

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))

ANNOUNCEMENT

COMPLETION OF INVESTMENT IN QUEST TOWER NOBORICHO IN HIROSHIMA FOR JPY680 MILLION (S\$8.96¹ MILLION)

NEW SOURCE OF FINANCING FROM A JAPANESE FINANCIAL INSTITUTION

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 Saizen REIT has completed its investment in Quest Tower Noboricho (“**Quest Tower**”) in May 2008. Quest Tower, previously known as Kaminobori-cho Mansion, forms part of the Initial Properties (as defined in the prospectus dated 29 October 2007 (“**Prospectus**”)). This investment is in line with the intention as stated in the Prospectus that Saizen REIT shall invest in Quest Tower upon completion of its construction in or around the second quarter of 2008.

Quest Tower, located in the city centre area of Hiroshima, is built in March 2008. It is an 11-storey building comprising 60 residential units and 4 parking spaces. Its purchase consideration is JPY680 million (S\$8.96 million). Following this investment, Saizen REIT’s portfolio comprises 166 properties located in 13 cities in Japan.

The Manager is pleased to inform that in respect of the investment in Quest Tower, the Management Team has successfully drawn down a loan from a Japanese financial institution. This follows a loan from another Japanese bank in respect of an investment in Kumamoto in April 2008. These represent important financing avenues for Saizen REIT, especially in the midst of the global credit market crisis which has affected the availability of financing from major foreign investment banks which Saizen REIT has traditionally worked with. In light of the continued market uncertainties, the Management Team will remain prudent with their investment progress whilst at the same time continue to seek sources of financing from potential lenders.

Given an expected net operating income yield of 5.9% of Quest Tower, compared with annual borrowing costs of about 3.5% in respect of the aforesaid loan, the investment is expected to be accretive to Saizen REIT’s distribution per unit.

In relation to the initial public offering of Saizen, the financial adviser and issue manager is Morgan Stanley Asia (Singapore) Pte.. The joint bookrunners and underwriters are Morgan Stanley Asia (Singapore) Pte., Morgan Stanley & Co. International plc and Credit Suisse (Singapore) Limited.

¹ Based on exchange rate of S\$1.00 to JPY75.90, which is applied throughout this announcement.

Quest Tower has been valued by an independent valuer and the investment is in compliance with the guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. Based on the valuation report prepared by the independent valuer, Quest Tower was valued at JPY685 million (S\$9.0 million).

Acquisition fee of 1% of the purchase consideration of Quest Tower is payable to the Manager and such fee will be payable in units.

By Order of the Board

Chang Sean Pey (Mr.)
Chief Executive Officer

Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust

30 May 2008

Important Notice

The value of units of 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 of Saizen REIT (the “**Unitholders**”) may only deal in their Units through trading on 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 is not necessarily indicative of the future performance of Saizen REIT.