

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 SCRIP DIVIDEND SCHEME

The board of directors (the "**Directors**") of Japan Residential Assets Manager Limited's (the manager of Saizen REIT)(the "**Manager**") wishes to announce that it is proposing that Saizen Real Estate Investment Trust ("**Saizen REIT**") adopts a scrip-only dividend scheme ("**Scrip Dividend Scheme**"), subject to approval of the unitholders of Saizen REIT (the "**Unitholders**").

Through the proposed Scrip Dividend Scheme, Unitholders may receive dividends in the form of units of Saizen REIT (the "**New Scrip Dividend Units**"), credited as fully paid, instead of cash. The proposed terms and conditions of the Scrip Dividend Scheme are subject to approval of the Unitholders. In its announcement dated 31 December 2008, Saizen REIT has stated that it might significantly reduce or suspend dividend payouts in cash in light of the current credit crisis. The Scrip Dividend Scheme hence provides the flexibility for Saizen REIT to pay out part or whole of a dividend by way of New Scrip Dividend Units (in the event that a dividend is announced) and allows cash to be conserved for loan repayments. It also enables Unitholders to receive additional units of Saizen REIT ("**Units**") without having to incur transaction or other related costs.

The adoption and implementation of the Scrip Dividend Scheme will enlarge Saizen REIT's capital base, improve the liquidity of Units and strengthen its working capital position.

In connection with the proposed Scrip Dividend Scheme, Saizen REIT will in due course be submitting an additional listing application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the admission to the Official List of the SGX-ST of the New Scrip Dividend Units issued pursuant to the proposed Scrip Dividend Scheme.

Details of the Scrip Dividend Scheme will be set out in a circular to be despatched to Unitholders at a later date. Saizen REIT will convene an extraordinary general meeting at a later time and place to be announced to seek Unitholders' approval for the proposed Scrip Dividend Scheme.

ANYONE WHO WISHES TO INVEST OR TRADE IN THE UNITS OF SAIZEN REIT SHOULD EXERCISE DUE CAUTION, AND SHOULD CONSULT THEIR FINANCIAL/LEGAL ADVISORS AND CONSIDER THE INFORMATION AND RECOMMENDATIONS OF THE DIRECTORS SET OUT IN THE CIRCULAR TO BE ISSUED AND DESPATCHED AT A LATER DATE.

In relation to the initial public offering of Saizen REIT, the financial adviser and issue manager is Morgan Stanley Asia (Singapore) Pte. The joint bookrunners and underwriters are Morgan Stanley Asia (Singapore) Pte., Morgan Stanley & Co. International plc and Credit Suisse (Singapore) Limited.

BY ORDER OF THE BOARD OF DIRECTORS

Chang Sean Pey (Mr.)
Chief Executive Officer

Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust
13 January 2009

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. 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 is not necessarily indicative of the future performance of Saizen REIT.