TRANSFORMING SINGAPORE’S INDUSTRIAL LANDSCAPE
MISSION
To strengthen competitiveness and catalyse the transformation of industries and enterprises

ROLE
To provide land, space and information to support industries and enterprises

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In FY2013, JTC continued to focus on developing new industrial land and space that will not only fuel the growth of existing industries and catalyse new ones, but also accelerate the transformation of our industries and enhance their competitiveness.

With productivity and innovation underpinning Singapore’s ongoing economic transformation, JTC, as the lead developer of industrial land and infrastructure, will support this journey through four key strategies.

DEVELOPING NEXT GENERATION SPECIALISED LAND & INNOVATIVE SPACE JTC saw strong commitment from industrialists in our specialised industrial parks as they invested in new facilities to support their pan-Asian and global activities. Through our clustering strategy, MNCs and local enterprises are co-located within our specialised industrial parks to share logistics and business synergies.

Some notable projects supported through our land allocation include: Shell’s two world-scale plants on Jurong Island; Seagate’s new design centre at one-north; Amgen’s new facility at Tuas Biomedical Park; and Vector Aerospace Corporation’s new engine facility at Seletar Aerospace Park.

JTC has also ramped up the development of next generation industrial facilities that come with shared infrastructure and services to help local enterprises reduce operating costs and improve operational efficiency.

In FY2013, we completed innovative projects like JTC Space @ Tanjong Kling and the JTC Surface Engineering Hub. The former is specially designed to help small and medium-sized enterprises (SMEs) reduce their land take-up and increase land productivity, while the latter features a centralised waste water treatment facility that enables tenants to reduce their upfront capital investment, enjoy savings on long-term operating costs and accelerate the start-up of their operations.

In the course of the year, we also held fruitful dialogues with our customers and various industry associations to share with them our initiatives and policy changes, as well as to better understand the needs of industrialists, so that we can develop new infrastructure solutions and policies to support those needs.

CREATING NEW LAND AND SPACE JTC will continue to explore ways to create new land and space. These include reclaiming land in Tuas and Jurong Island as well as exploring underground space and decking over major roads. Such new approaches will help free up or create more surface land for other higher value-added economic activities. We are also completing the Jurong Rock Caverns, Singapore and South-east Asia’s first subterranean liquid hydrocarbon storage facility, and will pursue other potential underground developments for storage, data centres, substations, and even an underground science city for R&D activities.
PROMOTING A STABLE AND SUSTAINABLE INDUSTRIAL PROPERTY MARKET
To ensure a stable and sustainable industrial property market, JTC strives to provide adequate industrial land and space to give businesses greater certainty in their short-term and long-term plans.

JTC will continue to release industrial land through the Industrial Government Land Sales (IGLS) programme. In 2013, 33 hectares of industrial land sites were sold under IGLS as part of a concerted effort by the Government to stabilise the rentals and prices in the industrial property market by increasing supply.

Industrial land and space is primarily a factor of production supporting industrial activity. For a small country like Singapore, land is a precious resource and its strategic allocation must be aligned with economic development priorities. To this end, JTC conducts policy reviews to address changing business needs and ensure that our scarce land resource is optimised. In FY2013, we have revised our assignment policy to reduce speculation on industrial property and to help stabilise industrial property prices and rental.

Since the start of 2014, JTC has begun collecting and publishing data on industrial property. We have progressively provided more information on the industrial property market on our website for public access to enhance market transparency and help industrialists make informed decisions on their land and space needs for business growth.

DRIVING INNOVATION, SUSTAINABILITY AND CONSTRUCTION PRODUCTIVITY
JTC continues to take the lead in driving innovation, sustainability and construction productivity. In FY2013, the one-north development was awarded both the Asean Outstanding Engineering Achievement Award and the IES Prestigious Engineering Achievement Award. Sustainability is a key consideration in our master plans and developments, and we will intensify our efforts to address environmental challenges in a pragmatic manner. We target to achieve Green Mark Platinum ratings for our new developments, and implement a five-year environmental sustainability blueprint for new and existing buildings and estates.

FINANCIAL PERFORMANCE
The Corporation’s operating revenue was $1,566 million in FY2013, 8% higher than $1,445 million in FY2012. JTC’s net surplus was $1,027 million which was marginally lower by 1.7% compared to the previous year. In FY2013, there were lower non-operating income from disposal gain and dividend income.

The JTC Group turned in a healthy financial performance in FY2013 as net surplus reached $1,313 million, a slight increase from the previous year. This was achieved on the back of higher operating revenue which rose by 24% to $2,734 million, due to higher rental income from land and buildings. The JTC Group also continued to invest in the purchase of industrial land and development of industrial properties as its capital expenditure increased by 11% from $1,583 million in FY2012 to $1,757 million in FY2013.

The JTC Group’s three subsidiary companies, Ascendas, JURONG International and Jurong Port, gained increased presence in global markets despite challenging global market conditions.

LOOKING AHEAD
Moving forward, JTC is committed to developing industrial land and space to catalyse and enable the growth and transformation of industries and enterprises as well as enhance their competitiveness. Through our ongoing engagements with customers, partners and trade associations, we will ensure that our policies and products stay relevant to the economy and the needs of industry.

Finally, we would like to express our appreciation to the JTC Board, as well as the Boards of our subsidiaries for their guidance and support in FY2013. We are also grateful for the support from our customers, business associates, partners and our JTC colleagues in the past year. We are confident that we can continue to push the limits and help transform the industrial landscape in support of Singapore’s sustained economic growth and the creation of quality jobs for Singaporeans.
AnCHoRinG new investments tHRouGH DiReCt AlloCA tion oF lAnD

Jurong Island continued to attract investments from global players seeking to plug into this integrated energy and chemicals hub. They include Asahi Kasei Chemicals which opened a new solution-polymerised styrene butadiene rubber (S-SBR) plant, ExxonMobil which expanded its Singapore chemical production facility, and Lanxess which inaugurated its new butyl rubber plant. In addition, Singapore LNG Terminal opened its new terminal while Sumitomo opened its S-SBR plant. Other companies like Shell, Solvay, SembCorp, Bertschi and Vopak took up sites for their expansion and new facilities.

OFFSHORE MARINE CENTRE
Three companies started operations at the 13-hectare Offshore Marine Centre during the year. Rotating Offshore Solutions commenced operations to fabricate compressor modules, Cameron opened its Drilling Systems facility to undertake maintenance and repair of its full suite of drilling equipment, and Acteon Singapore Operations Centre opened its facility to support its offshore operations throughout South East Asia. The companies are able to leverage on the common waterfront and shared facilities at OMC to start up quickly and lower their operating costs.

Together with key agencies such as the Economic Development Board and SPRING Singapore, JTC has supported many key projects through the direct allocation of land.

In FY2013, we allocated 253.6 hectares of land and 56,500 square metres of ready-built facilities. Together with key agencies such as the Economic Development Board and SPRING Singapore, we have supported many key projects through the direct allocation of land.
ONE-NORTH
The 200-hectare R&D hub now hosts a thriving community of research institutes and companies in the biomedical sciences, infocomm technology, science and engineering, and media industries. The year saw the completion of several key projects. Infinite Studios at Mediapolis was opened by Ascendas-Citramas, housing Singapore’s first two soundstages by Infinite Frameworks. Two new projects, Sandcrawler and Nexus, were completed at Fusionopolis. Sandcrawler is the regional headquarters for Lucasfilm Singapore, The Walt Disney Company (Southeast Asia), and ESPN Asia Pacific while Nexus offers business park and office space. Over at Biopolis, Procter & Gamble (P&G) completed its Singapore Innovation Centre and Nucleos was completed by Ascendas Venture. In addition, Unilever opened its first global centre for leadership development called Four Acres Singapore at Nepal Hill.

SELETAR AEROSPACE PARK
Seletar Aerospace Park (SAP) is shaping up to be a hub for major players in the aerospace industry. Key projects were anchored in the park with Bombardier, Pratt & Whitney Components Solutions and RLC Group opening their facilities in the year. Similarly, Salair opened its first joint parts support and distribution facility with Airbus while ST Aerospace opened its new aviation centre. Other companies that took up land and land-based facilities at SAP included WrapsOverAsia and Vector Aerospace Corporation.

TUAS BIOMEDICAL PARK
During the year, Amgen broke ground for its new facility at Tuas Biomedical Park, a hub hosting manufacturing operations of global pharmaceutical and biotechnology companies. When completed in 2015, the facility which is capable of manufacturing both clinical and commercial products, will initially focus on producing monoclonal antibodies.

At Biopolis, P&G completed its Singapore Innovation Centre and Nucleos building was completed by Ascendas Venture.
Our next generation industrial facilities not only serve to meet the needs of industrialists, but also seek to increase their productivity and enhance their competitiveness, through the provision of shared infrastructure and services. Several such innovative facilities were completed or launched in FY2013.

1. JTC Space @ Tanjong Kling
2. Minister (Trade & Industry) Lim Hng Kiang officiated at the opening of CleanTech One

JTC Space @ Tanjong Kling was officially opened in July 2013. It features unique structural provisions that enable SMES to configure their spaces, integrate their processes and install their preferred material handling systems across three floors, thereby utilising a smaller footprint. As at March 2014, 14 of the 18 factories have been taken up by SMEs. They include Globaltronic Precision and Secura Singapore which have benefited from up to 30% reduction in land rental due to the smaller footprint, without sacrificing their gross floor area (GFA). This next generation industrial development has also allowed companies such as Delta Optics to increase their production capacities, upgrade their capabilities and expand into higher value-added activities.

1. JTC Space @ Tampines North which comes with higher floor loading and ceiling height to meet the needs of SMEs.

JTC CleanTech One @ CleanTech Park was officially opened in August 2013, providing specialised business park, laboratory and office space for key local and international clean technology related organisations to form a vibrant ecosystem in CleanTech Park. The development comes with innovative green features such as perforated cladding and vertical greenery. As at end March 2014, 87% of the space has been taken up by clean technology companies and research institutes.
JTC BioMed One @ Tuas Biomedical Park broke ground in November 2013. The 8-storey building will have shared facilities such as meeting and training facilities, F&B outlets, a gymnasium, a clinic and childcare services to support vendors, suppliers and TBP companies.

JTC Surface Engineering Hub @ Tanjong Kling was completed in December 2013. This high-rise multi-tenanted facility will host an integrated ecosystem of companies in the surface engineering industry. The facility features a centralised wastewater treatment plant that will not only help to reduce space requirements, operational cost and upfront capital investment for SMEs, but also will enable quick start-up. As at end March 2014, 30% of the space has been allocated to eight companies.

JTC LaunchPad @ one-north was launched in March 2014. The 5-hectare site at one-north will provide more space for game-changing entrepreneurs. Blk 73 will be a modularised building to host younger start-ups with smaller space needs while Blk 79 will be converted into a multi-tenanted building for start-ups and incubators. They will be ready by end 2014 and will complement the existing Blk 71.

JTC LaunchPad @ one-north was officiated by Minister of State (Trade & Industry) Teo Ser Luck. Blk 73 will be a modularised building to host younger start-ups with smaller space needs while Blk 79 will be converted into a multi-tenanted building for start-ups and incubators. They will be ready by end 2014 and will complement the existing Blk 71.

Ground breaking of JTC Aviation Two and the expansion of JTC aeroSpace @ Seletar Aerospace Park took place in February 2014. The 11-storey JTC Aviation Two will provide more space for SMEs specialising in parts supply management and MRO of aircraft components. Another seven units of land-based factories will be built to complement the current eight at JTC aeroSpace.

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In addition to land reclamation, JTC has been constantly seeking creative ways to carve out new industrial spaces like tapping the subterranean depths beneath land and sea to create underground storage facilities such as the Jurong Rock Caverns as well as converting landfills to usable industrial land.

**JURONG ISLAND & TUAS**
Continued reclamation works at Jurong Island and Tuas was undertaken to create more land to support our industries. Some 25 hectares were reclaimed in FY2013 while works are in progress to reclaim more land over the next few years.

**JURONG ROCK CAVERNS**
During the year, significant progress was made in the development of the Jurong Rock Caverns (JRC), Southeast Asia’s first commercial underground storage facility for liquid hydrocarbons. The first two storage caverns were successfully completed and sealed, and TOP was obtained for the JRC underground tunnels, caverns, buildings, jetties and ancillary facilities. The operatorship of the JRC was awarded to Banyan Caverns Storage Services (BCSS), a consortium comprising Vopak Terminals Singapore, Geostock SAS and JURONG Consultants. A contract was also awarded for the supply of nitrogen (used as a blanketing gas for the oil storage caverns for safety purposes) to Air Products Singapore.

**LORONG HALUS**
A total of 110 hectares of land at Singapore’s sole landfill, Lorong Halus, was successfully rehabilitated. The estate is ready for the next stage of land preparation.
In FY2013, JTC continued to release more land under the Industrial Government Land Sales (IGLS) programme. We have also reviewed our policies to discourage speculation and ensure that industrial land sites that are allocated to companies are put to the intended and appropriate use. We have also started to collect and publish more detailed data on industrial property via our website for public access.

**RELEASING INDUSTRIAL LAND THROUGH IGLS PROGRAMME**

Some 33 hectares of industrial land sites were sold under the IGLS programme in 2013. We have also introduced tender conditions, such as specifying minimum unit sizes and the provision of goods lifts, and imposed restriction on the sale of strata-titled units for selected sites, so as to ensure that industrialists’ needs are catered for. Smaller plots were also introduced for end-users who are looking for land to build their own manufacturing facilities.

**REVIEW OF POLICIES**

JTC conducted policy reviews to discourage property speculation and help promote price and rental stability in the industrial property market.

During the year, we reviewed our assignment policy. We have lengthened the prohibition period for assignment of industrial properties as well as the minimum occupation periods required from anchor tenants on sale and leaseback arrangements. These measures aim to ensure that industrialists remain committed to using the allocated industrial land for productive economic activities.

**ENHANCING MARKET TRANSPARENCY**

Since the start of 2014, we have progressively provided more information about the industrial property market on our website for public access. We have released more topline statistics (including historical time series), price and rental movement by planning region and land-use zoning and breakdown of upcoming factory supply into multiple-user factory, single-user factory and business park space. This move will enhance market transparency and enable industrialists to make more informed decisions.
INDUSTRIAL INFRASTRUCTURE INNOVATION (I3) CENTRES

In addition to the two I3 Centres at the Nanyang Technological University (NTU) and National University of Singapore (NUS), JTC will be launching the third I3 centre with the Singapore University of Technology and Design (SUTD) in FY2014, focusing on three key research thrusts – urban innovation, integrated architecture and engineering and design and technology.

DRIVING SUSTAINABILITY IN OUR DEVELOPMENTS

In May 2013, JTC was awarded the Green Mark Champion award by the Building and Construction Authority (BCA). The award was in recognition of JTC’s commitment to creating eco-sustainable industrial estates and developments as it had clinched ten projects with Green Mark Gold and above, including 6 Platinum awards, 3 Gold Plus awards and 1 Gold award. The award-winning projects include CleanTech Park (CTP), the first to clinch the BCA’s Platinum Green Mark for Districts (Platinum) Award, JTC CleanTech One, which is the first multi-tenanted building at CTP to be conferred the BCA Green Mark Platinum award; as well as Biopolis Phase 1 and Fusionopolis Phase 1, which were conferred the BCA Green Mark Gold Plus Awards for existing buildings.

During FY2013, we also promoted green practices within our developments. These included the provision of electrical vehicle charging stations at some of our facilities to encourage use of electrical vehicles, installation of bicycle stands at various properties to promote “green mobility”, installation of induction street lamps in various properties to cut electrical consumption, and the use of green label products and recycled materials. We also tested three green technologies – the Solar Dessicant System, Passive Displacement Ventilation and the Chilled Ceiling System – at the JTC Summit to bring about energy savings.

IMPROVING CONSTRUCTION PRODUCTIVITY

Recognising the need to raise construction productivity on a national level, JTC will push for higher productivity in the construction of our projects. We will maximise the use of pre-cast and prefabricated components, modularise our designs, and adopt more labour-saving construction methods. JTC will also be introducing construction productivity requirements in the IGLS tenders in FY2014.

JTC is constantly pushing the boundaries in sustainable infrastructure innovation to create value for our customers. Green practices and eco-friendly features will be introduced to JTC’s existing and future industrial estates.
In FY2013, JTC continued to allocate industrial land and ready-built space to meet the needs of industrialists.

**PREPARED INDUSTRIAL LAND**

Gross allocation of prepared industrial land increased marginally from 250.5 hectares in FY2012 to 253.6 hectares in FY2013.

**READY-BUILT FACILITIES**

Total gross allocation of ready-built facilities was 56,500 square metres in FY2013.
In FY2014, we will continue to provide innovative and sustainable space solutions with productivity enabling features such as shared facilities. These will include:

**JTC SPACE @ TAMPIINES NORTH**
It will integrate land-based facilities with high-rise factories. It will feature high technical specifications, such as higher floor loading, higher ceiling heights and wider corridor space.

**JTC FOOD HUB @ SENOKO**
The project will feature a shared integrated cold-room-cum-warehouse, supported by associated logistic services.

**JTC CHEMICALS HUB**
The development is designed for chemical companies involved in distributing, blending and manufacturing of both dangerous and water-based chemicals.

**JTC SPACE @ TUAS**
It will feature land-based and high-rise factories for the oil and gas sector and supporting companies, offices and dormitories for foreign workers.

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As businesses in Singapore increasingly face intense competition in a dynamic global environment, JTC will continue to push the limits in developing industrial space solutions to support and enable the growth and transformation of industries and enterprises. We will continue to focus on our four key strategies and help industrialists to optimise land use and improve their productivity.

**JURONG ROCK CAVERNS**
Completion of the remaining three underground caverns under Phase 1 of JRC by 2015.

**UNDERGROUND FACILITY**
We are also exploring the feasibility of building an underground warehouse-cum-logistics facility at Tanjong Kling and master-planning a new estate in the west, which will be an integrated mixed-use development encompassing CleanTech Park, Nanyang Technological University, Bulim estate and Tengah new town.

Going forward, we will continue to monitor the industrial property market, ensure sufficient land and space to meet the needs of industrialists, and improve market transparency with the release of more granular data as well as review the industrial property price and rental indices to enable industrialists to make more informed decisions.
ASCENDAS

During the year, Ascendas delivered a commendable performance for FY2013, maintaining a total asset under management of S$15.1 billion spread over 56.9 million sq ft of space. The Group’s fund management activities continue to complement its core business in real estate with its listed trusts performing steadily for the year.

SINGAPORE

During the year, Ascendas completed two strata-titled developments, namely AZ@Paya Lebar and BB@Admiralty. Ascendas achieved full sales for 8B@Admiralty. AZ@Paya Lebar, achieved over 90% sales.

In August 2013, Ascendas completed the opening of ONE@Changi City with over 90% occupancy. Galaxis at Fusionopolis is on track to complete in end 2014. As at 31 March 2014, it has achieved a 50% commitment for its space.

In January 2014, Ascendas completed Nucleus at Biopolis. Ascendas has also completed customised facilities for Four Acres by Unilever, DSO National Laboratories and DNV GL Technology Centre, Standard Chartered@Changi 2 and Pratt & Whitney’s Phase 2 building.

OVERSEAS VENTURES

China

Ascendas’ China portfolio comprises four office buildings held and managed through four independent single asset funds, namely Ascendas Korea Office Fund 1 (AKOF1), Ascendas Korea Office Fund 2 (AKOF2), Ascendas Korea Office Private Real Estate Trust (AKO-PREIT) and Ascendas Korea Office Private Real Estate Trust 2 (AKO-PREIT2).

In FY13/14, Korea experienced slow economic growth and challenging leasing market conditions. Amid such conditions, Ascendas took a cautious approach, focusing on improving the quality of its existing portfolio and enhancing returns on investments. Through careful refinancing, Ascendas enhanced the yield of its properties and generated interest rates savings of up to 2.7%, which translates to a total annual saving of S$4.8 million (KRW 4 billion) for the Group. Ascendas also maintained a strong portfolio occupancy rate of 96.3% as at 31 March 2014.

In March 2014, Ascendas signed a Memorandum of Understanding with Ping An Trust for a strategic partnership to cooperate in the real estate sector both in China and other key Asian markets. The partnership will explore co-investment opportunities and the setting up of RMB-denominated funds.

India

Ascendas completed Phase 1 of International Tech Park Pune in August 2013. Named Cedar, the building is fully leased to a leading IT solutions company.

In November 2013, Ascendas unveiled the 1,450-acre integrated industrial township development, OneHub Chennai.

In line with the local government’s plans to upgrade the industrial zone in Suzhou Industrial Park, Ascendas China is transforming Xinsu Square into a new generational industrial space complete with lifestyle amenities, catering to hi-tech, manufacturing and R&D companies.

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During the year, Ascendas also launched the Ascendas India Growth Programme with Singapore’s sovereign wealth fund, GIC Private Limited, as the principal investor. With a target asset size of S$600 million, the programme seeks to invest in business space developments in cities including Bangalore, Chennai, Delhi National Capital Region, Hyderabad, Mumbai and Pune.

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REAL ESTATE FUND MANAGEMENT

Ascendas Real Estate Investment Trust (A-REIT)

Ascendas Real Estate Investment Trust (A-REIT) is Singapore’s largest business space and industrial real estate investment trust, managing 31 million sq ft of space spread over 103 properties in Singapore and two in China. A-REIT delivered a steady performance with full-year distribution per unit (DPU) of 14.24 cents, an increase of 3.6% over the previous year. A-REIT’s portfolio maintained stable occupancy rates and continued to achieve positive rental reversion of 14.8% over preceding contracted rental rates. Net asset value (NAV) per unit increased to about $2.02 per unit as at 31 March 2014, from $1.94 per unit a year ago.

During the year, A-REIT completed $876 million worth of asset enhancement works for its portfolio. The Trust also divested two properties, 6 Pioneer Walk and Block 5006 Techplace II, for $70 million in total and realised a capital gain of $23 million. The Trust recycled the capital into strategic investments such as Nexus@one-north in Singapore and A-REIT City@Jinqiao in Shanghai, China, and other asset enhancement initiatives.

Ascendas India Trust (a-Trust)

Ascendas India Trust (a-Trust), a business trust listed in Singapore, manages about 7.5 million sq ft of business space in India. The Trust owns five completed IT parks spread across three cities, namely International Tech Park Bangalore (ITPB), International Tech Park Chennai (ITPC), as well as The V, CyberPearl and aVance Business Hub (aVance) in Hyderabad. a-Trust’s portfolio, which serves over 345 customers and their 72,000 skilled employees, achieved a committed occupancy rate of 97% as at 31 March 2014. a-Trust delivered stable financial performance in FY13/14, with revenue growing by 4% in Indian Rupee terms from a year ago. Since listing in 2007 a-Trust has grown its portfolio’s leasable area, Indian Rupee revenue and net property income at a compound annual growth rate of 12%, 13% and 13% respectively.

The Trust will grow by progressively developing vacant land with 2.9 million sq ft of potential leasable area in ITPB. In November 2013, the completion of the 0.6 million sq ft Aviator building in ITPB increased a-Trust’s portfolio leasable area by close to 10%. Aviator was fully committed ahead of its completion.

Besides organic growth, a-Trust is expanding through the purchase of stabilised properties from third parties. In January 2014, a-Trust invested S$8.6 million* (Rs200 million) in aVance Building Three, a 0.7 million sq ft IT building located in Hyderabad. This brought a-Trust’s total investment in this asset to S$48.6 million* as at 31 March 2014.

Ascendas Hospitality Trust (A-HTRUST)

Ascendas Hospitality Trust (A-HTRUST), one of the first pan-Asian hospitality trusts, is a stapled group comprising Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Business Trust. It owns 11 quality hotels with over 3,900 rooms and manages 31 million sq ft of business space in India. The Trust delivered a steady performance with full-year DPU of 14.24 cents, an increase of 3.6% over the previous year. A-HTRUST’s portfolio maintained stable occupancy rates and continued to achieve positive rental reversion of 14.8% over preceding contracted rental rates. Net asset value (NAV) per unit increased to about $2.02 per unit as at 31 March 2014.

A-HTRUST’s hotels achieved an average occupancy rate of 80%, while its revenue, net property income and distributable income grew by 52.9%, 72.1% and 57.4%, respectively from a year ago. The growth was attributable to the improved performance of the Australia portfolio, full year contribution from Ibis Beijing Sanyuan, as well as new income from Park Hotel Clarke Quay.

On 26 March 2014, A-HTRUST announced the acquisition of Osaka Namba Washington Hotel Plaza, the Trust’s second acquisition since its IPO in July 2012. The acquisition further enhances its portfolio’s geographical diversification and cash flow stability, and will raise the portfolio valuation from S$1.33 billion to S$1.44 billion. A-HTRUST will continue to explore organic growth via active asset management strategies and opportunistic acquisitions across Asia, Australia and New Zealand.

BIG GAINS FROM HOME GROUND: LEVERAGING OUR UNIQUE ASSETS

The year 2013 saw JURONG International Group gain measurable headway to focus strongly on integration and capability building, ensuring that the Group responded quickly to genuine stakeholder priorities and developed innovative solutions that fulfilled clients’ needs beyond expectations. The result was strong sustained growth across its business landscape, as evidenced by a healthy inflow of exciting projects from clients both new and long-term. The Group continues to focus on its three core businesses – Consulting, Design and Build and Facilities Management (FM).

Consultancy

One of JURONG Consultants’ (JCP) key wins for 2013 was a 15-year operatorship contract in a consortium with Vopak Terminals and Geostock SAS to manage the ancillary and underground facilities at Jurong Rock Caverns. Another was a contract for architecture and mechanical engineering consulting services for Singapore’s first Multi-Tenanted Classroom Facility, which is equipped with state-of-the-art features dedicated to improving innovation and collaboration.

In addition, Singapore’s largest private property developer Far East Organization engaged JCP’s architectural services for five industrial projects - Westcom, Index, Nordcom and two projects at Gambas Avenue. StarHub awarded JCP a multi-disciplinary consultancy contract for the upcoming MediaHub@One-north, which is designed to achieve the Green Mark GoldPlus Certification (for Data Centres) by the BCA.

Design And Build

JURONG Primewide’s (JPW) won the S$329mil Thomson Line Mandal Depot contract in 2013 not long after landing the Tuas West Extension Depot project in 2011. Both projects totalled over half a billion dollars, making up part of LTA’s larger strategy to ensure an inclusive, healthy and profitable national train network. Health and safety remains a top management priority and forms a central part of the company culture. This did not go unnoticed as the Tuas West Extension Depot project was conferred the prestigious WSH SHARP (Safety and Health Award Recognition for Projects) Award 2013 by WSH Council in July. The project also celebrated three million accident-free man-hours in December.

Facilities Management

The JURONG International’s FM arm, SMM, achieved sustained growth in its commercial, health and safety remains a top management priority and forms a central part of the company culture. This did not go unnoticed as the Tuas West Extension Depot project was conferred the prestigious WSH SHARP (Safety and Health Award Recognition for Projects) Award 2013 by WSH Council in July. The project also celebrated three million accident-free man-hours in December.
public and institutional portfolios through its client-focused approach in 2013. SMM entered into three new major partnerships in the institutional sector, with Nanyang Polytechnic’s Ang Mo Kio Campus, Continuing Education and Training Campus (CET) East Campus, and National University of Singapore’s University Town. SMM also commenced projects in critically sensitive areas like defence, kicking off the FM phase for the Multi-Mission Range Complex (MMRC) contract.

GLOBAL INDUSTRY CHALLENGES REMAIN

By focusing efforts on improving innovation and service levels and building on established partnerships, the Group continued to make significant gains and retain shareholder confidence.

JURONG China performed well across several Chinese cities and provinces, securing multiple fast-tracked contracts in industrial park planning. In Luzhou, Sichuan Province, it was appointed by the Luzhou Municipal Economic Development Bureau endorsed Team China to provide strategic planning services to Guangzhou Bohai New Area measuring 3,300 square km.

Elsewhere in the world, JURONG International continued to drive numerous work-in-progress projects while commanding emerging markets such as Myanmar’s Yenii Industrial Park and Bago Airport Area; Kazakhstan’s Special Ecological Zones, India’s Maharashtra Raigad District and Delhi Metro Line-7 as well as Brunei’s oil and gas industrial park.

In the provinces of Shaanxi, Yunnan, Shandong, Guangdong and Hunan, JURONG China secured contracts to provide multi-disciplinary consulting services for upcoming industrial and economic development zones (EDZs). Notable projects were Wuqong Weihe Ecological New Area in Xianyang, Qing EDZ Central Business District Area, Tianjin Xiqing EDZ, Qingdao West Coast EDZ, Qingxian Zhendong Technology Park and Xupu Industrial Concentration District.

FY2013 also saw a renewal of alliances with repeat clients in China. Baxter awarded two projects for its Guangzhou and Suzhou plants to JURONG China. Hebei Economic Development Bureau endorsed Team China to provide strategic planning services to Cangzhou Bohai New Area measuring 3,300 square km.

Jurong Port handles general, bulk and containerised cargo at its four terminals in Singapore. It also operates two joint venture terminals in China and one in Indonesia, and is exploring other port joint ventures in the region.

SINGAPORE

The general and bulk cargo (GBC) business continued to perform creditably notwithstanding challenging overall business conditions. For FY2013, total general and bulk cargo throughput handled by the main terminal at Jurong Port totalled 18.5 million tonnes.

The port’s general and bulk cargo handling capacity was further enhanced during the year when it added a second cement terminal. This brings the total cement handling capacity of the port to 9 million tonnes. Jurong Port also upgraded 4.9 hectares of storage yard for general cargo and introduced a new customer relationship management system to further improve our customer service.

To meet long and medium term goals, three strategies have been adopted for the main terminal at Jurong Port:

- Continued investments in port infrastructure – A 30-month upgrading project for two key general cargo berths was underway; this upgrade will increase the port’s capacity to handle bigger vessels with higher cargo volume. In addition, the storage capacity for steel and other general cargo was expanded.

- Business and operational excellence — To achieve operational excellence, Jurong Port is studying innovative warehousing and storage solutions that can intensify the use of land and bring about a higher level of service. It has engaged a consultant to carry out a comprehensive study on the feasibility of building a multi-storey warehouse for the storage of steel products in the main Singapore terminal.

- Pursuit of research and environmental sustainability – With the support of the Maritime Port Authority of Singapore and other partners, the port is engaged in a number of studies: a cement flow research study conducted in conjunction with the Nanyang Technological University, a Green Port Study which aims to develop a holistic approach to environmental sustainability in our operations, and an in-depth study to identify green and productivity solutions for the planned upgrade of Cement Terminal One. The port is also setting up a Research and Innovation Unit to conduct research to further improve its operations.

During FY2013, the Lighterage Terminals, comprising Penjuru Terminal (PT) and Marina South Wharves (MSW), achieved the ISO 9001:2008 accreditation. PT also implemented the provision of crane lifting services directly to ship suppliers/chandlers, replicating the business model that was first successfully introduced at MSW. Enhancements to the Lighter Wharf Management System, upgrades to infrastructure, and regular customer engagements helped to keep the Lighterage Terminals’ service at an optimal level.

The Offshore Marine Centre (OMC), which is managed by Jurong Port, achieved significant business growth since it started operations in June 2012. In its second year of operations, OMC received 103 vessel calls, carried out 580 wharf-side and staging area jobs with zero accident.

OVERSEAS VENTURES

The joint venture terminal in Rizhao, China’s Shandong Province, entered its third year of operations, handling 8.67 million tonnes of cargo in FY2013; this represented an 11% growth over the previous year. A key milestone was achieved when the joint venture terminal completed the construction of 24 new grain silos, bringing the total to 80 silos, and increasing storage capacity by 240,000 tonnes. The terminal also added a state-of-the-art train-loading facility which allows direct automatic and efficient loading of cargo into train wagons for delivery via a rail network to neighbouring provinces.
The port’s second joint venture in China, Yangpu Port in Hainan Island, completed its first full year of business operations. The multi-purpose port handled a throughput of 8 million tonnes, comprising about 5 million tonnes of general and bulk cargo, and about 250,000 TEUs of containers. Despite challenging market conditions in the container business, the joint venture increased domestic container network connectivity with new lines, while existing lines such as China Shipping and COSCO, also increased service frequencies, or started new services that would further facilitate North-South trade. For the year, Yangpu Port also handled new bulk cargo such as biomass exports and wheat imports, which may be new and significant future revenue sources.

In Indonesia, a joint venture was formed in July 2013 to build and operate Marunda Center Terminal, a multi-purpose port. The terminal is strategically located in the fast growing Marunda Industrial Estate, about 10 km east of Jakarta’s existing port of Tanjung Priok. It is expected to serve Jakarta’s and Marunda Industrial Estate’s increasing demands for efficient cargo handling and storage. When it commences operations in the second half of 2014, phase 1 of the terminal will have a capacity of 7 million tonnes per annum of general, liquid and dry bulk cargo.

Jurong Port is currently also exploring potential projects in other ports in China, Indonesia, Vietnam and Myanmar as part of its overseas growth strategy.

The JTC Group recorded an operating revenue of $2.7 billion which was an improvement of 24% compared to the previous year. JTC Corporation contributed 57% of the operating revenue while its subsidiaries contributed 43%. Higher rental income from land and buildings, attributed by the positive net allocation of prepared industrial land, boosted JTC Corporation’s revenue, while the sale of development properties at 8B@Admiralty and AZ@Paya Lebar, contributed to the increase in Ascenda’s operating revenue.

The Group’s non-operating income declined by 38% in FY2013. The decline was primarily due to a smaller quantum of Industrial Government Land Sales by JTC Corporation, and the previous year’s one-off gain from the sale of The Galen by Ascendas, as well as Ascendas’ stakes in Frasers Property (China) Limited, Vietnam Singapore Industrial Park and Sembcorp Park Management. The net surplus was $1.3 billion.

Capitol expenditure for the year was $1.8 billion. This was mainly due to JTC Corporation’s purchase of industrial land and development of properties which include Fusionopolis Phase 2A, JTC BioMed One @ Tuas Biomedical Park, JTC CleanTech Two @ CleanTech Park, JTC MedTech One @ MedTech Hub and Nucleus at Biopolis.

Jurong Port handles general, bulk and containerised cargo at its four terminals
### GROUP FINANCIAL HIGHLIGHTS

#### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year ($'Mil)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>$2,734</td>
<td>$2,210</td>
<td>24%</td>
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<tr>
<td>Non-operating income</td>
<td>$518</td>
<td>$823</td>
<td>-37%</td>
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<tr>
<td>Net surplus</td>
<td>$1,313</td>
<td>$1,310</td>
<td>0.2%</td>
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<tr>
<td>Capital expenditure</td>
<td>$1,757</td>
<td>$1,583</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

### CORPORATION FINANCIAL HIGHLIGHTS

#### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year ($'Mil)</td>
<td>$1,566</td>
<td>$1,445</td>
<td>8%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>$1,566</td>
<td>$1,445</td>
<td>8%</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>$563</td>
<td>$753</td>
<td>-25%</td>
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<tr>
<td>Net surplus</td>
<td>$1,027</td>
<td>$1,045</td>
<td>-1.7%</td>
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<tr>
<td>Capital expenditure</td>
<td>$1,422</td>
<td>$1,182</td>
<td>20.3%</td>
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#### Financial Position

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>At year end ($'Mil)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>$13,657</td>
<td>$12,402</td>
<td>10%</td>
</tr>
<tr>
<td>Total assets</td>
<td>$24,319</td>
<td>$22,160</td>
<td>10%</td>
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<tr>
<td>Total borrowings</td>
<td>$1,886</td>
<td>$1,715</td>
<td>16%</td>
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<tr>
<td>Total liabilities</td>
<td>$7,912</td>
<td>$6,144</td>
<td>14%</td>
</tr>
<tr>
<td>Total equity (excluding non-controlling interest)</td>
<td>$16,867</td>
<td>$15,589</td>
<td>8%</td>
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</table>

#### Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt-equity ratio, based on equity exclude non-controlling interest (%)</td>
<td>11.8%</td>
<td>11.0%</td>
<td>7%</td>
</tr>
<tr>
<td>Interest coverage (times)</td>
<td>41.6X</td>
<td>37.8X</td>
<td>37%</td>
</tr>
<tr>
<td>Return on total assets (%)</td>
<td>5.6%</td>
<td>6.2%</td>
<td>-8%</td>
</tr>
<tr>
<td>Return on capital employed (%)</td>
<td>7.3%</td>
<td>8.0%</td>
<td>-8%</td>
</tr>
<tr>
<td>Value added per employee ($'Mil)</td>
<td>0.87</td>
<td>0.89</td>
<td>-3%</td>
</tr>
<tr>
<td>Debt-equity ratio (%)</td>
<td>3.4%</td>
<td>3.8%</td>
<td>-10%</td>
</tr>
<tr>
<td>Interest coverage (times)</td>
<td>112.8X</td>
<td>90X</td>
<td>37%</td>
</tr>
<tr>
<td>Return on total assets (%)</td>
<td>5.4%</td>
<td>5.9%</td>
<td>-9%</td>
</tr>
<tr>
<td>Return on capital employed (%)</td>
<td>7.0%</td>
<td>7.6%</td>
<td>-8%</td>
</tr>
<tr>
<td>Value added per employee ($'Mil)</td>
<td>2.50</td>
<td>2.62</td>
<td>-5%</td>
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</tbody>
</table>
FINANCIAL REVIEW

Group Operating Revenue, Expenditure and Surplus

Corporation Operating Revenue, Expenditure and Surplus

Distribution of Group’s Operating Revenue

Distribution of Corporation’s Operating Revenue
Distribution of Group's Operating Expenses

- Maintenance and conservancy: 21%, 13%
- Engineering works: 9%, 10%
- Employee compensation: 14%, 14%
- Depreciation: 3%, 27%
- Loss in recoverable amount of investment properties: 21%, 15%
- Finance expenses: 3%, 9%
- Other expenses: 15%, 12%

FY2013 FY2012

Distribution of Corporation's Operating Expenses

- Maintenance and conservancy: 14%, 22%
- Engineering works: 12%, 11%
- Employee compensation: 10%, 12%
- Depreciation: 2%, 2%
- Loss in recoverable amount of investment properties: 41%, 47%
- Finance expenses: 1%, 1%
- Other expenses: 20%, 18%

FY2013 FY2012

Group Capital Expenditure

- Land: 22$, 758 (FY2013) 60, 573 (FY2012)
- Land and building development: 5,000, 10,000 (FY2013) 15,000, 20,000 (FY2012)
- Others: 22,160, 24,319 (FY2013)

Group Total Assets

- Investment properties: 24,319, 22,160 (FY2013)
- Investment in associated companies & joint venture companies: 22,160, 22,160 (FY2012)
- Cash and cash equivalents: 24,319, 22,160 (FY2013)
- Other assets: 24,319, 22,160 (FY2013)

Group Capital, Reserves and Liabilities

- Capital and reserves: 24,319, 22,160 (FY2013)
- Deferred income: 24,319, 22,160 (FY2013)
- Borrowings: 24,319, 22,160 (FY2013)
- Other liabilities: 24,319, 22,160 (FY2013)