

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))

NEW SOURCE OF FINANCING

LOAN FROM MIZUHO BANK, LTD

The Board of Directors of Japan Residential Assets Manager Limited, the manager (“**Manager**”) of Saizen Real Estate Investment Trust (“**Saizen REIT**”), wishes to announce that Yugen Kaisha JOF (“**YK JOF**”), a TK operator of Saizen REIT, has entered into an agreement (the “**Loan Agreement**”) for a JPY 1.0 billion (S\$15.7 million¹) loan (the “**Loan**”) from a Japanese bank, Mizuho Bank, Ltd on 30 September 2009. The Loan has been fully disbursed.

The Loan is for a term of 10 years up to 30 September 2019 and the principal amount will be fully amortised and repaid over this period. The Loan carries a variable annual interest rate of Mizuho Bank, Ltd’s LTFR² plus 1.025%. Based on the prevailing LTFR of 1.975%, the prevailing all-in interest rate will therefore be 3.000% per annum. Under the Loan Agreement, Mizuho Bank, Ltd will also charge a one-time fee of JPY 30.0 million (S\$0.5 million¹).

The Loan is non-recourse to Saizen REIT. Under the Loan Agreement, the asset manager of Saizen REIT, KK Tenyu Asset Management (the “**Asset Manager**”), will act as a guarantor for the Loan and in return will receive an annual guarantor fee (the “**Guarantor Fee**”) of 0.5% of the outstanding loan amount. The property portfolio of YK JOF, which was valued at JPY 2.268 billion (S\$35.7 million¹) based on valuations as at 30 June 2009, will be pledged as security for the Loan.

Proceeds from the Loan will be used to fully repay the JPY 400 million (S\$6.3 million¹) short-term bridging loan (which carries an annual interest rate of 15%) that YK JOF had drawn down from Star Finance Co., Ltd in May 2009, with the balance for working capital purposes.

The Management Team is pleased with the establishment of a banking relationship with Mizuho Bank, Ltd, which also represents a new source of financing. The Asset Manager intends to explore the possibility of further loans with Mizuho Bank, Ltd. Mizuho Bank, Ltd is under the Mizuho Financial Group, Inc., which is one of the leading financial institutions in Japan. Meanwhile, the Asset Manager will continue to work on the refinancing of the loan of YK Shintoku which will mature on 2 November 2009.

Notes:

1. Based on exchange rate of S\$1 to JPY63.5 as at 30 September 2009, which is applied throughout this announcement.
2. Long-term floating lending rate corresponding to short-term prime rate (短期プライムレート連動長期貸出金利(3年超)の最優遇金利)

Save for the above Guarantor Fee, none of the Directors or controlling shareholders of the Manager, or the Manager, the Trustee or controlling unitholder of Saizen REIT, as the case may be, has any interest, direct or indirect, in the above-mentioned loan transaction with Mizuho Bank, Ltd.

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

Chang Sean Pey (Mr.)
Chief Executive Officer

1 October 2009

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

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 announcement 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.