
CLARIFICATION OF A NEWS ARTICLE IN THE BUSINESS TIMES

The Board of Directors (the “**Board**”) of Japan Residential Assets Manager Limited (the manager of Saizen Real Estate Investment Trust (“**Saizen REIT**”)) (the “**Manager**”) refers to the article entitled “Saizen faces delay in replacing default loan” on page 6 of The Business Times (“**BT**”) dated 16 March 2011 (the “**Article**”).

In the Article, it was reported that “SAIZEN Reit foresees finding funding for a loan in default since 2009 to be “delayed” as credit markets remain tight after the 9-scale earthquake in Japan”. The reference to “loan in default” above refers to the loan of YK Shintoku (“**YK Shintoku Loan**”), one of the subsidiaries of Saizen REIT.

The Board wishes to clarify that the Manager has not in the past given any indication of timing as to the resolution of the YK Shintoku Loan default. As stated in Saizen REIT's Annual Report for the financial year ended 30 June 2010 (the “**Annual Report**”), the Manager has been employing a two-pronged approach of progressively divesting some properties and seeking bank refinancing of the remaining portfolio. Property divestments and negotiations for further divestments and bank refinancing are ongoing.

As highlighted in the Annual Report, the YK Shintoku Loan is non-recourse and does not affect the rest of Saizen REIT's portfolio or borrowings. The operational cashflow from YK Shintoku's portfolio has been able to fully service the interest due and also pay down a small amount of loan principal.

The Article quoted Raymond Wong, our Executive Director, as saying that “unfortunately, a lot of things will be delayed in Japan after the earthquakes. It's hard to predict but I think credit will tighten because banks will become more cautious.” His comments were in response to a question on Japan in general and not directed specifically at the YK Shintoku Loan.

The Board wishes to stress that the Manager will continue its efforts in seeking refinancing of the YK Shintoku Loan and that there is no new information to add in this regard.

The Board also refers to the statement “Moody's yesterday said there is no immediate impact on Saizen's corporate bonds, which carries a Caa1 rating” in the Article. The Board wishes to clarify that Saizen REIT currently has no corporate bonds in issue, and the Caa1 rating refers to Saizen REIT's corporate family rating.

The article further states that the “GK Choan loan may default if there is excessive damage suffered on its properties”. The Board wishes to state that of the 38 properties under GK Choan portfolio, 30 properties are outside the areas affected by the earthquake and tsunami. Of the remaining 8 properties in the affected areas, 7 properties have been viewed and preliminary reports have confirmed that they appear to have sustained only minor damage and remain intact¹. As of 15 March 2011, only 1 property has not been viewed yet. This property represents 0.2% of Saizen REIT's investment property value.

¹ The full extent of damage can only be ascertained after more detailed assessments.

The Manager will continue to keep the Singapore Exchange and unitholders updated on any material developments on a timely basis by issuing relevant announcement(s) as appropriate.

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.)
Co-Chief Executive Officer

16 March 2011

Important Notice

The value of units of 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 of Saizen REIT (the “**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.