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**REPAYMENT PLAN FOR YK SHINTOKU LOAN**

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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 it has approved a loan repayment plan (the “**Repayment Plan**”) which has been sent to the loan servicer of the commercial mortgage-backed-securities loan of YK Shintoku (the “**YK Shintoku Loan**”) on 6 April 2011.

The YK Shintoku Loan went into maturity default on 2 November 2009. Since then, the lender has the right to foreclose on the properties of YK Shintoku at any time, but has not done so thus far. During this time, YK Shintoku has been paying down the loan via proceeds from the divestment of its properties as well as its operational cash flow.

The Manager is confident that, given Saizen REIT’s current cash position and taking into account the progress of the divestment of Saizen REIT’s properties, the YK Shintoku Loan can be repaid by the end of May 2011. In this regard, the Manager has decided that it is now an appropriate time to set out a schedule for the full repayment of the YK Shintoku Loan, with the intention of averting any foreclosure actions which will lead to unfavourable outcomes, including the properties of YK Shintoku possibly being auctioned off at substantially discounted prices. The Manager also believes that, given YK Shintoku’s net outstanding loan balance of approximately JPY 4.2 billion<sup>1</sup> (S\$62.9 million<sup>2</sup>) and YK Shintoku’s current portfolio value of approximately JPY 6.1 billion<sup>3</sup> (S\$91.3 million), the repayment of the loan is the best use of Saizen REIT’s resources. The repayment of the loan by instalments can also enable YK Shintoku to progressively reduce its interest expenses<sup>4</sup>.

The repayment schedule under the Repayment Plan is as follows:

- (a) repayment of not less than JPY 2.0 billion (S\$29.9 million) on 11 April 2011;
- (b) repayment of approximately JPY 0.8 billion (S\$12.0 million) between 12 April 2011 and 30 May 2011, through proceeds from the disposals of YK Shintoku’s properties, including those currently under negotiation or pending completion; and
- (c) repayment of the balance amount on or before 31 May 2011.

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<sup>1</sup> The current outstanding balance of the YK Shintoku Loan is approximately JPY 4.8 billion (S\$71.9 million). Taking into account cash reserves of JPY 0.6 billion (S\$9.0 million) maintained by YK Shintoku under the loan agreement, the net outstanding loan of YK Shintoku amounts to approximately JPY 4.2 billion (S\$62.9 million).

<sup>2</sup> Based on an exchange rate of S\$1.00 to JPY 66.8 as at 5 April 2011, which is applied throughout this announcement.

<sup>3</sup> This valuation relates to 36 properties of YK Shintoku, including Global Matsukawa Building (sale transaction pending completion). The number and value of YK Shintoku’s properties upon completion of the Repayment Plan may vary depending on the number of properties divested during this period.

<sup>4</sup> A default interest rate of 7.07% per annum is charged on the YK Shintoku Loan.

The Repayment Plan entails Saizen REIT committing internal resources, other than those of YK Shintoku, of approximately JPY 3.4 billion<sup>5</sup> (S\$50.9 million). Following the completion of the Repayment Plan, the entire property portfolio of YK Shintoku, currently valued at JPY 5.9 billion<sup>3</sup> (S\$88.3 million), will be unencumbered.

The Repayment Plan is currently being discussed and has not been agreed to by the lender. Notwithstanding the Repayment Plan, the lender still retains the right and may commence foreclosure application on the properties of YK Shintoku until such time when the YK Shintoku Loan is fully repaid. Such foreclosure actions are expected to take a period of six months or more before the properties are sold via an auction conducted by the court. The Manager is confident that the outstanding loan will be fully repaid well within such a timeframe, and accordingly, does not think such foreclosure actions will be necessary, nor will such foreclosure actions derail the resolution of the default. The Manager may also consider disputing such foreclosure actions, if taken, including pursuing the recovery of any related legal costs from the lender as appropriate.

The Repayment Plan is not expected to have any impact on Saizen REIT's distributions to be made in accordance with its distribution policy.

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

6 April 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.

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<sup>5</sup> Internal cash resources include proceeds from warrant exercises, proceeds from completed divestments and possible divestments of properties under other TK operators of Saizen REIT, and bank borrowings.