

**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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**AGREED COST OF REMEDIATION WORKS TO THE PROPERTIES**

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*Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the circular to unitholders of Saizen REIT dated 5 February 2016 (the “Circular”).*

In relation to the proposed disposal of Saizen REIT’s entire portfolio of real estate assets (the “**Proposed Transaction**”), the Manager wishes to announce that, pursuant to the TK Interest Assignment Agreement, the Trustee and Triangle TMK have agreed on the total cost of remediation works to the Properties (“**Remediation**”) of JPY135,080,000 (S\$1.6 million<sup>1</sup>) (the “**Final Remediation Cost**”). The agreed Final Remediation Cost was based on estimates by independent engineering firms which were agreed between the Trustee and Triangle TMK.

Under the TK Interest Assignment Agreement, the total Remediation cost which may be claimed by Triangle TMK was subjected to an overall cap of 2.5% of the Purchase Consideration, i.e. up to approximately JPY1.1 billion (S\$12.9 million). Following the agreement on the Final Remediation Cost of JPY135,080,000 (S\$1.6 million), Triangle TMK shall not be entitled to deduct further sums for any Remediation from the Purchase Consideration.

Deductions for the Final Remediation Cost have been provided for in the computation of the estimated Implied Net Offer Price of S\$1.162 per Unit and the estimated Implied Liquidation Value of S\$1.146 per Unit as set out in the Circular.

For the avoidance of doubt, the limitation for all claims<sup>2</sup> that Triangle TMK may make under the TK Interest Assignment Agreement during the liability claim period (being up to four months after Completion) remains at 5% of the Purchase Consideration.

Unitholders should note that the Proposed Transaction is subject to Unitholders’ approval at the extraordinary general meeting of Saizen REIT on 1 March 2016.

**BY ORDER OF THE BOARD**

Mr Joey Goh

Executive Director and Chief Executive Officer

Japan Residential Assets Manager Limited

(Company Registration No. 200712125)

As Manager of Saizen Real Estate Investment Trust

26 February 2016

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1 Based on the illustrative exchange rate of S\$1.00 to JPY86.8684, which is applied throughout this announcement.

2 These include the Final Remediation Cost as well as claims for any breaches in representations and warranties and other obligations of the Trustee under the TK Interest Assignment Agreement.

## **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.