



**SaizenREIT**   
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***Presentation -  
Update on Rights cum Warrants Issue***

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

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# 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

- Increase the equity capital base of Saizen REIT to facilitate the refinancing of CMBS loans
- Rights issue is fairest means of equity fund raising
- Aim to protect value of Saizen REIT's assets from CMBS loans refinancing risk
- Ensures survival even if loan markets continue to deteriorate

# Current Development

- Credit markets have further deteriorated since beginning of year
- Financial adviser appointed to assist in syndicated loan financing for a major portfolio
- Securing short-term bridging facilities to repay smaller CMBS loans with the aim to unencumbering properties
- Seeking to negotiate with CMBS holders for possible loan maturity extension

## Benefits of the Rights cum Warrants Issue

- With (i) proceeds from Rights cum Warrants Issue; (ii) cash-on-hand; (iii) operational cash flow conserved; and (iv) short term bridging facilities (not more than S\$10 million), Saizen REIT is expected to fully repay five out of six CMBS loans maturing in end 2009 and early 2010
- Repayment of these five CMBS loans could unencumber properties with value of up to JPY24.0 billion (S\$382 million) (based on valuation as at 30 June 2008); rendering these properties free from refinancing risks
- Short term bridging facilities can be repaid within one year using operational cash flow

# Progress of Rights cum Warrants Issue

- Regulatory approval in progress
- Circular expected to be despatched by end March 2009
- Unitholders' meeting expected in mid April 2009
- Rights cum Warrants Issue to commence in end April/ early May 2009