

TEMASEK HOLDINGS

Transcript of Selected Questions and Answers from Institute of Policy Studies, Corporate Associates Lunch, 29 July 2009, Singapore.

Speaker: Ms Ho Ching, Executive Director and CEO, Temasek Holdings

Mutual decision between Mr Charles 'Chip' Goodyear and the Temasek Board to end CEO transition

Question: In your speech, you mentioned briefly the departure of Mr. Goodyear and in the recent announcement about his departure, it made reference to a strategic difference between Mr. Goodyear and the board of Temasek. I was wondering if you could tell us if those differences were linked to the investment strategy, which you've outlined today, or whether they were linked to the internal running of Temasek and maybe staffing? An additional question is whether those differences or why did these differences not arise sooner in this fairly lengthy process? (Sonia Kolesnikov - Newsweek)

Ho Ching: Let me borrow my Chairman's words. He went to a recent function and a gentleman from CNBC also asked a similar question. And Mr Dhana's reply was that the media release was crafted very carefully and he has nothing more to add to it. Having said that, I just want to add a little bit of qualification. There have been a lot of speculations. We look at those speculations sometimes with irritation and sometimes with amusement because all of them are very far away from the truth, including those sources who claimed to be familiar with the situation. They were obviously not. I just want to reaffirm that the decision was both mutual and amicable. We continue to hold Chip in very high regard for his professionalism and his integrity so those rumours you hear about his management style and all that, you can disregard.

Temasek Co-Investment Plan

Question: You mentioned that Temasek may consider a co-investment platform for retail investors in perhaps eight to ten years. Could you expand on that idea? What kind of co-investment platform would that be? Any details you can give us about what form that will take? (Alex Kennedy - Associated Press)

Ho Ching: We have been trying to think through this for the last three years. We are still thinking through. I think we will like to work through a pilot first before we bring in the retail investors. So I would say, if we are looking at a co-investment platform, we are principally looking for people including retail investors who are prepared to invest long-term. We are not thinking in terms of a mutual fund or any other short term vehicles like that. Beyond that, I think we are still trying to put our heads together to think through. We may become clearer over the next six to twelve months.

Question: I just want to clarify a bit more about broadening your shareholder structure. You talked about first attracting sophisticated co-investors. Could you define that? Maybe, would it be banks, mutual funds, institutional investors? And you just mentioned that you're looking at this and maybe you'd make a decision six or twelve months ahead. Would that programme attracting sophisticated co-investors begin, let's say next year? *(John Burton - Financial Times)*

Ho Ching: At this point, we're fairly open. We have had in the past, from time to time, I would say, institutions who would come to us to explore the possibility of co-investments with us in various opportunities. Beyond that, I think what we're trying to do really is to work towards a framework which we can then eventually translate to the retail investors. How this can be done? We're still in the midst of thinking through. Conceptually, the board is supportive but I think we still have to do a lot of spade work before we satisfy ourselves that this is something that is doable and that is desirable to do and to understand for ourselves what are the consequences, including unintended consequences, so this is something we'd like to think through for ourselves for some time.

Misperceptions of Temasek

Question: What are two or three misperceptions that the public has about Temasek that you wish you could disabuse them off if you had a magic wand today? One, two or three things that really irritate you about how the public views Temasek? *(Dr. Gillian Koh - IPS)*

Ho Ching: A German friend explained to me and I fully agree with him that Temasek is like the German national football team. When you do well, the people cheer for you, quietly. When you do badly, they get really angry and you know about it because they are pretty noisy about it – but that's because they do care about you. They feel a sense of ownership and I think this ownership and this nexus with the people who care about us, Singaporeans as well as friends around the world – we would like to keep that link even though the relationship can be noisy from time to time. Whether there are misperceptions, I think time will tell. We are not in this to look pretty. We are in this to deliver value, we are in this to deliver and build a team, to build an institution for the long term and we maintain focus on that.

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