

Morgan Stanley

7 December 2007

SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

2 Shenton Way
#19-00 SGX Centre One
Singapore 068804

Attention: **Mr YY Tang / Ms Leona Wong**
(Issuer Regulations Department)

Dear Sirs

STABILISING ACTION IN RELATION TO THE INITIAL PUBLIC OFFERING (THE "OFFERING") OF UNITS ("UNITS") REPRESENTING UNDIVIDED INTERESTS IN SAIZEN REAL ESTATE INVESTMENT TRUST ("SAIZEN REIT")

Pursuant to Regulation 3(14) of the Securities and Futures (Market Conduct) (Exemptions) Regulations 2006, we, the Stabilising Manager in respect of the Offering, hereby announce that we have, either as principal or through dealers on our behalf, to date purchased a total of 27,250,000 Units and have ceased price stabilisation as of 7 December 2007.

In this respect, the over-allotment option granted by Japan Opportunities Fund Limited, Japan High Yield Property Fund Limited and Japan High Yield Property Fund II Limited (collectively, the "**Vendors**") to us, has been exercised partially, in respect of 2,261,000 Units on 7 December 2007, solely for the purposes of covering the balance of the 2,261,000 Units which had been over-allotted in connection with the Offering, and which were not covered by purchases made under the price stabilising action.

Yours faithfully
For and on behalf of
Morgan Stanley & Co. International plc



Name: Rohit Sipahimalani
Designation: Managing Director