

# Temasek eyes residential real estate, renewable energy sectors

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Singapore investment firm Temasek Holdings has been shifting more of its investment from financial service sector to China's fast-growth sectors such as residential real estate and renewable energies in the past year, according to its latest financial report.

The 2006 financial report of the company showed that it poured a total of US\$1.1 billion into China during the last financial year starting from April 1, 2006, mostly in housing projects, consumer products, energy and resources sectors as well as the initial public offering of the Bank of China.

"The Chinese market has always been an important part of Temasek's overseas investment strategy," Frank Tang, managing director and head of China investment for Temasek told Xinhua.

The report said the company invested US\$50 million in Xingyu Hengdeli, the largest luxury watch retail chain in China.

It also invested in Yingli Green Energy, China's leading solar equipment producer, and in Country Garden, one of the country's largest property developers, to back housing projects for the Chinese middle class.

"Rapid urbanization and fast rising disposable incomes of Chinese people are providing good opportunities for Temasek to invest in the real estate sector and consumer and lifestyle sectors," Tang said.

Temasek increased its stake in CITIC Resources Holdings Ltd to 11 percent to become the second largest shareholder after CITIC in the past year.

Temasek, which is funded by Singapore's Ministry of Finance, said its net profits dipped 29 percent to 9 billion Singapore dollars (US\$6 billion) for the 2006 financial year, as it sold fewer assets.

Tang also said China's soon-to-be-established investment company would be an effective way to solve the excess liquidity and huge forex reserve in the country.