

NEW LOAN FROM THE KUMAMOTO SHINKIN BANK

The Board of Directors of Japan Residential Assets Manager Limited, the manager (“**Manager**”) of Saizen Real Estate Investment Trust (“**Saizen REIT**”), is pleased to announce that Godo Kaisha (“**GK**”) Gyokou has entered into an agreement (the “**Loan Agreement**”) for a JPY 140.0 million (S\$2.0 million¹) loan (the “**Loan**”) from The Kumamoto Shinkin Bank (“**KSB**”) on 14 December 2012. The Loan has been fully disbursed.

Key terms of the Loan	
Amount	JPY 140.0 million (S\$2.0 million)
Tenure	20 years up to 10 December 2032
Interest rate	Variable rate based on the lender’s base interest rate (the prevailing interest rate is 3.175% per annum)
Security	(a) Rise Shinoe (held by GK Gyokou), which is valued at JPY 280.0 million ² (S\$4.1 million) (b) Non-recourse to Saizen REIT
Amortisation	Principal amount will be fully amortised and repaid over the tenure of the Loan
Annual Guarantor Fee ³	0.3% of the outstanding loan amount
Use of proceeds	Proceeds from the Loan will be deployed towards Saizen REIT’s working capital until such time when they are required for other purposes, which may include property acquisitions

The Management Team is pleased that Saizen REIT is able to establish a new banking relationship. The Management Team intends to continue its efforts on diversifying Saizen REIT’s sources of financing and working towards obtaining new loans with existing and new lenders.

¹ Based on an exchange rate of S\$1.00 to JPY 68.5 as at 14 December 2012, which is applied throughout this announcement.

² Based on a property valuation performed as at 1 November 2012.

³ Under the Loan Agreement, the asset manager of Saizen REIT, KK Tenyu Asset Management (the “**Asset Manager**”), will act as a guarantor for the Loan. In return, the Asset Manager will charge GK Gyokou an annual guarantor fee (the “**Guarantor Fee**”).

Following the drawdown of the Loan, Saizen REIT's gearing (aggregate leverage ratio)⁴ and net gearing⁵ will be 33% and 24% respectively.

Save for the Guarantor Fee, none of the Directors or controlling shareholders of the Manager, or the Manager, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee for Saizen REIT) or controlling unitholder of Saizen REIT, as the case may be, has any interest, direct or indirect, in the above-mentioned loan transaction with KSB.

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

Linus Koh (Mr.)
Co-Chief Executive Officer
14 December 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.

⁴ *Gearing (aggregate leverage ratio) is equal to the sum of borrowings divided by the total value of Saizen REIT's assets, and is computed based on Saizen REIT's financial position as at 30 September 2012 and adjusted for new borrowings, the acquisition of Rise Shinoe, and the use of warrant proceeds towards unit buy-backs.*

⁵ *Net gearing is equal to the sum of net borrowings divided by the total value of Saizen REIT's investment properties, and is computed based on Saizen REIT's financial position as at 30 September 2012 and adjusted for new borrowings, the acquisition of Rise Shinoe, and the use of warrant proceeds towards unit buy-backs. Net borrowings is equal to total borrowings less net cash (ie. cash at bank plus deposit with cash management agents less current rental deposits, other current liabilities and current tax liabilities).*