
DIVESTMENT OF RISE KOJO HORIBATA

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 Rise Kojo Horibata (the "**Divestment**") from the property portfolio of Yugen Kaisha ("**YK**") Shinzan.

Background

YK Shinzan has, on 30 August 2012, entered into a sale and purchase agreement for the divestment of Rise Kojo Horibata ("**RKH**") to an independent private investor (the "**RKH Buyer**") for a cash consideration of JPY 86,000,000 (S\$1.4 million¹) (the "**RKH Sale Price**"). The divestment of RKH was completed on the same day upon the payment of the full amount of the RKH Sale Price by the RKH Buyer.

The Divestment offers Saizen REIT an opportunity to realise RKH at a good price, and to rebalance its property portfolio with a view to enhancing the overall quality and growth potential.

RKH, located in Kumamoto, was built in March 2004 and comprises 12 residential units and 6 car parking units. It contributed about 0.2% (or approximately JPY 7.4 million) of Saizen REIT's unaudited annual revenue in the financial year ended 30 June 2012 ("**FY2012**").

Given the small size of RKH 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.

Consideration

The RKH Sale Price was fully paid up by the RKH Buyer on 30 August 2012. The entire proceeds from the Divestment may be deployed towards Saizen REIT's working capital and/or for property acquisitions.

¹ Based on an exchange rate of S\$1.00 to JPY 62.6 as at 29 August 2012, which is applied throughout this announcement unless stated otherwise.

The RKH Sale Price was arrived at on an arm's length basis, taking into account, *inter alia*, the RKH Valuation (as defined below) and the prevailing market conditions.

Property valuation

Based on a valuation as at 30 June 2012 prepared by Le Futur Corporation, an independent valuer commissioned by the Manager, RKH was valued at JPY 73.3 million (S\$1.2 million) (the "**RKH Valuation**"). The RKH Valuation was prepared using the direct capitalisation method and discounted cash flow analysis method.

The RKH Sale Price therefore represents a premium of approximately 17.3% to the RKH Valuation.

Interest of Directors and Controlling Unitholders

A divestment fee of 0.3% of the RKH Sale Price (the "**Divestment Fee**") is payable to the Manager. The 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 Divestment Fee, none of the directors of the Manager or controlling Unitholder of Saizen REIT has any interest, direct or indirect, in the Divestment.

BY ORDER OF THE BOARD OF DIRECTORS

Linus Koh (Mr.)
Co-Chief Executive Officer

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

30 August 2012

Important Notice

The value of units in 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 may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (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 REIT is not necessarily indicative of the future performance of Saizen REIT.