

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 SHONAI 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**”) Togen, a new TK operator of Saizen REIT, has entered into an agreement (the “**Loan Agreement**”) for a JPY 260 million (S\$3.0 million¹) loan (the “**Loan**”) from The Shonai Bank, Ltd on 19 March 2015. The Loan has been fully disbursed.

Key terms of the Loan	
Amount	JPY 260 million (S\$3.0 million)
Tenure	20 years up to 25 March 2035
Interest rate	Variable annual interest rate based on the lender’s short-term prime interest rate plus 0.5%. The prevailing interest rate is 2.475% per annum.
Security	(a) Fantage Yaomate and Flocecer Miyagino, which are valued at an aggregate of JPY 537.0 million ² (S\$6.2 million) (b) Non-recourse to Saizen REIT
Annual principal repayment	JPY 13.0 million (S\$0.1 million)
One-time fee (including tax)	JPY 2.7 million (S\$0.03 million)
Annual Guarantor Fee ³	0.3% of the outstanding loan amount
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.

While the annual finance cost (interest expenses and Guarantor Fee) of 2.775% on the Loan is higher than that of Saizen REIT’s most recent loan (1.462%) obtained from the Kitakyushu Bank Ltd in August 2014, the Loan represents a strategic breakthrough as it is Saizen REIT’s first loan from a bank in the northern region of Japan, where banks are typically more conservative in their lending practices. About one-third of Saizen REIT’s properties (by value) is located in northern Japan, and the Management Team looks forward to expanding its banking relationships further in this region.

¹ Based on an exchange rate of JPY87.2/S\$ as at 18 March 2015, which is applied throughout this announcement.

² Based on property valuations performed as at 30 June 2014.

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 GK Togen an annual guarantor fee (the “**Guarantor Fee**”).

The Management Team intends to continue its efforts on diversifying Saizen REIT's sources of financing and working 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 gearing⁴ and net gearing⁵ will be 37% and 32% 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 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
19 March 2015

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.

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 2014 and adjusted for the Loan.*

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 2014 and adjusted for the Loan and Saizen REIT's estimated distribution (as announced on 10 February 2015).*