

# TEMASEK HOLDINGS

## NEWS RELEASE

### **Temasek Holdings announces proposed investment in China Eastern Airlines Corporation Limited**

*2 September 2007, Singapore & China* – Temasek Holdings (Private) Limited (“Temasek”) confirms that it has entered into a Heads of Agreement<sup>1</sup> (HOA), via its wholly-owned investment holding subsidiary Lentor Investments Pte. Ltd. (“Lentor”), with China Eastern Airlines Corporation Limited (“CEA”), China Eastern Air Holding Company (“CEA Holding”) and Singapore Airlines Limited (“SIA”) for its proposed investment in the Chinese carrier.

Subject to detailed definitive agreements, final regulatory and CEA’s shareholder approval, Lentor is expected to subscribe for 649,426,737 new H shares at HK\$3.80 per share for a total of approximately HK\$2.5 billion (US\$315 million) representing approximately 8.3 percent of the enlarged capital of CEA.

Mr Wan Chee Foong, Director of Investment, Temasek, said: “We are interested in transportation and logistics as an investment focus. It reflects the economic developments in Asia, and the pace at which Asia is getting increasingly interconnected within the region, as well as with the rest of the world.”

“As a long term investor in Asia, we are pleased to have the opportunity to partner with two leading airlines with excellent long term potential – CEA and SIA,” added Mr Gan Chee Yen, Senior Managing Director of Investment, Temasek. “We look forward to working with CEA, CEA Holding and SIA to support CEA’s strategy for growth and success in its next phase of development.”

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<sup>1</sup> The Heads of Agreement is not legally binding and is subject to definitive transaction agreements to be discussed and entered into.

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## **About Temasek Holdings**

Incorporated in 1974, Temasek Holdings is an Asia investment firm headquartered in Singapore. Supported by affiliates and offices around Asia, it manages a diversified S\$164 billion (US\$108 billion) portfolio, concentrated principally in Singapore, Asia and the OECD economies.

The Temasek portfolio spans various industries including telecommunications & media, financial services, real estate, transportation & logistics, energy & resources, infrastructure, engineering & technology as well as bioscience & healthcare.

Temasek's total shareholder return since inception in 1974 has been more than 18% compounded annually. It has a corporate credit rating of AAA/Aaa by rating agencies Standard & Poor's and Moody's respectively. Further information on Temasek, please visit [www.temasekholdings.com.sg](http://www.temasekholdings.com.sg).

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