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Ascendas Real Estate Investment Trust

Proposed development of two warehouse retail facilities at Tampines Avenue 10 For Cold Storage and Courts



24 January 2006

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New initiative

- **"First" for A-REIT**
 - ✓ Participation in Warehouse Retail Scheme
 - ✓ Undertaking development projects
- **Holding costs will be capitalised. Therefore, no impact on DPU during the development period**
- **Lease will commence upon issue of the TOP**
- **Will be DPU accretive upon completion**

CIS - Property Funds Guidelines

**Code of Collective Investment Schemes - Property Funds
Guidelines of 20 Oct 2005 stipulates:**

"The total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the property fund's deposited property."

Value of the two development projects accounts for about 4.7% of A-REIT's deposited property

Warehouse retail facility for Cold Storage

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Giant Hypermarket (warehouse retail facility for Cold Storage) Tampines Avenue 10, Singapore

Expected to complete by January/February 2007,
the property will be a four-storey warehouse
building with ancillary retail and office space.

Development cost : S\$66 million

Acquisition fee to Manager: S\$0.6 million

Project manager : Ascendas Services Pte Ltd

Contractor: Gammon Pte Ltd

Valuation : To be conducted upon completion of the development.

Land area : 40,000 sqm

Title : 30 years expiring on 31 December 2035. Land premium paid upfront.

GFA : Approximately 41,000 sqm

Lease terms : 29-year lease to Cold Storage Singapore Group of Companies with stepped rental increases

Outgoings : Cold Storage pays for maintenance and utilities while A-REIT pays for property tax and lease management fees

Warehouse retail facility for Courts

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Courts Megastore (warehouse retail facility for Courts) Tampines Avenue 10, Singapore

Expected to complete by October/November 2006,
the property will be a four-storey warehouse
building with ancillary retail and office space.

Development cost : S\$55 million to \$62 million
(pending confirmation of differential premium amount)

Acquisition fee to Manager: S\$0.5 million

Project manager : Ascendas Services Pte Ltd

Contractor: Wee Hur Construction Pte Ltd

Valuation : To be conducted upon completion of the
development.

Land area : 20,830 sqm

Title : 30 years expiring on 31 December 2035. Land
premium paid upfront.

GFA : Approximately 28,000 sqm

Lease terms : 10-year lease to Courts (Singapore)
Limited with stepped rental increases
and an option to extend for additional term of 10
years and 9 years separately.

Outgoings : Courts pays for utilities while
A-REIT pays for property tax, maintenance and lease
management fees

Distributable Income Per Unit (“DPU”) Positive Upon issue of TOP



Warehouse retail facilities	DPU Impact*
DPU Impact (proforma annualised impact)	0.36 cents
- For Cold Storage	0.20 cents
- For Courts	0.16 cents

Note:

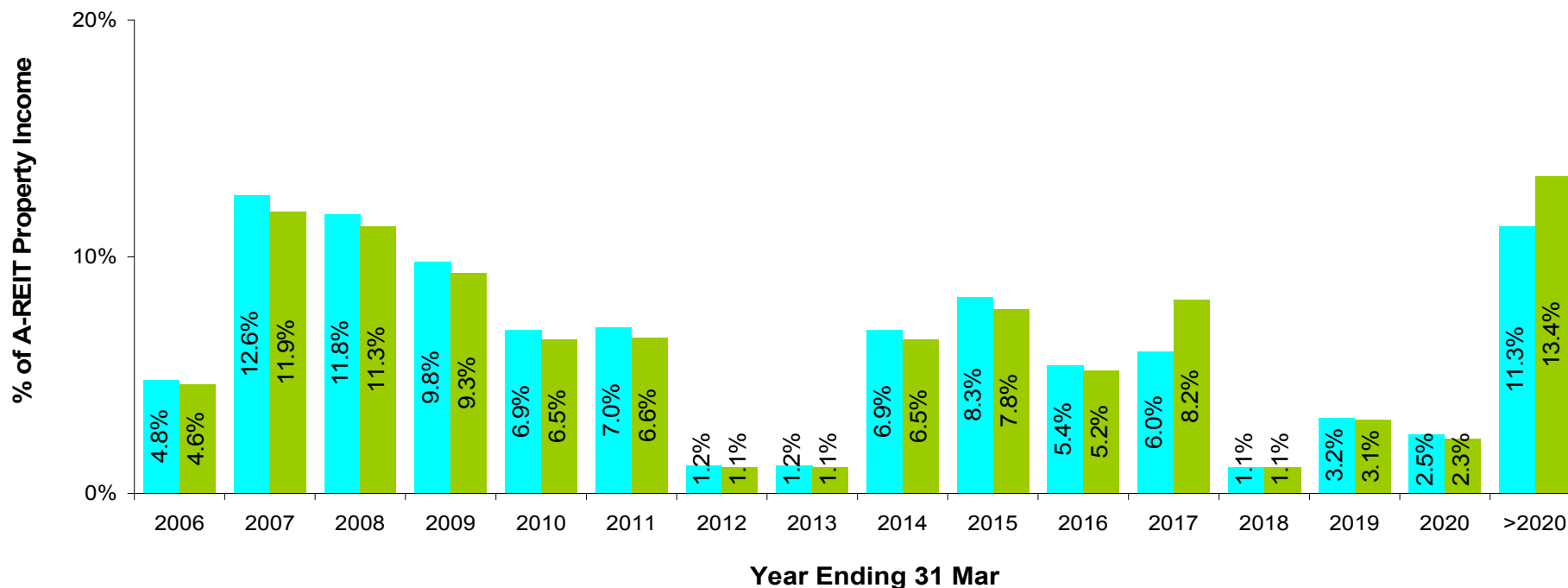
*Assuming that: A-REIT had purchased, held and operated the two properties for the whole of the financial year ended 31 March 2005 (based on 58 properties); the acquisitions funded using 40% debt and 60% equity; and in respect of the two properties, the Manager had elected to receive its base Fee entirely in cash and its performance Fee entirely in units.



A-REIT Weighted Lease Expiry Profile



Weighted Lease Expiry Profile (By Income)

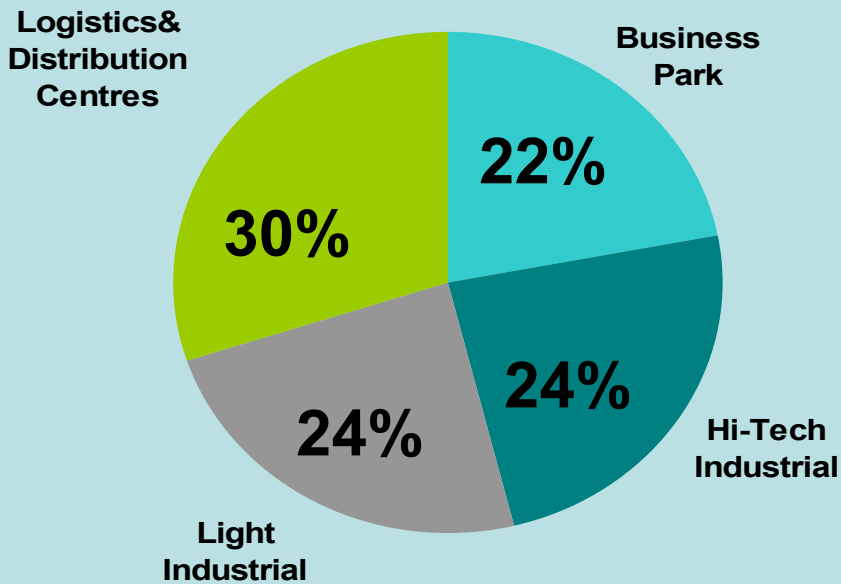


	Existing 60 Properties Before completion (based on 3 Jan 06)	After completion of the two developments
Weighted Average Lease Term to Expiry	6.7 years	7.4 years ⁽¹⁾

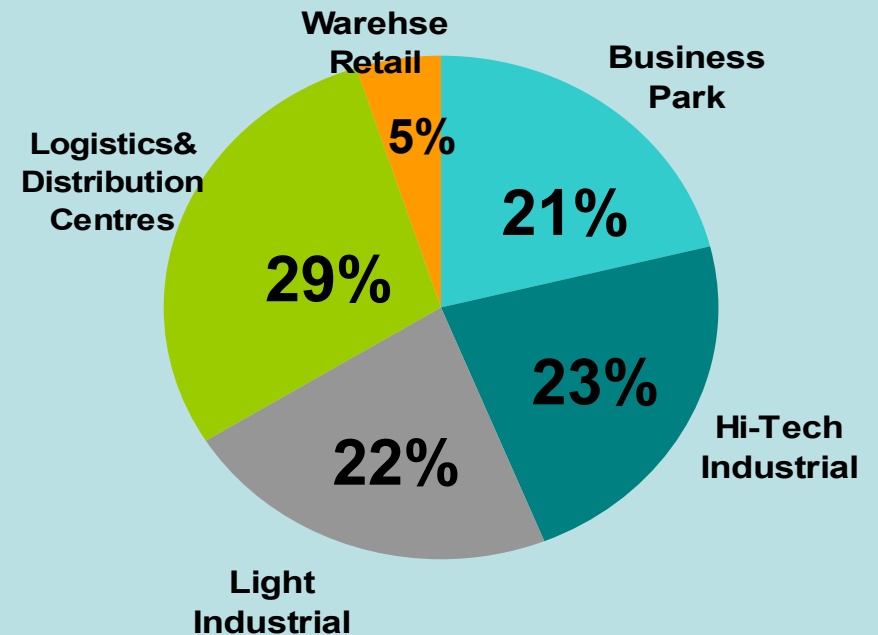
(1) Assuming that Cold Storage fulfills the WRS conditions prior to the fifth year of the lease.

Asset Class Diversification by Portfolio Value

Before completion ⁽¹⁾



After completion of the two developments ⁽²⁾



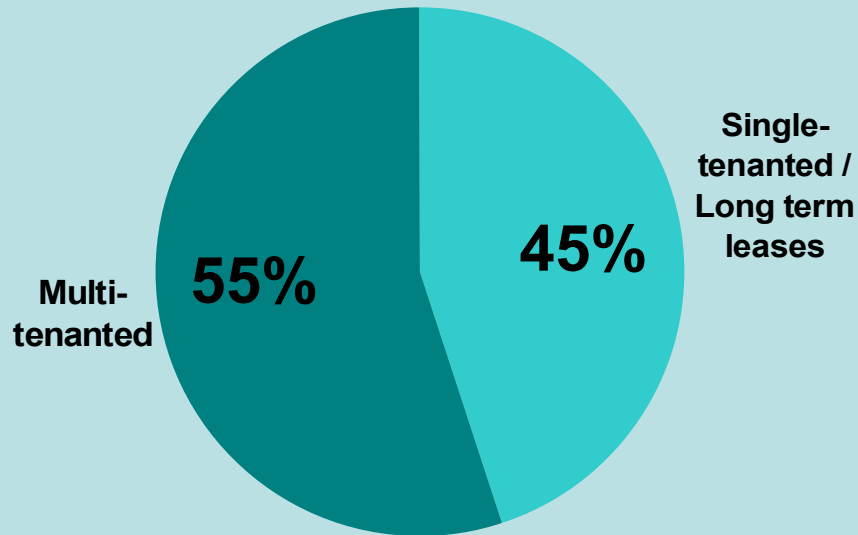
Notes:

- (1) Based on 60 properties as at 3 January 2006
- (2) Based on 62 properties including the two completed properties

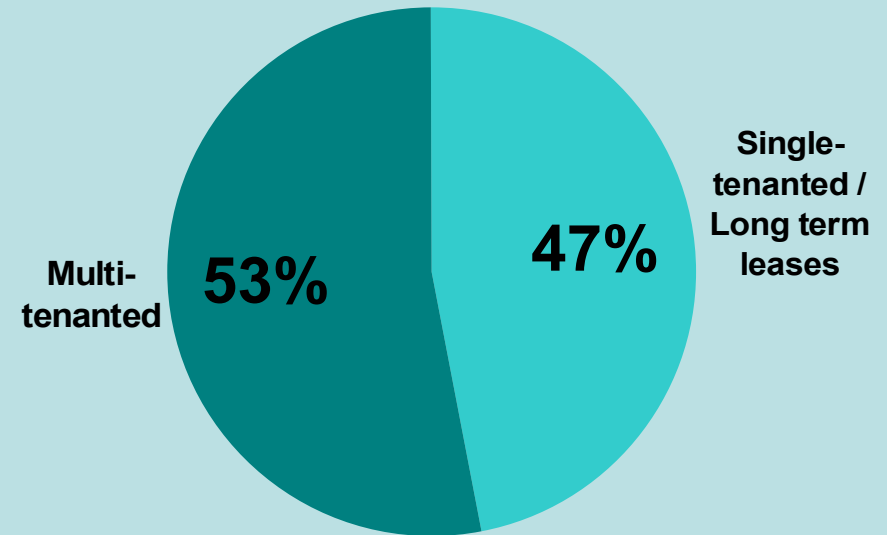


Mix of Sale-&-Leaseback vs Multi-tenanted by Portfolio Value

Before completion ⁽¹⁾



After completion of the two developments ⁽²⁾



Notes:

- (1) Based on 60 properties as at 3 January 2006
- (2) Based on 62 properties including the two completed properties



Timetable for Completion

	Warehouse retail facility for Cold Storage	Warehouse retail facility for Courts
Signed letter of offer	January 2006	
Construction begins	February 2006	February 2006
Issue of Temporary Occupation Permit	January/February 2007 - Lease Agreement becomes effective	October/November 2006 - Lease Agreement becomes effective



What is WRS?

- **WRS - Warehouse Retail Scheme**
- **New pilot scheme launched by Singapore Economic Development Board in April 2004**
- **Facilitate integrated businesses that encompass regional headquarters, retail, warehousing and industrial activities to operate on industrial sites**
- **Enable companies to base their regional competencies like distribution networks and various business systems here, to leverage on Singapore's strong business infrastructure to service the region and the world.**
- **At least 60% of the GFA must be for industrial use**

Conditions of WRS

- **A Development Charge (DC) ⁽¹⁾ based on 100% of the enhancement value of the land will be levied to ensure that the initiative does not distort the market for commercial land.**
- (1) Development charge (DC), is the statutory tax that is payable for purposes of land development.**

Conditions of WRS

- All businesses with innovative concepts have to satisfy the minimum criteria listed below by the fifth year of their operations:
 - (a) annual turnover to grow to at least S\$100 mil; and
 - (b) total direct employment of at least 250; and
 - (c) annual total business spending ⁽¹⁾ of at least S\$20 mil or total investment (excluding land cost) of at least S\$50 mil.
 - (d) any other conditions as imposed by the recommending agency. Companies conducting or expanding to significant regional activities based in Singapore shall be given favourable consideration.

(1) TBS refers to a company's annual operating expenditure, when the project is fully implemented

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News Room

Courts, Dairy Farm and IKANO break new ground as pioneer Warehouse Retail Scheme projects

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Scheme attracts companies to locate regional activities and flagship stores in Singapore

1. Courts (Singapore) Limited, Dairy Farm and IKANO Pte Ltd (IKEA Singapore) broke ground for the pioneer Warehouse Retail Scheme (WRS) projects today. Minister for National Development, Mr Mah Bow Tan, officiated at the ground-breaking ceremony of the projects which would collectively entail an investment of around S\$200 million and generate around 1,700 jobs. Also participating in the ceremony were Mr Terry O'Connor, Managing Director of Courts (Singapore) Limited, Mr Michael Kok, Regional Director of Dairy Farm South Asia and Mr Tom Huzell, Managing Director, IKANO Pte Ltd and Mr Teo Ming Kian, Chairman Economic Development Board (EDB).

2. The companies unveiled the building designs for their WRS projects which would be located on a 9.3 ha site (or 93,000 sq m) site in Tampines. The integrated facilities would house the regional activities of the companies as well as flagship retail activities.

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The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

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