
DISTRIBUTION REINVESTMENT PLAN STATEMENT

1. TERMS AND CONDITIONS

This Distribution Reinvestment Plan Statement (the “**Statement**”) contains the terms and conditions of the Saizen Real Estate Investment Trust Distribution Reinvestment Plan (the “**Distribution Reinvestment Plan**”) under which persons registered in the register of unitholders of Saizen Real Estate Investment Trust (“**Saizen REIT**”, and unitholders of Saizen REIT, the “**Unitholders**”) or, as the case may be, the Depository Register (as defined below) as the holders of such Units (as defined below), may elect to receive fully paid Units in lieu of the cash amount of any Distribution (as defined below) which is declared on the Units held by them (after the deduction of applicable income tax, if any).

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made in this Statement.

2. SUMMARY OF MAIN FEATURES

The Distribution Reinvestment Plan provides Unitholders with the option to elect to reinvest their Distribution to receive Units in lieu of the cash amount of any Distribution which is declared on the Units held by them (after the deduction of applicable income tax, if any).

Under present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Units allotted under the Distribution Reinvestment Plan.

All Unitholders are eligible to participate in the Distribution Reinvestment Plan subject to the restrictions on Overseas Unitholders (as defined below), as more particularly described in Paragraph 4.4 below and except for such other Unitholders or class of Unitholders as Japan Residential Assets Manager Limited, the manager of Saizen REIT (the “**Manager**”), may in its discretion decide.

Unitholders may elect to participate (the “**Participating Unitholder**”) in respect of all or part of their holding of Units to which each Notice of Election (as defined below) relates in respect of any Distribution to which the Distribution Reinvestment Plan (as determined by the Manager) applies (the “**Qualifying Distribution**”). Unitholders receiving more than one Notice of Election may elect to participate in respect of all or part of their holding of Units to which one Notice of Election relates and choose not to participate in respect of all or part of their holding of Units to which any other Notice of Election relates.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive new Units in respect of their entitlements to all future Qualifying Distributions, which each Notice of Election relates. Unitholders should note that there is presently no permanent election feature available under the Distribution Reinvestment Plan and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

The Manager may, in its absolute discretion, determine that the Distribution Reinvestment Plan will apply to any particular Distribution. An announcement containing information on the relevant procedures and timeline will be made by the Manager as soon as practicable following the determination by the Manager that the Distribution Reinvestment Plan is to apply to a particular Distribution, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the particular Distribution. Such announcement will also contain details on whether Saizen REIT is relying on a general mandate or specific Unitholders' approval for the issue of new Units under the Distribution Reinvestment Plan. Unless the Manager has determined that the Distribution Reinvestment Plan will apply to any particular Distribution, the Distribution concerned will be paid in cash to the Unitholders in the usual manner.

Units allotted and issued under the Distribution Reinvestment Plan will rank *pari passu* in all respects with the Units then in issue save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Pursuant to a waiver granted by the SGX-ST from strict compliance with Rule 862(5) of the listing manual of the SGX-ST (the "**Listing Manual**") which provides that the dividend payment date for a dividend where a share alternative is offered must not be less than thirty (30) Market Days (as defined below) but not more than thirty-five (35) Market Days, after the Books Closure Date in respect of such Distribution, the Manager has been granted permission to operate on the basis of a distribution payment date which is not less than fifteen (15) Market Days after the books closure date.

Unitholders participating in the Distribution Reinvestment Plan will receive, on or about each Distribution Date (as defined below), notification letters setting out, among other things, the number of Units allotted to them under the Distribution Reinvestment Plan.

The listing of and permission to deal in Units issued to Unitholders under the Distribution Reinvestment Plan on the Mainboard of the SGX-ST is subject to the approval of the SGX-ST.

3. HOW TO PARTICIPATE

Participation in the Distribution Reinvestment Plan is optional and non-transferable.

A Unitholder wishing to receive Units in respect of any Qualifying Distribution to which a Notice of Election received by him relates should complete such Notice of Election and return it:

- (a) by hand to Japan Residential Assets Manager Limited (as manager of Saizen Real Estate Investment Trust) c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
- (b) by post in the self-addressed envelope provided (at the sender's own risk) to Japan Residential Assets Manager Limited (as manager of Saizen Real Estate Investment Trust) c/o The Central Depository (Pte) Limited to Robinson Road Post Office, P.O. Box 1597, Singapore 903147,

or such other addresses as may be announced by the Manager from time to time.

A Unitholder receiving two or more Notices of Election and wishing to receive Units in respect of all of his entitlement to the Qualifying Distribution for all Units held by him must complete and sign all Notices of Election received by him and return the duly completed and signed Notices of Election:

- (a) by hand to Japan Residential Assets Manager Limited (as manager of Saizen Real Estate Investment Trust) c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
- (b) by post in the self-addressed envelope provided (at the sender's own risk) to Japan Residential Assets Manager Limited (as manager of Saizen Real Estate Investment Trust) c/o The Central Depository (Pte) Limited to Robinson Road Post Office, P.O. Box 1597, Singapore 903147,

or such other addresses as may be announced by the Manager from time to time.

To be effective in respect of any Qualifying Distribution to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by CDP (as defined below) no later than the date and time to be specified by the Manager in respect of that Qualifying Distribution. CDP's records of the level of a Unitholder's participation will be conclusive evidence of the matters so recorded.

4. TERMS AND CONDITIONS OF THE DISTRIBUTION REINVESTMENT PLAN

4.1. Establishment

The Distribution Reinvestment Plan has been established by the Manager for the benefit of Saizen REIT and Unitholders.

4.2. Definitions

In the terms and conditions ("**Terms and Conditions**") of the Distribution Reinvestment Plan:

"Books Closure Date" shall mean the date to be determined by the Manager on which the register of unitholders will be closed for the purpose of determining the entitlements of Unitholders to a Distribution;

"Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading;

"CDP" shall mean The Central Depository (Pte) Limited, **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the respective meanings ascribed to them in the Companies Act, Chapter 50 of Singapore;

"Distribution" shall mean a distribution (including any interim, final, special or other distribution) which a Unitholder is entitled to receive for each Unit held by him, as declared by the Manager from time to time;

"Distribution Calculation Date" shall mean 31 December and 30 June in each year or such

other date or dates as the Manager may determine;

“Distribution Date” shall mean a Business Day which is no later than 90 calendar days after the Distribution Calculation Date for the relevant Distribution Period on which the Distribution is payable;

“Distribution Period” shall mean the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date or (as the case may be) for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of termination of Saizen REIT;

“Market Day” shall mean a day on which the SGX-ST is open for trading in securities;

“Overseas Unitholders” shall mean Unitholders with registered mailing addresses outside Singapore (unless otherwise determined by the Manager);

“Price Determination Period” shall mean the 10 Business Day period prior to and ending on to the Books Closure Date;

“Securities Account” shall mean a securities account or sub-account maintained by a Depositor with the Depository;

“Trust Deed” shall mean the trust deed dated 27 September 2007 constituting Saizen REIT, as may be amended and modified from time to time;

“Trustee” shall mean HSBC Institutional Trust Services (Singapore) Limited as trustee of Saizen REIT;

“Unit” shall mean an undivided interest in Saizen REIT as provided for in the Trust Deed;

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended; and

“S\$” means the lawful currency of Singapore.

4.3. Eligibility

All Unitholders are eligible to participate in the Distribution Reinvestment Plan subject to the restrictions on Overseas Unitholders, as more particularly described in Paragraph 4.4 below and except that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders, as the Manager may in its discretion determine, and further subject to the requirement that such participation by the Unitholder will not result in a breach of any other restriction on such Unitholder's holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Trust Deed.

4.4. Unitholders Resident Outside Singapore

Units to be allotted and issued under the Distribution Reinvestment Plan have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. person, except in a

transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States.

Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered mailing addresses (unless otherwise determined by the Manager), the Distribution Reinvestment Plan will not be offered to Overseas Unitholders who have not provided to CDP, not later than three Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents.

No Overseas Unitholder shall have any claim whatsoever against Saizen REIT or the Manager as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholders. Where the Distribution Reinvestment Plan is not offered to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them.

Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan may provide an address in Singapore for the service of notices and documents by notifying Japan Residential Assets Manager Limited (as manager of Saizen Real Estate Investment Trust) c/o The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138599 (or such other address as may be announced by the Manager from time to time) not later than three Market Days prior to the Books Closure Date. Unitholders should note that all correspondences and notices will be sent to their last registered mailing addresses with CDP.

Unitholders who are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

4.5. Level of Participation

A Unitholder may elect to participate in the Distribution Reinvestment Plan in respect of all or part of his holding of Units as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Distribution (the “**Participating Units**”).

4.6. Notice of Election to Participate

The Manager will, at its discretion, send to each Unitholder one or more notices of election (in such form as the Manager may approve) through which each Unitholder may indicate whether they wish to participate in the Distribution Reinvestment Plan (the “**Notice of Election**”).

To be effective in respect of any Qualifying Distribution, a Notice of Election must be received by CDP no later than the date and time to be specified by the Manager in respect of that Qualifying Distribution.

A Unitholder receiving two or more Notices of Election and wishing to receive Units in respect of all of his entitlement to the Qualifying Distribution for all Units held by him must complete

and sign all the Notices of Election received by him and return the duly completed and signed Notices of Election in the manner specified in Paragraph 3 above.

A notice of election to participate in the Distribution Reinvestment Plan in any other form will not be accepted by CDP.

A Notice of Election in respect of any Qualifying Distribution shall not, upon its receipt by CDP, be withdrawn or cancelled.

The Manager is under no obligation to correct invalid Notices of Election on behalf of any Unitholder or to provide any reason for rejecting any Notice of Election.

By electing to participate in the Distribution Reinvestment Plan, the Participating Unitholder unconditionally:

- (a) warrants to the Manager that he has the legal right and full power and authority to participate in the Distribution Reinvestment Plan and that his participation in the Distribution Reinvestment Plan will not result in a breach of any law or regulation by which he is bound;
- (b) acknowledges that the Manager may at any time determine that the Participating Unitholder's Notice of Election or other forms ("**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (c) acknowledges that the Manager may reject any Form;
- (d) acknowledges that the Manager has not provided the Participating Unitholder with investment or other advice and that it does not have any obligation to provide any advice in connection with the Distribution Reinvestment Plan; and
- (e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Distribution Reinvestment Plan,

in each case, at all times until the termination of the Distribution Reinvestment Plan or of the Participating Unitholder's participation in the Distribution Reinvestment Plan.

4.7. Extent of Application of Distribution Reinvestment Plan to Each Distribution

The Manager may, in its absolute discretion, in respect of any Distribution, determine whether the Distribution Reinvestment Plan shall apply to such Distribution. If, in its absolute discretion, the Manager has not determined that the Distribution Reinvestment Plan is to apply to a Distribution, such Distribution shall be paid in cash to Unitholders.

4.8. Unit Entitlement

By electing to participate in the Distribution Reinvestment Plan in respect of any Notice of Election received by him, a Unitholder elects in respect of any Qualifying Distribution (after the deduction of applicable income tax, if any) to which such Notice of Election relates to receive Units in lieu of the cash amount of the Qualifying Distribution.

In respect of any Qualifying Distribution, the number of Units to be allotted and issued to the Participating Unitholder electing to receive Units in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{U \times D}{V}$$

Where:

- N** is the number of Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.
- U** is the number of Participating Units held by the Participating Unitholder as at the Books Closure Date for which such Notice of Election relates.
- D** is the Qualifying Distribution (after the deduction of any applicable tax, if any) to which such Notice of Election relates.
- V** is the issue price of a Unit, which shall for the purpose of calculating the number of Units to be allotted and issued as fully paid to Participating Unitholders, pursuant to the Distribution Reinvestment Plan, be an amount in S\$ determined by the Manager (the “**Relevant Amount**”), which Relevant Amount shall not exceed, nor be set at a discount of more than 10.0% (or such other discount as may be permitted by the Listing Manual) to, the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading during the Price Determination Period. In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed, nor be set at a discount of more than 10.0% (or such other discount as may be permitted by the Listing Manual) to, the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading during a period to be determined by the Manager prior to the announcement of the application of the Distribution Reinvestment Plan to such Distribution.

Fractional entitlements to the new Units allotted and issued under the Distribution Reinvestment Plan will be rounded down to the nearest whole Unit, with the fractional entitlements disregarded.

CDP shall be authorised to compute the new Units to be allotted and issued to each Participating Unitholder based on the above Unit entitlement formula. Such computation and allocation by CDP shall be conclusive and final.

4.9. Terms of Allotment

All Units allotted under the Distribution Reinvestment Plan will be allotted as fully paid. All such Units shall rank *pari passu* in all respects with all existing Units then in issue (including the right to full Distribution for the Distribution Period within which such Units are allotted) save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Participating Unitholders will have the Units credited to their Securities Accounts maintained with CDP.

4.10. Odd Lots

A Unitholder who elects to receive Units under the Distribution Reinvestment Plan in lieu of the cash amount of the Qualifying Distribution may receive such Units in odd lots. Unitholders who receive odd lots of Units under the Distribution Reinvestment Plan and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) Unit.

4.11. Notification Letter to Participating Unitholders

A notification letter will be sent to each Participating Unitholder on or about each Distribution Date detailing the number of Units to be allotted to the Participating Unitholder under the Distribution Reinvestment Plan.

4.12. Cost to Participating Unitholders

Under present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Units allotted under the Distribution Reinvestment Plan.

4.13. Cancellation of Application of the Distribution Reinvestment Plan

Notwithstanding any provision in these Terms and Conditions, at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any particular Distribution and before the allotment and issue of Units in respect of the Distribution, the Manager may, at its absolute discretion and as it may deem fit in the interest of Saizen REIT and without assigning any reason therefor, where it considers that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of the Distribution, cancel the application of the Distribution Reinvestment Plan to the Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual manner. Unitholders should note that in the event the application of the Distribution Reinvestment Plan to a Distribution is cancelled, the date of payment of the Distribution in cash may be delayed.

4.14. Modification, Suspension and Termination of the Distribution Reinvestment Plan

The Distribution Reinvestment Plan may be modified, suspended (in whole or in part) or terminated at any time by the Manager as it deems fit on giving notice in writing to all Unitholders, except that no modification shall be made without the prior approval of the SGXST.

4.15. General Administration of the Distribution Reinvestment Plan

The Manager may implement the Distribution Reinvestment Plan in the manner it deems fit.

The Manager has the power to:

- (a) determine procedures, rules and regulations for administration of the Distribution Reinvestment Plan consistent with these Terms and Conditions;
- (b) settle in such manner as it thinks fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Distribution Reinvestment Plan) which may arise in connection with the Distribution Reinvestment Plan, whether generally or in relation to any Participating Unitholder or any Units and the determination of the Manager will be conclusive and binding on all Unitholders and other persons to whom the determination relates;
- (c) delegate to any one or more persons, for such period and on such conditions as the Manager may determine, the exercise of any of their powers or discretions under or in respect of the Distribution Reinvestment Plan and references to a decision, opinion or determination of the Manager include a reference to the decision, opinion or determination of the person or persons to whom the Manager has delegated its authority for the purposes of administering the Distribution Reinvestment Plan; and
- (d) waive strict compliance by the Manager or any Unitholder with any of these Terms and Conditions.

4.16. Governing Law

This Statement, the Distribution Reinvestment Plan and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

4.17. Notices and Statements

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Manager to a Participating Unitholder shall be given in accordance with the applicable provisions of the Trust Deed.

5. COMPLIANCE WITH THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS (THE “CODE”)

Unitholders who elect to participate in the Distribution Reinvestment Plan must also comply with the Code.

5.1. Obligation to Make a Take-over Offer

If, as a result of a Unitholder’s participation in the Distribution Reinvestment Plan, the proportionate interest in the voting rights of such Unitholder and persons acting in concert with him increases, such increase may be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or (as the case may be) a group of Unitholders acting in concert could obtain or consolidate effective control of Saizen REIT and become obliged to make an offer under Rule 14 of the Code.

5.2. Effect of Rule 14 of the Code

In general terms, the effect of Rule 14 of the Code is that, unless exempted, a Unitholder or

(as the case may be) a group of Unitholders and/or persons acting in concert with him/them are likely to incur an obligation to make a take-over offer for the remaining Units not owned or controlled by such Unitholder or (as the case may be) group of Unitholders and/or persons acting in concert with him/them under Rule 14 of the Code if, as a result of a Unitholder's or (as the case may be) group of Unitholders' participation in the Distribution Reinvestment Plan:

- (a) the voting rights of such Unitholder or (as the case may be) group of Unitholders and/or his/their concert parties would increase to 30.0% or more; or
- (b) (in the event that such Unitholder or (as the case may be) group of Unitholders and/or its/their concert parties hold not less than 30.0% but not more than 50.0% of the voting rights in Saizen REIT), the voting rights of such Unitholder or (as the case may be) group of Unitholders and/or its/their concert parties would increase by more than 1.0% in any period of 6 months.

5.3. Persons Acting in Concert

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of Saizen REIT.

6. LISTING ON THE SGX-ST

The Manager shall make the necessary applications for the listing of the Units to be issued and allotted under the Distribution Reinvestment Plan on the SGX-ST. Approval of such applications from the SGX-ST is not to be taken as an indication of the merits of the Distribution Reinvestment Plan, the Units, Saizen REIT, the Trustee or the Manager.

7. TAXATION

CDP, Saizen REIT and the Manager take no responsibility for the taxation liabilities of Participating Unitholders or the tax consequences of any election made by Unitholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Unitholders if required.

CDP, Saizen REIT and the Manager take no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

8. OTHER ITEMS

The Units are offered on the Terms and Conditions set out in this Statement and in the applicable provisions of the Trust Deed. There are no other terms other than those implied by law or set out in publicly registered documents.

9. LIABILITY OF SAIZEN REIT AND THE MANAGER

Notwithstanding anything herein, neither Saizen REIT and its subsidiaries, the Manager nor any officer, agent or representative of the Manager shall under any circumstances be liable or responsible to any Participating Unitholder for any loss, damage, cost or expense (collectively, "**Loss**") or alleged Loss in connection with or as a result, directly or indirectly, of the establishment or operation of the Distribution Reinvestment Plan or participation in the

Distribution Reinvestment Plan or in relation to any matter in connection with the Distribution Reinvestment Plan, including any delay in allotting or issuing any Units or applying for their listing. No representation or warranty is given in respect of any Units, Saizen REIT or its subsidiaries, the Manager or that listing approval for the Units will be obtained.

The Notice of Election shall be deemed to have been duly given to Unitholders if sent by post to the Unitholders' mailing addresses as they appear in the register of Unitholders, and shall be deemed to have been given two days after posting. The Manager will not be liable or responsible for any Loss if the despatched Notices of Election are not received by Unitholders, or if the Notices of Election completed by Unitholders are not received by CDP.

Unitholders who do not receive the Notice of Election within three Market Days from the date of despatch as announced by the Manager and who would like to participate in the Distribution Reinvestment Plan may wish to collect by hand a copy of the same from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 (or such other address as may be announced by the Manager from time to time) or call the CDP customer service hotline at +65 6535 7511 if Unitholders wish to receive the same by post.