

NEW LOAN FROM THE HIGO 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**”) Chogen has entered into an agreement (the “**Loan Agreement**”) for a JPY 200.0 million (S\$2.8 million¹) loan (the “**Loan**”) from The Higo Bank (“**Higo Bank**”) on 28 December 2012. The Loan has been fully disbursed.

Key terms of the Loan	
Amount	JPY 200.0 million (S\$2.8 million)
Tenure	20 years up to 25 December 2032
Interest rate	Variable rate based on the lender’s short-term prime rate plus 1.200 % (the prevailing interest rate is 3.175% per annum)
Security	(a) Rise Yotsugibashi (held by GK Chogen), which is valued at JPY 420.0 million ² (S\$6.0 million) (b) Non-recourse to Saizen REIT
Amortisation	Principal amount will be fully amortised and repaid over the tenure of the Loan
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
Covenant relating to change of management	Higo Bank’s advance written consent (acting reasonably) is required for a change in the manager of Saizen REIT

The Loan is the second loan that a TK operator of Saizen REIT has obtained from Higo Bank. The Management Team is pleased that Saizen REIT is able to build on and strengthen its banking relationship with Higo Bank.

Following the drawdown of the Loan, Saizen REIT’s gearing (aggregate leverage ratio)³ and net gearing⁴ will be 33% and 27% respectively.

¹ Based on an exchange rate of S\$1.00 to JPY 70.2 as at 27 December 2012, which is applied throughout this announcement.

² Based on a property valuation performed as at 20 July 2012.

³ 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, a property acquisition, and the use of warrant proceeds towards unit buy-backs.

⁴ 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, a property acquisition, 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).

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 Higo Bank.

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
28 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.