder Equity ¹		
Financial Services	Shareholding ⁴ (%) as at 31 March 2016	Currency	2016	2015
 THE REAL LIFE COMPANY AIA	AIA Group Limited	3	HKD'm	529,528 587,843
 中国银行 BANK OF CHINA	Bank of China Limited	<1#	HKD'm	1,130,549 1,529,031
 中国建设银行 China Construction Bank	China Construction Bank Corporation	5#	HKD'm	1,245,989 1,621,468
 中国太平洋保险 China Pacific Insurance	China Pacific Insurance (Group) Co., Ltd.	<1	HKD'm	278,677 368,914
 DBS	DBS Group Holdings Ltd	30	SGD'm	38,529 50,468
 ICBC 中国工商银行	Industrial and Commercial Bank of China Limited	2	HKD'm	1,766,847 2,135,011
 中国平安 PING AN 保险·银行·投资	Ping An Insurance (Group) Company of China, Ltd.	2	HKD'm	690,464 876,986
 PRUDENTIAL	Prudential plc	<1	GBP'm	33,471 42,986
 Danamon	PT Bank Danamon Indonesia, Tbk.	67#	IDR'b	36,422 49,121
 Standard Chartered	Standard Chartered PLC	16	GBP'm	15,506 27,071

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2016 refers to positions as at 31 March 2016. For unlisted companies, 2016 refers to positions as at 31 March 2016 or 31 December 2015, in accordance with their respective financial year ends. Similarly for 2015.

² Key Figures: FY2015 refers to financial year ended March 2016 or December 2015 or November 2015 in accordance with the respective financial year ends of the companies. Similarly for FY2014. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2015 to 31 March 2016.
 Period for three-year TSR is from 31 March 2013 to 31 March 2016.
 Period for five-year TSR is from 31 March 2011 to 31 March 2016.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		Dividends Declared		EVA		Years		
FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	1	3	5
23,274⁵	25,433 ⁵	2,691⁵	3,450 ⁵	814⁵	689 ⁵	(274)⁵	746 ^{5**}	(9.1)	10.1	14.0
473,912⁶	456,328 ⁶	170,845⁶	169,595 ⁶	60,946⁶	54,755 ⁶	29,277⁶	45,975 ^{6**}	(24.8)	2.1	(0.3)
586,687⁶	556,740 ⁶	228,145⁶	227,830 ⁶	75,253⁶	75,003 ⁶	53,308⁶	91,748 ^{6**}	(19.2)	(2.5)	(2.4)
246,963⁶	216,205 ⁶	17,728⁶	11,049 ⁶	4,531⁶	3,625 ⁶	3,999⁶	(1,537) ^{6**}	(20.2)	5.9	(0.7)
10,923	9,816	4,454	4,046	1,542	1,468	849	702 ^{**}	(22.2)	2.0	4.6
668,733⁶	634,858 ⁶	277,131⁶	275,811 ⁶	91,026⁶	91,960 ⁶	90,743⁶	105,077 ^{6**}	(20.1)	(1.6)	(2.6)
693,220⁶	530,020 ⁶	54,203⁶	39,279 ⁶	7,860⁶	5,541 ⁶	(23,970)⁶	(34,133) ^{6**}	(19.6)	8.5	(0.1)
41,305	60,126	2,579	2,216	974	895	826	53 ^{**}	(19.2)	10.0	16.4
18,042	18,563	2,393	2,604	781	1,212	(2,666)	(2,643) ^{**}	(23.3)	(14.3)	(7.8)
15,289⁵	18,334 ⁵	(2,194)⁵	2,613 ⁵	1,778⁵	2,095 ⁵	(5,182)⁵	(868) ^{5**}	(54.0)	(31.3)	(18.3)

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in USD'm.

⁶ Figures in RMB'm.











Includes significant interests held by Fullerton Financial Holdings Pte. Ltd.

** Restated due to change in adjustment basis.

● For year ended November 2015/2014.

● For year ended December 2015/2014.

Major Investments *continued*

		Market Capitalisation or Shareholder Equity ¹			
Transportation & Industrials		Shareholding ⁴ (%) as at 31 March 2016	Currency	2016	2015
	Evonik Industries AG	3	EUR'm	12,286	15,471
	Keppel Corporation Limited	20	SGD'm	10,583	16,351
	Neptune Orient Lines Limited ⁵	65	SGD'm	3,306	2,610
	PSA International Pte Ltd	100	SGD'm	10,282	10,648
	Sembcorp Industries Ltd	49	SGD'm	5,398	7,539
	Singapore Technologies Engineering Ltd	51	SGD'm	10,028	10,818
	Univar Inc.	16	USD'm	2,371	NA ⁷
	Singapore Airlines Limited	56	SGD'm	13,290	13,974
	Singapore Power Limited	100	SGD'm	9,088	8,528
	SMRT Corporation Ltd	54	SGD'm	2,301	2,435

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2016 refers to positions as at 31 March 2016. For unlisted companies, 2016 refers to positions as at 31 March 2016 or 31 December 2015, in accordance with their respective financial year ends. Similarly for 2015.

² Key Figures: FY2015 refers to financial year ended March 2016 or December 2015 or November 2015 in accordance with the respective financial year ends of the companies. Similarly for FY2014. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2015 to 31 March 2016.
 Period for three-year TSR is from 31 March 2013 to 31 March 2016.
 Period for five-year TSR is from 31 March 2011 to 31 March 2016.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

Revenue		PATMI		Dividends Declared		Key Figures ² EVA		TSR ³ (%) Years		
FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	1	3	5
13,507	12,917	991	568	466	466	646	200*	(18.3)	(5.1)	NA
10,296	13,283	1,525	1,885	872	763	648	1,778	(31.2)	(15.0)	(7.8)
5,383 ⁶	7,026 ^{6*}	707 ⁶	(260) ⁶	–	–	(393) ⁶	(599) ⁶	25.8	2.2	(7.8)
3,573	3,830	1,268	1,402	1,300	850	609	650	8.8	14.1	14.0
9,545	10,895	549	801	286	393	(144)	340	(25.6)	(13.4)	(7.2)
6,335	6,539	529	532	498	499	369	359	(2.8)	(5.2)	4.3
8,982	10,374	17	(20)	–	–	(147)	(162)	(39.1)	NA	NA
15,229	15,566	804	368	315	481	(603)	(869)	(2.1)	4.7	0.5
3,964	4,840	924	991	316	370	300	284	10.3	10.2	8.9
1,297	1,236	109	91	49	41	43	29	(3.5)	0.3	(1.6)

⁴ Percentages rounded to the nearest whole number.

⁵ Fully divested in June 2016.












⁶ Figures in USD'm.

⁷ Information not available as Univar Inc. was listed on New York Stock Exchange in June 2015.

* Restated by respective companies.

● For year ended December 2015/2014.

● For year ended March 2016/2015.

		Market Capitalisation or Shareholder Equity ¹			
Consumer & Real Estate		Shareholding ⁴ (%) as at 31 March 2016	Currency	2016	2015
 A.S. Watson Group	A.S. Watson Holdings Limited	25	HKD'm	24,670	25,176
 CapitaLand	CapitaLand Limited	39	SGD'm	13,066	15,275
 DUFREY	Dufrey AG	8	CHF'm	6,373	5,079
 M+S	M+S Pte. Ltd.	40	SGD'm	NM⁵	NM ⁵
 Olam	Olam International Limited ⁶	51	SGD'm	4,770	4,845
 PIV	Pulau Indah Ventures Sdn Bhd	50	MYR'm	NM⁵	NM ⁵
 SJ <small>building cities shaping lives</small>	Surbana Jurong Private Limited	51 ^{##}	SGD'm	328	NA ⁷
 Ascendas SINGBRIDGE	Ascendas-Singbridge Pte Ltd	51 ^{##}	SGD'm	1,310	NA ⁸
 Mandai	Mandai Safari Park Holdings Pte. Ltd.	100	SGD'm	197	8
 mapletree	Mapletree Investments Pte Ltd	100	SGD'm	9,941	9,330
 sats	SATS Ltd.	43	SGD'm	4,381	3,404

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2016 refers to positions as at 31 March 2016. For unlisted companies, 2016 refers to positions as at 31 March 2016 or 31 December 2015, in accordance with their respective financial year ends. Similarly for 2015.

² Key Figures: FY2015 refers to financial year ended March 2016 or December 2015 or November 2015 in accordance with the respective financial year ends of the companies. Similarly for FY2014. Revenue for Financial Services consists of net interest income and other operating revenue.

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 Period for five-year TSR is from 31 March 2011 to 31 March 2016.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		Dividends Declared		EVA		Years		
FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	1	3	5
124,673	126,779	9,068	10,018	7,740	–	6,399	6,664**	28.7	46.4	49.3
4,762	3,925	1,066	1,161	384	341	(150)	(36)	(12.4)	(2.4)	0.9
6,139	4,197	(79)	52	–	–	(218)	(10)	(16.3)	0.8	2.7
NM⁵	NM ⁵	NM⁵	NM ⁵	NM⁵	NM ⁵	NM⁵	NM ⁵	NM ⁵	NM ⁵	NA
28,231	19,422	99	608	247	99	(548)	(168)*	(12.9)	2.4	(7.2)
NM⁵	NM ⁵	NM⁵	NM ⁵	NM⁵	NM ⁵	NM⁵	NM ⁵	NM ⁵	NM ⁵	NA
269⁷	NA ⁷	3⁷	NA ⁷	–⁷	NA ⁷	NA⁷	NA ⁷	NA	NA	NA
555⁸	NA ⁸	290⁸	NA ⁸	–⁸	NA ⁸	NA⁸	NA ⁸	NA	NA	NA
128	–	(7)	(3)	–	–	NM⁹	NM ⁹	NM ⁹	NA	NA
1,879	1,634	916	954	131	100	190	314	8.0	10.7	11.1
1,698	1,753	221	196	156	146	80	50	31.8	13.6	15.9

⁴ Percentages rounded to the nearest whole number.

⁵ Information not meaningful. Joint venture with Khazanah Nasional Berhad. Projects under development.

⁶ The company changed its financial year end from June to December. FY2015 refers to 18-month period from 1 July 2014 to 31 December 2015. FY2014 refers to 12-month period from 1 July 2013 to 30 June 2014.

⁷ FY2015 is the first year of consolidation and refers to the period from 1 April 2015 to 31 December 2015. Information for prior year is not available.

⁸ FY2015 is the first year of consolidation from June 2015. Information for prior year is not available.

⁹ Information not meaningful.

Comprises 51% of ordinary shares held through a wholly owned subsidiary, TJ Holdings (III) Pte. Ltd.







* Restated by respective companies.

** Restated due to change in adjustment basis.

● For year ended December 2015/2014.

● For year ended March 2016/2015.

Major Investments continued

			Market Capitalisation or Shareholder Equity ¹		
		Shareholding ⁴ (%) as at 31 March 2016	Currency	2016	2015
Life Sciences & Agriculture					
 CELLTRION	Celltrion, Inc.	14	KRW'b	12,740	7,494
 GILEAD	Gilead Sciences, Inc.	1	USD'm	123,827	144,938
 ThermoFisher SCIENTIFIC	Thermo Fisher Scientific Inc.	<1	USD'm	55,717	53,475
Energy & Resources					
 REPSOL	Repsol, S.A.	5	EUR'm	14,302	23,830
 Turquoise Hill Resources Ltd.	Turquoise Hill Resources Ltd.	9	CAD'm	6,681	7,949
 PAVILION ENERGY	Pavilion Energy Pte Ltd	100	USD'm	1,508	1,526

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2016 refers to positions as at 31 March 2016. For unlisted companies, 2016 refers to positions as at 31 March 2016 or 31 December 2015, in accordance with their respective financial year ends. Similarly for 2015.

² Key Figures: FY2015 refers to financial year ended March 2016 or December 2015 or November 2015 in accordance with the respective financial year ends of the companies. Similarly for FY2014. Revenue for Financial Services consists of net interest income and other operating revenue.

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 Period for five-year TSR is from 31 March 2011 to 31 March 2016.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		Dividends Declared		EVA		Years		
FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	1	3	5
603	471	154	113	5	3	(33)	(27)**	61.6	31.4	24.2
32,639	24,890	18,108	12,101	1,890	–	12,660	8,630**	(4.9)	23.9	34.4
16,965	16,890	1,975	1,894	240	241	(624)	(872)**	5.8	23.3	21.2
41,741	47,292	(1,227)	1,612	1,318	2,603	(3,704)	(2,433)**	(38.2)	(7.2)	(10.2)
1,635⁵	1,736 ^{5*}	313⁵	27 ^{5*}	–	–	(1,000)⁵	(1,109) ^{5**}	(15.6)	(12.8)	(29.3)
280	259	(409)	(59)	–	–	(68)	(60)	(21.7)	(10.6)	NA

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in USD'm.

* Restated by respective companies.

** Restated due to change in adjustment basis.

● For year ended December 2015/2014.

● For year ended March 2016/2015.

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Temasek Portfolio at Inception

Temasek was incorporated in 1974 to commercially manage an initial portfolio valued at S\$354 million, acquired from the Singapore Minister for Finance¹. This move enabled the Singapore Government to focus on its core role of policymaking and regulations.

Companies in bold and in blue are still within the Temasek portfolio, directly or indirectly, while the rest have been divested or liquidated.

1. Acma Electrical Industries Ltd
2. Cerebos Singapore Pte Ltd
3. Chemical Industries (F.E.) Ltd
- 4. *Development Bank of Singapore Ltd*²**
5. Instant Asia Cultural Shows Pte Ltd
6. Insurance Corporation of Singapore Ltd
7. International Development and Construction Corporation
8. Intraco Ltd
- 9. *Jurong Bird Park Pte Ltd*³**
- 10. *Jurong Holdings Pte Ltd*⁴**
- 11. *Jurong Shipbuilders Pte Ltd*⁴**
- 12. *Jurong Shipyard Pte Ltd*⁴**
- 13. *Keppel Shipyard Pte Ltd*⁵**
14. Metrawood Pte Ltd
15. Ming Court Hotel Ltd
16. Mitsubishi Singapore Heavy Industries Pte Ltd
17. National Engineering Services Pte Ltd
18. National Grain Elevator Ltd
19. National Iron & Steel Mills Ltd⁶
20. Neptune Orient Lines Ltd⁷
- 21. *Primary Industries Enterprises Pte Ltd*⁸**
- 22. *Sembawang Holdings Pte Ltd*⁴**
- 23. *Singapore Airlines Ltd***
- 24. *Singapore Airport Duty-Free Emporium Pte Ltd*⁹**
25. Singapore Cable Car Pte Ltd
26. Singapore General Aviation Service Company Pte Ltd
27. Singapore National Printers Pte Ltd
28. Singapore Offshore Petroleum Services Pte Ltd
29. Singapore Textiles Industries Ltd
30. Singapore Treasury Building Pte Ltd
- 31. *Singapore Zoological Gardens*³**
32. Singmanex Pte Ltd
33. Sugar Industry of Singapore Ltd
34. United Industrial Corporation Ltd
35. United Vegetable Oil Pte Ltd

¹ Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

² Now part of DBS Group Holdings Ltd.

³ Now part of Mandai Safari Park Holdings Pte. Ltd.

⁴ Now part of Sembcorp Industries Ltd.

⁵ Now part of Keppel Corporation Limited.

⁶ Formed to produce iron and steel in Singapore, NatSteel (formerly known as National Iron & Steel Mills Ltd) was first divested in 1986. Temasek reinvested in NatSteel in 1998 in support of their investment in Brazil. Temasek divested NatSteel in 2002 when NatSteel initiated a sale process.

⁷ Fully divested in June 2016.

⁸ Now part of SATS Ltd., a catering and airport services company.

⁹ Now jointly owned by Singapore Airlines Limited and SATS Ltd.

Materials produced as part of Temasek's annual disclosure exercise include the printed *Temasek Review*, *Temasek Review Highlights* and *Temasek in Brief* publications, advertisements and microsites.

The *Temasek Review* and *Temasek Review Highlights* publications use Grandeur Zen White paper, which is environmentally friendly and contains wood pulp from well managed forests.

Twenty percent of the pulp is sourced from pre-consumer waste and is bleached using an elemental chlorine-free process. Grandeur Zen White conforms to ISO9706 standards.

Design of publications and microsites: Black Sun Plc, UK.

Printing: Colourscan Print Co. (Pte.) Ltd., Singapore.

Design of advertisements: formul8 Pte Ltd, Singapore.

Cover:

"In the future, your children will enjoy the shade of the tree we plant today!"

Carl Rajoo planting an Orange Jessamine sapling with his son, Thomas.

Photography:

Cover and divider pages: Darren Soh.

Inside Front Cover: formul8 Pte Ltd, Singapore.

Locations:

Pages 24-25: Plant research facility, with kind assistance from Temasek Life Sciences Laboratory Limited.

Pages 44-45: Jurong Bird Park, with kind assistance from Wildlife Reserves Singapore.

Pages 60-61: The Equine Academy, with kind assistance from EQUAL-ARK Singapore Ltd.

We thank those who agreed to the use of their photos in our *Temasek Review*.

All images were selected because we like how they represent different generations in Singapore embracing sustainability and stewardship.

TEMASEK



An online version of this report is available at
temasekreview.com.sg