

**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))

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**PROPOSED ACQUISITION BY SAIZEN REIT OF INDUSTRIAL PROPERTIES IN AUSTRALIA AND THE REVERSE TAKEOVER OF SAIZEN REIT –**

**APPROVAL-IN-PRINCIPLE BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")**

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**1. INTRODUCTION**

The board of directors of Japan Residential Assets Manager Limited ("**Board**"), the manager of Saizen Real Estate Investment Trust ("**Saizen REIT**", and as manager of Saizen REIT, the "**Manager**") refers to the announcements dated 15 August 2016, 1 October 2016, 10 October 2016, 10 November 2016, 3 January 2017, 16 January 2017 and 1 February 2017 (collectively, the "**Announcements**") in relation to the proposed acquisition by Saizen REIT of industrial properties in Australia (the "**Proposed Acquisition**") and the reverse takeover of Saizen REIT by Sime Darby Property Singapore Limited (the "**RTO**") (the Proposed Acquisition and RTO, collectively being the "**Proposed RTO Transaction**").

Unless otherwise defined in this announcement, capitalised terms used herein shall have the definitions ascribed to them in the Announcements.

**2. APPROVAL-IN-PRINCIPLE BY THE SGX-ST**

The Board wishes to announce that the in-principle approval in respect of, among others, the Proposed RTO Transaction has been obtained from the SGX-ST on 31 January 2017 (the "**Approval-in-principle**"). The Approval-in-principle is subject to, among others, the following key conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) the approval of the unitholders of Saizen REIT (the "**Unitholders**") being obtained for the Proposed Acquisition and for all other necessary and relevant proposals to be put forth at the forthcoming extraordinary general meeting of Saizen REIT;
- (c) compliance with the unitholding spread requirements and distribution guidelines under Rules 210(1)(a) and 1015(3)(c) of the listing manual of the SGX-ST (the "**Listing Manual**") (in determining the minimum spread required, the market capitalisation will be computed by multiplying the number of issued units in Saizen REIT (the "**Units**") comprised in the enlarged unit capital with the compliance placement price);

- (d) all necessary regulatory approvals to operate Saizen REIT, its subsidiaries and associated companies following completion of the Proposed Acquisition (the “**Enlarged Group**”) have been received, including the Capital Markets Services Licence;
- (e) the Proposed Acquisition being completed prior to listing of the Enlarged Group;
- (f) Sime Darby Berhad being the sponsor of the Enlarged Group, Perpetual (Asia) Limited as trustee of Saizen REIT, the Manager, Perpetual Corporate Trust Limited as trustee of the HAUT (as defined below) and the proposed underwriters for the compliance placement (if applicable) obtaining their no objections notification from the Treasurer of the Commonwealth of Australia prior to the issuance of the Circular (as defined below);
- (g) compliance with Rules 113(2) and 210(5)(a) of the Listing Manual which require that:
  - (i) for two years after listing or such other time frame imposed by the SGX-ST, the Enlarged Group must prominently include a statement that the reverse takeover of the Units was sponsored by the financial adviser to Sime Darby Property Singapore Limited in relation to the Proposed RTO Transaction (the “**FA**”) in all announcements made by it (on SGXNET or otherwise) and in all information documents issued by it to Unitholders; and
  - (ii) as a pre-quotation disclosure requirement, the Enlarged Group must release a statement via SGXNET or in the prospectus, offering memorandum or introductory document identifying for each proposed new director of the Enlarged Group’s Manager (the “**Proposed New Director**”), whether the person has prior experience (and what) or, if the Proposed New Director has no prior experience as a director of a listed company, whether the person has undertaken training in the roles and responsibilities of a director of a listed company; and
- (h) submission of the following documents:
  - (i) a written undertaking by the Enlarged Group of the following:
    - a. that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the compliance placement (if any) and where proceeds are to be used for working capital purposes, the Enlarged Group will disclose a breakdown with specific details on the use of proceeds for working capital in the Enlarged Group’s announcements on use of proceeds and in the annual report;
    - b. a written undertaking from each of the Proposed New Directors and proposed key executives of the Enlarged Group’s Manager in the form set out in Appendix 7.7 of the Listing Manual and an undertaking from the Enlarged Group’s Manager to procure the

- same written undertaking from any newly appointed director or executive officer after the Enlarged Group's listing;
- c. a written undertaking from the Enlarged Group's Manager that the Enlarged Group will disclose in its annual report on its compliance status with the applicable laws and regulations which are required for the head Australian unit trust, being Sime REIT Australia (the "**HAUT**") to maintain its status as a managed investment trust and/or managed investment scheme; and
  - d. a written undertaking from the Enlarged Group's Manager that reviews by the proposed board of directors of the Manager following the Proposed RTO Transaction (the "**Proposed Board**") or the relevant committee of the Enlarged Group's key financial, operational, compliance and information technology risk areas, and the outcome of these reviews must be disclosed in the annual report or where the findings are material, immediately announced via SGXNET;
- (ii) a written undertaking from the Enlarged Group that:
- a. it will seek board approval of the Enlarged Group's Manager on the policy for entering into any foreign exchange hedging transactions;
  - b. it will put in place adequate procedures which must be reviewed and approved by the Audit, Risk and Compliance Committee of the Proposed Board (the "**Proposed Audit, Risk and Compliance Committee**"); and
  - c. the Proposed Audit, Risk and Compliance Committee will monitor the implementation of the policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the Proposed Board;
- (iii) a written confirmation from the FA that the signed moratorium agreements with the relevant parties pursuant to Rule 227 of the Listing Manual are in accordance with the requirements of Rules 228 and 229 of the Listing Manual;
- (iv) a written confirmation from the FA that Rules 232, 233, 234 and 240 of the Listing Manual have been complied with, where applicable;
- (v) a written confirmation from the FA that Rules 210(4)(b), 246(4) and 246(12) of the Listing Manual have been complied with;
- (vi) documents stipulated in Rule 248 (before the date of issue of the Circular), Rule 249 (by the date of allotment of the Units) and Rule 250 (market day before the trading suspension is lifted) of the Listing Manual, where applicable; and

- (vii) a duly signed undertaking in the format set out in Appendix 2.3.1 of the Listing Manual.

**Unitholders should note that the Approval-in-principle from the SGX-ST above is not to be taken as an indication of the merits of the Proposed RTO Transaction (including the Proposed Acquisition), the new Units to be issued to Sime Darby Property Singapore Limited (or its nominees) for the Proposed Acquisition, and the Enlarged Group.**

A circular containing, among others, information on the Proposed RTO Transaction (including the Proposed Acquisition), the recommendation of the Directors and independent financial adviser and notice of extraordinary general meeting (the "**Circular**") will be despatched to the Unitholders in due course.

**Unitholders and potential investors 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.**

The Manager will make relevant announcements when appropriate to keep Unitholders updated of any significant developments.

2 February 2017

**By Order of the Board**

Mr Joey Goh  
Chief Executive Officer

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

## **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.*

*This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual 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 similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and 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 Manager's current view of future events.*