



## 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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### LOAN FROM THE HIROSHIMASHI CREDIT COOPERATIVE

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The Board of Directors of Japan Residential Assets Manager Limited, the manager (“**Manager**”) of Saizen Real Estate Investment Trust (“**Saizen REIT**”), wishes to announce that Godo Kaisha (“**GK**”) Gyosei, a new TK operator of Saizen REIT, has entered into an agreement (the “**Loan Agreement**”) for a JPY 76.0 million (S\$1.2 million<sup>1</sup>) loan (the “**Loan**”) from a Japanese financial institution, the Hiroshimashi Credit Cooperative (the “**HCC**”) on 19 August 2011.

The Loan Agreement is for a term of 30 years up to 30 July 2041. The Loan has an amortisation feature with approximately JPY 2.5 million (S\$0.04 million) of principal repayment per annum. The Loan carries a variable annual interest rate based on the lender’s long-term prime interest rate. The prevailing interest rate is 2.5% per annum.

The property Grand Polestone Kinya<sup>2</sup>, which was valued at JPY 154.0 million (S\$2.4 million) based on its valuation as at 30 June 2010, is pledged as security for the Loan.

The proceeds from the Loan will be deployed towards Saizen REIT’s working capital and may be used for future acquisitions, if any.

Although the size of the Loan is relatively small, this represents Saizen REIT’s first loan from a lender based in Hiroshima. The Management Team intends to work towards expanding this relationship with HCC.

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 above-mentioned loan transaction with the HCC.

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  
19 August 2011

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<sup>1</sup> Based on an exchange rate of S\$1.00 to JPY 63.4 as at 18 August 2011, which is applied throughout this announcement.

<sup>2</sup> Grand Polestone Kinya was previously held by YK Shingen, another TK operator of Saizen REIT, and was transferred to GK Gyosei for the purpose of securing the Loan.

### **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.