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**NEW LOAN FROM TOKYO STAR BANK LTD**

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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**”), is pleased to announce that Yugen Kaisha (“**YK**”) Shingen and YK Keizan have entered into an agreement (the “**Loan Agreement**”) for a JPY 4.0 billion (S\$67.3 million<sup>1</sup>) loan (the “**Loan**”) from Tokyo Star Bank Ltd (“**Tokyo Star**”), on 28 September 2011. The Loan is expected to be fully disbursed on 30 September 2010, subject to the fulfillment of the conditions precedent as set out in the Loan Agreement, such as the registration of mortgages of the properties.

The Loan Agreement is for a term of 5 years up to 30 September 2016. The Loan has an amortisation feature with JPY 120 million (S\$2.0 million) of principal repayment per annum. The Loan carries a fixed annual interest rate of 3.2175%. Under the Loan Agreement, Tokyo Star will also charge a one-time fee of 1.5% of the initial loan amount.

The Loan is non-recourse to Saizen REIT. Under the Loan Agreement, the asset manager of Saizen REIT, KK Tenyu Asset Management (the “**Asset Manager**”), will act as a sponsor for the Loan. In return, the Asset Manager will charge an annual sponsor fee (the “**Sponsor Fee**”) of 0.175% of the outstanding loan amount.

The property portfolios of YK Shingen and YK Keizan, which are unencumbered and valued at a total of approximately JPY 8.5 billion (S\$143.1 million) based on valuations as at 30 June 2011, will be pledged as security for the Loan.

Following the drawdown of the Loan, the Management Team will review the overall financing requirements of Saizen REIT and subject to the findings of this review, the proceeds from the Loan may be deployed towards Saizen REIT’s working capital and/or for property acquisitions in the near future.

In addition, Saizen REIT’s regular debt amortisation (which is typically paid using operating cash flow) may possibly be partially offset by a portion of the Loan, thereby effectively making available more cash from operations for distributions. The decision on such a possible use of the Loan will only be made when future distributions are announced.

With the Loan, Saizen REIT’s gearing will be about 32%<sup>2</sup>.

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<sup>1</sup> Based on an exchange rate of S\$1.00 to JPY 59.4 as at 27 September 2011, which is applied throughout this announcement.

<sup>2</sup> Gearing 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 June 2011 and adjusted for the Loan as well as a loan obtained by GK Gyosei in August 2011.

YK Shinzan, another TK operator of Saizen REIT, had previously obtained a JPY 2.0 billion (S\$33.7 million) loan from Tokyo Star in March 2010. The Management Team is pleased that Saizen REIT is able to build on and strengthen its banking relationship with Tokyo Star.

Save for the Sponsor Fee, 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 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  
29 September 2011

### **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.