# Temasek Holdings

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## Incorporation in 1974 and the initial portfolio

By the early 1970s the government owned stakes in a wide range of enterprises created during the industrialisation drive of the 1960s, which Chapter C.III describes. It decided to separate the ownership of these companies from the ministries that made policy and regulated the economy. Temasek Holdings was incorporated on 25 June 1974 under the Companies Act.[1] It received from the Minister for Finance a portfolio valued at S$354 million, consisting of shares in 35 companies.[2]

The initial portfolio reflected the range of the developmental state. It included Singapore Airlines, Neptune Orient Lines, Keppel Shipyard, the Development Bank of Singapore and Acma Electrical Industries, as well as the Singapore Zoological Gardens.[3] The transfer allowed the government to concentrate on policy and regulation while a company managed its holdings on commercial terms. Temasek's own accounts describe this separation as the purpose of its creation.

Temasek is wholly owned by the Minister for Finance. When it was incorporated, it received no written terms of reference. In a parliamentary reply of 7 October 2026 the Second Minister for Finance, Jeffrey Siow, stated that "There were no terms of

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reference issued to Temasek when it was first incorporated". He added that the company was meant from its early years to operate independently and on commercial terms.[4]

## From domestic holding company to global investor

For its first two decades Temasek was mainly the owner of Singapore's government-linked companies. Its task was to monitor their performance, appoint directors and support their growth. From the late 1990s and especially after 2002 it became an active investor across Asia and later the world. The Temasek Charter, introduced in 2002, described its role as an investment company. The 2002 Charter also referred to investing in new businesses and industry clusters and to divesting businesses that were no longer relevant. Later revisions dropped these references, which the Ministry of Finance described in 2026 as descriptions of how Temasek operated and as no part of its core mandate.[5]

Temasek began to publish an annual Temasek Review in 2004. In the same year it obtained corporate credit ratings of AAA from Standard & Poor's and Aaa from Moody's, which it has kept since. Its first bond, a US$1.75 billion issue of ten-year notes with a coupon of 4.5 per cent, followed in September 2005.[6] These steps were intended to discipline the company through external scrutiny. A company that borrows in international markets must publish audited group accounts, undergo rating reviews and answer investors' questions. Temasek has used this market discipline as an argument for its independence from the state.

The transformation is visible in the figures. At 31 March 2024 Temasek reported a total shareholder return of 14 per cent a year in Singapore dollars since its inception in 1974. Its underlying exposure was 27 per cent in Singapore, 22 per cent in the Americas, 19 per cent in China and 7 per cent in India, while unlisted assets made up 52 per cent of the portfolio.[7] Financial services accounted for 21 per cent of the portfolio, which makes the financial sector one of Temasek's largest exposures.

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## Accountability, losses and remuneration

Every investor of this size makes losses. How it handles them is a test of its governance. Temasek's investments in Western banks during the global financial crisis drew public criticism in Singapore. A more recent case is its investment in the crypto-asset exchange FTX, whose collapse in November 2022 led Temasek to write off US$275 million, composed of US$210 million in FTX International and US$65 million in FTX US. The wider subject of crypto-assets in Singapore is treated in Chapter K.I. Temasek commissioned an internal review by an independent team. On 29 May 2023 it announced that the review had found no misconduct by the investment team. The chairman, Lim Boon Heng, stated that the investment team and senior management nevertheless "took collective accountability and had their compensation reduced". Temasek did not disclose the amount of the reductions. The episode illustrates a form of accountability that relies on internal sanctions and public statements. Individual investment decisions remain undisclosed, with no direct role for Parliament.[8]

## Temasek's portfolio in 2026

On 8 July 2026 Temasek reported a net portfolio value of S$518 billion at 31 March 2026, about US$400 billion and S$49 billion more than a year earlier. The one-year total shareholder return was 10.5 per cent, the ten-year return 7.1 per cent and the twenty-year return 6.8 per cent. Temasek stated that a stronger Singapore dollar had reduced the one-year return by about two percentage points.[9] Events in the Middle East caused a fall of about 2 per cent in the last month of the financial year.

During the year Temasek invested S$51 billion and divested S$31 billion. Teo Chee Hean, chairman since 9 October 2025, called for "a carefully considered and more disciplined approach to investment". Companies headquartered in Singapore made up 52 per cent of the portfolio, while Temasek's underlying exposure to Singapore stood at 27 per cent. Its underlying exposure to China rose by S$10 billion during the year, while investments linked to artificial intelligence accounted for 6 per cent of the portfolio, with a target of 10 to 15 per cent by 2031.[10]

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# Notes

1. National Library Board, "Temasek Holdings", *Infopedia*: incorporated on 25 June 1974 under the Companies Act to manage the government's investments in government-linked companies. ↩
2. Temasek, *Temasek Review 2018*, "Temasek Portfolio at Inception" (tr18.temasekreview.com.sg, accessed November 2026): "Temasek was incorporated in 1974 to commercially manage an initial portfolio valued at S$354 million", acquired from the Minister for Finance, comprising 35 companies. ↩
3. Temasek, *Temasek Review 2018*, "Temasek Portfolio at Inception": holdings included Acma Electrical Industries Ltd, Singapore Airlines Ltd, Neptune Orient Lines Ltd, Keppel Shipyard Pte Ltd, Singapore Zoological Gardens and Development Bank of Singapore Ltd. ↩
4. DBS Group Holdings Ltd, *Annual Report 2025*, "Shareholding statistics as at 10 February 2026", note 2: "Temasek, a company wholly-owned by the Minister for Finance". Ministry of Finance, parliamentary reply by Second Minister for Finance Jeffrey Siow to Kenneth Tiong Boon Kiat, "Temasek Holdings' Founding Terms of Reference, Charter Revision Approval Process and Reasons for Discontinuation of Industry Cluster Nurturing Role", 7 October 2026 (mof.gov.sg). ↩
5. Ministry of Finance, parliamentary reply of 7 October 2026 (Jeffrey Siow): the Temasek Charter was introduced in 2002 to set out Temasek's role as an investment company; it is a living document reviewed periodically with the government as shareholder; references to industry clusters were later removed without change to Temasek's mandate. ↩
6. Temasek, news release on the redemption of its maiden Temasek Bond (US$1.75 billion, 4.5 per cent), 2015 (temasek.com.sg): Temasek Review published annually since 2004; corporate rating AAA/Aaa since the inaugural rating in 2004. Moody's, rating action of 12 September 2005 on Temasek's US$5 billion global MTN programme. ↩

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7. Temasek, *Temasek Review 2024*, "Performance and Portfolio" (tr24.temasekreview.com.sg, accessed November 2026): TSR since inception 14 per cent (S$) and 15 per cent (US$); underlying exposure Singapore 27 per cent, Americas 22 per cent, China 19 per cent, Europe, Middle East and Africa 13 per cent, Asia Pacific (excluding Singapore, China and India) 12 per cent, India 7 per cent; unlisted assets 52 per cent; financial services 21 per cent. ↩
8. "Singapore's Temasek cuts staff compensation over FTX investment", *New Straits Times*, 29 May 2023: write-down of US$275 million (US$210 million in FTX International and US$65 million in FTX US). "Singapore's Temasek cuts staff compensation over FTX investment", *New Straits Times*, 29 May 2023, quoting Lim Boon Heng and Temasek's statement. ↩
9. "Singapore: Temasek's net portfolio value hits $400B, doubling over past decade", *TechNode Global*, 8 July 2026: net portfolio value S$518 billion (US$400.3 billion), up S$49 billion; one-year TSR 10.5 per cent; ten-year 7.1 per cent; twenty-year 6.8 per cent; five-year 4.6 per cent; currency effect of about two percentage points; 2 per cent drawdown in the final month. ↩
10. "Temasek Review 2026", *Mothership*, July 2026: S$51 billion invested and S$31 billion divested; Teo Chee Hean chairman since 9 October 2025; quotation from his statement. *TechNode Global*, 8 July 2026: Singapore-headquartered companies 52 per cent of the portfolio; Singapore underlying exposure 27 per cent; unlisted direct investments about a quarter of the portfolio. "Temasek raises China exposure by $7.7 billion as valuations recover", *Caixin Global*, 16 July 2026: China exposure up S$10 billion (US$7.7 billion); AI investments 6 per cent of the portfolio, target 10–15 per cent by 2031. ↩

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