

MEDIA RELEASE

**INSTITUTIONAL INVESTMENTS INITIATIVE (3I)  
HIBAH DISBURSEMENT CEREMONY**

*Investors of Warees Investments first development financing model  
received first payout*

**Singapore, 11 October 2014:** Five mosques and two community institutions today received their first portion of *hibah* or gift payout for their participation in the inaugural Institutional Investments Initiative (3I). 3I is an innovative wakaf development financing scheme (by Warees investments) which allows benefits to flow to community institutions while unlocking the potential of wakaf.

2 Under 3I, five mosques collectively injected their reserves totalling \$5 million – each mosque invested \$1 million – into the Red House development joint-financing. These mosques are Masjid Al-Mukminin, An-Nur, Assyakirin, Darul Ghufuran and Haji Muhammad Salleh (Palmer Road). The Red House is Warees Investments' first of a series of wakaf or endowment properties being redeveloped under a comprehensive 3-year asset creation and wakaf enhancement blueprint, the Wakaf Revitalisation Scheme (WRS). The current pilot 3I scheme allows funds to be channelled into two options – financing the Red House development (instead of using external sources such as banks) and ownership of residential units, where funds are used to hold several units for 99-year lease.

3 At 2.1 percent per annum, the biannual *hibah* payouts received by each mosque yielded from the investments are higher than current fixed deposit returns of around 1 percent per annum for a deposit period of 24 months. More importantly, 3I is capital guaranteed throughout the 2-year investment tenure.

4 This morning, six months after the agreement signing and disbursement of their first investments tranche of \$500,000 on 23 April 2014, each of the five mosques received their first payout of \$5,250 (equivalent to 1.05 percent of their investment value) at a ceremony held at Masjid Al-Mukminin at Jurong East. A total amount of \$65,700 will be disbursed today. Another 1.05 percent making it up to 2.1% annually is expected in April next year. The first *hibah* payouts for the second tranche of \$500,000 (making total investments of \$1 million) on 1 July 2014 will be in January 2015.

5 Treasurer of Masjid An-Nur, Haji Salim Ahmad said: "We are honoured to be given this opportunity to optimise our returns for the mosque's financial asset in our effort to raise funds to support and sustain our programs. Despite the low risk involved, we are able to obtain higher returns, and more importantly, our capital is guaranteed. At the same time, we are also contributing to the development of Singapore's wakaf institution. Given future projects, Masjid An-Nur will definitely review the potential that Warees has to offer, given the proven track record and good working relations that Warees has shown throughout our involvement in this first initiative."

6 Another two community institutions also invested in 3I - Wakaf Ilmu, an endowment fund created by Muis to revive the noble act of perpetual giving to support madrasah education, and Muis' Dana Pembangunan, a fund from mosques and Muis. Wakaf Ilmu invested \$2.71 million while Dana Pembangunan invested \$1.04 million. Today, they each received their first payout of about \$28,500 and \$10,900 respectively.

7 At the end of their investments tenure and upon construction completion, these two institutions will not be exiting but instead channel their capital into buying units at the Red House for lease. Wakaf Ilmu will buy two units, and Dana Pembangunan will buy one unit. Two other institutions, YAL Saif Charity Trust and Madrasah Aljunied Al-Islamiah Management Committee, too have purchased two units each at The Red House for leasing. Based on current market situation, estimated rental yield is about 3.5 percent per annum.

8 With the success of this pilot 3I, Warees Investments is exploring further to see how such investments and financing model be replicated for future WRS projects, allowing mosques and community institutions to have a hand in growing our wakaf portfolio.

9 Vice Chairman of Masjid Al-Mawaddah, Mr Saifubahri Rasno said: "Mosques have been looking around for good Syariah compliant investments tool and what Warees is offering today is a very innovative and assuring one – capital guaranteed and returns offered which are far more superior compared to conventional fixed deposits. Currently Masjid Al-Mawaddah invests its reserves in Syariah compliant fixed deposits but with this new initiative proving itself with better returns, we would not hesitate to consider this investments opportunity."

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## APPENDIX A

Breakdown of payout are as follows:

<b>First Tranche (April 2014): Mosque Financing (\$500,000)</b>	<b>First Payout (1.05%) in October 2014 (\$)</b>	<b>Total Payout (4 times) (\$)</b>
An-Nur Mosque	5,250	21,000
Al-Mukminin Mosque	5,250	21,000
Darul Ghufuran Mosque	5,250	21,000
Haji Muhammad Salleh (Palmer Road) Mosque	5,250	21,000
Assyakirin Mosque	5,250	21,000
<b>TOTAL</b>	<b>26,250</b>	<b>105,000</b>

<b>Second Tranche (July 2014): Mosque Financing (\$500,000)</b>	<b>First Payout (1.05%) in January 2015 (\$)</b>	<b>Total Payout (4 times) (\$)</b>
An-Nur Mosque	5,250	21,000
Al-Mukminin Mosque	5,250	21,000
Darul Ghufuran Mosque	5,250	21,000
Haji Muhammad Salleh (Palmer Road) Mosque	5,250	21,000
Assyakirin Mosque	5,250	21,000
<b>TOTAL</b>	<b>26,250</b>	<b>105,000</b>

**TOTAL PAYOUT TO MOSQUES: \$210,000 (\$42,000 per mosque) over 24 months.**

## APPENDIX B

### Dana Pembangunan

#### Background

Dana Pembangunan is a fund from mosques and Majlis Ugama Islam Singapura (Muis). 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.

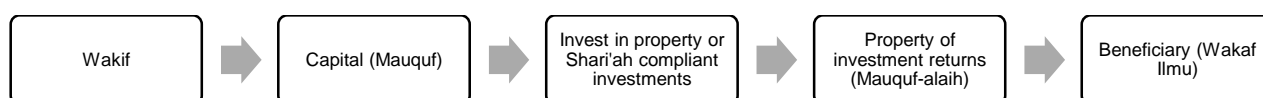
## APPENDIX C

### Wakaf Ilmu

#### Background

Muis is reviving the noble act of perpetual giving by creating a new Wakaf called Wakaf Ilmu. Wakaf Ilmu was 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 charitable acts of the deceased can be perpetuated. The creation of Wakaf also paved the way for more Muslims to come forward to do “planned giving” to build up the capital of the Wakaf.

Muis consolidates 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 are an important institution for 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 thrive 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.

For more information, visit [www.wakaf.sg](http://www.wakaf.sg).

## APPENDIX D

### 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:

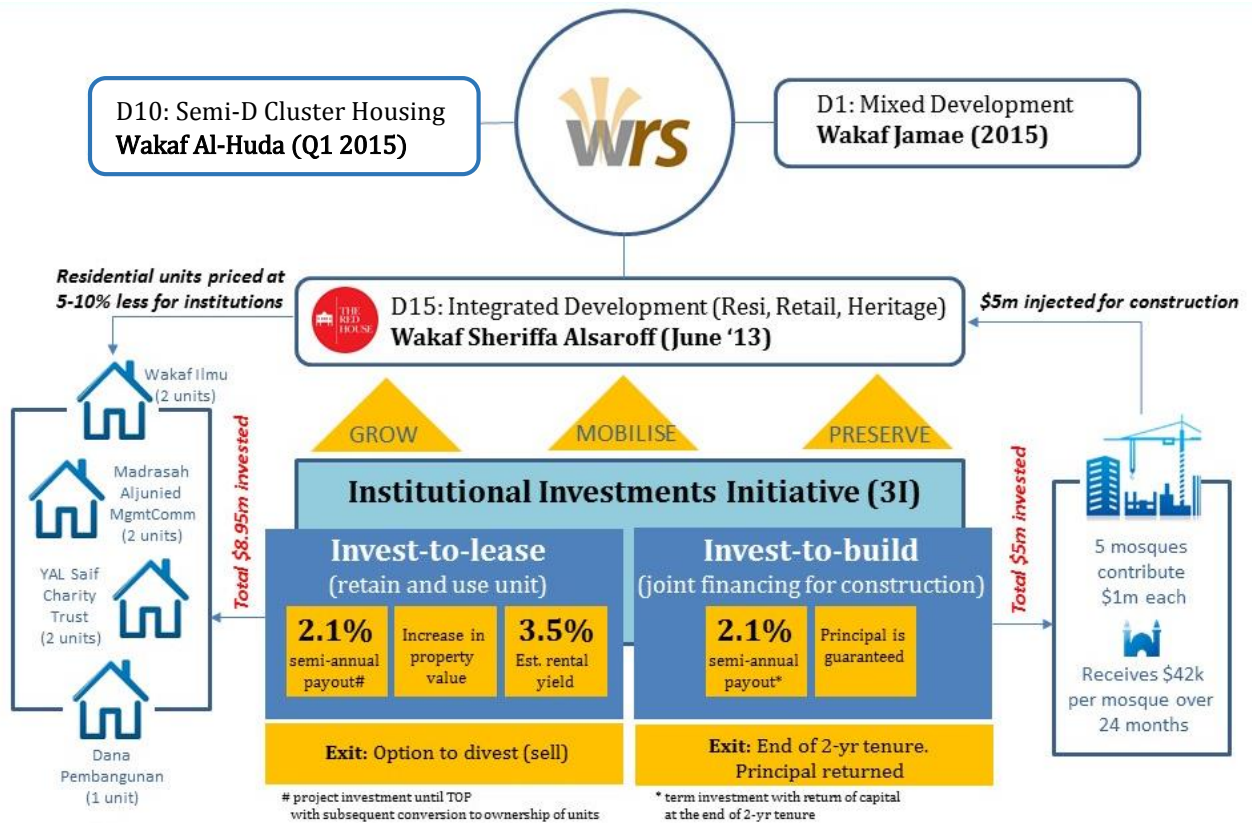
1. Proactive Portfolio Management
2. Innovative Asset Creation Concepts
3. Optimise Space Productivity for Income Accretion
4. Community Centric and Embrace Sustainability
5. Prudent Investment Management

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

#### Future Development

The first project under WRS is The Red House development and is progressing. The next project under the scheme will feature a premium and luxurious cluster housing in District 10, Bukit Timah area. More information will be made known in first quarter 2015.

Schematic on WRS and 3I



## APPENDIX E

### The Red House Project

#### Background

The Red House development, launched on 21 June 2013 by Minister-In-Charge of Muslim Affairs, 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 a conserved bakery. The Red House sits on wakaf land under Wakaf Sheriffa Zain Alsharoff Bte Syed Mohamed Alsagoff.

#### History of The Red House Bakery

The Red House got its name from the fire-engine red two-storey shophouse at 75 East Coast Road which used to house the famous and now defunct Katong Bakery and Confectionery. The bakery, established in 1925 was started by a Jewish man named Jim Baker. In 1931, a Hainanese seaman, Tan Siang Fuan paid S\$600 as “coffee money” to take over the bakery shop from Jim Baker<sup>1</sup>. The bakery was eventually closed on 23 March 2003 after the shophouse was declared unsafe by the authorities.

#### 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.

#### The new integrated heritage development

Warees Investments 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 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 more than 60 percent of the residential units sold.

For more information visit [www.theredhouse.sg](http://www.theredhouse.sg).

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<sup>1</sup> [http://eresources.nlb.gov.sg/infopedia/articles/SIP\\_611\\_2004-12-24.html](http://eresources.nlb.gov.sg/infopedia/articles/SIP_611_2004-12-24.html)