



**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)***

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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

- 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
		<b>26,942.4</b>	<b>49,062.3</b>

*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**