

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))

PROPOSED UNIT CONSOLIDATION

The Board of Directors of Japan Residential Assets Manager Limited, the manager (“**Manager**”) of Saizen Real Estate Investment Trust (“**Saizen REIT**”), wishes to announce the proposed unit consolidation (the “**Proposed Unit Consolidation**”), details of which are set out below.

OVERVIEW

The Proposed Unit Consolidation involves the consolidation of every five (5) existing units in Saizen REIT (“**Units**”) held by unitholders of Saizen REIT (“**Unitholders**”) as at a books closure date to be determined by the Manager (the “**Consolidation Books Closure Date**”, and the existing Units held as at the Consolidation Books Closure Date, the “**Existing Units**”) into one (1) Unit (the “**Consolidated Unit**”).

The number of Consolidated Units which Unitholders will be entitled to, based on their holdings of Existing Units as at the Consolidation Books Closure Date, will be rounded down to the nearest whole Consolidated Unit and any fractions of Consolidated Units arising from the Proposed Unit Consolidation will be disregarded. Each Consolidated Unit will rank *pari passu* with each other.

RATIONALE FOR THE PROPOSED UNIT CONSOLIDATION

The Manager believes that the Proposed Unit Consolidation is beneficial to Saizen REIT and its Unitholders as it reduces the magnitude of the volatility of Saizen REIT’s Unit trading price.

The closing price of the Units on 21 August 2013 was \$0.183. At prices below S\$0.20, the minimum bid and ask quote (a “**tick**”) is 0.1 cents (S\$0.001) each on the SGX-ST quotation system. The Units had recently traded at prices above S\$0.20 in April 2013 and May 2013, where each tick was 0.5 cents (S\$0.005).

	Below S\$0.20		S\$0.20 to below S\$2.00	
	Before the Proposed Unit Consolidation	After the Proposed Unit Consolidation	Before the Proposed Unit Consolidation	After the Proposed Unit Consolidation
Illustrative Unit trading price	S\$0.183	S\$0.915	S\$0.200	S\$1.000
Stock exchange bid/ask tick size	S\$0.001	S\$0.005	S\$0.005	S\$0.005
Percentage change in trading price per tick	0.5%	0.5%	2.5%	0.5%

As illustrated in the table above, once the Units trade at S\$0.20 and above, the price movement per tick will amount to as much as 2.5% of the total price of each Unit, which will have a substantial effect on the Unit trading price of Saizen REIT. The Manager believes that the Proposed Unit Consolidation may serve to reduce the magnitude of volatility of Saizen REIT's Unit price due to the minimum bid and ask spread. The Proposed Unit Consolidation may also serve to reduce the percentage transaction cost for trading in each board lot of Units.

For the avoidance of doubt, the Proposed Unit Consolidation **will not**:

- (a) affect the total distributable income of Saizen REIT;
- (b) affect the total net asset value of Saizen REIT;
- (c) require any payment from Unitholders;
- (d) result in any return of capital to Unitholders; and
- (e) dilute the unitholdings of Unitholders.

CONDITIONS FOR THE PROPOSED UNIT CONSOLIDATION

Pursuant to Clause 2.3 of the trust deed constituting Saizen REIT, the Manager may at any time determine that Units be consolidated, subject to obtaining the prior approval of the Trustee. Nevertheless, for good corporate governance, the Manager will be seeking the approval of Unitholders by way of an ordinary resolution at an extraordinary general meeting ("**EGM**") to be convened. The Manager will also be seeking the in-principle approval of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consolidated Units created pursuant to the Proposed Unit Consolidation.

Upon receipt of approval from the SGX-ST, a circular containing, among others, further details of the Proposed Unit Consolidation and the EGM will be despatched to Unitholders.

BY ORDER OF THE BOARD OF DIRECTORS

Chang Sean Pey (Mr.)

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

22 August 2013

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.