

## NEW LOAN FROM MIZUHO BANK, 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 Godo Kaisha (“**GK**”) Tosei has entered into an agreement (the “**Loan Agreement**”) for a JPY 700.0 million (S\$11.3 million<sup>1</sup>) loan (the “**Loan**”) from Mizuho Bank, Ltd (“**Mizuho**”) on 29 June 2012. The Loan has been fully disbursed.

<b>Key terms of the Loan</b>	
Amount	JPY 700.0 million (S\$11.3 million)
Tenure	10 years up to 27 June 2022
Interest rate	Fixed at 2.81% <sup>2</sup> per annum
Security	(a) Property portfolio of GK Tosei, which is valued at approximately JPY 1.7 billion <sup>3</sup> (S\$27.4 million) (b) Non-recourse to Saizen REIT
Annual principal repayment	JPY 28.0 million (S\$0.5 million)
One-time fee	JPY 21.0 million (S\$0.3 million)
Annual Guarantor Fee	0.3% <sup>4</sup> of the outstanding loan amount
Use of proceeds	Proceeds from the Loan may be deployed towards Saizen REIT’s working capital and/or for property acquisitions.
Covenant relating to change of management	Mizuho’s prior written consent (acting reasonably) is required for (i) the resignation of Mr Arnold Ip Tin Chee as chairman of the Manager and/or a director of the Asset Manager; and (ii) the resignation of Mr Yutaka Matsunaga as president of the Asset Manager.

The Loan is the third loan that the TK operators of Saizen REIT have obtained from Mizuho. The Management Team is pleased that Saizen REIT is able to build on and strengthen its banking relationship with Mizuho.

<sup>1</sup> Based on an exchange rate of S\$1.00 to JPY 62.0 as at 28 June 2012, which is applied throughout this announcement.

<sup>2</sup> While the Loan is subject to a variable interest rate, GK Tosei has entered into an interest rate swap arrangement to fix the annual interest rate on the Loan throughout its term at 2.81% commencing from 3 July 2012.

<sup>3</sup> Based on property valuations performed as at 27 February 2012 and 1 April 2012.

<sup>4</sup> 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 Tosei an annual guarantor fee (the “**Guarantor Fee**”).

Following the drawdown of the Loan, Saizen REIT's gearing (aggregate leverage ratio)<sup>5</sup> and net gearing<sup>6</sup> will be 32% and 25% 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 Mizuho.

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 June 2012

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<sup>5</sup> *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 March 2012 and adjusted for the Loan, warrant proceeds received after 31 March 2012, and the acquisitions of AMS Hatchobori I and Bibress Tsukisamu Chuo Station.*

<sup>6</sup> *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 March 2012 and adjusted for the Loan, warrant proceeds received after 31 March 2012, and the acquisitions of AMS Hatchobori I and Bibress Tsukisamu Chuo Station. 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.