
Asset Enhancement - Update

Asset enhancement

- **Value creation**

- Introduce additional lettable area
- Enhance rental potential
- Strengthen capital values

- **Improved shopping experience**

- Refine tenancy mix in line with customers' needs
- Better retail planning
- New shop fronts

Tampines Mall

TM – Before



Walkway



Front View

TM – After completion of phase 1 enhancement



Covered Walkway

New units on L1 at former walkway



Alfresco Dining
At former walkway

Value creation

Summary of Tampines Mall asset enhancements

	Gross Floor Area (sf)	Capital Expenditure	Start Date	Completion Date
IPO	8,006	S\$5.9m	2004	2005
Revised	8,202	S\$5.9m ¹	Mar 2003	Nov 2003

100% commitment secured for all new units
Average rent of \$24.71psf/mth (5.6% above budget)
Works completed ahead of schedule. Leases have commenced operations.

Gross Revenue (net of rental loss from decanted spaces)	S\$1.7m pa
Net Property Income	S\$1.1m pa
Return On Investment	19%
Capital Value (assumed at 7% capitalization rate)	S\$15.7m
Increase in Capital Value (net of investment cost)	S\$9.8m

¹ Based on Manager's forecasts

TM – Upcoming asset plans in 2004 (Phase 2)

Works have commenced and are targeted for completion end 2004 and include:

- Outdoor terrace on Level 4 with landscaped gardens and water features
 - To meet demand for promotional space
 - To provide an outdoor play area for kids
- Travelators from B3 to B1
 - to provide better accessibility to and from basement car parks

TM – Level 4 asset plan (Phase 2)



Junction 8

J8 – Basement 1



Before

Carpark Area converted to retail units



After

Food Kiosks



After



After

Value creation

Summary of Junction 8 asset enhancements

	Gross Floor Area (sf)	Capital Expenditure	Start Date	Completion Date
IPO	51,652	S\$21.5m	2003	2004
Revised	74,434	S\$27.0m		
Phase 1 (B1 & L1)		S\$15.5m	May 2003	Nov 2003
Phase 2		S\$12.2m ¹	Jan 2004	Dec 2004

Phase 1 100% leased @ average rent of \$22.50 psf/mth (25.7% above budget)
 Total gross rental of S\$240,000/mth or S\$2.9m pa
 Works in Basement 1 completed 1 mth ahead of schedule in Oct 2003
 All units have commenced operations

Gross Revenue (net of rental loss from decanted space)	S\$5.5m pa
Net Property Income	S\$3.9m pa
Return On Investment	14%
Capital Value (assumed at 7% capitalization rate)	S\$55.7m
Increase In Value (net of investment cost)	S\$28.0m

¹ Based on Manager's forecasts

J8 – L 1 enhancement plan (Phase 2)

Phase 2 Works

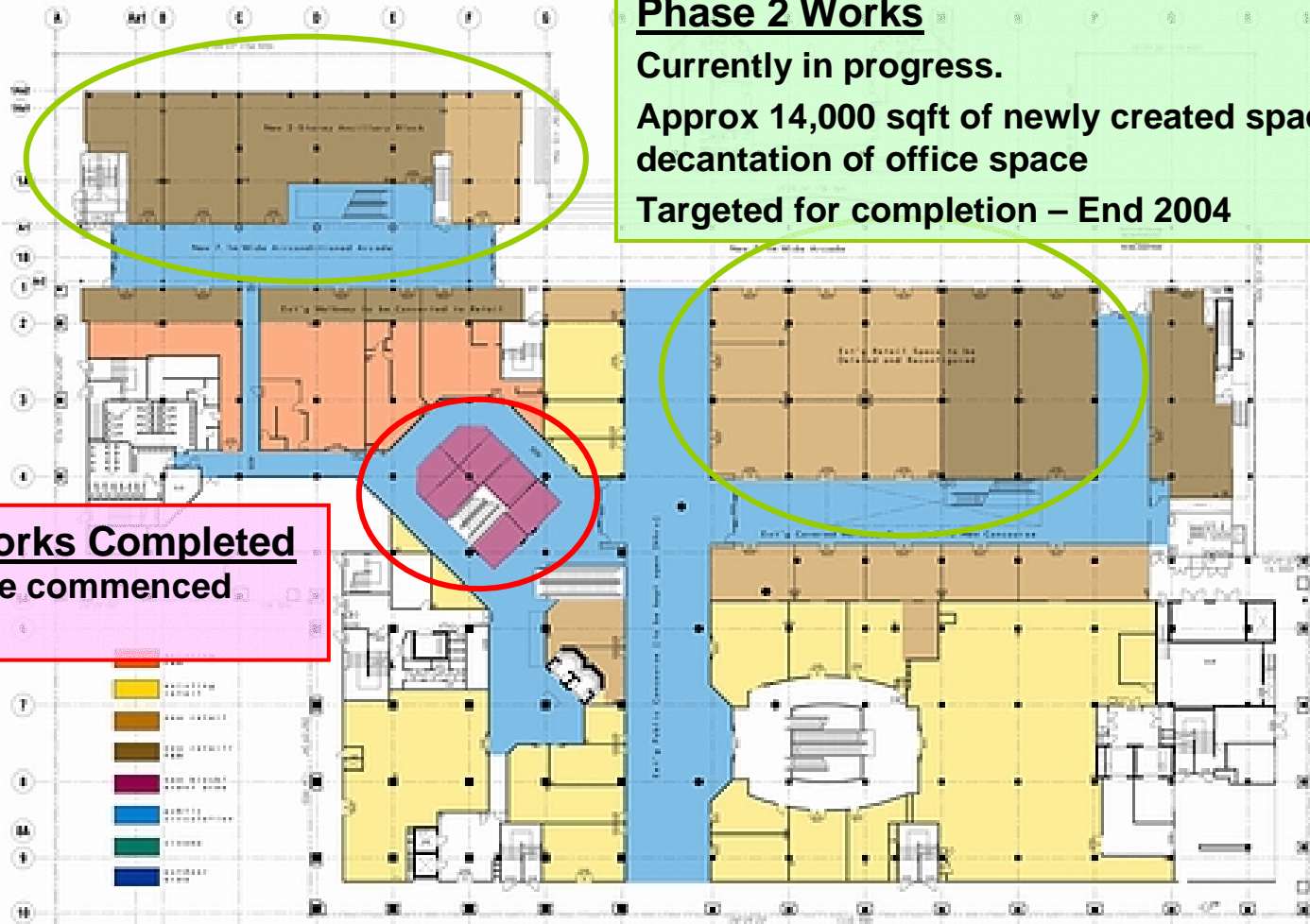
Currently in progress.

Approx 14,000 sqft of newly created space from decantation of office space

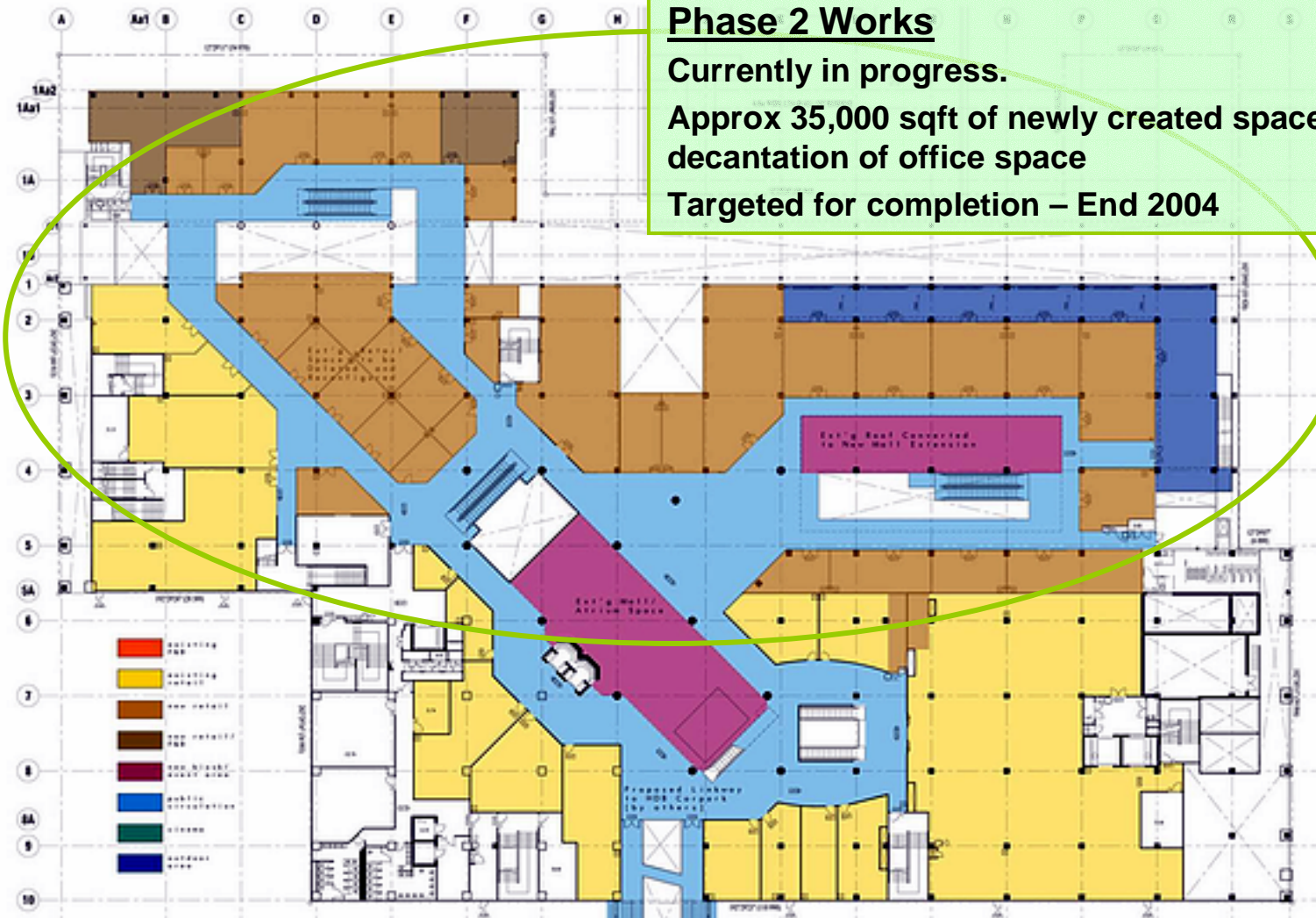
Targeted for completion – End 2004

Phase 1 Works Completed

All units have commenced operations



J8 – L2 enhancement plan (Phase 2)



Phase 2 Works

Currently in progress.

Approx 35,000 sqft of newly created space from decantation of office space

Targeted for completion – End 2004

J8 – Now



Level 1 Walkway



Level 1 Walkway



Front Entrance

J8 – L1 enhancement plan (Phase 2)

Targeted for completion - End 2004

Future – Artiste Impression



Artist Impression of Walkway on Level 1



Artist Impression of Front Entrance

J8 – L1 enhancement plan (Phase 2)

Before



**Future
Artist Impression**



Funan The IT Mall

Funan - Repositioning

- Refining and strengthening of retail and tenancy mix in progress
- While maintaining mall's IT focus, complementary uses and more F&B outlets have been introduced to enhance the retail offer
- More established tenants and brand-name retail stores/F&B outlets

Tenants who have commenced operations to-date include :

Cold Storage supermarket, Sony Square electronics, Ajisen noodle house, Sakae Sushi, Ya-kun, Vietro Mania, HomeFix, Andersen of Denmark Ice cream, Food Junction foodcourt, Swensen's, Office One as well as concept shops for BenQ, HP@Home, Sharp, Fujitsu, Sony, StarHub, Toshiba, and IBM 'Thinkshop'

Funan - Repositioning

New lifestyle tenants complete the retail offer



New tenant – Cold Storage



New tenant – Food Junction



New tenant – Ya Kun



New tenant – Swensens

Funan – Enhancement plan

- **Aim to bring in more**

- **tenants specializing in IT peripherals, electronics (including digital, photography and mobile equipment)**
- **a more comprehensive range of lifestyle tenants including sports and electronics**

- **Face lift for annex block includes:**

- **Glass façade with escalators to Levels 2 & 3**
- **Better connectivity to upper levels and better visibility for shops**

Funan – Now



Front Facade



Side Facade

Funan – Future enhancement plans



Artist Impression -
New Retail Units

Artist Impression - Facade



Artist Impression –
Ground level entrance



Artist Impression -
Escalators connecting
ground level to upper
levels



IMM Building

IMM - Enhancement plan

- **To optimize usage of retail space to increase property yield.**
 - By decanting units on levels 2 & 3 secondary corridors
 - Converting ancillary areas on level 1 to retail use
- **Create stronger circulation aisle, improved customer traffic linkages and direct access to carpark**
- **Outline Planning Permission obtained in Aug 03 for proposed asset enhancement works**
- **Targeting to commence asset enhancement works in 2005**

IMM - Asset enhancement plan

Decant level 5 warehouse space into other space	Convert retail space to warehouse space on levels 2 & 3	New retail space on level 1 & 2
<ul style="list-style-type: none"> Level 5 warehouse space to be transferred to level 2 & 3 as warehouse space Convert such level 5 space into car park 	<ul style="list-style-type: none"> Transfer levels 2 & 3 secondary retail NLA onto level 1 & 2 Convert such space on levels 2 & 3 into warehouse (transferred from level 5) 	<ul style="list-style-type: none"> Create new retail NLA on level 1 & 2 at the current ground level car park
<div> Level 5 NLA: 53,700 sft Avg. Rental: vacant </div>	<div> Level 3 NLA: 23,000 sft Avg. Rental: S\$6.50 psf </div> <div> Level 2 NLA: 30,700 sft Avg. Rental: S\$6.30 psf </div>	<div> Level 1 NLA: 32,700 sft Avg. Rental: S\$17.00 psf </div> <div> Level 2 NLA: 21,000 sft Avg. Rental: S\$14.00 psf </div>

IMM – Value creation

Summary of IMM asset enhancements

Net increase in Gross Rental :
 $(\$17.00 - \$6.50) \times 32,700\text{sqft} + (\$14.00 - \$6.30) \times 21,000$
= \$0.5m per mth or S\$6.0m pa

Gross Floor Area (sf)	Capital Expenditure	Start Date	Completion Date
53,700	S\$45m ¹	2005	End 2005

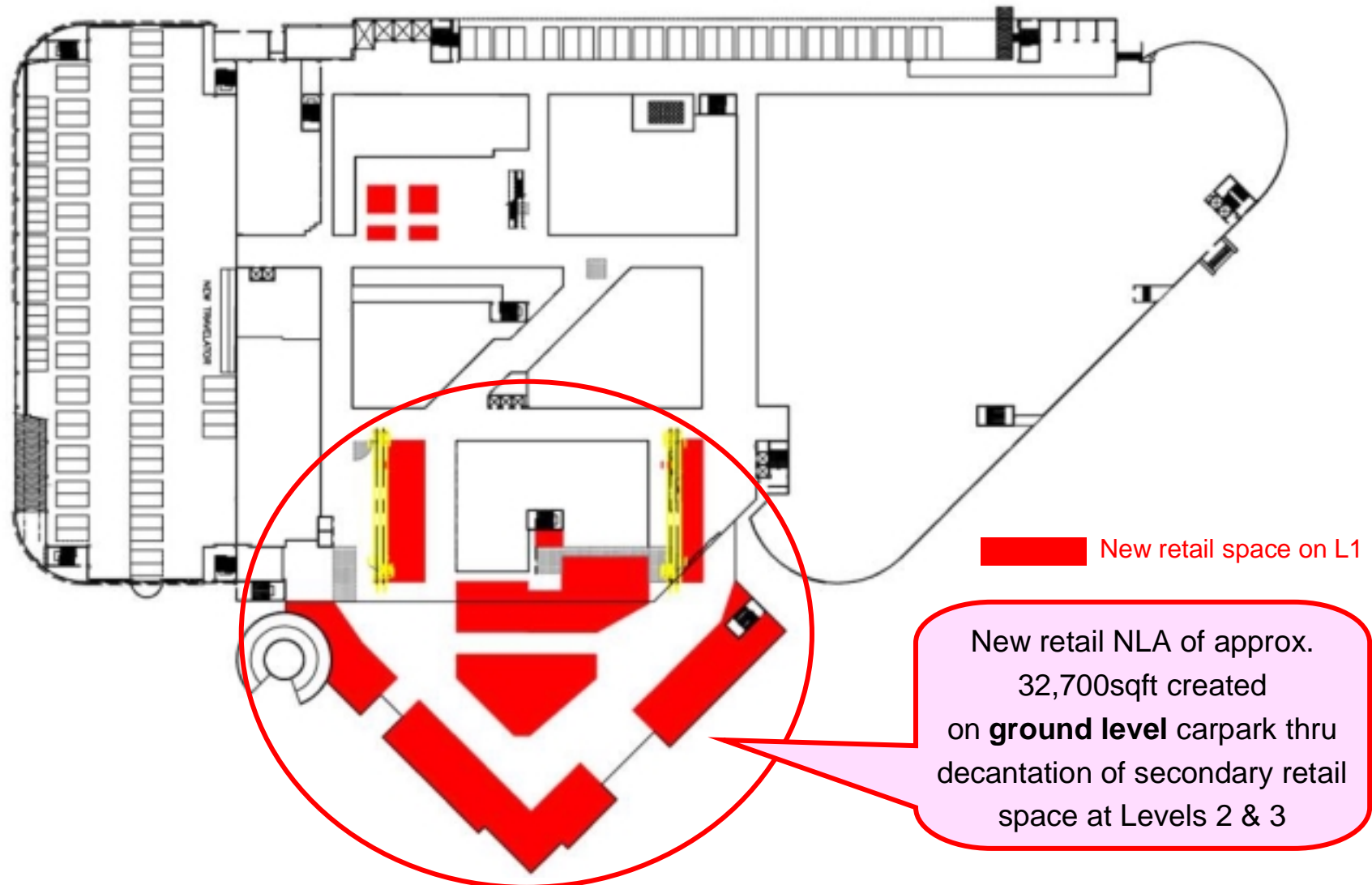
Gross Revenue (net of rental loss from decanted retail space)	S\$6.0m pa
Net Property Income	S\$4.8m pa
Return On Investment	11%
Capital Value (assumed at 7% capitalization rate)	S\$68.6m
Increase In Value (net of investment cost)	S\$23.6m

¹ Based on Manager's forecasts

IMM – L1 enhancement plan



IMM – L1 enhancement plan



IMM –L2 enhancement plan

