

Saizen Real Estate Investment Trust

(A real estate investment trust constituted on 27 September 2007 under the laws of the Republic of Singapore (as amended))

Announcement In Relation To The Unaudited Financial Statements For The First Quarter Ended 30 September 2016

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INTRODUCTION

Proposed reverse takeover transaction

On 10 October 2016, Saizen Real Estate Investment Trust (“**Saizen REIT**”), through Japan Residential Assets Manager Limited (as manager of Saizen REIT) (the “**Manager**”), entered into an implementation agreement (“**Implementation Agreement**”) in relation to the proposed acquisition by Saizen REIT of industrial properties in Australia (the “**Properties Acquisition**”) and the reverse takeover of Saizen REIT by Sime Darby Property Singapore Limited (“**SDPSL**”), an indirect wholly-owned subsidiary of Sime Darby Berhad (the “**RTO**”) (the Properties Acquisition and the RTO, together being the “**Proposed RTO Transaction**”).

The purchase consideration for the Properties Acquisition was agreed to be A\$355,800,000 (S\$369,747,360¹), which shall be satisfied through (i) the issuance of new units in Saizen REIT (“**Units**”) at an issue price of **S\$0.03604 per Unit**; and (ii) cash proceeds from external bank financing.

Existing unitholders of Saizen REIT (“**Unitholders**”) will retain their existing Units and can expect to receive distributions of up to **S\$0.0237 per Unit**² (the “**Remaining Proceeds Distributions**”), 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 Proposed RTO Transaction.

Following the completion of the Proposed RTO Transaction, it is envisaged that SDPSL or its nominee(s) (the “**SD Unitholding Co**”) will hold no less than 25.0% of the enlarged Saizen REIT’s total Units in issue.

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” (the “**Implementation Agreement Announcement**”) for further details.

In this respect, Provenance Capital Pte. Ltd. has been appointed as independent financial adviser (“**IFA**”) to advise the independent Directors of the Manager and the Audit Committee (as the case may be) in respect of the Whitewash Resolution³ and the Proposed IPT Transactions⁴. The advice of the IFA in respect of the Whitewash Resolution and Proposed IPT Transactions will be set out in the circular to be issued to Unitholders in connection with the Proposed RTO Transaction (the “**RTO Circular**”).

Progress update

The Proposed RTO Transaction is subject to the fulfilment of conditions precedent, including relevant Australian regulatory approvals and the approval from Unitholders at an extraordinary general meeting to be convened by 31 December 2016 (the “**RTO EGM**”). While work on the Proposed RTO Transaction is still in progress, the Manager and SDPSL are assessing the possibility of an extension to the timeline as it appears that the transaction process is taking a longer time than originally envisaged. The Manager will continue to keep Unitholders updated of further developments in this regard by making the relevant announcements when appropriate.

Unitholders are advised to exercise caution in the dealing or trading of their Units in Saizen REIT. There is no certainty and assurance as at the date of this announcement that the Proposed RTO Transaction will be completed or that no changes will be made to the terms thereof.

Summary of results

Saizen REIT completed the disposal of its entire portfolio of real estate assets (the “**Disposal**”) on 4 March 2016. A substantial amount of the proceeds from the Disposal was paid to Unitholders via a special (capital) distribution of S\$1.056 per Unit in March 2016, and a further capital distribution of S\$0.0750 per Unit in September 2016.

Saizen REIT currently exists as a cash trust with no operating business following the Disposal. Substantially all of Saizen REIT's cash holdings as at 30 September 2016 is denominated in S\$.

Unitholders should note that Saizen REIT's financial results for the first quarter ended 30 September 2016 ("1Q FY2017") and the preceding quarter ended 30 June 2016 ("4Q FY2016") reflect Saizen REIT's operations as a cash trust and are not comparable with Saizen REIT's financial results for the quarter ended 30 September 2015 ("1Q FY2016").

A total loss of approximately S\$0.7 million was recorded in 1Q FY2017, due mainly to cost-recovery claims for the operational costs of the Manager of approximately S\$0.4 million and other trust and administrative expenses of approximately S\$0.3 million.

Net asset value attributable to Unitholder decreased from S\$31.7 million as at 30 June 2016 to S\$9.5 million as at 30 September 2016, attributable mainly to the payment of a capital distribution of S\$0.0750 per Unit to Unitholders in September 2016. Net asset value per Unit decreased from S\$0.1106 as at 30 June 2016 to S\$0.0332 as at 30 September 2016.

Following the Disposal, S\$ has been adopted as the functional currency of Saizen REIT for the financial year ending 30 June 2017.

The following is a summary of Saizen REIT's operating performance for 1Q FY2017, 1Q FY2016 and 4Q FY2016.

	1Q FY2017 ⁵	1Q FY2016	4Q FY2016 ⁵
Gross revenue (S\$'000)	-	11,099	-
Net property income (S\$'000)	-	7,589	-
Net (loss) / income from operations (S\$'000)	(664)	4,880	2,801 ⁶

Notes:

1. Based on an exchange rate of A\$1.00 to S\$1.0392 as at 7 October 2016.
2. 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.
3. Unitholders will have to approve a resolution for a waiver of their right to receive a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers from SD Unitholding Co and its concert parties at an extraordinary general meeting to be convened to approve the Proposed RTO Transaction.
4. The Proposed IPT Transactions are defined and set out in the Implementation Agreement Announcement.
5. Following the completion of the Disposal on 4 March 2016, Saizen REIT had no property operations during 1Q FY2017 and 4Q FY2016.
6. Net income from operations of S\$2.8 million in 4Q FY2016 was mainly due to an operating income arising from a reversal of finance costs (which was previously recognised in 3Q FY2016) to a non-operating (fair value) item in 4Q FY2016.

Background of Saizen REIT

Saizen REIT, listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 9 November 2007, was the first REIT listed in Singapore offering exclusive access to Japanese residential real estate, with the principal investment objective of investing in a diversified portfolio of income-producing real estate located in Japan, which is used primarily for residential and residential-related purposes, and real estate-related assets in connection with the foregoing.

On 4 March 2016, Saizen REIT completed the Disposal of its entire portfolio of real estate assets (comprising 136 properties). Saizen REIT currently exists as a cash trust.

INFORMATION REQUIRED FOR ANNOUNCEMENTS**1(a) Statement of total return (for the Group) (1Q FY2017 vs 1Q FY2016)**

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)	Increase / (Decrease) %
Gross revenue	-	11,099	(100.0)
Property operating expenses	-	(3,510)	(100.0)
Net property income	-	7,589	(100.0)
Manager's cost recovery / management fees	(414)	(617)	(32.9)
Asset management fees	-	(100)	(100.0)
Trustee's fee	(30)	(37)	(18.9)
Finance costs ¹	-	(606)	(100.0)
Interest income	22	13	69.2
Other income/(expenses) ²	44	(564)	NM ³
Other trust expenses	(49)	(369)	(86.7)
Other administrative expenses	(237)	(429)	(44.8)
Net (loss)/income from operations	(664)	4,880	NM ³
Gain on divestment of property	-	521	(100.0)
Net fair value loss on financial derivatives - fair value through profit or loss ⁴	(29)	(1,637)	(98.2)
Net fair value loss on investment properties	-	(785)	(100.0)
Total (loss)/return for the period before income tax⁵	(693)	2,979	NM ³
Income tax	(3)	(606)	(99.5)
Total (loss)/return for the period after income tax	(696)	2,373	NM ³
Attributable to:			
Unitholders	(696)	2,320	NM ³
Non-controlling interests	-	53	(100.0)
	(696)	2,373	NM ³

Notes:

1. Finance costs comprised the following:

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)	Increase / (Decrease) %
(i) interest expenses	-	(1,013)	(100.0)
(ii) amortisation of loan commission	-	(148)	(100.0)
(iii) guarantor fee to asset manager	-	(86)	(100.0)
(iv) foreign exchange difference from financing	-	641	(100.0)

2. Other income/(expenses) comprised mainly unrealised foreign exchange gains/(losses) on the translation of bank balances for the preparation of the Group financial statements.

3. NM denotes not meaningful.

4. Fair value gain/(loss) on financial derivatives comprised the following:

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)	Increase / (Decrease) %
(i) realised loss (payment) on interest rate swap	-	(234)	(100.0)
(ii) unrealised fair value loss on interest rate swap	-	(129)	(100.0)
(iii) fair value loss on forward contract	(29)	(1,274)	(97.7)

5. The Group's total (loss)/return before income tax was arrived at after charging the following:

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)	Increase / (Decrease) %
(i) write back of trade receivables	-	6	(100.0)
(ii) trade receivables written-off	-	(3)	(100.0)

Statement of total return (for the Group) (1Q FY2017 vs 4Q FY2016)

	1Q FY2017 (S\$'000)	4Q FY2016 (S\$'000)	Increase / (Decrease) %
Manager's cost recovery	(414)	(619)	(33.1)
Trustee's fee	(30)	(26)	15.4
Finance costs ¹	-	5,537	(100.0)
Interest income	22	29	(24.1)
Other income/(expenses) ²	44	(2,188)	NM ³
Other trust (expenses)/income	(49)	204	NM ³
Other administrative expenses	(237)	(136)	74.3
Net (loss)/income from operations	(664)	2,801	NM³
Net fair value loss on financial derivatives			
- fair value through profit or loss ⁴	(29)	(5,711)	(99.5)
Gain on disposal of TK investment ⁵	-	85	(100.0)
Total loss for the period before income tax	(693)	(2,825)	(75.5)
Income tax	(3)	-	NM ³
Total loss for the period after income tax	(696)	(2,825)	(75.4)
Attributable to:			
Unitholders	(696)	(2,825)	(75.4)
Non-controlling interests	-	-	NM ³
	(696)	(2,825)	(75.4)

Notes:

1. Finance costs comprised the following:

	1Q FY2017 (S\$'000)	4Q FY2016 (S\$'000)	Increase / (Decrease) %
(i) cost of repayment	-	5,537	(100.0)

Realised loss (payment) on interest rate swap (arising from the cancellation of interest rate swap arrangements in connection with the Disposal) was classified as cost of refinancing/repayment in 3Q FY2016. This was reversed from finance costs and reclassified to fair value loss on financial derivatives in 4Q FY2016. Please also refer to note 4.

2. Other income/(expenses) comprised mainly unrealised foreign exchange gains/(losses) on the translation of bank balances for the preparation of the Group financial statements.
3. NM denotes not meaningful.
4. Fair value gain/(loss) on financial derivatives comprised the following:

	1Q FY2017 (S\$'000)	4Q FY2016 (S\$'000)	Increase / (Decrease) %
(i) realised loss (payment) on interest rate swap	-	(5,537)	(100.0)
(ii) fair value loss on forward contract	(29)	(174)	(83.3)

5. The gain on Disposal recorded in 4Q FY2016 was mainly due to amounts received from Triangle TMK in respect of post-completion adjustments during the period.

Statement of distributable income from operations

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)
Total (loss)/return for the period after income tax before distribution attributable to Unitholders	(696)	2,320
Adjustments ¹	(236)	2,071
Adjusted (loss)/return for the period	(931)	4,391
Cash deployed for loan principal repayment	-	(1,951) ²
Distributable (loss)/income generated during the period	(931)	2,440
Income distribution to Unitholders	NA ³	NA ³

Notes:

1. *Adjustments comprised mainly non-cash items. For 1Q FY2017, adjustments comprised mainly unrealised exchange differences relating to the fair value of a forward contract which was settled in September 2016. Adjustments for 1Q FY2016 were mainly relating to fair value loss/gain on forward contract, unrealised fair value gain/loss on interest rate swap, amortisation of loan commission, gain on divestment of properties, change in fair value of investment properties and unrealised exchange differences.*
2. *The amount deployed for loan principal repayment in 1Q FY2016 comprised mainly loan principal amortisation payments.*
3. *NA denotes not applicable.*

Capital distribution to Unitholders

Following the Disposal, Saizen REIT returned capital amounting to S\$1.056 per Unit to Unitholders in March 2016, and has declared and paid a further capital distribution of S\$0.0750 per Unit to Unitholders in September 2016.

Unitholders can expect to receive the Remaining Proceeds Distributions of up to S\$0.0237 per Unit, prior to the issuance of any new Units pursuant to the Proposed RTO Transaction. Further details of distribution payment(s) out of the Remaining Proceeds Distributions shall be announced as appropriate.

1(b)(i) Balance sheet

Following the completion of the Disposal on 4 March 2016, Saizen REIT does not have any subsidiaries or investments as at 30 June 2016 and 30 September 2016.

	The Group and Saizen REIT	
	As at 30 Sep 2016 (S\$'000)	As at 30 Jun 2016 (S\$'000)
Current assets		
Cash and cash equivalents	9,486	32,031
Trade and other receivables ¹	224	245
Prepayments	21	18
Total assets	<u>9,731</u>	<u>32,294</u>
Current liabilities		
Other current liabilities ²	205	356
Derivative financial instruments ³	-	190
Total liabilities	<u>205</u>	<u>546</u>
Total net assets	<u>9,526</u>	<u>31,748</u>
Represented by:		
Unitholders	<u>9,526</u>	<u>31,748</u>
Number of Units in issue ('000)	<u>287,025</u>	<u>287,025</u>
Net asset value per unit attributable to Unitholders (S\$)	<u>0.03</u>	<u>0.11</u>

Notes:

1. Trade and other receivables as at 30 September 2016 comprised 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. Trade and other receivables as at 30 June 2016 comprised mainly goods and services tax receivable.
2. Other current liabilities comprised mainly accruals for operating expenses.
3. The derivative financial instruments (current liabilities) as at 30 June 2016 comprised a forward contract which was previously entered in September 2015 to partially hedge Saizen REIT's JPY-S\$ exposure. This forward contract was settled in September 2016.

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

Saizen REIT has no borrowings or debt securities as at 30 June 2016 and 30 September 2016.

1(c) Cash flow statement (for the Group) (1Q FY2017 vs 1Q FY2016)

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)
Operating activities		
Total (loss)/return for the period after income tax	(696)	2,373
Adjustments for:		
Income tax	3	606
Interest income	(22)	(13)
Interest expenses	-	1,161
Net fair value loss on financial derivatives	29	1,637
Net fair value loss on investment property	-	785
Gain on divestment of properties	-	(521)
Unrealised foreign exchange loss	-	186
Operating (loss)/profit before working capital changes	(686)	6,214
Changes in working capital		
Deposit with cash management agents	-	(1)
Trade and other receivables	238	(16)
Other current assets	(221)	(75)
Other current liabilities	(152)	(846)
Other liabilities	-	57
Rental received in advance	-	258
Rental deposits	-	349
Cash (used in)/generated from operations	(821)	5,940
Income tax paid	(3)	(17)
Withholding tax paid	-	(1,047)
Cash flows (used in)/provided by operating activities	(824)	4,876
Investing activities		
Contribution from non-controlling interest	-	2
Capital expenditure/addition of investment properties	-	(6,846) ¹
Sale of investment property	-	4,862 ²
Cash flows used in investing activities	-	(1,982)
Financing activities		
Repayment of bank borrowings	-	(4,169) ³
Distribution to Unitholders	(21,527) ⁴	(5,570)
Interest received	25	13
Interest paid	-	(1,348)
Net settlement of interest rate swap and forward contracts	(219)	(7)
Bank deposits pledged for bank borrowings	-	(186) ⁵
Cash flows used in financing activities	(21,721)	(11,267)
Net decrease in cash and cash equivalents	(22,545)	(8,373)
Cash and cash equivalent at beginning of the period	32,031	54,214
Exchange rate translation reserve	-	2,971
Cash and cash equivalent at end of the period⁶	9,486	48,812

Notes:

1. This was mainly related to the acquisition of 1 property in August 2015.
2. This was related to the sale of 1 property in August 2015.
3. Repayment of bank borrowings in 1Q FY2016 comprised mainly (i) the partial repayment of loan of YK Shintoku (following the sale of a property); and (ii) loan principal amortisation payments.
4. This relates to the capital distribution of S\$0.0750 per Unit which was paid in September 2016.

5. This was related to the bank deposits which were previously pledged as collateral for advances drawn on cash-backed credit facilities. Following the repayment of advances drawn on the credit facilities, the bank deposits had been released from such pledge.
6. For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalent comprise the following:

	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)
Cash and bank balances (per balance sheet)	9,486	55,187
Less: Bank deposits pledged	-	(6,375)
	<u>9,486</u>	<u>48,812</u>

Bank deposits pledged related to minimum bank balances which had to be maintained previously under the terms of certain loans prior to the Disposal.

1(d)(i) Statement of changes in Unitholders' funds

<u>The Group</u>	1Q FY2017 (S\$'000)	1Q FY2016 (S\$'000)
OPERATIONS		
Balance as at beginning of the period	(174,257)	(150,427)
Total (loss)/return for the period	(696)	2,320
Distribution to Unitholders	-	(8,310)
Balance as at end of period	<u>(174,953)</u>	<u>(156,417)</u>
UNITHOLDERS CONTRIBUTION		
Balance as at beginning of the period	218,394	518,550
Distribution to Unitholders ¹	(21,526)	-
Issue of new Units pursuant to the Distribution Reinvestment Plan	-	2,770
Direct issuing cost against equity	-	(30)
Balance as at end of period	<u>196,868</u>	<u>521,290</u>
EXCHANGE RESERVES		
Balance as at beginning of the period	(12,389)	(44,365)
Exchange differences arising on translation	-	27,142
Balance as at end of period	<u>(12,389)</u>	<u>(17,223)</u>
TOTAL ATTRIBUTABLE TO UNITHOLDERS	<u>9,526</u>	<u>347,650</u>
NON-CONTROLLING INTERESTS		
Balance as at beginning of the period	-	1,614
Exchange differences arising on translation	-	142
Total return for the period	-	53
Balance as at end of period	<u>-</u>	<u>1,809</u>
TOTAL	<u>9,526</u>	<u>349,459</u>

Note:

1. This relates to the capital distribution of S\$0.0750 per Unit which was paid in September 2016.

Saizen REIT	1Q FY2017	1Q FY2016
	(S\$'000)	(S\$'000)
OPERATIONS		
Balance as at beginning of the period	(195,643)	(171,899)
Total (loss)/return for the period	(696)	721
Distribution to Unitholders	-	(8,310)
Balance as at end of period	(196,339)	(179,488)
UNITHOLDERS CONTRIBUTION		
Balance as at beginning of the period	235,187	538,716
Distribution to Unitholders ¹	(21,526)	-
Issue of new Units pursuant to the Distribution Reinvestment Plan	-	2,770
Direct issuing cost against equity	-	(30)
Balance as at end of period	213,661	541,456
EXCHANGE RESERVES		
Balance as at beginning of the period	(7,796)	(43,138)
Exchange differences arising on translation	-	27,056
Balance as at end of period	(7,796)	(16,082)
TOTAL ATTRIBUTABLE TO UNITHOLDERS	9,526	345,886

Note:

1. This relates to the capital distribution of S\$0.0750 per Unit which was paid in September 2016.

1(d)(ii) Details of changes in the Units

	1Q FY2017	1Q FY2016
	(Units)	(Units)
Issued Units as at beginning and end of period	287,024,902	287,024,902

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 30 June 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per Unit for the financial period (Group)

Earnings per Unit (“EPU”) of the Group for the current financial period reported on, and the corresponding period of the immediately preceding financial year:-

- (a) Basic EPU
Basic EPU amounts are calculated by dividing the profit attributable to the Unitholders of the Group by the weighted average number of units in issue during the financial period.
- (b) Diluted EPU
The diluted EPU is the same as the basic EPU as no dilutive instruments were in issue during the financial period.

		<u>1Q FY2017</u>	<u>1Q FY2016</u>
Total (loss)/return for the period attributable to Unitholders for basic and diluted EPU	(S\$'000)	(696)	2,320
EPU – basic and diluted	(cents)	(0.24)	0.82
Weighted average number of Units		287,024,902	283,723,019

7. Net asset value (“NAV”) per Unit based on issued Units at the end of 30 September 2016 and 30 June 2016

The Group and Saizen REIT

		As at 30 Sep 2016	As at 30 Jun 2016
NAV per Unit based on issued Units at the end of financial period	(S\$)	0.03	0.11

8. Review of performance

1Q FY2017 vs 1Q FY2016

Following the Disposal on 4 March 2016, Saizen REIT had no property operations in 1Q FY2017. The financial results of 1Q FY2017 do not offer a meaningful comparison with that of 1Q FY2016. Saizen REIT had 136 properties (taking into account 1 acquisition and 1 divestment during the quarter) in 1Q FY2016.

Group-level operations

Saizen REIT’s financial results for 1Q FY2017 reflect its operations as a cash trust, and its operating expenses for the period comprised mainly:

- (i) the operational costs of the Manager (which are claimed on a cost-recovery basis from Saizen REIT); and
- (ii) trust expenses and administrative expenses, which mainly comprise audit, legal and professional fees.

Group-level non-operating items

Fair value loss on financial derivatives in 1Q FY2017 comprised a fair value loss on forward contract of approximately S\$0.03 million, which arose mainly due a realised foreign exchange loss as JPY had strengthened against the S\$ during the period. The forward contract had been previously entered in September 2015 to partially hedge Saizen REIT's JPY-S\$ exposure, and was settled in September 2016. Comparatively, a fair value loss on financial derivative in 1Q FY2016 comprised mainly a fair value loss on forward contract of S\$1.3 million as JPY had strengthened against the S\$ in 1Q FY2016.

1Q FY2017 vs 4Q FY2016

As compared to a net loss from operations of \$0.7 million in 1Q FY2017, a net income from operations of S\$2.8 million was recorded in 4Q FY2016. This was mainly due to:

- (i) an operating income arising from a S\$5.5 million reversal of finance costs (previously recognised in 3Q FY2016) to a non-operating (fair value) item in 4Q FY2016; and
- (ii) other trust income of \$0.2 million, due mainly to input tax claimed for expenses incurred in relation to the Disposal.

The above was partially offset by a net foreign exchange loss of S\$2.2 million and other operating expenses in 4Q FY2016. The net foreign exchange loss recognised in 4Q FY2016 was due to the translation of S\$-denominated bank balances to JPY for the preparation of the financial statements (which arose due to the depreciation of S\$ against the JPY during the period).

9. Variance between previous forecast or prospect statement and actual results

Saizen REIT has not disclosed any forecast to the market, and its results for the current financial period reported on were in line with its commentary under the section "Outlook and prospects" in the previous quarter's results announcement. However, Unitholders should take note of potential changes to the timeline of the Proposed RTO Transaction as set out in the sections "Introduction" and "Outlook and prospects" of this announcement.

10. Outlook and prospects

It was previously announced that the RTO EGM is expected to be convened by 31 December 2016. While work on the Proposed RTO Transaction is still in progress, the Manager and SDPSL are assessing the possibility of an extension to the timeline as it appears that the transaction process is taking a longer time than originally envisaged. The Manager will continue to keep Unitholders updated of further developments in this regard by making the relevant announcements when appropriate.

Unitholders are advised to exercise caution in the dealing or trading of their Units in Saizen REIT. There is no certainty and assurance as at the date of this announcement that the Proposed RTO Transaction will be completed or that no changes will be made to the terms thereof.

As set out in the Implementation Agreement Announcement, it is also intended that there will be a replacement of the Board of Directors and management team of the Manager following the receipt of the approval of the Proposed RTO Transaction from Unitholders at the RTO EGM.

11. Distributions

11(a) Current financial period

Any distributions declared for the current financial period?

No.

11(b) Corresponding period of the immediately preceding financial year

Any distributions declared for the corresponding period of the immediately preceding financial year?

No.

11(c) Date payable

Not applicable.

11(d) Books closure date

Not applicable.

12. If no distribution has been declared/ recommended, a statement to that effect.

The Board does not propose to declare any distribution for 1Q FY2017.

13. Interested person transactions

As the Manager has ceased to receive any management fee after the Disposal, its operational expenses after the Disposal (which comprise mainly staff remuneration, director fees, office rental and administrative expenses) are claimed from Saizen REIT on a cost-recovery basis (as disclosed in the circular to Unitholders dated 5 February 2016).

Such costs claimed by the Manager in 1Q FY2017 amounted to an aggregate of approximately S\$414,000.

14. General mandate for interested person transactions

Saizen REIT has not obtained a general mandate from Unitholders for interested person transactions.

15. Confirmation by Directors pursuant to Clause 705(5) of the Listing Manual of the SGX-ST

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the quarter ended 30 September 2016 to be false or misleading in any material respect.

16. Confirmation pursuant to Rule 720(1) of the Listing Manual of the SGX-ST

The Manager confirms that undertakings pursuant to Rule 720(1) have been obtained from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the SGX-ST.

This release may contain forward-looking statements that involve risks and uncertainties. Future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in tenant demands, changes in operating expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of Management Team on future events.

BY ORDER OF THE BOARD

Joey Goh (Mr.)
Chief Executive Officer
Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust

10 November 2016