

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))

NEW LOAN FROM THE HIROSHIMASHI CREDIT COOPERATIVE

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 Gyosei has entered into an agreement (the “**Loan Agreement**”) for a JPY 450 million (S\$5.5 million¹) loan (the “**Loan**”) from the Hiroshimashi Credit Cooperative (“**HCC**”) on 11 July 2014.

Key terms of the Loan	
Amount	JPY 450 million (S\$5.5 million)
Tenure	30 years up to 30 June 2044
Interest rate	Variable annual interest rate based on the lender’s long-term prime interest rate. The prevailing interest rate is 2.25% per annum.
Security	(a) Grand Polestone Tsurumi II, which is valued at JPY 671 million ² (S\$8.2 million) (b) Non-recourse to Saizen REIT
Amortisation	JPY 15 million (S\$0.2 million) per annum
Use of proceeds	Loan proceeds will be deployed towards Saizen REIT’s working capital until such time when they are required for other purposes, which may include property acquisitions.

The loan-to-value ratio on the Loan is 67%. The Management Team will continue to work towards increasing the leverage of Saizen REIT, in line with the strategy adopted following the strategic review. Following the drawdown of the Loan, Saizen REIT’s gearing³ and net gearing⁴ will be 38% and 32% respectively.

Saizen REIT had previously obtained 2 loans from HCC in 2011. The Management Team is pleased that Saizen REIT is able to build on, and strengthen, its banking relationship with HCC.

¹ Based on an exchange rate of JPY81.8/S\$ as at 10 July 2014, which is applied throughout this announcement.

² Based on the property valuation performed as at 30 June 2013.

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 31 March 2014 and adjusted for the Loan and the sale of Saumur Meinohama II.

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 31 March 2014 and adjusted for the Loan and the sale of Saumur Meinohama II.

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 Loan.

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
11 July 2014

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**”). The 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.