

MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH IN ACCORDANCE WITH RULE 1018(1) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

Saizen Real Estate Investment Trust (“**Saizen REIT**”) completed the disposal of its entire portfolio of real estate assets in Japan (the “**Disposal**”) on 4 March 2016. Saizen REIT is currently a cash trust, with no operating business following the Disposal. On 10 October 2016, an implementation agreement was entered into for the proposed acquisition by Saizen REIT of industrial properties in Australia (the “**Properties Acquisition**”) and the reverse takeover of Saizen REIT (the “**RTO**”) (the Properties Acquisition and the RTO, together being the “**Proposed RTO Transaction**”). Unitholders of Saizen REIT (“**Unitholders**”) will retain their existing units in Saizen REIT (“**Units**”) under the Proposed RTO Transaction, and can expect to receive distributions of up to **S\$0.0237 per Unit¹**, representing the estimated total cash of Saizen REIT at liquidation in a liquidation scenario, prior to the issuance of any new Units pursuant to the Properties Acquisition. Please refer to paragraph 3 of this announcement for further details.

Pursuant to Rule 1018(1) of the SGX-ST Listing Manual, the Board of Directors of Japan Residential Assets Manager Limited, the manager of Saizen REIT (the “**Manager**”), wishes to announce the following updates:

- The assets and liabilities of Saizen REIT as at 30 September 2016 are as follows:

	<u>S\$’000</u>
Assets	
Cash and cash equivalents	9,486
Other receivables ⁽¹⁾	224
Prepayments	21
	<u>9,731</u>
Liabilities	
Other current liabilities ⁽²⁾	205
	<u>205</u>
Net assets	<u>9,526</u>
Net asset value per Unit (S\$) ⁽³⁾	0.0332

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.

Notes:

- (1) This comprises mainly (i) receivables relating to the reimbursement of transaction-related expenses in respect of the Proposed RTO Transaction, and (ii) goods and services tax receivable, which relates mainly to input tax claimable for expenses incurred in relation to the Disposal.
- (2) This relates mainly to accruals for operating expenses.
- (3) Based on 287,024,902 Units in issue.

2. Saizen REIT's utilisation of cash in the month of September 2016 is as follows:

	<u>S\$'000</u>
Opening cash and cash equivalents at 1 September 2016	31,966
Interest income	1
Capital distribution of S\$0.075 per Unit	(21,527)
Legal and professional fees ⁽¹⁾	(447)
Manager's cost recovery ⁽²⁾	(290)
Administration and miscellaneous expenses	(26)
Exchange difference ⁽³⁾	(191)
Closing cash and cash equivalents as at 30 September 2016	<u>9,486</u>

Notes:

- (1) This relates mainly to legal expenses incurred in connection with the Proposed RTO Transaction as well as audit fees.
- (2) This relates to operational expenses of the Manager (comprising mainly staff remuneration, director fees, office rental and administrative expenses), which are claimed from Saizen REIT on a cost-recovery basis. The amount paid in September 2016 comprised the Manager's operational expenses incurred for the 2 months of August 2016 and September 2016.
- (3) This relates to the settlement of a forward contract in September 2016. The forward contract was previously entered into in September 2015 to partially hedge Saizen REIT's JPY-S\$ exposure.

3. Quarterly updates of milestones in obtaining a new business

On 10 October 2016, Saizen REIT (through the Manager) entered into an implementation agreement in connection with the Proposed RTO Transaction. The purchase consideration for the Properties Acquisition is **A\$355,800,000** (S\$369,747,360)², which shall be satisfied through (i) the issuance of new Units at an issue price of **S\$0.03604 per Unit** and (ii) cash proceeds from external bank financing.

² Based on an exchange rate of A\$1.00 to S\$1.0392 as at 7 October 2016.

Please refer to 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" for further details.

The completion of the Proposed RTO Transaction 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 Proposed RTO Transaction will be completed or that no changes will be made to the terms thereof, and Unitholders and investors are advised to exercise caution in the trading of their Units.

Saizen REIT will make the necessary announcements when there are further developments in respect of the Proposed RTO Transaction.

All figures provided in this announcement have not been reviewed or audited by Saizen REIT's auditors.

By Order of the Board
Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust

Joey Goh (Mr.)
Chief Executive Officer
14 October 2016

Important Notice

The value of 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 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.