



SaizenREIT 
www.saizenreit.com.sg

Analysts and Media Presentation - Rights cum Warrants Issue

January 2009

***Prepared by Japan Residential Assets Manager Limited
(Manager of Saizen REIT)***

Disclaimer

- This presentation has been prepared by Japan Residential Assets Manager Limited (the “**Manager**”) as manager of Saizen Real Estate Investment Trust (“**Saizen REIT**”) in connection with the proposed renouncement non-underwritten rights issue of new units with free detachable and transferable warrants of Saizen REIT.
- This presentation is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities, nor should it or any part of it form the basis of, or be relied in any connection with, any contract, investment decision or commitment whatsoever.
- This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and unitholders of Saizen REIT (the “**Unitholders**”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.
- The value of units (the “**Units**”) of Saizen REIT and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Saizen REIT is not necessarily indicative of the future performance of Saizen REIT.
- Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing the Units on the SGX-ST does not guarantee a liquid market for the Units.

Summary of the Rights cum Warrants Issue

Issue Structure

Renounceable non-underwritten rights issue with free 3-year warrants

- **11 rights units for every 10 existing units**
- **1 free warrant for every rights subscribed for**
- **Up to 497,185,362 rights units and up to 497,185,362 warrants**
- **Price at S\$0.09 per rights unit**
- **Warrant exercise price at S\$0.09 per warrant**
- **Representing:**
 - **30.8% discount to last transacted price of S\$0.13 per unit on 31 Dec 08;**
 - **17.4% discount to theoretical ex-rights price**

Use of Proceeds

Rights proceeds: **SGD41.30 million net proceeds for repayment of loans and/or for general working capital purposes**

Warrants proceeds: **In the event all warrants are exercised, SGD44.75 million proceed will be for repayment of loans and/or for general operational purposes**

Undertaking Parties

Received undertakings from certain undertaking parties (at a fee) to ensure the entire rights issue is subscribed for

Reasons for the Rights cum Warrants Issue

- Operations have remained stable with current occupancy at 90% and steady rental rates
- Credit markets have significantly deteriorated in the past 4 months
- Financing has become less available; and lenders demanding lower leverage

Reasons for the Rights cum Warrants Issue

– Loan Maturity Schedule

Company	Maturity date	Loan Amount JPY (million)	Property Value as at 30 June 2008 JPY (million)
YK Shinzan	Jan 2009	3,916.0*	5,673.0
YK JOF	Apr 2009	1,365.1*	2,559.0
YK Kokkei	Nov 2009	822.0	1,657.0
YK Shintoku	Nov 2009	7,953.0	11,673.5
YK Shingen	Dec 2009	4,620.0	10,901.4
YK Keizan	Apr 2010	1,536.3	3,181.4
GK Chosei	May 2011	480.0	685.0
GK Choan	Jun 2011	5,900.0	11,968.0
GK Chogen	Mar 2023	350.0	764.0
		26,942.4	49,062.3

CMBS

- Tokyo-based financial institution

- European bank

- Japan regional bank

* Has sufficient cash-on-hand to repay loans

Loans in discussion for refinancing

Reasons for the Rights cum Warrants Issue

- Fire sale of property at current market environment is unpractical / not feasible
- Equity fund raising is necessary; and rights issue is the fairest means given price of steep discounts to NAV
- Aim to remove refinancing risks of loans due in the next 30 months
- Rights issue is conditional upon obtaining satisfactory financing

Dividends

- Original policy, semi-annually
- As a temporary measure to conserve cash, the Manager may consider significantly reducing, or suspending dividend payouts in cash
- Exploring scrip-only dividend scheme
- At current price and based on historical dividend, yield is over 20% after taking into account subscription of rights and enlarged share capital

Key Events

- **Announcement of the Rights cum Warrants Issue**
- **Obtaining regulatory approvals**
- **Obtaining satisfactory refinancing**
- **Despatch of circular**
- **Dealing in Units on ex-rights basis**
- **EGM**
- **Books Closure Date**
- **Despatch of Offer Information Statement**
- **Dealings of nil-paid rights**
- **Acceptance of rights units and application for excess rights units**
- **Issuance of rights units**
- **Commencement of dealings in rights units**