

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 TOKYO STAR BANK

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 Shinzan (“**YK Shinzan**”), a TK operator of Saizen REIT, has entered into an agreement dated 16 March 2010 (the “**Loan Agreement**”) for a JPY 2.0 billion (S\$30.8 million¹) loan (the “**Loan**”) from a Japanese bank, Tokyo Star Bank Ltd (“**Tokyo Star**”). The Loan is expected to be fully disbursed on 18 March 2010, subject to the fulfillment of the conditions precedent as set out in the Loan Agreement, such as the registration of mortgages of the properties.

The Loan is for a term of 5 years up to 16 March 2015 and carries a fixed annual interest rate of 3.75625%. Under the Loan Agreement, Tokyo Star will also charge a one-time fee of JPY 30.0 million (S\$0.5 million), which is equivalent to 1.5% of the initial loan amount. The Loan has an amortising feature with JPY 100 million of principal repayment per annum.

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 sponsor for the Loan. In return, the Asset Manager will charge an annual sponsor fee (the “**Sponsor Fee**”) of 0.175% of the outstanding loan amount. The property portfolio of YK Shinzan, which is unencumbered and valued at JPY 4.8 billion (S\$74.0 million) based on valuations as at 30 June 2009, will be pledged as security for the Loan.

The proceeds from the Loan will be deployed towards Saizen REIT’s working capital until such time when they are required for other purposes, including the refinancing of the loan of YK Shintoku (if such refinancing is possible).

The Management Team is pleased with the establishment of a new banking relationship with Tokyo Star. Despite the challenging economic environment and global credit crisis over the past two years, the Management Team has successfully established new banking relationships with five financial institutions. It intends to continue its efforts on diversifying sources of financing and working towards obtaining new loans with existing and new lenders.

¹ Based on an exchange rate of S\$1.00 to JPY64.9 as at 16 March 2010, which is applied throughout this announcement.

Save for the Sponsor 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 Tokyo Star.

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
17 March 2010

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.