

## 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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### NEW LOAN FROM THE KITAKYUSHU 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 Godo Kaisha Gyotatsu has entered into an agreement (the “**Loan Agreement**”) for a JPY 740 million (S\$8.9 million<sup>1</sup>) loan (the “**Loan**”) from The Kitakyushu Bank, Ltd on 29 August 2014.

<b>Key terms of the Loan</b>	
Amount	JPY 740 million (S\$8.9 million)
Tenure	22 years up to 26 August 2036
Interest rate	Fixed at 5-year intervals based on the Tokyo Swap Reference Rate plus 1.2%. The interest rate is fixed at 1.462% per annum for the first 5 years.
Security	(a) Cosmos Kokura Eki Mae and AS Residence Hakataekiminami, which are valued at an aggregate of JPY 1,384 million <sup>2</sup> (S\$16.6 million)  (b) Non-recourse to Saizen REIT
Annual principal repayment	JPY 33.6 million (S\$0.4 million)
One-time fee	JPY 22.2 million (S\$0.3 million)
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 Management Team is pleased that Saizen REIT is able to establish a new banking relationship. 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.

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<sup>1</sup> Based on an exchange rate of JPY83.2/S\$ as at 28 August 2014, which is applied throughout this announcement.

<sup>2</sup> Based on property valuations performed as at 30 June 2014.

Following the drawdown of the Loan, Saizen REIT's gearing<sup>3</sup> and net gearing<sup>4</sup> will be 38% and 33% respectively.

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  
29 August 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.

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<sup>3</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 30 June 2014 and adjusted for the Loan, a loan obtained by GK Gyosei in July 2014 and the sale of Sun Port 6.*

<sup>4</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 30 June 2014 and adjusted for the Loan, a loan obtained by GK Gyosei in July 2014, the sale of Sun Port 6 and Saizen REIT's estimated distribution (as announced on 26 August 2014).*