Watch This Space
MISSION

To plan, promote and develop vibrant industrial space, in support of our nation’s economic advancement.
VISION

Towards a vibrant work-live-play-learn environment in our industrial space, with active private sector participation.
Things are Shaking Up

A transformation is underway in Singapore’s industrial landscape. Embracing JTC’s “private sector first” principle, private sector property developers are stepping forward to take the lead in developing industrial spaces. The result – win-win outcomes that benefit all industry players and the advent of a vibrant, open marketplace envisioned by JTC.
Chairman’s Message

These are exciting times for JTC as we boldly redefine our role to better respond to far-reaching changes in our economy and in the global marketplace. The centrepiece of the remaking of JTC is our “private sector first” principle, which advocates unprecedented levels of private sector participation in the development of industrial property. Internally, JTC is reinventing and streamlining its operations. These efforts include divesting our non-core assets and subsidiaries and focusing on core strategic functions.
JTC’S PERFORMANCE IN FY 2005

In FY 2005, the Corporation successfully awarded 17 projects worth $1.05 billion to private sector developers.

The award of these new projects took place against the backdrop of a busy and fruitful year for JTC.

In fact, FY 2005 saw JTC achieving its most outstanding performance of the last 10 years. This strong performance was largely due to the steady growth in the Singapore economy since its recovery in FY 2004.

Gross and net allocation of our prepared industrial land portfolio climbed to the highest levels in the last 10 years while termination levels were at a 10-year low. Gross allocation of prepared industrial land exceeded expectations to reach 292 hectare (ha); close to half of this figure or 116 ha comprised generic land, marking a return to the allocation levels prior to the Asian Financial Crisis. In the specialised parks segment, the key allocations were made up of 105 ha to Logistics Park, 44 ha to Jurong Island and 20 ha to Wafer Fab Parks. In FY 2005, the termination figures for prepared industrial land stood at 24 ha, in-line with figures for the years prior to the Asian Financial Crisis.

The net allocation of ready-built facilities showed a three-fold increase to 222,200 square metres (sq m) for FY 2005, against 75,800 sq m in FY 2004. These figures also mark a return to pre-Crisis levels.

Occupancy rates for business parks surged to 86 per cent during the year from 39 per cent in 2004, with the completion of space allocations for Biopolis Phase 1 in 2005. This surge in occupancy is due to a seven-fold increase in gross allocation of business park space to 144,500 sq m against 19,800 sq m in the previous financial year.

The Corporation enjoyed a year of resounding growth amid a strong turnaround in the Singapore economy. We achieved a net surplus of $378 million; representing a 49 per cent growth over the previous year’s performance. This outstanding showing was backed by strong net allocation, which was bolstered by a surge in demand. More value was unlocked through the disposal of properties. Overall, the Group turned in a stronger performance compared to the previous year.

In FY 2005, JTC kept up its long-term strategy of investing in land and infrastructure development particularly in support of promising, knowledge-based industries.

Key projects that showcase cutting-edge industrial real estate solutions include world-class laboratory space for the biomedical research community at Biopolis Phase 2, a hub for the infocomm technology and media industries in Fusionopolis and a dedicated learning facility in one-north to train and attract talents in the infocomm technology and media industries. Other examples of imaginative yet astute use of space include a lifestyle hub at the rejuvenated Rochester Park within one-north, work lofts for the creative industries at Wessex and an underground hydrocarbon storage at Jurong Rock Cavern on Jurong Island (beneath Banyan Basin). At the same time, research into new technologies for industrial spaces is ongoing in areas as diverse as liquid desiccant cooling systems, biowaste treatment of industrial waste and the development of ecologically-driven industrial parks through waste minimisation.

JTC has also been reviewing the masterplan for its industrial estates with the twin goals of clustering industries to achieve greater synergies and to create conducive milieus for tenants to work, live, play and learn. This review encompasses plans to rejuvenate and reposition Tanjong Kling and Tukang in western Singapore for high value-added manufacturing and commercial R&D activities, and to attract global furniture manufacturers and designers to Singapore through the Sungei Kadut Furniture Hub. Other examples of thriving industrial clusters include the aviation cluster at Changi and Seletar; the air logistics cluster at Changi and the eco-recycling cluster at Tuas for high-end, process-based recycling operations and environmental engineering activities.

THE CHALLENGE OF OUR TIMES

Our industrial property market has undergone a major transformation since the 1960s when JTC embarked on its growth journey in support of the Singapore economy.

Our manufacturing sector today bears no resemblance to its early days when labour-intensive industries thrived. Today, our niche lies higher up the technology ladder – Singapore’s manufacturing sector is focused on intensive industries with a strong R&D and knowledge-based component.

However, Singapore is not alone in moving up the technology ladder. In recent years, we have been facing stiff competition from China, India and the region as manufacturing activities in these countries become increasingly sophisticated. To continue bringing in investments, it is urgent for Singapore to step up the quality of its industrial spaces and supporting infrastructure.
The winds of change have also been apparent in our industrial property market. Prior to 1995, JTC was the single largest supplier of ready-built factory space. During this period, our priority was to meet the needs of investors by building up an adequate supply of prepared land and ready-built space.

The implementation of the Government Land Sales programme saw private sector developers taking on larger stakes in industrial property projects. Over the last 10 years, the private sector has released some 1.7 million sq m of industrial space in the market, surpassing JTC’s total new supply over the same period by 400,000 sq m or 30 per cent.

Taken together, these developments point towards the need for JTC to carve out a new role for itself. JTC plans to exit from the development and management of ready-built industrial facilities especially in areas where there is active private sector participation. This move is in line with the Government’s “Yellow Pages” rule to spin off functions that the private sector can effectively undertake.

To this end, JTC will be divesting a substantial portion of its industrial property portfolio amounting to a total gross floor area of some 2.6 million sq m. These properties slated for divestment include 71 blocks of high-rise facilities, three multi-tenanted business park buildings namely The Synergy and The Strategy at the International Business Park and The Signature at the Changi Business Park, a high-rise warehouse building in Clementi, 800 units of workshops and three workers’ dormitories.

The Corporation will also divest its interest in two of its subsidiaries – Ascendas and JURONG International Holdings.

Moving forward, JTC will continue to take the lead in large-scale, strategic projects. These include projects with a long payback period like Jurong Island, high-risk, capital-intensive projects such as those in the wafer fab and biomedical industries and cutting-edge projects like one-north. The Corporation will also continue to identify and introduce leading edge real estate solutions to Singapore’s industrial property market.

JTC will also remain active in the industrial segments where it is the dominant player. It will retain ownership of industrial land where it has an 80 per cent market share while retaining its stable of standard factories, which comprises 50 per cent of market share.

PRESERVING MARKET CONFIDENCE

JTC will work with a financial consultant to ensure that the divestment is implemented in phases and at a pace that can be comfortably absorbed by the industrial property market. Details of the divestment plan should be finalised by the second quarter of 2006.

There will be no change in our business relationship with our customers in the lead up to the divestment. Our customers can be assured that we will continue to have their interests at heart. The release of industrial land sites through the Government Land Sales will continue as planned.

The divestment is set to usher in a dynamic, vibrant and, in the long term, a more efficient industrial property market where industrialists benefit from the keener competition and greater choice available. We are confident that private sector players will have the experience and expertise to provide increasingly customised real estate solutions for industrialists who will stand to benefit from JTC’s divestment.

In conclusion, I would like to thank our private sector partners for making our vision of a dynamic, broad-based industrial market a reality. Special thanks go out to our past Board Members, Mark David Daley, Lee Chong Kwee, Loh Wai Keong and Kenneth Bradley for their invaluable counsel. To Goh Hup Jin, Gary Kee and Masahiro Yamasaki who joined our Board on 1 January 2006, a very warm welcome indeed from all of us at JTC. And to our staff, my heartfelt thanks and appreciation for your unwavering commitment to JTC.

Soo Kok Leng
Chairman
JTC Corporation
Partnerships with the Private Sector

In FY 2005, JTC awarded 17 projects worth $1.05 billion to private sector developers.

Reflecting the objectives of the Corporation’s “private sector first” principle, these projects will revitalise Singapore’s industrial property market by creating more opportunities for developers and offering varied and imaginative space options for industrialists.
Thales Avionics facility at Changi North Rise.

Bax Global at ALPS.

Food standard factories at Senoko.

Nippon Express at ALPS.

Dormitory at Penjuru Road.

Nippon Express at Changi South.

Ingram Micro at Changi North.

Warehouse retail outlet at Tampines.

Nippon Express at Changi South.

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Cutting-edge condo at one-north

A 400-unit leasehold condo with cutting-edge features is under development at one-north at Buona Vista. This condo, designed with the one-north community in mind, will boast a fenceless environment, retail activities at conserved buildings and IT-based security features. A unique feature of the development is a heritage tree which has been carefully integrated into the condo site. Developed by Vista Development – a consortium comprising Kheng Leong, United Overseas Land and Low Keng Huat – this residential project with a difference is scheduled for completion in 2009.
Business hotel at one-north

Construction work for a bustling business hotel cum mixed-use commercial strip on the South Park Quadrant at one-north has got off to a strong start. When completed in 2010, this ambitious project will yield hotel rooms, serviced apartments, residential units and serviced offices. Reflecting one-north’s emphasis on multi-faceted living, the people who ‘live’ and ‘work’ here can look forward to ‘playing’ and ‘learning’ within the complex where retail outlets, F&B activities and civic amenities abound. United Engineers Developments is developing this unique project.
High tech spaces at the Changi Business Park

This high-rise multi-tenanted facility sited on an 8,000 sq m plot caters to businesses in the high technology, R&D, and knowledge-intensive industries. From a bird’s eye view, the design of the building resembles the Chinese character for “8”, a number synonymous with good fortune and success in business. Appropriately named, Eightrium, this facility developed by Soilbuild Group Holdings, is scheduled for completion in mid 2007.
Process & maintenance facility on Jurong Island

Jurong Island is set to have a dedicated process and maintenance facility in a well-equipped and centralised location by the end of 2006. This new facility will lead to business synergies and operational efficiencies as process & maintenance contractors currently operating within the premises of Jurong Island companies can now consolidate their scattered resources. Clustering industry players within a single facility also encourages them to come together to form joint ventures on a global scale. All the space within the facility, which is being developed by TG Development and Sharikat Logistics, has been fully taken up.
New factories from Penjuru to Tuas

Coming up soon – three sets of factory spaces designed to meet the particular needs of manufacturers. On a 7.3 ha site at Tuas West, modular industrial facilities are under construction. Individual units measuring 2,000 sq m can be combined to yield 4,000 sq m of space. On a 2 ha site at Penjuru Road, 48 land-based terraced factories is suited for operations of general industries upon completion. Similarly, at Pioneer Road, another cluster of terraced facilities will serve as the new premises for companies in general manufacturing.
Seafood complex at Fishery Port Road

Developed by CWT Distribution Ltd, this multi-storey integrated facility boasts 28,000 sq m of temperature-controlled spaces comprising freezers and cold rooms, processing plants, packaging and logistics support zones. The complex meets the demand for ready-built facilities among small and medium enterprises in the entire value chain of seafood processing operations. Completion is expected by December 2006.
Food standard factories at Senoko

A 15-unit cluster of land-based terrace factories in Senoko will see the general food industries beating a path to Senoko. SB (Senoko), a subsidiary of Soilbuild Group Holdings will be developing these spanking new food factories that are due for completion by end 2006.
Accommodation for process industry workers

In support of the housing needs of workers from the process industry, a dormitory for up to 6,000 workers will be built on a 1.5 ha site at Penjuru Road. Mini Environment Service Pte Ltd will build, own and operate the facility which is scheduled for completion in mid-2007.
Thales Avionics to open aerospace facility at Changi North Rise

A business space designed for the express purpose of manufacturing aerospace components – that is what Thales Avionics facility at Changi North Rise is set to be. Developed by Ascendas under a third party build-and-lease arrangement, Thales’ new 6,300 sq m new plant will employ about 150 people. It will support customers in the Asia Pacific region with an in-house maintenance centre equipped with new repair capabilities.
Bax Global to open regional hub at ALPS

Construction work is under way for Bax Global’s new four-storey complex within the Airport Logistics Park of Singapore. When completed, this new purpose-built facility will yield almost half a million sq ft of available space and serve as a regional hub for the logistics and transportation operations of Bax Global. The complex is developed by C&P Land under a third party build-and-lease arrangement.
Nippon Express at Changi South and ALPS

Full service freight forwarder Nippon Express has entered into a third party build-and-lease arrangement with C&P Land for two new dedicated facilities at Changi International LogisPark (South) and Airport Logistics Park of Singapore. The facilities will have a total gross floor area of 43,000 sq ft. Nippon Express expects 40 per cent of its air cargo business to be conducted out of the Changi South facility, which will serve the local market. The remaining 60 per cent of the business will be managed through its ALPS facility so as to leverage its Free Trade Zone status.
Ingram Micro at Changi North

High technology products provider Ingram Micro is developing a 11,000 sq ft warehouse facility at Changi International LogisPark (North) under a third party build-and-lease arrangement with Boustead Projects. The new facility will serve as Ingram Micro’s regional flagship building, facilitating the expansion of its global distribution network.
Warehouse retail outlets at Tampines

Three warehouse retail outlets are under construction on a 9.3 ha site in Tampines, ushering in a whole new shopping experience for consumers. Retail giants Cold Storage, Courts and IKEA lead the way with outlets located in the first cluster under the pilot Warehouse Retail Scheme. Ascendas-MGM Funds Management Limited, the manager of Ascendas Real Estate Investment Trust (A-REIT), is the developer for the outlets belonging to Cold Storage and Courts.
Calendar Highlights

FY 2005 was an action-packed year for JTC as we marshalled our best energies to press ahead with efforts to redefine our role and transform Singapore’s industrial landscape.
HONOURS EARNED

JTC is proud to have received the following accolades in FY 2005:

– Building and Construction Authority’s Green Mark Gold Award conferred on Biopolis Phase 1 for being an exemplary showcase of promising environmental technologies.

– National Environment Agency’s Energy Smart Building award conferred on The JTC Summit for achieving exemplary energy efficiency without compromising on indoor environmental quality.

– Conservation building status was conferred on Jurong Town Hall at the 11th URA Architectural Heritage Awards ceremony. The building – now known as iHUB – was the headquarters of JTC from 1975 to 2000 and is a symbol of Singapore’s industrial and economic progress. Today, Jurong Town Hall continues to contribute to Singapore’s economic growth as a popular hub for business start-ups.

– The International Society of City and Regional Planners (ISoCaRP) conferred its Award for Excellence on JTC for the development of one-north. The one-north project was recognised for its capacity to attract international talent and its role in the development of innovative activities.

– The Distinguished Public Service Award for Organisational Excellence in recognition of JTC’s attainment of the Singapore Quality Class, Singapore Innovation Class, Singapore Service Class, People Developer Standard and ISO Certification. The Public Service Award is the premier organisational excellence award for public agencies.

– The Ministry of Trade and Industry’s Best Suggestion Award (Silver) for JTC’s suggestion on “Introduction of system architecture diagram standardisation, consolidation and centralisation”.

– The Ministry of Trade and Industry’s Borderless Team Commendation Award for JTC’s role as the lead agency in the project “Review of Rental Rebates and Adjustment of Land Rent Policy”.

APRIL 2005

Career and capability development

Five selected JTC employees attended the NUS General Management Programme while one employee attended a three-month course on the regeneration of urban estates at The Bartlett, University College London. These learning opportunities were made possible by JTC’s human resources department to keep employees relevant in a fast changing business environment. FY 2005 also saw the launch of a web-based Performance Appraisal and Career Enhancement System designed to manage the learning and career development needs of employees.

MAY 2005

Launch of Reserve Land Bank

This new land scheme offers industrialists greater flexibility and cost-savings by allowing them to take their pick from a selection of sites at their desired location at a time suited to their business needs. They may also vary the tenure terms according to their operational requirements. The scheme has been well-received, with several sites allocated in FY 2005.

JUNE 2005

Reduction in land rent and prices by some 20 per cent

JTC announced that it will reduce its industrial land rent and prices by an average of 20 per cent from 1 July 2005. These reductions are part of an ongoing effort to ensure that business costs in Singapore are competitive and that JTC facilities offer value-for-money.

JULY 2005

MOU to attract Chinese science and technology based enterprises to Singapore

China Torch (Singapore) Centre, the Economic Development Board and JTC signed a Memorandum of Understanding (MOU) to boost the innovation led activities of Chinese science and technology based enterprises in Singapore. China Torch (Singapore) Centre is located within iHUB, JTC’s start-up space for technopreneur start-ups. It aims to promote the commercialisation, industrialisation and internationalisation of new technology and high tech enterprises.
Giving a headstart to bright young talents
JTC awarded two overseas scholarships to bright young talents in FY 2005. The scholarships are given out annually under the FIREfly umbrella – a collaborative effort among seven statutory boards under the Ministry of Trade and Industry. The programme is another source of talent attraction to develop and renew the talent pool in JTC.

OCTOBER 2005
Development of masterplan for Changi Business Park
JTC refined the masterplan for Changi Business Park to create synergies with two neighbouring developments – the Expo expansion and the proposed University of New South Wales campus. Two new focal points will be created within the Park namely, Business Centrum, a mixed-used core with retail and lifestyle amenities among others; and Research Centrum targeting science and technology, R&D companies, software development, systems integration and material sciences laboratories. The Business Centrum will focus on supporting the Expo while the Research Centrum will tap into the synergies derived from its proximity to the new campus.

NOVEMBER 2005
JTC divests to focus on two core areas
JTC announced its intention of divesting a portion of its industrial property portfolio to pave the way for greater private sector participation. Following its restructuring, the Corporation will focus on two developmental areas: undertaking strategic industrial developments which require huge investments and long payback time; and sourcing and introducing leading-edge real estate solutions in Singapore.

“Industrial Space 2005” marks advent of open, vibrant industrial property market
Organised by JTC for the second year running, this conference cum exhibition saw a strong turnout of industry players. The event also included the signing ceremony of five Partnership Agreements between JTC and private developers. The five projects are: a multi-tenanted high-rise facility at Changi Business Park by Soilbuild Group Holdings; a seafood complex at Fishery Port Road by CWT Distribution; standard factories in Tuas by Boustead Projects; food standard factories at Senoko by Soilbuild Group Holdings; and a business hotel and mixed-use development on South-Park Quadrant at one-north by United Engineers Developments.

Completion of Rochester Park bungalows rejuvenation
11 black-and-white bungalows at Rochester Park have been refurbished to accommodate lifestyle businesses. The 70-year old bungalows with their distinctive Colonial era façade, have been leased to established names in the F&B including modern cuisine restaurant Graze, Italian restaurant Da Paolo Bistro Bar, Goodwood Park’s Min Jiang restaurant, North Border Bar & Grill and wine bar One Rochester. Other tenants from the lifestyle industries such as spas, boutiques and art galleries are expected to take up space at Rochester Park. Plans are also in the pipeline to invite the private sector to convert another 20 bungalow units into serviced villas or for commercial uses. The Rochester Park bungalows will inject character and colour to the one-north community.

JTC gets ACTIVE
Close to 300 JTC employees kicked up a storm at the mass exercise held on the inaugural ACTIVE (All Challengers Together in Various Exercises) Day. ACTIVE Day, organised by the Workplace Health Promotion Committee, aims to promote healthy living at the workplace. Other related activities included workshops on weight management and free lunch-time aerobics and dance classes for employees.
DECEMBER 2005

**JTC employees go the extra mile for service**

One JTC employee received the GEMS (Go the Extra Mile for Service) award and two others, the Commendation Award, aimed at creating a culture of service excellence, at the Ministry of Trade and Industry’s Singapore National Day cum GEMS Awards ceremony. At the ceremony, 19 other JTC employees also received Long Service Award Medals for their long-standing contributions to JTC.

JANUARY 2006

**Completion of Jurong Lake Park**

Development work on Jurong Lake Park was completed in January 2006, making the green belt the focal point for Jurong residents and tenants of Jurong Industrial Estate. Features unique to the rejuvenated park include a 2.8 km waterfront promenade, an adventure sports zone, a children’s playground and an open field ideal for sports events. Water sports enthusiasts can also canoe, kayak or dragon boat at Jurong Lake which will have a water sports centre by the fourth quarter of 2006. The park was officially opened in April 2006 by the Minister for Education & MP for Jurong GRC, Mr Tharman Shanmugaratnam.

**Online services for round-the-clock convenience**

Some 70 per cent of JTC customers are members of Krypton – a comprehensive portal accessible to JTC customers 24/7. In FY 2005, JTC introduced an additional e-payment mode – FlexiPay – for rental as well as online applications. This Internet-enabled Giro-on-Demand payment solution allows customers to authorise online payment to any government agencies from their bank accounts.

FEBRUARY 2006

**JTC and NParks launch one-north Park**

JTC and National Parks Board (NParks) jointly launched the first three hectares of one-north Park in the 200 ha one-north research and development hub. One-north Park is Singapore’s first park fitted with wireless internet connections. At the launch, JTC and NParks signed an MOU for a new maintenance model that sees NParks overseeing the maintenance of the park and JTC providing funds to maintain its special features.

MARCH 2006

**Customer satisfaction hit all-time high**

Overall customer satisfaction among JTC customers hit a high of 79 per cent in FY 2005. This is a three percentage point increase above the previous year’s score of 76 per cent. The Customer Satisfaction Survey, which is conducted annually by external research consultants, rates customers’ satisfaction in four key areas – Policy, Product, Price and Service.

**Training to meet new challenges**

In FY 2005, JTC staff received an average of 9.5 training days. In addition, the Corporation also continued to conduct programmes and facilitated learning exchanges on the planning, development and management of industrial parks with delegates from developing countries.

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**Completion of conceptual masterplan for Sungei Kadut Industrial Estate**

With the completion of the conceptual masterplan, Sungei Kadut Industrial Estate will be transformed into a Premier Furniture Hub poised to attract global furniture manufacturers and designers to Singapore. The central features of the hub are the iconic International Furniture Centre (IFC) and the pedestrian-friendly Premier Furniture Street that will feature a mix of creatively-designed showrooms and amenities as well as a future park connector with links to Kranji Reservoir. Positioning Singapore as a compelling stopover for international furniture buyers, the IFC will feature furniture showrooms and a design, prototyping and training centre.
**THE LATEST ON OUR SUBSIDIARIES**

**Ascendas**

Ascendas took its place as Asia’s leading business space solutions provider in FY 2005 with more projects in the key markets of India, China and Korea. The company grew the assets under its management to cover 27 million sq m across Asia, valued at $4.4 billion.

In June 2005, Ascendas established a first in India with the launch of the $350 million Ascendas India IT Parks Fund, seeded by two prime IT Park properties – International Tech Park, Bangalore and The V in Hyderabad. In the same month, the company expanded into Dalian in China to develop the 35 ha Dalian Ascendas IT Park. In October 2005, a joint venture with Malaysian financial services firm OSK Holdings Berhad marked Ascendas’ entry into the Malaysian market for the first time.

The company’s Ascendas Partner Rewards programme – Singapore’s first multi-tier rewards programme for property agents – was a big success, with more than half a million dollars in bonus and commissions paid out to agents as at January 2006. Overall business space closed by real estate agents doubled to nearly 250,000 sq ft compared with 2004.

**Jurong Port**

Jurong Port forged ahead as a thriving multi-purpose gateway. The port clinched the “Best Emerging Container Terminal Operator – Asia” award for the fourth consecutive year at the 2006 Asian Freight and Supply Chain Awards in Kuala Lumpur, Malaysia in April 2006.

In FY 2005, Jurong Port registered a container throughput of 917,000 TEUs, a year-on-year jump of about 16.4 per cent; and handled some 9.5 million tonnes of general and bulk cargo. The Jurong Logistics Hub achieved a tenancy rate of 78 per cent in the year under review.

The port enhanced its security measures with the implementation of the CCTV system and a 24-hour scanning of entry passes. IT infrastructure was also upgraded to cater to the expanding needs of the Container Terminal. Infrastructure and equipment development included the purchase of five new quay cranes; the upgrading and extension of two berths and additional storage yards and the completion of three RoRo ramps to offer customers cost efficient and hassle-free options for loading and discharging cargoes.

**JURONG International**

JURONG International Group amassed more than 200 new projects in its Design & Build, Consultancy and Facilities Management businesses for the financial year. These contributed to the Group’s FY 2005 revenue of $213m and profit after tax of $10m.

New initiatives and ventures into new markets were high on JURONG International’s FY 2005 agenda, especially so for its overseas businesses. A consultancy contract was sealed with Qatar’s Ministry of Economy & Commerce, for an industrial study and development of the country’s first Free Trade Zone in Doha. With this winning contract, JURONG International further enhances its presence as a multi-disciplinary service provider in the Middle East following the successes in UAE and Jordan.

JURONG International has affirmed its position as one of India’s premier multi-disciplinary consultancy firms. In the course of the year, it clinched more than 40 residential, commercial, industrial, parks and master planning projects. These projects were spread over 15 cities across India, and covered more than 16.3m sq ft.

Expansion plans into China were further enhanced in the north-eastern region with the securing of two Master Planning contracts. These were for the Xiangfang District New Industrial Area, comprising the Harbin Xiangfang District and the Harbin Daowai District. An MOU was also signed for the Ha-da-qi (Harbin, Daqing and Qiqihar cities) Industrial Corridor Master Plan with The Investment Promotion Bureau of Heilongjiang Province.

JURONG International’s Facilities Management arm signed a joint-venture agreement with Dubai-based property developer, Bonyan Emirates Properties, to provide facilities management services in Dubai. The new joint-venture company, Mustadam FM Services LCC will be able to tap the common resources and expertise of its parent company to bring Facilities Management services to a new dimension in the Middle East.
Industrial
Facilities Report

FY 2005 proved to be the most outstanding year of the decade for JTC as Singapore’s economy continued to see robust growth following the economic recovery of FY 2004. The brighter economic outlook coupled with improved land cost competitiveness and better real estate solutions provided a solid foundation for us to meet the needs of our local and global customers.
PREPARED INDUSTRIAL LAND

Highest in gross and net allocation
and lowest termination in last 10 years!

In FY 2005, gross and net allocation of our prepared industrial land portfolio climbed to the highest levels in the past 10 years while termination levels were at a 10-year low\(^1\). Gross allocation of prepared industrial land exceeded expectations to reach 292 ha; close to half of this figure or 116 ha comprised generic land, marking a return to the allocation levels prior to the Asian Financial Crisis. In the specialised parks segment, the key allocations were made up of 105 ha to Logistics Parks, 44 ha to Jurong Island and 20 ha to Wafer Fab Parks. In FY 2005, termination for prepared industrial land stood at 24 ha, in-line with figures for the years prior to the Asian Financial Crisis.

On a year-on-year basis, JTC’s net allocation increased by an impressive 176 per cent to 268 ha against the 97 ha achieved in FY 2004.

Demand for prepared industrial land for 2005 increased to 4,383 ha against a total stock of 5,270 ha, bringing occupancy rates up by 4 per cent from 79 per cent to 83 per cent, the highest in the past 5 years.

READY-BUILT FACILITIES

Ready-built facilities on target

Year-on-year, gross allocation of ready-built facilities climbed to 363,600 sq m from 238,700 sq m achieved in FY 2004. Termination levels for the financial year were lower by 13 per cent against FY 2004, at 141,400 sq m. The net allocation of ready-built facilities showed a three-fold increase to 222,200 sq m for FY 2005, against 75,800 sq m in FY 2004. These figures also mark a return to pre-Asian Financial Crisis levels.

Demand for ready-built facilities for 2005 increased to 3,801,000 sq m against a total stock of 4,507,000 sq m bringing the occupancy rate to 84 per cent, up 4.8 per cent from the previous financial year.

Flatted factory back in positive
net allocation territory

Gross allocation of flatted factory space in FY 2005 declined slightly to 105,300 sq m from 108,000 sq m in FY 2004. Year-on-year figures saw a decrease of 12 per cent in the termination of flatted factory space to 101,200 sq m for FY 2005, from 114,700 sq m in FY 2004. As a result, net allocation for the flatted factory segment returned to positive territory in FY 2005, putting a halt to its downward trend in the past two years. Occupancy rates for flatted factory stood at 74 per cent in 2005.

Another good financial year for
standard factory & stack-up factory

Year-on-year figures saw gross allocation levels for standard factory space inching up to 71,700 sq m for FY 2005 vis-à-vis 69,100 sq m achieved in the previous financial year. Termination continued to be low at 21,000 sq m. As a result, net allocation registered 50,400 sq m, leading to a second consecutive financial year in positive territory.

For the stack-up factory segment, gross allocation remained at 39,200 sq m, the same level as that of FY 2004, whilst termination was lower by 37 per cent at 9,800 sq m. This resulted in a higher net allocation of 29,500 sq m year-on-year, which is 24 per cent higher than the previous financial year.

Occupancy rates for standard factory space stood at 92 per cent, 2 per cent higher than 2004, whilst occupancy rates for stack-up factory surged to 64 per cent, 12 per cent higher than in the last financial year.

Business park

Occupancy rates for business park space surged to 86 per cent during the year from 39 per cent in 2004, with the completion of space allocation for Biopolis Phase 1 in 2005. This surge in occupancy is mainly due to a seven-fold increase in gross allocation of business park space to 144,500 sq m against 19,800 sq m in the previous financial year.

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\(^1\) Reference: Quarterly Industrial Facilities Report (4Q05 and 1Q06), Corporate Planning Group
READY-BUILT FACILITIES
FOR STACK-UP SPACE
FOR BUSINESS PARK SPACE
FOR STANDARD FACTORY SPACE
FOR FLATTED FACTORY SPACE

SUPPLY, DEMAND AND OCCUPANCY FOR PREPARED LAND
PREPARED INDUSTRIAL LAND
SUPPLY, DEMAND AND OCCUPANCY FOR READY-BUILT FACILITIES
SUPPLY, DEMAND AND OCCUPANCY FOR BUSINESS-UNIT SPACE
SUPPLY, DEMAND AND OCCUPANCY FOR STACK-UP SPACE
SUPPLY, DEMAND AND OCCUPANCY FOR STANDARD FACTORY SPACE
SUPPLY, DEMAND AND OCCUPANCY FOR FLATTED FACTORY SPACE

*Source: Corporate Planning Group
Financial Overview

The JTC Group enjoyed robust growth in 2005 amid broad-based improvements in the Singapore economy. All our subsidiaries registered better performances with the exception of our port-related business, which saw a slight decline.

The Group achieved a net surplus of $516 million this year, representing a 53 per cent growth compared to the previous year. This outstanding performance came on the back of a steady growth in income of approximately 14 per cent, and a smaller rise in expenditure (excluding impairment) of 3 per cent. The Group’s overall results were also enhanced by the results of our associated companies.

The Group’s income rose despite the general reduction in rent and prices. This was mainly attributed to the strong take-up in industrial space and buildings bolstered by a surge in demand and low termination levels. More value was unlocked through the disposal of properties to real estate trusts. In tandem with the general rise in market interest rates, higher income was earned on deposits and from our externally managed fund portfolio. Income from fund management fees climbed on the back of an increase in assets under the management of the real estate trusts.

The marginal increase in expenditure was attributed to tighter cost control and lower variance on impairment losses on properties, plant and equipment. The increase in expenditure was attributed mainly to the higher cost of sales of development properties in line with higher sales volume. Although the impairment loss on the properties, plant and equipment totalled $269 million this year, it was $10 million lower than in the previous year.

On capital expenditure, the Group invested a total of $849 million on land, buildings and development works.
Board Members

Mr Soo Kok Leng
Chairman
JTC Corporation
Chairman/Director
Mount Faber Leisure Group Pte Ltd
Chairman/Director
Singapore Technologies Electronics Ltd
Chairman/Director
Singex Group of Companies

Mr Kenneth Bradley
Managing Director
Pfizer Asia Pacific Pte Ltd
(term of office ended on 31 May 2006)

Mrs Cheong Koon Hean
Chief Executive Officer
Urban Redevelopment Authority

Mr Chong Lit Cheong
Chief Executive Officer
JTC Corporation

Ms Chua Sock Koong
Chief Financial Officer
Singapore Telecommunications Ltd

Mr Goh Hup Jin
Director
Wuthelam Holdings Pte Ltd

Mr Jen Kwong Hwa
Managing Director
Micron Semiconductor Asia Pte Ltd

Mr Gary Kee
Director, Strategy & Corporate Development, Asia Pacific Japan
Hewlett Packard Asia Pacific Pte Ltd

Mr Tan Gee Paw
Chairman
Public Utilities Board

Mdm Halimah Yacob
Assistant Secretary General
National Trades Union Congress

Mr Masahiro Yamasaki
Managing Director
Sumitomo Chemical Singapore Pte Ltd
Corporate Governance

JTC’s Board comprises 11 members, with Mr Soo Kok Leng as Chairman. The members include representatives from leading private sector companies as well as senior government and union officials.

Board Members give advice to steer the Corporation towards fulfilling its vision. They meet with external auditors to have open exchanges, 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 2005 to review major policies and approve financial statements, annual budget and major projects.

The Board has established three committees to assist it in carrying out its duties: Executive Committee, Audit Committee and Board’s Staff Committee. The appointment of Members to the Committees of the Corporation is made annually and the term of their appointment would be from 1 January to 31 December each year.

EXECUTIVE COMMITTEE
Chairman Mr Soo Kok Leng
Deputy Chairman Mr Tan Gee Paw
Members Mrs Cheong Koon Hean
Mdm Halimah Yacob
Mr Chong Lit Cheong

The Executive Committee’s terms of reference include:

1. To assist the Board in overseeing and setting directions and policies.

2. To consider and decide on:
   i. major business and operational policy matters; and
   ii. the implementation of major development schemes and infrastructure projects. Where appropriate, such matters will be tabled at JTC Board for approval or information.

3. To evaluate and recommend the annual budget (and supplemental budget) of JTC to the Board for approval.

4. To evaluate and approve/make recommendations to the Board on investment to be made by JTC (including the injection of additional capital into subsidiary companies and equity participation in joint venture companies by JTC or through its subsidiary companies).

5. To evaluate and endorse/make recommendations to the Board on the formation of any new subsidiary company either by JTC, its subsidiary companies and/or any of their subsidiaries.

6. To evaluate and approve/recommend financing offers and banking facilities for the Board’s approval.

7. To consider and make decisions on all matters which may, from time to time, be referred by the Chief Executive Officer or Chairman of the JTC Board.

The Executive Committee met three times in FY 2005.
AUDIT COMMITTEE
Chairman Ms Chua Sock Koong
Members Mr Jen Kwong Hwa
Mr Gary Kee
Mr Masahiro Yamasaki

The Audit Committee's terms of reference include:

1. To review the annual accounts of JTC before its submission to the Board for approval.
2. To approve changes to the financial authorities as provided for in the JTC Financial Manual.
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 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 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 2005.

BOARD'S STAFF COMMITTEE
Chairman Mr Soo Kok Leng
Deputy Chairman Mr Tan Gee Paw
Members Mr Goh Hup Jin
Mr Kenneth Bradley
Mr Chong Lit Cheong

The Board's Staff Committee's terms of reference include:

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:
   i. To approve the Professional Officers Scheme of Service.
   ii. To approve the appointment of Heads of Group and above other than the Chief Executive Officer and direct reports (senior officers) to Chief Executive Officer.
   iii. 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 2005.
Senior Management

Mr Chong Lit Cheong
Chief Executive Officer

Mr Lim Chin Chong
Director, Customer Services

Mr Ong Geok Soo
Assistant Chief Executive Officer

Mr Lau Chee Kin
Director, Customer Services

Mr Seah Kee Pok
Assistant Chief Executive Officer

Mr Png Giok Hua
Director, Engineering Planning

Mr Philip Su
Assistant Chief Executive Officer

Mr Arthur Aw
Director, Land Planning

Mr Koh Chwee
Director, Industrial Parks Development
Group Human Resources Director

Mr Yap Chee Yuen
Group Chief Information Officer
Chief Knowledge Officer

Ms Tang Wai Yee
Director, Industrial Parks Development

Mr Francisco J Dy III
Group Chief Financial Officer

Mr David Tan
Director, Specialised Parks Development

Mr Leow Thiam Seng
Deputy Director, Corporate Planning

Mr Han Chiaw Juan
Director, Housing Development

JTC SUBSIDIARY COMPANIES’ SENIOR MANAGEMENT

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

Er. Tang Tat Kwong
President & Chief Executive Officer
JURONG International Pte Ltd

Mr Matthew Chan
Chief Executive Officer
Jurong Port Pte Ltd