imagine
innovate
implement

JTC: FUTURE-READY

JTC CORPORATION ANNUAL REPORT 2010
MISSION
To plan, promote and develop a dynamic industrial landscape, in support of Singapore's economic advancement.

VISION
A dynamic industrial landscape; The choice investment location.
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Planning, promoting and developing a dynamic industrial landscape – one in tandem with Singapore’s growing economy – requires ingenuity and foresight.

To face the challenges of tomorrow, JTC is committed to becoming a future-ready organisation, driven by a promise to imagine, innovate and implement world-class solutions.

Through this, we can guarantee Singapore’s continued sustainability as the choice investment location, and break new ground to create a truly future-ready industrial landscape.
imagine

At JTC, we picture progress as a range of projects reaching across a multitude of industry clusters – as bold, new developments and broad, far-reaching initiatives ready to meet the growing industrial needs of Singapore and the world. But we dare to do more than imagine. We take concrete steps to make this future a reality.
innovate

JTC continues to chart new horizons, coming up with creative solutions that transcend Singapore’s dearth of industrial land. We innovate to develop groundbreaking industrial opportunities and sustainable projects that are both functional and cutting-edge. We innovate to overcome the challenges of the future. We innovate for success.
JTC’s success is anchored in a unified JTC. Beyond driving our organisation towards world-class excellence, we strive to **implement** forward-looking, future-ready policies that affirm our corporate vision: to develop Singapore as the choice investment location.
The year 2010 proved to be an exceptional one for Singapore’s economy.

After a difficult year in 2009 when the nation’s Gross Domestic Product (GDP) dipped into negative territory, Singapore managed to recover strongly to post a double-digit growth of 14.5 per cent in 2010.

This performance would not have been possible without quick and robust action by the Government and companies here.

Reflecting Singapore’s strong recovery, the JTC Group also put in a good performance, achieving a total surplus of $918 million – an increase of 39 per cent from the previous year.

RELOOKING STRATEGIES FOR THE NEXT LAP

The global economy’s growth trajectory is uncertain.

There is political unrest in the Middle East, financial instability in many of the European countries, the US debt crisis and the fallout from the calamity in Japan.

Against this backdrop, Singapore’s economy is projected to grow at a slower pace of 5 to 6 per cent in 2011.

While Singapore’s economy has generally fared well in the past, we cannot take this economic growth for granted. This is especially so since Singapore is already facing constraints with regard to land, energy and manpower.

As we face increasing pressure from our lack of resources, we must focus on how we can build sustainable economic growth in the long run.

To ensure long-term, sustainable growth, the Economic Strategies Committee has identified key strategies to transform the economy, so that Singapore can make a quantum leap.

JTC – as the largest industrial developer – is well placed to support the national objective for the next lap in Singapore’s growth in two key areas, namely through increasing productivity and innovation. In terms of resources, this will involve extracting the maximum value from our land and enhancing our energy efficiency.

Touching on the first area of productivity, JTC is committed to fully optimising the use of industrial land, and ensuring that it is put to maximum use.

One way we will achieve this is to build on our current efforts to cluster industries for the purpose of efficiency.

Since the successful clustering of petrochemical companies on Jurong Island, we have embarked on several other major projects to cluster industries, such as one-north, Seletar Aerospace Park, CleanTech Park and the Offshore Marine Centre.

Undoubtedly, our clustering approach has enabled shared facilities and greater economies of scale, improving the productivity of the land used. The approach we have utilised has also helped the various industries to improve their own productivity, as well as their level of competitiveness.

To complement our clustering strategy, we are pushing the envelope in industrial innovation. This is the second key area in which JTC can make a difference – by coming up with innovative spatial solutions to push the boundaries of land use.

This is why we are continuing to explore new ways of designing higher plot-ratio facilities for industries that have traditionally operated out of low-rise premises.
CHAIRMAN’S MESSAGE

Other innovations we have delved into include the use of space under the sea, as well as underground – we have already embarked on the Jurong Rock Caverns project, which is South-east Asia’s first underground oil-storage facility.

In addition, we are also exploring other developments in this field, such as the Underground Science City concept.

REJUVENATING INDUSTRIAL SPACE FOR A FUTURE-READY LANDSCAPE

As the custodian of the largest industrial spaces in Singapore, we will also prioritise the allocation of land, targeting key sectors that can generate the greatest value-adding and job opportunities for our nation.

For a more holistic view of land productivity, we will be working with other economic agencies to implement policies that will help the less productive industries move up the value chain of activities.

Besides land optimisation, another area of focus for JTC will be improving the productivity of our matured industrial estates, through estate rejuvenation.

So far, we have achieved some measure of success with Tukang Innovation Park, which has been transformed to become a high-tech park, housing a cluster of innovative companies.

Tukang Innovation Park is now being developed even further, into a hub for manufacturing, warehousing and assembly activities that are innovation- and knowledge-centric.

Tanjong Kling in Jurong will also be redeveloped to become a focal point for high value-adding manufacturing activities in food, electronics and environmental technology, as well as warehousing activities.

Our rejuvenation efforts are also extending to other ageing estates as well, such as Kallang and Sungei Kadut.

In tandem with the estate rejuvenation efforts, we will also step up our efforts to optimise energy usage in our estates and industries. This will pave the way for Singapore’s industrial map to gradually evolve into an innovative space geared to cater to high-performing industry sectors.

The development of CleanTech Park is already underway, and the Park will be crucial in pushing the widespread adoption of clean technologies. CleanTech Park will also serve as a “living laboratory” for the experimentation of clean technologies.

To secure a more sustainable future, we will also work with the high energy-consuming industries to come up with innovative solutions to reduce carbon emissions, transforming them into more energy-efficient industries. To this end, the Jurong Island Version 2.0 initiative has been launched and is making good progress. The multi-agency project seeks to enhance the competitiveness and sustainability of the energy and chemical industry in Singapore.

JTC’S JOURNEY OF TRANSFORMATION

As an organisation, JTC is constantly looking at ways to enhance its productivity, so that we remain a high-performing outfit. This is achieved by constantly upgrading our staff through appropriate training and constant process improvements.
We will continue to invest in training and development. We have recently reviewed our competency framework, so that JTC’s staff will develop the full range of competencies to excel in their jobs, and be equipped with industry knowledge and skills to service our customers.

Indeed, our internal processes must be constantly reviewed, so that we can find ways to streamline them. Through this process, JTC can improve as an organisation as a whole, and deliver the best we can to our customers.

JTC’s organisational excellence was recognised with the successful renewal of all four of its Business Excellence certifications in FY 2010, namely the Singapore Quality Class (SQC), People Developer, Singapore Innovation Class and Singapore Service Class. In particular, JTC was awarded the SQC Star, which is a further recognition of the higher level of performance that existing SQC organisations have demonstrated in their assessment.

As we enter a new era, we must continue to be forward-looking, ready to capitalise on the opportunities and address the challenges that may come our way.

I am confident that our strategies and future-ready approach will serve us well as we continue our journey, and remain firmly engaged with our customers and stakeholders.

I wish to thank the JTC Board for their guidance and support. The Board has provided invaluable insight and guidance for the Group’s business.

Two of our Board Members – Mrs Cheong Koon Hean and Mr Dilhan Pillay – stepped down during the year. We would like to thank them for their invaluable contributions. At the same time, we welcome three new Board Members – Mr Augustin Lee, Mr Danny Teoh and Mr Tan Chee Meng.

Finally, my sincere thanks and appreciation to our customers, other stakeholders and my JTC colleagues for their contributions to JTC.

Together, we will make Singapore a choice investment location.

Cedric Foo
Chairman, JTC Corporation
CHIEF EXECUTIVE OFFICER’S MESSAGE

The Singapore economy performed exceptionally well in 2010, rebounding strongly from the global economic downturn of the past two years. Our economy expanded by 14.5 per cent in 2010, making it one of the fastest growing in the world.

Reflecting Singapore’s strong economic growth and a buoyant industrial property market, the JTC Group also turned in a good performance in 2010.

The net allocation of prepared industrial land rose 23 per cent to 137.2 hectares in FY 2010. As for the ready-built facilities segment, overall occupancy remained healthy at 96.7 per cent, although this represented a 0.8 per cent-point drop from the previous year. The absence of major project completions as well as space being given up for product renewal by JTC led to a negative net allocation of 25,100 square metres.

SINGAPORE – A MAGNET FOR GLOBAL BUSINESSES

The stellar economic growth last year was driven by the manufacturing sector, which grew by 29.7 per cent. As a testament to the attractiveness of Singapore as a business location, the nation attracted projects which resulted in $12.9 billion of fixed asset investments in 2010.

Many US and European companies continued to invest in Singapore, as we were seen as the preferred location in Asia to manage their pan-Asian operations and, increasingly, also their global activities. Several Asian and local companies also established and expanded their operations in Singapore.

During the year, several leading aerospace companies were allocated sites at Seletar Aerospace Park (SAP), bringing us closer to our vision of creating an integrated aerospace hub. Fokker Services Asia and Hawker Pacific Asia were allocated sites with direct access to the runway in the western cluster of SAP to establish their new maintenance, repair and overhaul (MRO) facilities for general and business aviation. Bell Helicopter and Cessna Aircraft Company, both part of Textron Inc, also took up 2.6 hectares to anchor their Asia Pacific sales, service and MRO centre at SAP.

Several major allocations were made on Jurong Island, including those for Stolthaven’s $350-million state-of-the-art chemical storage centre, Lanxess’s butyl rubber manufacturing plant and TP Utilities’s $537-million multi-utilities complex.

Over at one-north, Procter & Gamble (P&G) took up a site at Biopolis to develop an R&D Innovation Centre while Lucasfilm broke ground at Fusionopolis for its own building to house animation, visual effects and games development activities. Other major projects launched during the year include OCWS Logistics’s development of a transport integration hub, International Flavors & Fragrances Inc’s investment in a new manufacturing facility and Disco Hi-Tec’s expansion of its advanced cutting, grinding and polishing equipment maintenance cum R&D centre.

DEVELOPING CLUSTER INNOVATIONS

Following our reorganisation along cluster lines in 2009, JTC is now better placed to work seamlessly with other economic agencies such as the Economic Development Board and SPRING Singapore to develop and promote key industries in Singapore. Our aim is to ensure that infrastructure remains a key differentiating advantage for Singapore. In FY 2010, we pressed ahead with infrastructural innovations to cater to the needs of the various clusters.
For example, we started the construction of the Offshore Marine Centre (OMC) in Tuas to provide shared waterfront infrastructure and services for the offshore and marine industry. Sited on a 13-hectare site, the OMC is designed not only to circumvent Singapore’s limited waterfront land, but also to tap into new growth opportunities in marine and subsea equipment manufacturing. The facility is scheduled for completion in December 2011.

We have also made progress in the development of the MedTech Hub, which is designed to house companies from the medical equipment industry, sharing common facilities and services such as sterilisation, lab testing and logistics. We plan to commence the construction of the MedTech Hub, which will be located in Tukang, by this financial year.

Our Jurong Island Version 2.0 project, endorsed by the Economic Strategies Committee in February 2010, is another example of a key initiative to enhance Singapore’s industrial landscape. The project focuses on system-level optimisation and infrastructural developments to ensure the long-term competitiveness and sustainability of our energy and chemical industry. The project went into full swing this year with several studies involving multiple agencies and close engagement with industry players.

Jurong Island Version 2.0 has been recognised for its future-ready approach and received the 2011 Ministry of Trade and Industry Borderless Award.

Our other industrial developments also made good progress over the year. In Mediapolis at one-north, Ascendas broke ground to develop two soundstages, which will be managed and operated by Infinite Frameworks. Singapore’s national broadcaster, MediaCorp, also announced its plans to relocate to a 1.5-hectare site at Mediapolis to develop a state-of-the-art broadcasting facility comprising television studios, theatres and editing suites.

Mediapolis is also the first multi-developer district to be awarded the Building and Construction Authority’s Green Mark status.

Singapore’s first eco-business park, CleanTech Park, is developing smoothly as well. Infrastructure works for Phase 1 are in full swing and the first building, CleanTech One, is scheduled for completion in December 2011.

Set to become a hub for the development of clean technologies, CleanTech Park has received the Green Mark Platinum Award for the development’s Green Core, which has been praised for a design that ensures a long-term and sustainable balance between the Park’s commercial needs and the site’s natural biodiversity.

**EXPANDING OUR INNOVATION CAPACITY**

Innovation is key for JTC to develop unique infrastructural solutions for industry clusters, and to optimise the use of our limited land resources. We have therefore launched several initiatives and programmes to actively reach out and expand our innovation capacity.

We set up the JTC Innovation Fund in 2010 and launched a Request for Proposals. Through this initiative, we invited the public to propose ideas on how we can further intensify land use or improve energy efficiency. A total of $900,000 has been awarded to fund three research projects, which aim to improve the environmental sustainability of our industrial parks.

In view of the positive results, we will be organising this initiative on an annual basis.

We have also tapped into the public sphere through the Public-Private Co-Innovation Partnership Platform, which allows us to engage in innovation-driven projects. One of these co-innovation projects involves the transformation
of excavated soft materials into an alternative form of reclamation fill. Another project delves into the use of excavated sedimentary rocks for road construction.

Besides these initiatives, we have also engaged in outreach programmes. The JTC I³ (Industrial Infrastructure Innovator) Challenge is a multi-disciplinary competition that is used to solicit ideas for creating the industrial estates of the future. Focusing on the innovative thinking of students, the I³ Challenge represents our efforts to engage and tap the ideas of our young citizens.

**SERVICE – OUR TRUE STRENGTH**

Over the last year, we have also significantly stepped up our customer engagement efforts and strived to improve our service standards. This is in line with our belief that customers must be at the centre of our focus.

We are very encouraged that our efforts have been well recognised by our customers. In the recent Customer Satisfaction Survey, we achieved a score of 81 per cent, which represented a significant 12-percentage point improvement over the previous year.

We thank our customers for their strong vote of confidence, and will strive to do even better.

A key milestone in our customer engagement efforts is JTC’s recent review of our Strategic Service Intent (SSI), which serves as our beacon in the area of service excellence.

Comprising the four traits of being Dependable, Assuring, Responsive and Empathetic (DARE), our new SSI encapsulates the key customer service qualities that every JTC staff should exhibit when serving our customers.

Additionally, JTC's human resource philosophy recognises that we can only achieve success collectively – as One JTC – and by empowering our people so that they can reach their full potential. To this end, JTC reviewed the competency framework, so that its staff will develop the requisite competencies to excel in a high-performing outfit, and be equipped with the industry knowledge to provide our customers the service that they expect and deserve.

**IMAGINE, INNOVATE, IMPLEMENT**

Moving ahead, JTC is committed to becoming a future-ready organisation. We will continue to deepen our cluster knowledge and capabilities and strive for excellence in our customer service. We are driven by our intent to Imagine, Innovate and Implement unique and effective infrastructure solutions for our industries and customers.

Our people stand ready to work closely with our customers and other partners to break new ground and deliver innovative solutions that will differentiate Singapore from other locations, and ensure that we remain the choice investment location.

Manohar Khiatani
Chief Executive Officer, JTC Corporation
BOARD MEMBERS

Mr Cedric Foo  
Chairman, JTC Corporation  
Group Deputy President,  
Chief Financial Officer  
Neptune Orient Lines Ltd

Mr Manohar Khiatani  
Chief Executive Officer  
JTC Corporation

Ms Chen Soon Bin  
Managing Director  
Government of Singapore Investment Corporation Pte Ltd

Mr Jen Kwong Hwa  
Managing Director  
Micron Semiconductor Asia Pte Ltd

Dr Ernest Kan  
Partner,  
Chief of Operations, Clients & Markets  
Deloitte & Touche LLP

Mr Augustin Lee  
Deputy Secretary  
Ministry of Manpower

Lt-General Neo Kian Hong  
Chief of Defence Force  
Ministry of Defence

Mrs Ong Choon Fah  
Chief Operating Officer, SEA,  
Head of Consulting & Research, SEA  
DTZ Debenham Tie Leung (SEA) Pte Ltd

Mr Ong Ye Kung  
Deputy Secretary-General  
National Trades Union Congress

Mr Tan Chee Meng  
Deputy Managing Partner  
WongPartnership LLP

Mr Danny Teoh

SUBSIDIARY COMPANIES’ SENIOR MANAGEMENT

Ms Chong Siak Ching  
President & Chief Executive Officer  
Ascendas Pte Ltd

Mr Matthew Chan  
Chief Executive Officer  
Jurong Port Pte Ltd

Er Tang Tat Kwong  
Group President & Chief Executive Officer  
JURONG International Holdings Pte Ltd
Mr Ong Geok Soo, Assistant Chief Executive Officer of the Technical & Professional Services Group, retired with effect from November 2010. JTC thanks Mr Ong for his contributions to the organisation.
CORPORATE GOVERNANCE

The JTC Board comprises 11 members, with Mr Cedric Foo as the Chairman. The members include representatives from leading private-sector companies, as well as senior government and union officials.

Members provide advice to JTC Management to steer the Corporation towards fulfilling its vision. They meet with external auditors – without the presence of JTC Management – at least once annually. They also provide guidance to ensure that JTC functions efficiently.

The Board met six times in FY 2010 to strategise, review major policies and approve financial statements, annual budgets and major projects.

The Board has established four committees to assist it in carrying out its duties: the Audit Committee, the Board’s Staff Committee, the Divestment Committee and the Finance & Investment Committee. The appointment of members to the committees of the Corporation is made annually, and the term of their appointment is from 1 January to 31 December each year.

AUDIT COMMITTEE

Chairperson: Dr Ernest Kan
Deputy Chairperson: Mr Danny Teoh
Members: Mr Ong Ye Kung, Mr Tan Chee Meng

Terms of Reference
1. To review the annual accounts of JTC before its submission to the Board for approval.
2. To review the Corporation’s risk and crisis management practices and policies.
3. To review and approve the internal audit function and plan.
4. To review and approve the annual audit plan with external auditors.
5. To review the external auditors’ evaluation of internal controls.
6. To review the results of the internal audit and guide the Management on the actions to be taken.
7. To review the internal and the external auditors’ reports for submission to the Board.
8. To recommend external auditors (unless the external auditor is the Auditor General) for approval by the Board and appointment by the Minister.
9. To meet with external auditors to have open exchanges, without the presence of the Management, at least annually.
10. To review the independence of the external auditors annually.
11. To consider any matter which the Committee believes should be brought to the attention of the Board.

The Audit Committee met four times in FY 2010.

BOARD’S STAFF COMMITTEE

Chairperson: Mr Cedric Foo
Deputy Chairperson: Mr Ong Ye Kung
Members: Mrs Ong Choon Fah, Mr Manohar Khiatani

Terms of Reference
1. To consider issues on the development and management of key talents in JTC, including issues related to leadership renewal and retention, to ensure that JTC remains a high-performance outfit in years to come.
2. On HR administration:
   a. To approve the Professional Officers Scheme of Service.
b. To approve the appointment of Heads of Group and above other than the Chief Executive Officer and direct reports (senior officers) to the Chief Executive Officer.

c. To approve the promotions of senior officers into Grade 3 and above other than the Chief Executive Officer.

3. To review and approve recommendations on disciplinary matters affecting senior officers on Grade 3 and above.

4. To consider and approve any staff matters related to senior officers which may be referred to the Committee from time to time.

The Board's Staff Committee met five times in FY 2010.

DIVESTMENT COMMITTEE
Chairperson: Mr Cedric Foo
Deputy Chairperson: Mr Jen Kwong Hwa
Members: Ms Chen Soo Bin
Mrs Ong Choon Fah
Mr Tan Chee Meng
Mr Augustin Lee
Mr Manohar Khiatani

Terms of Reference
1. To advise and assist the Board in overseeing and setting directions and policies in relation to the divestment.

2. To evaluate and approve or make a recommendation to the Board on any commercial, policy, operational or other matter relating to, arising from or ancillary to the divestment.

3. To advise the Management on any commercial, policy, operational or other matter relating to, arising from or ancillary to the divestment.

The Divestment Committee met two times in FY 2010.

FINANCE & INVESTMENT COMMITTEE
Chairperson: Ms Chen Soo Bin
Members: LG Neo Kian Hong
Mr Augustin Lee
Mr Manohar Khiatani

Terms of Reference
1. To provide oversight and direction for the Corporation’s investment of surplus funds through:
   a. The formulation and reviewing of investment objectives, policies and guidelines for the Board’s approval;
   b. The evaluation of investment proposals for the Board’s approval; and
   c. The monitoring of investment performance.

2. To supervise the funding activities of the Corporation and its subsidiaries through:
   a. The evaluation of funding proposals by the Corporation and its subsidiaries for the Board’s approval; and
   b. The reviewing of subsidiaries’ funding requirements and debt-equity structure.

3. To review changes to the financial regulations and authorities as provided for in the JTC Financial Manual and Corporate Governance Handbook for the Board’s approval.

4. Any other responsibilities as decided by the Board.

The Finance & Investment Committee met two times in FY 2010.
igniting aerospace excellence

The sky is truly the limit for Singapore’s aerospace ambitions as Seletar Aerospace Park takes shape. Slated to be fully operational by 2018, this 300-hectare aviation hub is shaping up to be a magnet for major players in the local and international aerospace industries such as Rolls-Royce, Eurocopter, Hawker Pacific, Fokker Services, ST Aerospace, Jet Aviation, Bell Helicopter, Cessna and STARS.

As master planner for Seletar Aerospace Park, JTC is taking the lead in driving unique infrastructural developments. Two projects – the Business Aviation Complex and the Components Manufacturing and MRO Facility (CMMF) – which were completed in May and August 2011 respectively, will provide the infrastructural thrust to propel the aviation industry forward.

In addition, JTC has also conceptualised a General Aviation Centre to offer shared facilities. Two companies – MAJ Aviation and Air Transport Training Centre – have leased half of the 2.5-hectare site for their new operations.
initiating green endeavours

CleanTech Park has created a revolutionary storm which will expand the green horizons of industrial space in Singapore.

As a business park with unique green features, CleanTech Park is a natural location for forward-looking companies that have embraced environmental sustainability as a means to differentiate their businesses. It also serves as a “living laboratory” for system-level clean technology solutions as well as a nerve centre for research, innovation and commercialisation in clean technologies.

CleanTech One – the first iconic building at CleanTech Park – was launched in 2010. The multi-tenanted building with laboratory and office spaces will be the physical gateway into CleanTech Park. It will host key public- and private-sector organisations in clean technology businesses, and provide an environment where novel green solutions such as green sky trellises can be developed and tested before commercialisation.

To date, more than 50 per cent of space at CleanTech One has been committed, with Nanyang Technological University as the first anchor tenant. The university’s research institutes – Nanyang Environment and Water Research Institute (NEWRI) and Energy Research Institute @ NTU (ERI@N) – will seed and drive R&D activities.

CleanTech Park is scheduled for completion in 2030, and is slated to create some 20,000 “green-collar” jobs.
identifying offshore opportunities

The Offshore Marine Centre in Tuas is another innovation from JTC, developed to overcome Singapore’s scarce waterfront resource.

Creatively conceptualised to stretch Singapore’s limited waterfront land sites, the Offshore Marine Centre will allow companies on inland sites to enjoy the benefits of staging and shipping their finished products. It will also enable Singapore to attract new activities that add greater value to the marine and offshore sector, as well as cater to the expansion plans of existing companies.

Muhibbah Engineering (Singapore) will be constructing the Offshore Marine Centre, targeted for completion in December 2011.

The innovative Offshore Marine Centre will give Singapore an edge in the global marketplace, when it comes to attracting new and quality manufacturing activities. As a result, Singapore’s position in the global offshore marine sector will be strengthened and enhanced.
extending the cutting edge of jurong island

Jurong Island gets future-ready with the Jurong Island Version 2.0 Initiative.

This initiative adopts a “whole-of-government” effort to enhance Jurong Island’s competitiveness and sustainability, and encompasses a thorough review of five core areas – energy, logistics and transportation, feedstock options, environment and water.

New projects are being explored as part of the Jurong Island Version 2.0 Initiative. These include a feasibility study on a second road link connecting Jurong Island to the mainland, and studies on eco-efficient ways to utilise waste heat and new water technologies. A barging terminal to provide safe passage for hazardous products in and out of Jurong Island is underway.

With the Version 2.0 Initiative in place, the multitude of companies on Jurong Island can now look forward to innovative system-level solutions that will create further value for them.
JTC is literally breaking new ground with the excavation and creation of five gigantic underground rock caverns off Jurong Island.

Located at a depth of 130 metres beneath Banyan Basin on Jurong Island, Jurong Rock Caverns will be South-east Asia’s first underground hydrocarbon storage facility.

The caverns will provide infrastructural support to manufacturers on Jurong Island, meeting their storage needs for liquid hydrocarbons such as crude oil, condensate, naphtha and gas oil.

Two access shafts and start-up tunnels have been completed under Phase 1 of the Jurong Rock Caverns project. Construction of the tunnels, caverns and associated tunnels, which is undertaken by Hyundai Engineering and Construction, is now in progress.

Jurong Rock Caverns is set to host its first tenant, Jurong Aromatics Corporation, upon completion in 2014.
innovating seawards

While things are stirring beneath the sea at Jurong Rock Caverns, a Very Large Floating Structure (VLFS) – a series of seaborne platforms also for stocking oil and petrochemical products – will soon be seen bobbing on the waves.

Designed as floating platforms that are either moored to land or operated as stand-alone units, the VLFS will take space-saving to unprecedented levels – the storage capacity of 300,000 cubic metres will occupy no more than seven hectares of space on land, compared with 20 hectares for a comparable conventional tank farm facility on land.

Following the completion of wide-ranging and in-depth feasibility studies in Phase 2 in September 2010, Phase 3, comprising the front-end engineering design of the VLFS, is now underway. If everything goes according to plan, Singapore will have this innovative floating oil storage structure in 2014.
imagining tomorrow

A city of the future is fast taking shape at one-north, with the development of Fusionopolis.

Located on a 30-hectare site, the Fusionopolis cluster will see a community of knowledge workers in a thriving environment for the infocomm technology (ICT) and media industries, as well as R&D activities in physical sciences and engineering.

Following the official launch of Phase 1 of Fusionopolis, the development of Phase 2A has started.Scheduled for completion in 2013, this phase will house several research institutes as well as private companies within a complex, nurturing a vibrant research community and promoting both information dissemination and technology transfer.

JTC has also launched Phase 3 of Fusionopolis for public tender, for a business park and office mixed-use development.
JTC, together with the Media Development Authority, the Infocomm Development Authority and the Economic Development Board, are jointly developing Mediapolis to boost the stature of Singapore as a global media hub.

Located at one-north, alongside Biopolis and Fusionopolis, Mediapolis will be the third strategic cluster in one-north. It will focus on the development of high-quality digital media content as well as R&D work in digital media technologies. Mediapolis will also be supported by an integrated IT infrastructure and a synergistic business environment.

As master planner for Mediapolis, JTC is working with Infinite Frameworks – a local media production company – for its soundstage complex on a 1.2-hectare site. The complex will comprise an 18,000-square foot soundstage, a 10,000-square foot soundstage and production and post-production offices, to cater to industry demand.

Mediapolis is scheduled for completion in late 2012. The soundstage complex will be critical to the development of Singapore’s media industry, which is projected to contribute $10 billion to Singapore’s GDP by 2015.
nurturing growth and innovation in the logistics cluster

Given the logistics industry’s strong links to key manufacturing clusters in Singapore, JTC has been committed to providing industrial land to support and sustain the industry’s growth.

Our latest development, the 24-hectare Tampines LogisPark, is slated for completion in June 2012. With its proximity to the airport, the Park promises efficient, round-the-clock operations and quality infrastructure to further strengthen Singapore’s role as a global logistics hub.

On the seafreight front, the Tanjong Kling industrial estate remains a popular location among third-party logistics service providers, with about seven hectares of land allocated during the year.

JTC’s land intensification drive has also given impetus to several innovative projects by the trucking and container yard segments of the industry. This includes the allocation of a three-hectare land parcel at Old Jalan Buroh to OCWS Logistics Pte Ltd to develop a new transportation hub.
developing a wealth of talent

Singapore is taking a step closer to becoming a home for global talent, with its plans to transform Nepal Hill into a regional centre for leadership training and talent development, under Singapore’s Leadership Initiatives, Networks, Knowledge (LINK).

Under the LINK initiative, Nepal Hill is envisaged to become a cluster of leading business schools, corporate universities and professional service companies. Indeed, the talent hub will place Singapore at the apex of human resource and leadership development in the region.

Unilever is the latest company to sink its roots at Nepal Hill, by taking up 2.3 hectares to set up Four Acres Singapore – a global centre for grooming future leaders. Besides Unilever, which is the largest anchor tenant, Nepal Hill also hosts the Human Capital Leadership Institute, and is flanked on both sides by an education belt comprising the INSEAD Asia Campus and Nanyang Technological University@one-north.

This innovative coupling between research agencies and renowned business schools at one-north will spur better talent development and leadership management practices, heightening Singapore’s position as a “Home for Talent” in Asia.
Vista Xchange is shaping up as a magnet for multinational companies in infocomm media, consumer products and professional services keen to set up their global headquarters in Singapore.

This 17-hectare corporate and business support hub offers companies the full range of facilities, including office suites, retail-cum-entertainment centres, residential developments and a business hotel.

Metropolis, a two-tower office development, is set to be the gateway to one-north, while a Civic, Cultural and Retail Complex housing a 5,000-seat auditorium as well as a multi-level retail complex will become the focal point for the performance arts and entertainment when it is completed in 2012.

Rochester Park will also offer an alternative lifestyle-cum-commercial hub, while The Rochester – to be opened in the third quarter of 2011 – will showcase 271 business hotel rooms and serviced apartments catering to expatriates working in one-north.
Reflecting the robust expansion of Singapore’s economy, net allocation of prepared industrial land rose 23 per cent to 137.2 hectares in FY 2010 from 111.1 hectares achieved in FY 2009. The overall occupancy of the ready-built facilities has remained healthy at 96.7 per cent, although this has represented a marginal 0.8 per cent-point drop from 97.5 per cent achieved in FY 2009. In terms of net allocation of ready-built facilities, the absence of new project completions in FY 2010 as well as space being given up for product renewal by JTC has led to a negative net allocation of 25,100 square metres.

PREPARED INDUSTRIAL LAND

The net allocation of prepared industrial land posted a strong 23-per cent year-on-year rise to 137.2 hectares in FY 2010 from 111.1 hectares achieved in FY 2009. Gross allocation has surged 35 per cent to 279.7 hectares from 206.8 hectares in the preceding year. However, termination has also been higher, rising 49 per cent to 142.5 hectares from 95.7 hectares a year ago (see Chart 1).

The strong performance of prepared industrial land in FY 2010 has been underpinned by the Jurong Island segment, which has accounted for 56 per cent (156.8 hectares) of total gross allocation. The strong take-up has been supported by a major allocation to a global petrochemicals company. The generic land segment has also contributed a significant 36 per cent, with a gross allocation of 101.3 hectares.

In FY 2010, 58 per cent of the gross allocation of prepared industrial land came from manufacturing-related and supporting industries. The primary contributor has been the

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1 The net allocation of prepared industrial land has been revised from an earlier figure of 110.1 hectares due to the inclusion of net allocation of foreshore lease, so as to give a full reflection of JTC’s overall transaction of prepared industrial land.

2 Prepared industrial land comprises inland, waterfront and foreshore land which may be on lease, tenancy or temporary occupation licence.
logistics cluster, which has accounted for 24 per cent (66.3 hectares) of the gross allocation. The manufacturing sector has accounted for 42 per cent of the gross allocation, with the chemicals cluster contributing a strong 36 per cent (100.8 hectares) of the gross allocation.

JTC’s total stock of prepared industrial land increased three per cent to 6,277.9 hectares, while demand rose by 2.4 per cent to 5,538.6 hectares in FY 2010.

READY-BUILT FACILITIES

As at the end of FY 2010, the overall occupancy of ready-built facilities stood at a healthy 96.7 per cent, which is slightly lower than the 97.5 per cent recorded a year ago. Gross allocation has declined marginally by two per cent to 74,600 square metres, compared to 76,200 square metres achieved in the preceding year. Coupled with a termination of 99,700 square metres (17 per cent higher than FY 2009), net allocation has been -25,100 square metres, compared to -8,900\(^3\) square metres in FY 2009 (see Chart 2). The higher termination is attributed to space being given up in flatted factory blocks scheduled for product renewal by JTC.

The flatted factory segment has been the key contributor to the gross allocation of ready-built facilities, accounting for 64 per cent (47,580 square metres) of total gross allocation. This is followed by the standard factory segment, which has contributed 27 per cent (20,120 square metres) of the gross allocation. As for termination, the flatted factory segment has recorded the bulk of the return of space with 60,730 square metres (61 per cent of total termination). This is followed by the standard factory segment, with 28,520 square metres (29 per cent).

In terms of industry, the manufacturing-related and supporting industries have contributed 53 per cent (39,200 square metres) to gross allocation, while the manufacturing sector has registered 47 per cent (35,400 square metres). Within the manufacturing sector, the precision engineering and electronic segments have been the main contributors, with 14 per cent (10,200 square metres) and 12 per cent (9,100 square metres) of total gross allocation respectively.

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\( ^3 \) The net allocation of ready-built facilities has been revised from an earlier figure of -10,500 square metres due to the inclusion of net allocation of workshops and warehouses, so as to give a full reflection of JTC’s overall transaction of ready-built facilities.
ASCENDAS

Ascendas saw several exciting new developments in FY 2010 across the region. The company has embarked on new developments and has expanded regionally to strengthen its foothold in the business space and real estate fund management sector.

Singapore

In February 2011, Ascendas, in a joint venture with Citramas Nusaterra, broke new ground for the development of Singapore’s first integrated media hub at Mediapolis@one-north. Named Infinite Studios, it will host Singapore’s first fully operational soundstage and facilities to support quality media productions, especially films with high digital content and strong visual effects. The building is scheduled for completion in the third quarter of 2012.

At Changi Business Park, Changi City – Singapore’s largest business park development – is fast shaping up to be an exciting and vibrant destination. The 200,000-square foot retail mall within Changi City is scheduled for completion by the third quarter of 2011. The construction of the 313-room boutique hotel residence and the 650,000-square foot business park building has commenced, and is expected to be completed by the end of 2012. Half of the space in the business park building, named One@Changi City, has been pre-leased to Credit Suisse.

India

The Group’s operations in India see us managing over 7.95 million square feet of space, with an occupancy rate of 97 per cent on 31 March 2011. This includes four iconic properties in our listed unit, a-iTrust, which are International Tech Park Bangalore (ITPB), International Tech Park Chennai (ITPC), the V and CyberPearl in Hyderabad. These parks are integrated developments, complete with retail and other amenities.

In ITPB, Ascendas Park Square – a 450,000-square foot retail mall – was completed in December 2010, representing a first for Ascendas. In addition, the new Voyager building within ITPB’s Special Economic Zone (SEZ), expected to be completed by mid-2011, will add another 540,000 square feet to the Group’s portfolio. The Park has also commissioned the development of its second 20-megawatt power plant, keeping with the requirements of its 26.8-acre SEZ. In ITPC, the addition of the new Zenith building also marks the completion of the development under a-iTrust.

Ascendas’s new development projects are also moving in tandem with the improved market conditions. Construction has commenced on International Tech Park Pune – our first IT SEZ Park in Maharashtra. The construction of the first phase of Ascendas OneHub Gurgaon in 2010 signalled the start of our first integrated project in North India. The master plan and schematic design for International Tech Park Gurgaon is also currently underway.

In November 2010, Ascendas inked an MOU with a Japanese consortium formed by top corporate finance provider Mizuho Corporate Bank and programme management contractor and investment partner JGC.
Corporation. This is to jointly explore opportunities for business partnership and collaboration regarding a large-scale project to develop a world-class integrated township in Chennai, India. The development will have an eco-friendly infrastructure for industrial, business, commercial, residential and lifestyle amenities, with Ascendas as the master developer.

China

In September, Ascendas enhanced its portfolio of commercial office buildings in Shanghai with the acquisition of Cross Tower, a Grade A commercial-cum-retail building. Cross Tower has a lettable area of 42,000 square metres, and is well occupied with a diversified mix of tenants. These include Sino Life Insurance, AXA-Minmetals Assurance, sportswear leader New Balance, leading floor/ceiling/cabinet manufacturer Armstrong, environmental services leader Veolia, and one of Shanghai’s most popular restaurants, M1NT. The 24-storey building is the third high-quality commercial property injected into the Ascendas China Commercial Fund, which has in its portfolio two other properties in prime business areas – Ascendas Plaza at Xu Jia Hui and Ascendas Ocean Towers, near People’s Square.

In Dalian, the master plan to convert Dalian Ascendas IT Park (DAITP) into an integrated community received the Best Urban Design and Master Planning Award by Cityscape Asia in May 2010. This project, scheduled to be completed by 2012, will feature a new leisure hub for knowledge professionals in IT, BPO and R&D to work, live and play within a socially integrated community.

Korea

Capitalising on our real estate expertise to enhance asset value, Ascendas Korea has achieved significant financial success by increasing occupancy and tenant retention. On 31 March 2011, the occupancy rate for its portfolio stood at 99 per cent, compared to 90 per cent a year ago. The tenant retention rate has been 98 per cent, amid a highly competitive market with high tenant turnover.

Construction of the 100,000-square metre Signature Towers Seoul (STS), a Grade A integrated office-cum-retail Green Mark Platinum-level building, is underway, and is expected to be completed in July 2011. Strategically located at the centre of Korea’s business district at Jung-Gu, Seoul, STS faces the Chunggye Stream and Namsan Mountain, and will be a prestigious business venue upon its completion.

Real Estate Fund Management

Ascendas’s two listed trusts – Ascendas Real Estate Investment Trust (A-REIT) and Ascendas India Trust (a-iTrust) – have continued to deliver commendable financial results, expanding their portfolios regionally.

A-REIT’s total amount for distribution has increased by 5.6 per cent to $248 million, compared to $234.9 million in the previous financial year. The existing portfolio for A-REIT has achieved a net revaluation gain of about $344.8 million, bringing the total assets under management to $5.4 billion, compared to $4.9 billion a year ago. In addition, the net
asset value on 31 March 2011 was $1.76 per unit. In FY 2010, A-REIT announced its first foray into China with the forward purchase of a business park facility in Jinqiao, Shanghai, bringing the total committed investment volume to $376.1 million. On 31 March 2011, A-REIT’s portfolio occupancy stood at 96 per cent, and occupancy for its multi-tenanted buildings was 92.1 per cent.

a-iTrust’s financial performance remained resilient in FY 2010, with its total property income growing four per cent from a year ago. In December 2010, a-iTrust completed the development of 1.2 million square feet of business space, comprising Park Square, a retail mall of 450,000 square feet in ITPB, and Zenith, a multi-tenanted office building of 737,000 square feet in ITPC. As a result, the total portfolio size has increased by 25 per cent – from 4.75 million square feet to 5.94 million square feet – with a total value of $943 million on 31 March 2011. In February 2011, a-iTrust inked a conditional agreement to purchase a portfolio of five buildings in Hitec City 2, an IT/ITES SEZ in Hyderabad, which will subsequently be rebranded as “aVance Business Hub”. The first phase of the transaction is expected to be completed in June 2011, when a-iTrust will acquire two operating and fully occupied buildings totalling 427,651 square feet for $50.4 million.

JURONG INTERNATIONAL

Developing new competencies in transit, infrastructure and green technology design was the key focus for JURONG International in 2010. On top of this, we have actively sought new opportunities for growth beyond our traditional markets, and have succeeded in securing projects in Kuwait and Turkey.

We have established an in-house sustainable development unit staffed by LEED and Green Mark-certified professionals to develop innovative solutions for sustainable buildings. A significant milestone was achieved when JURONG International was awarded the Green Mark Platinum Award for Office Interior in March 2011. Our corporate collaterals have also gone paperless, with the pilot launch of the e-Annual Report for FY 2009 and the staff magazine.

Our Singapore operations have performed well. Our Facilities Management (FM) arm scored a major win when it was awarded the Singapore Airlines (SIA) contract for FM services for a number of SIA’s facilities, including its hangars. Our life science specialists have been appointed by INVIVOS to develop a research animal breeding facility that will provide a steady supply of animals for life science researchers. We have also stretched our consulting services to Japan, where we have provided feasibility studies for Kobe Cruise Tourism, and developed a preliminary concept and vision for the city’s waterfront area.
In China, JURONG International has clinched a consulting service project for a detailed construction plan in Fusong, awarded by The Department of Housing and Urban Planning of Fusong Country. The China team has also been engaged by Luye Pharmaceutical for the detailed master planning of the 30-hectare Shandong International Bio-Technology Park. Securing our fifth golf course project in the form of an 18-hole golf course located in Moganshan Parkland has further strengthened our foothold in golf course construction. However, it was the continued endorsement from our returning client, Baxter, that sweetened the year for us, when we secured consulting services for a series of its plant expansions in Suzhou, Tianjin and Shanghai. This brings the total number of projects to 24.

In strengthening our competency in master planning in India, JURONG International has clinched several projects, such as the Ozone Group’s Bio-Pharma Park project and the TATA Group’s mega multi-product industrial park project in Gopalpur. Following the master planning project for the Manesar-Bawal Investment Region (MBIR) in the state of Haryana, the team has also been appointed to put in place the overall design and development parameter for an Integrated International Exhibition-cum-Convention Centre in Gurgaon.

We are venturing further into the Middle East, with the team successfully securing its first project in Kuwait as the main consultant for a six-square kilometre heavy Industrial Zone and a two-square kilometre scrap yard project in Shaqaya. In the Kingdom of Saudi Arabia, the project team has been appointed to undertake the master planning and infrastructural engineering for the industrial development of the prestigious King Abdullah Economic City.

To cap our achievements for the year, JURONG Consultants and JTC Corporation have been jointly presented with the ASEAN Outstanding Engineering Achievement Award 2010, for the project, “Reclamation and Infrastructure Development”, on Jurong Island. There are more calls for celebration, as JURONG International has been awarded the top position in the design competition for the planning of the 49-hectare Wuxi Biotechnology Park. The China team has won an international design competition for master planning an ocean city in Nanshan West Coast Islands, and reclamation work has commenced in accordance with the winning design. The team has also emerged as the top winner for the Zhangzhou Mixed Development Building Design Competition in China. Unrelated to our competencies but deserving a special mention is the Distinguished Defence Partner Award, conferred by the Ministry of Defence for our continuous support in Total Defence.

On the CSR front, corporate events organised for strategic partners and staff have raised more than $49,000 for our adopted charity, Melrose Children’s Home. Our FM staff have volunteered their services for Singapore’s inaugural Youth Olympic Games (YOG), responding to technical issues 24/7. Free technical site supervision for the building of a water therapy pool for Bo Ai School in China has also been rendered by our China staff.
In FY 2010, Jurong Port continued to consolidate its core business of handling general and bulk cargo, while rationalising its container business.

The volume of bulk cargo throughput for 2010 has remained stable, with the Port handling 6.4 million tons of bulk cargo. For general cargo, throughput volume has risen by 20 per cent to 8.8 million tons. For containers, throughput decreased by 19 per cent to 650,000 twenty-foot equivalent units in FY 2010, due to the departure of a major client.

Much of FY 2010 has been focused on developing our overseas business, and on diversifying our local business to capture new growth opportunities.

1. Overseas Venture

Jurong Port and the Rizhao Port Group have set up a joint venture company to manage and operate seven berths in Rizhao Port. The joint venture agreement was signed in February 2011.

Located in Shandong Province, Rizhao Port has been designated as a coastal hub port for the handling of bulk cargo in large quantities in the Bohai Rim Port Cluster, under China’s approved National Coastal Port Layout Master Plan.

Rizhao Port, which is owned by the Rizhao Port Group, is a leading port for coal, ore, grain, wood chips, cement and liquefied petroleum products. In 2010, the port’s 44 berths handled a total of 220 million tons of cargo, and was ranked the ninth top coastal port in China for bulk cargo by volume.

The joint venture terminal established by Jurong Port and the Rizhao Port Group – Rizhao Jurong Port Terminals Co., Ltd. – manages and operates seven bulk cargo berths in Rizhao Port. It handles wood chips, tapioca and grain, as well as a passenger-cum-container ferry service.

Jurong Port has seconded personnel to key positions in the joint venture company. Jurong Port and the Rizhao Port Group are committed to making the joint venture terminal one of the most efficient terminals in China, and the world.

2. Growing Local Businesses

Here in Singapore, Jurong Port has clinched a deal to handle the transportation of coal/bio-mass to the Tuas Power facility on Jurong Island. In addition, Jurong Port has also been appointed by the Maritime Port Authority to manage and operate the Marina South Lighterage Terminal (MSLT).

Meanwhile, Jurong Port will also develop a liquid bulk terminal with an estimated liquid storage capacity of 650,000 cubic metres. The project is expected to be completed in 2014.
3. **Awards**

Jurong Port has continued to be recognised for its operational performance. In 2010, Jurong Port was awarded the Asia Pacific Multi-Purpose Terminal Operator of the Year (Asia Pacific) Award at the Frost & Sullivan Asia Pacific Transportation and Logistics Awards 2010.

For the fourth consecutive year, Jurong Port was awarded the Best Container Terminal Operator – Asia (under 1 million TEUs per annum) Award at the Asian Freight & Supply Chains Awards 2010.

Jurong Port also received a Merit Award at the Singapore National Infocomm Awards 2010 for the Most Innovative Use of Infocomm Technology (Private Sector) category. This award recognises Jurong Port’s achievements in transforming its general and bulk cargo handling from a traditionally manual to an infocomm-driven operation.

4. **People**

To position it for the future, Jurong Port’s human resource mission is to “Transform Our Human Capital”. There is an ongoing process of human capital renewal and infusion of new talent. In order to equip its employees with the necessary skills required to meet the business strategies of growth overseas and the expansion and diversification of local businesses, Jurong Port has rolled out various learning and development initiatives. All employees have been provided with ample opportunities to attend relevant learning programmes to enhance their management, leadership, technical and functional skill capabilities.

Jurong Port has also implemented a Talent Development Framework to identify and develop suitable employees for broader roles within the organisation, which is also part of its succession planning.
FINANCIAL REVIEW

INCOME
The Group’s property segment performed better as compared to the previous year due to the thriving industrial property market.

Income from the port operations segment remained relatively unchanged. Better performance in the general cargo throughput made up for the drop in the container and bulk cargo throughput.

The decrease in engineering income for the consultancy segment was due to slower progress in consultancy projects handled in China, India, the Middle East and Singapore.

In addition, higher gain from the disposal of investment properties and gain from the disposal of our entire stake in Gallant Venture resulted in an improvement in the Group’s income.

EXPENDITURE
The Group’s expenditure dropped by seven per cent as compared to FY 2009. This was attributed to lower allowance for impairment losses due to the buoyant industrial property market. Engineering expenses decreased, which was in line with the dip in revenue generated from the Group’s consultancy segment.

The Group invested a total of $1,262 million in capital expenditure. Our significant acquisitions included properties in Singapore and the Republic of China.
GROUP OPERATING INCOME, EXPENDITURE AND SURPLUS

GROUP CAPITAL EXPENDITURE
GROUP FINANCIAL POSITION – ASSETS

GROUP FINANCIAL POSITION – RESERVES AND LIABILITIES