

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))

Annual Valuation for 38 Properties of Saizen REIT's Property Portfolio

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 out of the 166 properties in Saizen REIT's property portfolio as at the date hereof, annual valuation of 38 properties have been completed.

The valuations of these 38 properties were conducted by independent valuers namely, Asset Research Corporation ("**AR**"), Kabushiki Gaisya Kokudo Kantei Kenkyujyo ("**Kokudo**"), Rich Appraisal Institute Company Limited ("**RH**"), Real Value Inc. ("**RV**"), Total Asset Research ("**TAR**") and Tokyo Asset Research Inc. ("**TKAR**"). The annual valuation of the remaining properties will be completed and announced in batch(es) in due course in compliance with the Property Funds Guidelines.

At the time of the initial public offering ("**IPO**"), two valuations have been conducted for each of the Initial Properties (as defined in the prospectus dated 29 October 2007). Saizen REIT has acquired the Initial Properties at the higher of each of their two valuations. The latest aggregate valuation of these 38 properties, 21 of which are Initial Properties, amounts to JPY11,968.0 million (S\$155.0 million¹). This represents a decrease of 10.7% to Saizen REIT's book value of such properties of JPY13,403.3 million (S\$173.6 million) as at 31 March 2008, based on the higher IPO valuations for the Initial Properties.

For comparison, if the lower IPO valuations for the Initial Properties had been used in calculating the book value as at 31 March 2008, the book value would have amounted to JPY12,963.3 million (S\$167.9 million). The latest aggregate valuation of these 38 properties would have represented a decrease of 7.7%. Details of the latest valuations are set out in the table below.

The recent tightening of credit in Japan's real estate sector has had an adverse impact on the overall market sentiment. The volume of real estate transactions has reduced, and capital values have weakened. Notwithstanding, the management team has not evidenced any significant impact on rental and leasing operations, which have remained relatively stable. As previously announced, two investments have been made in April and May 2008, where financing have been obtained successfully from Japanese institutions.

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 JPY77.2, which is applied throughout this announcement.

The valuation details are as follows:

No.	Property Name	Location	Valuer	Latest valuation (JPY million)	Valuation Date
1	Towa Kotoni	Sapporo	AR	327.0	30 Apr 2008
2	Towa Kita 7 Jyo	Sapporo	AR	355.0	30 Apr 2008
3	Residence Shiroishi ABCD	Sapporo	AR	535.0	30 Apr 2008
4	Grand Polestone Fujimi	Hiroshima	AR	207.0	30 Apr 2008
5	Fujimicho Building	Hiroshima	AR	429.0	30 Apr 2008
6	Wing Nakahirodori	Hiroshima	AR	812.0	30 Apr 2008
7	Relief Ohori Nishi	Fukuoka	AR	130.0	30 Apr 2008
8	Rise Heiseiekimae	Kumamoto	AR	215.0	30 Apr 2008
9	Abitare Korimoto	Kagoshima	AR	310.0	30 Apr 2008
10	Abitare Shimoarata 1	Kagoshima	AR	315.0	30 Apr 2008
11	Sec' As Blue II	Sapporo	Kokudo	361.0	1 May 2008
12	Liesse Wakabayashi	Sendai	RH	139.0	1 Apr 2008
13	Grand Polestone Tsurumi	Hiroshima	RH	440.0	1 Apr 2008
14	La Finesse Hakataeki Minami	Fukuoka	RH	519.0	1 Apr 2008
15	Maison d'Etoile II	Sendai	RH	102.0	1 Apr 2008
16	Orion Heim	Fukuoka	RH	226.0	1 Apr 2008
17	Grand Polestone Otemachi	Hiroshima	RH	611.0	1 Apr 2008
18	Grand Polestone Higashi Hiratsuka	Hiroshima	RH	494.0	1 Apr 2008
19	Grand Polestone Otemachi II	Hiroshima	RH	457.0	1 Apr 2008
20	Floreceer Miyagino	Sendai	RH	272.0	1 Apr 2008
21	Arioso Phrase	Koriyama	RV	491.0	30 Apr 2008
22	Royal Hills Komatsushima	Sendai	RV	157.0	30 Apr 2008
23	Casa Motomachi	Sapporo	TAR	299.0	1 Apr 2008
24	GEO Kamiokawamaedori 3	Niigata	TAR	423.0	1 Apr 2008
25	Hills Kawabata	Niigata	TAR	306.0	1 Apr 2008
26	Hills Nogizaka	Niigata	TAR	358.0	1 Apr 2008
27	Fantage Yaotome	Sendai	TAR	235.0	1 Apr 2008
28	Estate 18 Shinonome	Hiroshima	TKAR	272.0	30 Apr 2008
29	Shinonome Heights	Hiroshima	TKAR	181.0	30 Apr 2008
30	Royal Shinonome	Hiroshima	TKAR	321.0	30 Apr 2008
31	Senboku Heim I	Morioka	TKAR	180.0	30 Apr 2008
32	Senboku Heim II	Morioka	TKAR	109.0	30 Apr 2008
33	Le Pied Hirao	Fukuoka	TKAR	296.0	30 Apr 2008
34	Abitare Shinyashiki	Kagoshima	TKAR	301.0	30 Apr 2008
35	VOGA Minami Kannon	Hiroshima	TKAR	191.0	30 Apr 2008
36	Villa Kaita	Hiroshima	TKAR	314.0	30 Apr 2008
37	Dear Misono	Sapporo	TKAR	46.0	30 Apr 2008
38	Kusatsu Higashi Heights	Hiroshima	TKAR	232.0	30 Apr 2008
			Total:	11,968.0	

The valuation reports are available for inspection at the Manager's registered office at 72A Duxton Road, Singapore 089531, during business hours for three months from the date hereof.

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

Chang Sean Pey (Mr.)
Chief Executive Officer

10 June 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.