



**SaizenREIT)** 最善

**2016 AGM Presentation**

October 2016

[www.saizenreit.com.sg](http://www.saizenreit.com.sg)

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- 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 SGX-ST. Listing the Units on the SGX-ST does not guarantee a liquid market for the Units.

# Key Financial Information

Number of Units in issue as at 17 October 2016	287,024,902
NAV attributable to Unitholders as at 30 June 2016 <sup>(1)(2)</sup>	S\$31.8 million
NAV per Unit as at 30 June 2016 <sup>(2)</sup>	S\$0.1106
NAV attributable to Unitholders as at 30 September 2016 <sup>(3)</sup>	S\$9.5 million
NAV per Unit as at 30 September 2016 <sup>(3)</sup>	S\$0.0332
Estimated liquidation value per Unit as at 30 September 2016	S\$0.0237
Unit price (closing price as at 17 October 2016)	S\$0.057

**Notes:**

- (1) Following the completion of the disposal of its entire portfolio of real estate assets in March 2016 (the “Disposal”), Saizen REIT had no investment properties and its net assets comprised predominantly cash, which was substantially denominated in S\$*
- (2) Computed based on exchange rate of JPY 76.3/S\$ as at 30 June 2016*
- (3) The decrease in net asset value was mainly due to the distribution of S\$0.0750 per Unit paid to Unitholders in September 2016*

# FY2016 Overview

- **Pre-Disposal property operations remained relatively stable**
  - Average occupancy rate of 91.3% (FY2015: 90.6%) and tenant turnover rate of 15.0% (FY2015: 17.0%)
  - Income distribution of S\$0.0283 per Unit for the six-months period ended 31 December 2015 was paid to Unitholders on 29 March 2016
- **The Disposal**
  - Saizen REIT completed the Disposal of its entire portfolio of 136 properties on 4 March 2016
  - A substantial amount of the net proceeds from the Disposal was paid to Unitholders via a special distribution of S\$1.056 per Unit on 28 March 2016

# Timeline of Key Events

Timeline	Event
31 Oct 2015	Entered into a conditional agreement for the Disposal of entire portfolio of real estate assets
1 Mar 2016	Disposal approved at an extraordinary general meeting (“EGM”)
<b>4 Mar 2016</b>	<b>Disposal completed and Saizen REIT became a cash trust</b>
28 Mar 2016	Payment of a special distribution of <b>S\$1.056 per Unit</b>
29 Mar 2016	Payment of income distribution of <b>S\$0.0283 per Unit</b>
5 Jul 2016	Announced receipt of written proposal
15 Aug 2016	Entered into Framework Agreement for the Properties Acquisition and RTO
23 Sep 2016	Payment of further capital distribution of <b>S\$0.0750 per Unit</b>
<b>10 Oct 2016</b>	<b>Entered into Implementation Agreement for the Properties Acquisition and RTO</b>

**Proposed acquisition of industrial properties in  
Australia  
(the “Properties Acquisition”)**

**and the**

**Reverse takeover of Saizen REIT by Sime Darby  
Property Singapore Limited (“SDPSL”)  
(the “RTO”)**

# Important Note

All information in this document is qualified in its entirety by, and should be read in conjunction with, the full text of Saizen REIT's announcement dated 10 October 2016 and titled "*Implementation Agreement in connection with the Proposed Acquisition by Saizen REIT of Industrial Properties in Australia and the Reverse Takeover of Saizen REIT by Sime Darby Property Singapore Limited*" (the "**Announcement**").

Unitholders are advised to read the Announcement carefully and to exercise caution when dealing in the Units.

# Effects on Existing Unitholders

## ▪ Unitholdings

- Existing Unitholders will retain their existing Units and continue to have an interest in Saizen REIT
- Existing Unitholders are expected to make up about 3.4% of the post-RTO unitholding structure
- A Unit consolidation is expected to take place in connection with the RTO

## ▪ Return of liquidation value

- Up to **S\$0.0237 per Unit<sup>1</sup>** will be distributed to existing Unitholders prior to issuance of new Units
- This amount represents the estimated total cash of Saizen REIT at liquidation which Unitholders would have expected to receive in a liquidation scenario

1. Based on the estimated liquidation value of S\$0.0987 per Unit as announced on 15 July 2016, and adjusted for the capital distribution of S\$0.0750 per Unit which was paid on 23 September 2016.

# Rationale

- **Realise value of Saizen REIT as listing vehicle following Disposal**
  - Unitholders have received a substantial portion of the estimated liquidation value (**S\$1.056 per Unit** in March 2016 and **S\$0.0750 per Unit** in September 2016), and can expect to receive all of remaining liquidation value (up to **S\$0.0237 per Unit**) prior to the issuance of new Units
  - Issue price of new Units (**S\$0.03604 per Unit**) represents **additional value of listed platform** for existing Unitholders **after the distribution of liquidation value**
- **Create value for and enhance long-term interests of Saizen REIT and Unitholders**
  - Change in investment strategy to industrial properties, under master lease with triple-net lease structure and fixed annual rental escalations
  - Venture into new business area under stewardship of Sime Darby Berhad as sponsor, backed by the established dealership business of Hastings Deering

# Key Terms

<b>Properties</b>	<p>20 industrial properties in Queensland and Northern Territory, Australia</p> <ul style="list-style-type: none"> <li>land area of approximately 1 million sqm</li> <li>strategically located in established industrial precincts and suburbs close to major cities and towns in key mining areas</li> </ul>
<b>Purchase consideration</b>	<p><b>A\$355.8 million</b> (at valuation<sup>1</sup>) to be satisfied through:</p> <ul style="list-style-type: none"> <li>issuance of <u>new</u> Units at <b>S\$0.03604 per Unit</b></li> <li>cash proceeds from external bank financing</li> </ul> <p>(with a mechanism to adjust for foreign exchange fluctuations)</p>
<b>Vendors</b>	<p>Hastings Deering (Australia) Limited (“<b>HDAL</b>”) and Austchrome Pty Ltd (both are indirect wholly-owned subsidiaries of Sime Darby Berhad)</p>
<b>REIT Sponsor</b>	<ul style="list-style-type: none"> <li>Sime Darby Berhad (listed on Bursa Malaysia)</li> <li>Sponsor ROFR for properties which fall within the investment mandate of the enlarged Saizen REIT</li> </ul>

1. Based on higher of independent valuations conducted by Savills Valuation and Professional Services (S) Pte Ltd and Jones Lang LaSalle Advisory Services Pty Ltd for each property as at 30 September 2016

# Key Terms

## Master Lessee

- Hastings Deering Property Services Pty. Ltd.
- Wholly-owned subsidiary of HDAL, one of the largest Caterpillar dealers in the world and a core business of Sime Darby Berhad

## Master Lease

- Weighted average lease expiry of 16.7 years<sup>1</sup>

No. of properties	Term of Lease (years)	Renewal option (years)
12	20	10+10+10
7	5	5+5+5
1	2	1

- Triple-net lease structure
- Annual rental escalations of 1.50% in first 3 years and 2.75% thereafter
- 12-month security deposit in the form of banker's guarantee
- Corporate guarantee from Sime Darby Eastern Limited for initial lease term and letter of support from Sime Darby Industrial Holdings Sdn Bhd

1. Based on gross rental income

# Sponsor Group

Entity	Sponsor Group's effective interest	Role
Sime Darby Berhad	-	REIT Sponsor Sponsor ROFR <sup>(1)</sup>
Sime Darby Property Singapore Limited <sup>(2)</sup>	100%	Controlling REIT Unitholder <sup>(3)</sup>
Sime Darby Industrial Holdings Sdn Bhd <sup>(4)</sup>	100%	Letter of support for master lease guarantor
Sime Darby Eastern Limited <sup>(5)</sup>	100%	Master lease guarantor
Hastings Deering (Australia) Limited	100%	Seller of 19 properties Caterpillar dealership business
Hastings Deering Property Services Pty Ltd <sup>(6)</sup>	100%	Master Lessee
Austchrome Pty Ltd <sup>(6)</sup>	100%	Seller of 1 property

1. A right of first refusal granted by the Sponsor over any of the Sponsor's assets which falls within the investment mandate of the enlarged Saizen REIT post-RTO
2. Sime Darby Property Singapore Limited is an indirect wholly-owned subsidiary of Sime Darby Berhad
3. Sime Darby Property Singapore Limited or its nominee(s) shall hold no less than 25% of the enlarged Saizen REIT post-RTO
4. Sime Darby Industrial Holdings Sdn Bhd is a direct wholly-owned subsidiary of Sime Darby Berhad
5. Sime Darby Eastern Limited is a direct wholly-owned subsidiary of Sime Darby Industrial Holdings Sdn Bhd
6. Hastings Deering Property Services Pty Ltd and Austchrome Pty Ltd are direct wholly-owned subsidiaries of Hastings Deering (Australia) Limited

# Key Terms

<b>Indicative post-RTO Unitholding structure</b>	<ul style="list-style-type: none"><li>• SDPSL or its nominee(s) : not less than <b>25.0%</b></li><li>• Existing Unitholders : approximately <b>3.4%</b></li><li>• New investors : approximately <b>71.6%</b></li></ul>
<b>JRAM Sale</b>	<ul style="list-style-type: none"><li>• SDPSL will acquire 80.0% of shares of the Manager, with an option to acquire the remaining 20.0%</li><li>• Replacement of Board and management team of Manager after EGM</li></ul>

# Indicative Timeline <sup>(1)</sup>

Timeline	Event
10 Oct 2016	Entry into Implementation Agreement
Oct – Dec 2016	Complete due diligence and obtain regulatory approvals
By early Dec 2016	Issuance of Circular to Unitholders
By 31 Dec 2016	EGM to seek Unitholders' approval of resolutions relating to the Properties Acquisition and the RTO
<i>1 Business day after EGM</i>	Replacement of Board and management team of the Manager with directors and key executives nominated by SDPSL
31 Jan 2017	Long-stop date for fulfilment of conditions precedent
<i>1 Business day after fulfilment of conditions precedent</i>	Completion of the Properties Acquisition and the RTO

1. Please note that this indicative timeline is subject to change and further details on the timeline will be provided in the Circular to Unitholders and announced as appropriate.

# Cautionary notice

- Information on forecast distribution yields are not available in this document and will be provided in the Circular to be issued to Unitholders. In the absence of such information, Unitholders and potential investors are advised to exercise caution in the trading of their Units.
- Completion of the Properties Acquisition and the RTO is subject to, *inter alia*, completion of satisfactory due diligence, regulatory approvals, approval from Unitholders, and the fulfilment of the conditions precedent. There is no certainty and assurance as at the date hereof that the Properties Acquisition and the RTO will be completed on time or at all or that no changes will be made to the terms thereof.
- Unitholders and potential investors are advised to exercise caution in the trading of their Units. Unitholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.



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Thank You