

**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))

---

**DIVESTMENT OF CRESTAGE TAYACHO AND LEGIONS YUNOKAWA**

---

The Board of Directors of Japan Residential Assets Manager Limited, the manager ("**Manager**") of Saizen Real Estate Investment Trust ("**Saizen REIT**"), wishes to announce the divestments of Crestage Tayacho and Legions Yunokawa (each a "**Divestment**", or collectively the "**Divestments**") as part of a deleveraging plan which is being conducted to facilitate refinancing efforts in respect of the loan of YK Shintoku (the "**YK Shintoku Loan**"), which will mature on 2 November 2009. The YK Shintoku Loan was originally extended to YK Shintoku in 2005 by Credit Suisse Principal Investments Limited (Tokyo Branch), which subsequently securitised and transferred the YK Shintoku Loan to an issuer of commercial mortgage backed securities.

Given the small sizes of Crestage Tayacho and Legions Yunokawa relative to the entire portfolio of Saizen REIT, the Divestments are not expected to have any material impact on the financial position of Saizen REIT.

**Divestment of Crestage Tayacho**

YK Shintoku has, on 28 August 2009, entered into a conditional sale and purchase agreement for the disposal of Crestage Tayacho to an independent private investor (the "**Crestage Buyer**") for a cash consideration of JPY 93,415,000 (S\$1.44 million<sup>1</sup>) (the "**Crestage Sale Price**"). The Crestage Sale Price was arrived at on an arm's length basis, taking into account, *inter alia*, the full valuation on Crestage Tayacho and the prevailing market conditions (including the current market demand for such a property).

The Crestage Buyer has paid a deposit of JPY 3.0 million (S\$0.05 million<sup>1</sup>) on 28 August 2009 with the remainder of the Crestage Sale Price to be paid at completion, which is expected to take place on or before 9 September 2009. The entire proceeds from the Divestment will be used for partial repayment of the YK Shintoku Loan.

Crestage Tayacho, located in Hakodate, was built in April 1991 and comprises 19 residential units and 18 car parking lots. It contributes about 0.3% (or approximately JPY 13.3 million) of Saizen REIT's annual revenue. Based on a full valuation as at 30 June 2009 prepared by KK Asset Research, an independent valuer commissioned by the Manager, Crestage Tayacho was valued at JPY 98.0 million (S\$1.51 million<sup>1</sup>) (the "**Crestage Valuation**"). The Crestage Sale Price therefore represents a discount of approximately 5% to the Crestage Valuation.

---

<sup>1</sup> Based on exchange rate of S\$1.00 to JPY65.0 as at 28 August 09, which is applied throughout this announcement.

### **Divestment of Legions Yunokawa**

YK Shintoku has, on 28 August 2009, entered into a conditional sale and purchase agreement for the disposal of Legions Yunokawa to an independent private investor (the “**Legions Buyer**”) for a cash consideration of JPY 108,130,000 (S\$1.66 million<sup>1</sup>) (the “**Legions Sale Price**”). The Legions Sale Price was arrived at on an arm’s length basis, taking into account, *inter alia*, the full valuation on Legions Yunokawa and the prevailing market conditions (including the current market demand for such a property).

The Legions Buyer has paid a deposit of JPY 5.0 million (S\$0.08 million<sup>1</sup>) on 28 August 2009 with the remainder of the Legions Sale Price to be paid at completion, which is expected to take place on or before 30 September 2009. The entire proceeds from the Divestment will be used for partial repayment of the YK Shintoku Loan.

Legions Yunokawa, located in Hakodate, was built in September 1989 and comprises 20 residential units and 13 car parking lots. It contributes about 0.4% (or approximately JPY 16.5 million) of Saizen REIT’s annual revenue. Based on a full valuation as at 30 June 2009 prepared by KK Asset Research, an independent valuer commissioned by the Manager, Legions Yunokawa was valued at JPY 119.0 million (S\$1.83 million<sup>1</sup>) (the “**Legions Valuation**”). The Legions Sale Price therefore represents a discount of approximately 9% to the Legions Valuation.

A divestment fee of 0.3% of the above-mentioned sale prices of Crestage Tayacho and Legions Yunokawa (the “**Divestment Fee**”) is payable to the Manager and such Divestment Fee will be payable in the form of cash or units or a combination of both (as the Manager may in its sole discretion determine). Save for the aforesaid Divestment 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 Divestments.

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  
31 August 2009

<p>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 &amp; Co. International plc and Credit Suisse (Singapore) Limited.</p>
--

**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.