



EMBARGOED UNTIL 23 APRIL 2014, 6PM

FACTSHEET

-THE REDHOUSE PROJECT- INSTITUTIONAL INVESTMENTS INITIATIVE

SIGNING CEREMONY

The Red House development, launched on 21 June 2013 by Minister Dr Yaacob Ibrahim, is the first project under **Wakaf Revitalisation Scheme (WRS)**. This development consists a total of 42 residential units available in 3 exquisite classes, ranging from Residences, Suites to Lofts, 5 commercial units and an old conserved bakery. In order to sustain and unlock the optimal value of wakaf properties and continue wakaf development as well as support conservation efforts to protect our architectural heritage through this project, Warees Investments Pte Ltd has created an institutional investments initiative and will serve as the trusted platform to allow our community institutions to participate and benefit from the returns for social needs.

2 The first component of the signing ceremony features the investments from institutions within the Muis Group, namely Wakaf Ilmu, Dana Pembangunan, YAL Saif Charity Trust and Madrasah Aljunied Al-Islamiah Management Committee. The investment initiative is created to finance the project where Wakaf, Dana Pembangunan and Madrasah Aljunied Al-Islamiah will invest-to-lease 7 residential units in the Red House development for a leasehold period of 99 years. This direct participation in the endowment project marks a first in institutional participation and is an opportunity for these institutions within the Muis group to acquire the use of wakaf real estate assets to provide recurring income for the benefit of the community. On these buy-to-lease units, the projected gross rental yield for holding this asset is expected to be 3.5 % annually. Furthermore, the community will benefit more as these assets are expected to increase in value in years to come.

3 The second component of the signing ceremony will feature 5 mosques participating in this pilot investment through joint-financing and construction funding of the Red House project. These mosques are Al-Mukminin, An-Nur, Assyakirin, Darul Ghufuran and Haji Muhammad Salleh (Palmer Road). This social investment is also an opportunity for mosques to optimise their returns from cash assets in order to fund more socio-religious programmes.

4 The Chief Executive of Muis, Haji Abdul Razak Maricar will be present for the signing ceremony. He will be joined by Chairman of Warees Board of Directors, Mr Haider M Sithawalla along with key representatives from YAL Saif Charity Trust, Madrasah Aljunied Al-Islamiah Management Committee, Wakaf Ilmu, Muis' Dana Pembangunan and 5 participating mosques.

Institutional Investments Initiative (3I)

5 The institutional investments initiative is a new financing method introduced by Warees which transforms and sustains asset growth within the community. This financing method will be the primary model in realizing the WRS projects, an asset creation and wakaf enhancement blueprint developed by Warees to optimize and improve asset performance within the community. The **3 key thrusts** driving the institutional investments initiative are:

- i. Grow community assets through wakaf innovation and value creation
- ii. Mobilise institutional participation through pooling of resources and optimising returns benefiting the community
- iii. Preserve community heritage contributing to Singapore urban landscape

6 Wakaf Ilmu, one of the participating institutions in this unique initiative, also gives the opportunity for individuals to contribute to build up the community's capital assets and help supplement and sustain key programmes in education for the Singapore Muslim Community.

a) PART ONE OF 3I - Details of Investments by Institutions within Muis Group

7 The sales of the Red House Development is progressing. 50% of the residential units have been sold and remaining 21 units will continue to be available for sale to the public.

8 With the acquisition of use of the residential units, recurring income from the residential units will be used by Madrasah Aljunied Al-Islamiah Management Committee, Wakaf Ilmu and YAL Saif Charity Trust to benefit:

- Religious education (Wakaf Ilmu, Madrasah Aljunied Al-Islamiah Management Committee)
- Charity to orphans, widows, needy and disabled, and provide scholarship and educational and medical aid to the deserving (YAL Saif Charity Trust)

9 Breakdown of purchasing agreement as follows:

Purchaser (Institutional)	Number of Units Bought
Wakaf Ilmu	2 (\$2.71 Million)
Dana Pembangunan	1 (\$1.04 Million)
YAL Saif Charity Trust	2 (\$2.87 Million)
Madrasah Aljunied Al-Islamiah Management Committee	2 (\$2.33 Million)

TOTAL VALUE: 7 UNITS @ \$8.95 MILLION

b) PART TWO OF 3I - Details of Pilot Investment by 5 Mosques through joint-financing

10 The total sum of the joint-financing into the Red House Development from the 5 mosques is \$5 million. Each of the 5 participating mosques will contribute \$1 million in 2 tranches. The first tranche of \$500K will be disbursed to Warees upon the execution of the agreement on the 23 April 2014 while the remaining \$500K will be disbursed on 1 July 2014. Capital is guaranteed and the investment tenure is 2 years (24 months for each tranche).

11 Each mosque will benefit as the returns offered is higher at 2.1% per annum (with semi-annual payout of returns) than the current fixed deposit returns of around 1% per annum (for deposits of 24 months). Proven to be successful from this pilot, this investment model may be replicated for future endowment projects in WRS managed by Warees. The joint-financing arrangement provides mosques with the opportunity to participate in the financing of wakaf development projects and derive higher returns from their cash assets. This also marks the first time where a wakaf development project is financed using funds within the Muis group, rather than the usual alternative of bank financing.

12 Breakdown of payout as follows:

First Tranche (April 2014): Mosque Financing (\$500K)	First Payout (1.05%) in October 2014 (\$)	Total Payment (x4) (\$)
An-Nur Mosque	5,250	21,000
Al-Mukminin Mosque	5,250	21,000
Darul Ghufuran Mosque	5,250	21,000
Haji Muhammad Salleh Mosque	5,250	21,000
Assyakirin Mosque	5,250	21,000
TOTAL	26,250	105,000

Second Tranche (July 2014): Mosque Financing (\$500K)	First Payout (1.05%) in January 2015 (\$)	Total Payment (x4) (\$)
An-Nur Mosque	5,250	21,000
Al-Mukminin Mosque	5,250	21,000
Darul Ghufuran Mosque	5,250	21,000
Haji Muhammad Salleh Mosque	5,250	21,000
Assyakirin Mosque	5,250	21,000
TOTAL	26,250	105,000

TOTAL PAYOUTS TO MOSQUE: \$210,000 over 24 months

WAREES INVESTMENTS PTE LTD

ADDITIONAL INFORMATION

Differences in Investment Structures (3I)

	Institutions	5 Mosques
Type of Investment	Capital / property investment.	Development funding.
Type of Returns	Returns are dependent on gross rental yield projected at 3.5% annually which will be earned over the leasehold period of the properties.	The mosques invest money for 2 years earning semiannual returns of 2.1% per annum. At end of 2 years, capital amount will be repaid.
Capital Protection	Investment value is subjected to market prices.	Capital is guaranteed by Warees.
Post Completion	Institutions acquire use of units.	Repayment of capital plus returns.

Appendix A

- Dana Pembangunan

Background

Dana Pembangunan is a fund from mosques and Muis's funds. The fund is set aside and invested in a diversified asset class as long term investments in order to achieve a higher return.

Current Management of Fund

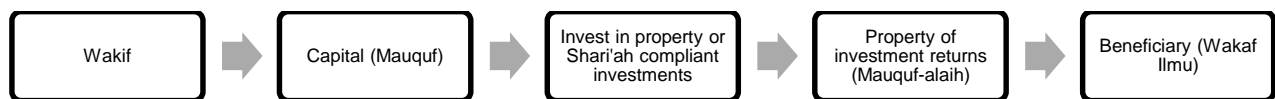
Currently, majority of the fund is managed by UOB Asset Management. Dana Pembangunan is investing part of the fund in the Red House Development.

Appendix B – Wakaf Ilmu

Background

Muis is planning to revive the noble act of perpetual giving by creating a new Wakaf called Wakaf Ilmu. Wakaf Ilmu is created initially through consecrating shares of the beneficial income of the Muslim estates worth S\$ 3 million. By creating Wakaf from this beneficial income, the deceased charitable act can be perpetuated. The creation of Wakaf will also paved the way for more Muslims to come forward to do “planned giving” to build up the capital of the Wakaf.

Muis intends to consolidate the beneficial income received, contributions from planned giving and contributions from the public for this Wakaf Ilmu to build up its capital. The revenue generated through the investment of the Wakaf in capital guaranteed instruments and possibly properties in future can help supplement and sustain Muis’ long term financial commitments on some of its key programmes specifically for the Islamic Education in Singapore.



Why Islamic Education?

Similar to mosques, the Madrasahs form an important institution in creating religious leaders for our community. Islamic Education in the Madrasah provides the religious groundings and education for our community to be resilient, confident and profound with deep *taqwa*. It is therefore imperative that such institution should not just be preserved but thrives in future.

Why In The Form of Wakaf?

Traditionally, many of the fund-raising initiative use the form of *sadaqah* and *infaq* which will meet the immediate needs of the Madrasahs. Some Madrasahs rely on at least 50% of their funding from donations. This is neither untenable nor sustainable. To create a sustainable institution our Madrasahs need a stable flow of income for long term survival. Therefore Wakaf, akin to an endowment system, fits this need.

More information: www.wakaf.sg

Appendix C

– Wakaf Revitalisation Scheme (WRS)

Background

The Wakaf Revitalisation Scheme (WRS) is a comprehensive 3-year asset plan by Warees seeking to enhance the asset value and rejuvenate the characteristics of Wakaf properties. WRS also serves to transform the Wakaf portfolio in a sustainable and equitable manner. The Red House is amongst the first of many properties to be transformed and enhanced under WRS.

5 Key Strategies

WRS is an asset creation and enhancement initiative based on 5 key strategies:

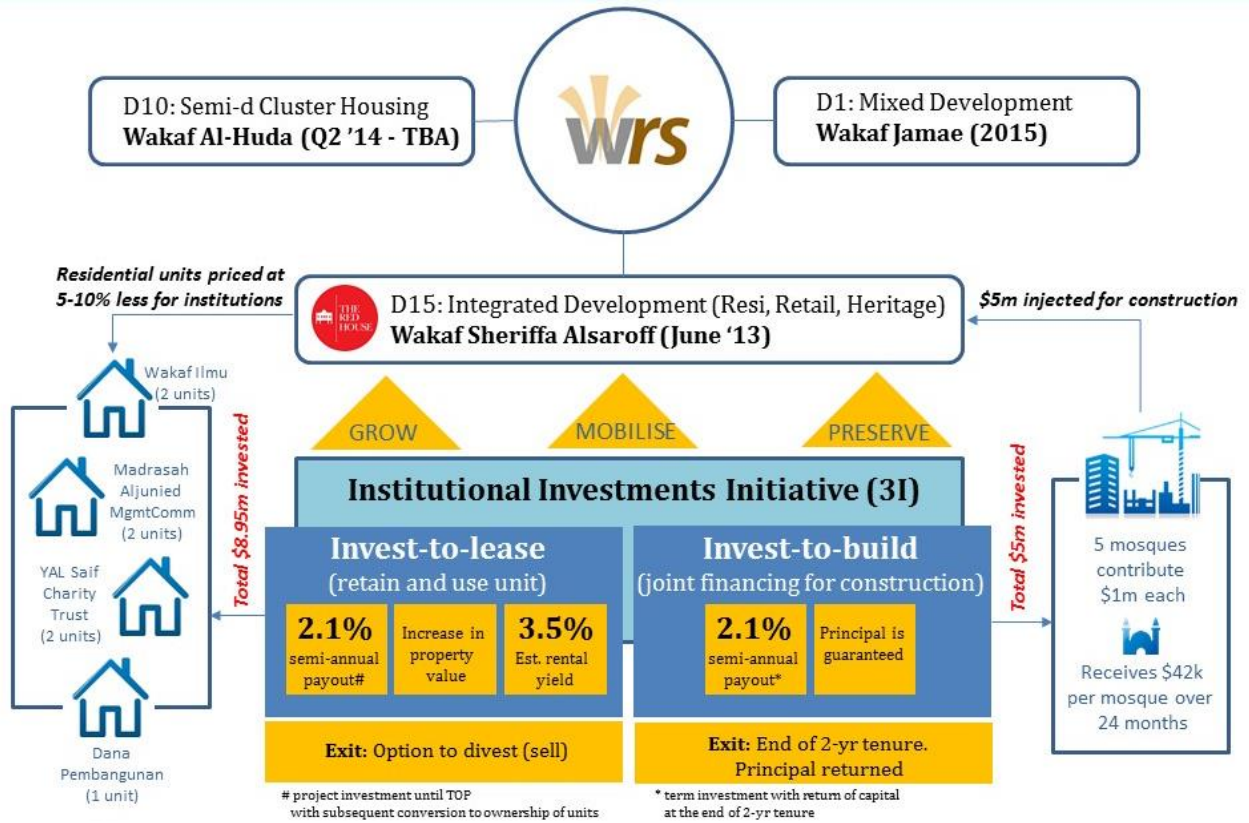
1. Proactive Portfolio Management
2. Innovative Asset Creation Concepts
3. Optimise Space Productivity for Income Accretion
4. Community Centric and Embrace Sustainability
5. Prudent Investment Management

These key strategies are designed to relive wakaf character, raise consumer appeal, sustain social upliftment and contribute to urban vibrancy.

Future Development

The first project of the WRS is The Red House development and is progressing. The next project under the WRS in Q4 2014 will feature a premium and luxurious cluster housing in District 10, Bukit Timah Area. More information will be released in May.

Appendix D - Schematic on WRS / 3I



Appendix E

- Red House Project

Background

The Red House development, launched on 21 June 2013 by Minister Dr Yaacob Ibrahim, is the first project under Wakaf Revitalisation Scheme (WRS). This development consists a total of 42 residential units available in 3 exquisite classes, ranging from Residences, Suites to Lofts, 5 commercial units and an old conserved bakery. The Red House sits on Wakaf land under the Wakaf of Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff.

History of The Red House Bakery

The Red House was established in the 1920s and is located at 75 East Coast Road. It sits on Wakaf land under the Wakaf of Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff. The name Red House Bakery was derived from the façade of the two-storey shophouse that was painted in red. The Red House Bakery is a popular reference to a relict confectionery shop called Katong Bakery & Confectionery. It was used as a bakery till the 1990's and was closed on 23 March 2003.

History of Wakaf Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff

The Red House was put in trust by Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff. She was the daughter of Syed Mohamed Ahmad Alsagoff, founder of Madrasah Alsagoff Al-Arabiah. Upon her father's passing, the inheritance was used to purchase shophouses along East Coast Road, North Bridge Road, Upper Dickinson Road, China Street and Nanking Street. In her will, Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff, specified that rental income from the shophouses is to be used to fund her grandchildren's education until 21 years after her death. Beyond that, the earnings would be used to establish and maintain a dispensary for the purpose of providing free medicine for the poor people.

The new integrated heritage development

Warees, the developer obtained planning approval in 2012. The mixed development will be jointly developed by WRH Pte Ltd (a wholly-owned subsidiary of Warees Investments Pte Ltd) and the Wakaf. The proposed new development is a 99-year leasehold development comprising a proposed 5 storey residential apartment block, fronted by the conserved Red House Bakery and a row of 5 shophouses along East Coast Road. The sales of the Red House Development is progressing, with 50% of the residential units have been sold and remaining 21 units will continue to be available for sale to the public.

More information: www.theredhouse.sg