
REFINANCING OF LOAN FROM SOCIETE GENERALE

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 Godo Kaisha Choan ("**GK Choan**"), a TK operator of Saizen REIT, has entered into a facility agreement on 15 June 2010 with Societe Generale (the "**Facility Agreement**") for the refinancing of its JPY 5.9 billion (S\$90.2 million¹) loan (the "**Refinanced Loan**"), which was originally obtained from Societe Generale and due to mature in July 2011. The completion of the Facility Agreement and related loan documents are subject to the fulfillment of the conditions precedent, such as the registration of mortgages of the properties.

The Refinanced Loan is for a term of 3 years up to 15 June 2013. The refinancing terms include the collateralisation of the property portfolios of two TK operators of Saizen REIT, namely GK Choan and Yugen Kaisha Kokkei ("**YK Kokkei**"), as security for the Refinanced Loan. The property portfolios of GK Choan and YK Kokkei are valued at an aggregate of JPY 11.8 billion (S\$180.4 million) based on valuations as at 30 April 2010. The Refinanced Loan is non-recourse to Saizen REIT.

Although the Refinanced Loan is subject to a variable interest rate, GK Choan intends to enter into an interest rate swap arrangement to fix the annual interest rate on the Refinanced Loan throughout its term. Further details on the applicable interest rate will be announced when it is fixed. The Refinanced Loan also has an amortising feature with an initial principal repayment of JPY 140.5 million (S\$2.1 million) in June 2010 and quarterly principal repayments of JPY 40.5 million (S\$0.6 million) thereafter. Societe Generale will also charge an up-front fee of JPY 59.0 million (S\$0.9 million).

The Management Team is pleased with the successful refinancing of this loan as it enables Saizen REIT to further strengthen its capital structure. Particularly, in view of recent financial turmoil in Europe, the risk appetite of international lenders has become less predictable. The Management Team deems it prudent to refinance this loan, which is Saizen REIT's second largest loan, as soon as possible while the opportunity remains open. Other than the JPY 7.1 billion (S\$108.6 million) loan of YK Shintoku (which is currently in maturity default) and the JPY 0.45 billion (S\$6.9 million) loan of GK Chosei, Saizen REIT has no further loans that are due to mature in the next two financial years. This will allow the Management Team to focus on the refinancing of the loan of YK Shintoku.

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 Societe Generale.

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
15 June 2010

¹ Based on an exchange rate of S\$1.00 to JPY65.4 as at 15 June 2010, which is applied throughout this announcement.

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.