



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))

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DIVESTMENT OF PATIOS OHASHI

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 divestment of Patios Ohashi (the "**Divestment**") from the property portfolio of Yugen Kaisha ("**YK**") Shintoku.

Since the loan of YK Shintoku (the "**YK Shintoku Loan**") went into maturity default in November 2009, the asset manager of Saizen REIT has been working closely with the loan servicer on a suitable course of action. To this end, the loan servicer has proposed the progressive and partial sale of YK Shintoku's properties to reduce the absolute amount of the YK Shintoku Loan. Such reduction in absolute amount of the loan will likely make its refinancing more acceptable to potential lenders.

In respect of the Divestment, YK Shintoku has, on 21 September 2010, entered into a conditional sale and purchase agreement for the disposal of Patios Ohashi to an independent private investor (the "**Patios Buyer**") for a cash consideration of JPY 79,352,200 (S\$1.2 million¹) (the "**Patios Sale Price**"). The Patios Sale Price was arrived at on an arm's length basis, taking into account, *inter alia*, the valuation on Patios Ohashi and the prevailing market conditions (including the current market demand for such a property).

The Patios Buyer has paid a deposit of JPY 4,325,200 (S\$0.07 million) on 21 September 2010 with the remainder of the Patios Sale Price to be paid on the completion date, which is expected to be on or around 30 September 2009. The entire proceeds from the Divestment will be used for partial repayment of the YK Shintoku Loan.

Patios Ohashi, located in Fukuoka, was built in December 1995 and comprises 23 residential units and 7 car parking lots. It contributes about 0.2% (or approximately JPY 9.2 million) of Saizen REIT's annual revenue in the financial year ended 30 June 2010. Based on a valuation as at 30 June 2010 prepared by Prime Appraisal Institute Co, Ltd, an independent valuer commissioned by the Manager, Patios Ohashi was valued at JPY 82.0 million (S\$1.3 million) (the "**Patios Valuation**"). The Patios Sale Price therefore represents a discount of approximately 3.2% to the Patios Valuation.

Given the small size of Patios Ohashi relative to the entire portfolio of Saizen REIT, the Divestment is not expected to have any material impact on the financial position of Saizen REIT.

¹ Based on exchange rate of S\$1.00 to JPY 64.2 as at 20 September 2010, which is applied throughout this announcement.

A divestment fee of 0.3% of the Patios Sale Price (“**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 Divestment.

BY ORDER OF THE BOARD OF DIRECTORS

Chang Sean Pey (Mr.)
Co-Chief Executive Officer

Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust

21 September 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 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.