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- (I) **UPDATE ON THE PROPOSED RTO TRANSACTION; AND**
- (II) **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”)**
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*Saizen Real Estate Investment Trust (“**Saizen REIT**”) is currently a cash trust. On 10 October 2016, an implementation agreement (the “**Implementation Agreement**”) was entered into for the proposed acquisition by Saizen REIT of industrial properties in Australia and the reverse takeover of Saizen REIT (collectively, the “**Proposed RTO Transaction**”). Under the Proposed RTO Transaction, Unitholders of Saizen REIT (“**Unitholders**”) will retain their existing units in Saizen REIT (“**Units**”), 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. Please refer to Saizen REIT’s announcements dated 10 October 2016, 10 November 2016 and 3 January 2017 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:

1. Quarterly updates of milestones in obtaining a new business

Pursuant to the Implementation Agreement, the completion of the Proposed RTO Transaction is subject to the fulfilment of conditions precedent, including receipt of approval from Unitholders at an extraordinary general meeting (“**EGM**”) to be convened by 31 December 2016. As previously announced on 3 January 2017, the transaction process is taking a longer time than originally envisaged, and the EGM is yet to be convened. Notwithstanding this, work on the Proposed RTO Transaction is still in progress, and further headway has been made since then.

Nevertheless, Unitholders should note that, unless otherwise agreed in writing between the parties thereto, the Implementation Agreement will terminate if any of the conditions precedent set out therein is not satisfied or waived, where applicable, by **31 January 2017** and the Manager shall then decide on the next course of action (which may include commencing liquidation proceedings for Saizen REIT). The Manager will make relevant announcements when appropriate to keep Unitholders updated of any significant developments.

Unitholders are advised to exercise caution in the dealing or trading of their Units in Saizen REIT, as there is NO assurance as at the date of this Announcement that the Proposed RTO Transaction will be completed or that there will be no changes to the terms thereof.

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.

2. The assets and liabilities of Saizen REIT as at 31 December 2016 are as follows:

	<u>S\$'000</u>
Assets	
Cash and cash equivalents	9,103
Other receivables ⁽¹⁾	53
Prepayments	9
	<hr/> 9,165 <hr/>
Liabilities	
Other current liabilities ⁽²⁾	241
	<hr/> 241 <hr/>
Net assets	<hr/> 8,924 <hr/>
Net asset value per Unit (S\$) ⁽³⁾	0.0311

Notes:

- (1) This comprises receivables relating to the reimbursement of transaction-related expenses in respect of the Proposed RTO Transaction.
- (2) This relates mainly to accruals for operating expenses.
- (3) Based on 287,024,902 Units in issue.

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

	<u>S\$'000</u>
Opening cash and cash equivalents at 1 December 2016	8,995
Reimbursement of transaction-related expenses ⁽¹⁾	421
Legal and professional fees ⁽²⁾	(133)
Manager's cost recovery ⁽³⁾	(161)
Administration and miscellaneous expenses	(17)
Exchange difference	(2)
Closing cash and cash equivalents as at 31 December 2016	<hr/> 9,103 <hr/>

Notes:

- (1) This relates to the reimbursement of transaction-related expenses in respect of the Proposed RTO Transaction.
- (2) This relates mainly to legal and professional expenses incurred by Saizen REIT in connection with the Proposed RTO Transaction. The Manager has sought reimbursement from Sime Darby Property Singapore Limited for such transaction-related expenses in accordance with the Implementation Agreement.
- (3) 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.

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
16 January 2017

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.