

BUSINESS

ESTIMATED AMOUNT RUSSIA HAS SPENT ON INFRASTRUCTURE, PROJECTS FOR WORLD CUP C2

Growth potential in Reits with foreign assets

But with added risks, Reit managers have to address investor concerns, say experts

Real estate investment trusts (Reits) with overseas assets present additional risks, but they also have better growth opportunities so managements are taking steps to allay investor concerns, according to experts at a panel discussion.

Speaking at the event, Mr Goh Toh Sim, chief executive of EC World Reit's manager, said: "Reits with Singapore assets have reached a point where it is rather hard to grow."

"With overseas assets, they allow investors to have opportunities to participate in the growth of overseas markets."

Mr Goh added that this is especially so for China, where his trust focuses on e-commerce logistics properties.

He noted that there has been a tremendous transformation of the Chinese economy and high growth in the e-commerce sector.

But Mr Goh also acknowledged that investors have a degree of uncertainty, in part due to unfamiliarity. They would also rarely have the chance to fly overseas to witness the properties themselves, he said.

He pointed out that his board – except for the chairman – is made up of Singaporeans and the manager is also based here.

He said: "We manage the assets –



(From left) Ms Nupur Joshi, CEO of the Reit Association of Singapore; Mr Sanjeev Dasgupta, CEO of Ascendas India Trust's trustee-manager; Mr Anthony Ang, CEO of Sasseur Reit's manager; Mr Geoff Howie, Singapore Exchange market strategist, and Mr Goh Toh Sim, CEO of EC World Reit's manager. PHOTO: SHAREINVESTOR

there's no hanky-panky. We make sure that we do proper due diligence, all by reputable due diligence consultants."

Mr Anthony Ang, chief executive of the manager of Sasseur Reit, which has outlet malls in China's second-tier cities, agreed that a management team in Singapore

90%

Percentage of their annual rental income that Reits in Singapore are required to distribute as dividends to unit holders.

helps with the uncertainty.

He noted that since the Reit is listed in Singapore, which has strict regulations, the team of local veterans ensures compliance to the rules.

Reits here must distribute at least 90 per cent of their annual rental income as dividends and have a gear-

ing cap – ratio of debt to assets – of 45 per cent.

Panelists at the Reits Symposium 2018 at the Suntec Singapore Convention & Exhibition Centre on Saturday also noted the foreign exchange concerns investors have with overseas assets.

Mr Sanjeev Dasgupta, chief execu-

tive of Ascendas India Trust's trustee-manager, said foreign exchange risk is a difficult challenge for the trust, given the volatility of the Indian rupee.

The firm owns tech parks and warehouses in India.

He added that its earnings are "consistently growing at a much faster pace" than the depreciation of the Indian rupee against the Singapore dollar.

Mr Dasgupta added that the trust tries to freeze the acquisition price when the property is at the development stage. This allows it a 15 to 20 per cent discount to market, which eventually translates into higher returns.

Earlier at the one-day symposium, OUE Hospitality Reit management chairman Lee Yi Shyan, who is also an MP for East Coast GRC, said Reits with overseas assets mirror the growing external economy of Singapore-based businesses.

Panel moderator Nupur Joshi, chief executive of the Reit Association of Singapore (Reitas), noted that nine out of the last 10 Reit initial public offerings (IPOs) have all their assets overseas.

Singapore Exchange market strategist Geoff Howie expects more of such listings.

"However, this is really on the back of what we have already. A strong Reit sector is a foundation for these kinds of IPOs," he said.

The symposium, now in its fourth edition, was jointly organised by Reitas and ShareInvestor, which is a unit of Singapore Press Holdings

Singapore Book Fair 2018

Lifestyle Workshops

Revitalise yourself by picking up a thing or two from the workshops!
There's something for everyone at the Singapore Book Fair 2018!

Tour de France Wine Trio

- Speaker: Li Shuo, Asian Champion of Left Bank Bordeaux Cup
- 27/5 7pm-9pm (In Mandarin)
- \$38/pax

"BREWING YOUR LIFE" by Hoshino Coffee

- 28/5 3pm-5pm
- \$20/pax

Experiencing Midori With Us

- Speaker: Carrie Chen, Founder of TEA BONE ZEN MIND
- 25/5 & 26/5 7pm-9pm
- 26/5 1pm-3pm (In Mandarin)
- \$28/pax

A Taste of Life

- Speaker: Taeko Tsukada, Sake Service Institute (SSI) International Certified Lecturer
- 26/5 3pm-430pm
- \$50/pax

Sake Appreciation & Food Pairing

- Speaker: Taeko Tsukada, Sake Service Institute (SSI) International Certified Lecturer
- 26/5 3pm-430pm
- \$50/pax

What is Craft Beer?

- Speaker: Ivan Yeo, Founder and Head Chef of The 1925
- 27/5 430pm-630pm
- \$20/pax

Get Creative Hands-on Workshop

- Experiencing Leathercraft**
 - Speaker: Derek Choo, Founder of CHOO-P Leathercraft
 - 29/5 1pm-4pm
 - \$57/pax
- Modern Dragon Scale Binding**
 - Speaker: Adelene Koh, Founder of dddots
 - 27/5 1pm-4pm
 - \$50/pax
- "Ready, Cassette, Go!" : Weave cassette tape into your self portrait**
 - Speaker: Jessica Chuan, Founder of Rehpyphen
 - 29/5 430pm-730pm
 - \$50/pax
- "Mountain Backing" Fengshui Desktop Organizer**
 - Speaker: Adrian Chua, Founder of Paper Carpenter
 - 27/5 11am-1230pm
 - \$20/pax

Relax Your Mind

- BOLD Bootcamp:** Movement-based / Stretch Class & HIIT
25/5 5pm-6pm
\$15/pax; \$20/2pax
- Traditional Chinese & Tui Na Workshop by Natureland**
 - 25/5 6pm-730pm (In Mandarin)
 - \$5/pax

Main Event Venue:
Workshop Zone
@ Capitol Piazza, B2

Scan the QR Code to register or find out more!