

NEW LOAN FROM THE BANK OF FUKUOKA, LTD

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 Yugen Kaisha (“**YK**”) Shinzan has entered into an agreement (the “**Loan Agreement**”) for a JPY 1.9 billion (S\$24.8 million¹) loan (the “**Loan**”) from The Bank of Fukuoka, Ltd (“**BOF**”) on 22 March 2013.

The Loan is expected to be disbursed on 26 March 2013, subject to the fulfillment of the conditions precedent as set out in the Loan Agreement, such as the registration of mortgages of the applicable properties.

Key terms of the Loan	
Amount	JPY 1.9 billion (S\$24.8 million)
Tenure	7 years up to 26 March 2020
Interest rate	Fixed at 2.223% per annum
Security	(a) Properties held by YK Shinzan, which are valued at an aggregate of approximately JPY 4.4 billion ² (S\$57.4 million) (b) Non-recourse to Saizen REIT
Amortisation	JPY 100 million (S\$1.3 million) per annum
One-time fee	JPY 53.2 million (S\$0.7 million)
Annual Guarantor Fee ³	0.175% of outstanding loan amount
Use of proceeds	Proceeds from the Loan will be predominantly deployed towards the full repayment of YK Shinzan’s loan from the Tokyo Star Bank Ltd (the “ TSB Loan ”). Remaining proceeds of approximately JPY 0.2 billion (S\$2.6 million) will be deployed towards Saizen REIT’s working capital until such time when they are required for other purposes, which may include property acquisitions.

¹ Based on an exchange rate of S\$1.00 to JPY 76.6 as at 21 March 2013, which is applied throughout this announcement.

² Based on property valuations performed as at 30 June 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 the respective TK operators an annual guarantor fee (the “**Guarantor Fee**”).

The Management Team is pleased that Saizen REIT is able to establish a new banking relationship. With the Loan, YK Shinzan has effectively secured longer-term financing at a lower interest rate in place of the TSB Loan, which had carried an interest rate of 3.76% per annum and was due to mature in March 2015. The Loan also enables Saizen REIT to diversify its sources of financing.

Following the drawdown of the Loan, Saizen REIT's gearing (aggregate leverage ratio)⁴ and net gearing⁵ will be 39% and 32% respectively.

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 Tokyo Star.

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.)
Co-Chief Executive Officer
22 March 2013

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 31 December 2012 and adjusted for new borrowings, distributions, the sale of Mansion Lilac and the acquisitions of Clair Court Roka Koen and Cosmos Kokura Eki Mae.*

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 31 December 2012 and adjusted for new borrowings, distributions, the sale of Mansion Lilac and the acquisition of Clair Court Roka Koen and Cosmos Kokura Eki Mae. 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).*

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.