Ho Ching may step down in August: FT report

BY AARON LOW

TEMASEK Holdings chief executive and executive director Ho Ching may step down in August, according to the Financial Times (FT).

The front-page report, quoting unnamed sources, said her departure could come soon after Temasek releases its annual report next month.

Temasek is expected to announce gains on its portfolio, which stood at $186 billion last year, when it issues the report for the financial year ending March 31.

Asked about the FT report, a Temasek spokesman said yesterday: “We decline to comment on speculation.”

Ms Ho, 58, the wife of Prime Minister Lee Hsien Loong, has been in the top job for eight years. She has ranked high on several lists of Asia’s most powerful women.

Analysts said yesterday it would be as good a time as any for her to step down, although some fund managers were not convinced that Temasek would make such a big change now.

Associate Professor Melvyn Teo, the director of the BNP Paribas Hedge Fund Centre at the Singapore Management University, said he would not be surprised if she was stepping down as she had already planned to do so previously.

In 2009, Temasek announced that Ms Ho would leave in October that year, to make way for former BHP Billiton chief Charles Goodyear, who was appointed CEO-designate on March 1 that year.

But he left Temasek just four months later in July, citing “unresolved strategic differences”.

Prof Teo said: “Whether this is the right time for her to leave depends primarily on whether they have found a suitable successor for Ho Ching.

“Of course, it is always good to end on a high note. Given that this year’s returns have been good, assuming that they have found the right person for the job, this may be an opportune time for leadership renewal.”

Already last year, Temasek reported that its portfolio’s market value had grown to a record $186 billion, from $130 billion in 2009.

This meant it had more than fully recovered the losses sustained during the financial crisis in 2008.

But a Singapore-based hedge fund manager who did not want to be named cast doubt on the FT report, saying there was no “major reason” for Ms Ho to leave now.

“She and her team have done a good job, weathering the financial crisis and coming out stronger. Every organisation makes changes, but I don’t see any major reason for her to leave now,” he said.

“But the biggest question is: Who would take over if she leaves? She has a good team behind her, but there is no obvious successor.”

Last year, Temasek strengthened its senior management team by bringing in three new senior executives.

Former Singapore Exchange chief executive Hsieh Fu Hua joined in May last year as executive director and president, while Bank of America veteran Gregory Curl was brought in to oversee Temasek’s investments in financial services.

The former managing partner of law firm WongPartnership, Mr Dilhan Pillay, was also hired to head its portfolio management unit.

But since then, Temasek’s executive director and president, Mr Simon Israel, announced in March that he would retire on July 1.

Prof Teo noted that, whether or not Ms Ho leaves in August or later, it is important for Temasek to avoid a repeat the Goodyear episode.

“The new CEO should be someone who will stay long-term at Temasek. Given that the senior leadership team has been beefed up, I will not be surprised if the new CEO is chosen from within the organisation,” he said.