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## DISPOSAL OF SAIZEN REIT'S ENTIRE PORTFOLIO OF REAL ESTATE ASSETS IN JAPAN - FINAL ADJUSTMENTS

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*Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the circular to unitholders of Saizen REIT dated 5 February 2016 (the "**Circular**"), the announcement dated 26 February 2016 and titled "Agreed Cost of Remediation Works to the Properties", and the announcement dated 4 March 2016 and titled "Completion of the Proposed Transaction in relation to Saizen REIT's Entire Portfolio of Real Estate Assets in Japan" (collectively, the "**Transaction Announcements**").*

Further to the Circular and the Transaction Announcements, the Manager wishes to announce that pursuant to the terms of the TK Interest Assignment Agreement, the Trustee and Triangle TMK have agreed on and finalised the post-Completion adjustments to the Purchase Consideration<sup>1</sup>, with the final cash settlement to be made on 5 April 2016<sup>2</sup>.

It should be noted that transaction-related expenses has increased from previous estimates, due mainly to the following:

- (i) an increase in finance costs related to the early termination of loans and the cancellation of swap arrangements of JPY115.4 million (equivalent to S\$1.3 million<sup>3</sup> or S\$0.005 per Unit), due partly to the adoption of a negative interest rate policy by the Bank of Japan; and
- (ii) adjustments for tax-related liabilities of JPY60.0 million (equivalent to S\$0.7 million or S\$0.002 per Unit).

Accordingly, the cash balance of Saizen REIT of approximately S\$25.7 million or S\$0.09 per Unit as set out in the Circular (after deducting the Special Distribution, the Supplemental Payment to the Manager, previously estimated transaction-related expenses and post-

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<sup>1</sup> Such adjustments to the Purchase Consideration include adjustments for tenant security deposits and any property-related liabilities, outstanding loans (including break funding costs and swap cancellation costs), property tax and other tax-related liabilities, utilities and public charges.

<sup>2</sup> Following the final cash settlement, Saizen REIT no longer has any cash that is held under escrow in Japan.

<sup>3</sup> Based on the illustrative exchange rate of S\$1.00 to JPY86.8684, which is applied throughout this announcement.

Completion expenses, and **excluding** distributable income accrued from 1 January 2016 to 4 March 2016) will be reduced by the abovementioned increases in expenses.

For the avoidance of doubt, the limitation for claims that Triangle TMK may make during the liability claim period (which is up to four months after Completion) remains at 5.0% of the Purchase Consideration under the TK Interest Assignment Agreement<sup>4</sup>.

## **BY ORDER OF THE BOARD**

Mr Joey Goh

Executive Director and Chief Executive Officer

Japan Residential Assets Manager Limited

(Company Registration No. 200712125)

As Manager of Saizen Real Estate Investment Trust

1 April 2016

## **IMPORTANT NOTICE**

The value of units in Saizen REIT ("**Units**") 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 Units is subject to investment risks, including the possible loss of the principal amount invested.

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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Saizen REIT is not necessarily indicative of the future performance of Saizen REIT.

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<sup>4</sup> This maximum limit applies to the aggregate amount of all claims under the TK Interest Assignment Agreement, including the claims for tax-related liabilities, the Final Remediation Cost, and any other claims for breaches in representations and warranties and other obligations of the Trustee under the TK Interest Assignment Agreement.