

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))

Successfully Obtaining Loan of JPY5.9 billion (\$75.7¹ million) from a European Bank and Annual Valuation for the Remaining Properties of Saizen REIT's Property Portfolio

Loan from a European Bank

Japan Residential Assets Manager Limited (the "**Manager**"), the manager of Saizen Real Estate Investment Trust ("**Saizen REIT**") is pleased to announce that one of the Saizen TK Operators (as defined in the prospectus dated 29 October 2007) has entered into a loan agreement (the "**Loan Agreement**") with a European bank for a 3-year term loan of JPY5.9 billion (\$75.7 million) collateralised by 38 existing properties (the "**Loan**"), completing the refinancing of this portfolio.

Partial drawdown of the Loan has taken place at a fixed interest rate of 2.67%, representing a reduced rate compared with interest rate of the existing loan of 3.02%. Future drawdowns are expected upon all of the conditions precedent set out in the Loan Agreement, principally relating to completion of mortgage registrations, having been fulfilled. Details of the Loan are set out in the announcement of Saizen REIT dated 27 August 2008 in relation to its unaudited financial statements for the year ended 30 June 2008.

The recent progress made by the Management Team in securing new loans from local Japanese financial institutions and now a European bank, all being balance sheet lenders, represent a milestone for Saizen REIT. This is important especially in the midst of the credit crunch which has affected the availability of commercial mortgage-backed securities financing from major foreign investment banks which Saizen REIT has traditionally worked with.

As at the date hereof, Saizen REIT's portfolio comprises 166 properties located in 13 regional cities in Japan.

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 to JPY77.9, which is applied throughout this announcement.

Annual valuation for the remaining properties

Further to the announcement of Saizen REIT dated 10 June 2008 on the annual valuation of 38 properties in Saizen REIT's property portfolio and pursuant to the Property Funds Guidelines, the Board of Directors of the Manager is pleased to announce that the annual valuation of a further 126 properties have been completed.

The valuations of these 126 properties were conducted by independent valuers namely, Real Estate Appraisal Aota Jimusho ("**Aota**"), Asset Research Corporation ("**AR**"), Mizuno Real Estate Appraisal Jimusho ("**Mizuno**"), Prime Appraisal Institute Co, Ltd ("**Prime**"), Rich Appraisal Institute Company Limited ("**RH**"), Real Value Inc. ("**RV**"), KK Sakura Business Partners ("**Sakura**"), KK Soken ("**Soken**"), Toho Appraisal ("**Toho**") and Tokyo Asset Research Inc. ("**TKAR**").

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 126 properties, all of which are Initial Properties, amounts to JPY35,645.3 million (\$457.6 million). This represents a decrease of about 11% to Saizen REIT's book value of such properties of JPY40,087.5 million (\$514.6 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 JPY 38,344.3 million (\$492.2 million). The latest aggregate valuation of these 126 properties would have represented a decrease of about 7.0%.

Amidst the global credit crisis and the recent news of bankruptcy of Japanese real estate firms and developers, asset prices and market liquidity have inevitably been impacted. The Management Team has observed that valuers have generally adopted higher capitalisation rates and more conservative operating assumptions when conducting valuations. Nevertheless, leasing and rental operations of Saizen REIT's property portfolio have remained stable.

Details of the latest valuations are set out in the table below. These valuations will be reflected in the financial statements of Saizen REIT for the year ended 30 June 2008.

No.	Property Name	Location	Valuer	Latest Valuation (JPY million)	Valuation Point
1.	Wing Befu	Fukuoka	RH	171,000	30-Jun-08
2.	Arati Hakata South	Fukuoka	RH	413,000	30-Jun-08
3.	Chic Takaramachi	Fukuoka	RH	221,000	30-Jun-08
4.	Johnan Building III	Fukuoka	RH	406,000	30-Jun-08
5.	Patios Ohashi	Fukuoka	RH	134,000	30-Jun-08
6.	Saumur Meinohama II	Fukuoka	Soken	67,000	30-Jun-08
7.	Wealth Meinohama	Fukuoka	Soken	70,600	30-Jun-08
8.	Gold Mansion Nakao	Fukuoka	TKAR	168,000	30-Jun-08
9.	Central Court Tenjin Higashi	Fukuoka	TKAR	189,000	30-Jun-08
10.	Matsukaze Building	Hakodate	RH	307,000	30-Jun-08

No.	Property Name	Location	Valuer	Latest Valuation (JPY million)	Valuation Point
11.	Legions Yunokawa	Hakodate	RH	130,000	30-Jun-08
12.	Villa Kaigancho	Hakodate	RH	319,000	30-Jun-08
13.	Crestage Tayacho	Hakodate	RH	111,000	30-Jun-08
14.	Jewel Town Suehiro	Hakodate	RH	172,000	30-Jun-08
15.	Residence II Yasuda	Hiroshima	RH	108,000	30-Jun-08
16.	Funairi Honmachi 54	Hiroshima	RH	211,000	30-Jun-08
17.	Alpha Shinonome	Hiroshima	RH	108,000	30-Jun-08
18.	Global Matsukawa Building	Hiroshima	RH	271,000	30-Jun-08
19.	Higashi Hakushima Y Building	Hiroshima	RH	202,000	30-Jun-08
20.	Kamei Five	Hiroshima	RH	118,000	30-Jun-08
21.	Kinyacho Grande	Hiroshima	RH	557,000	30-Jun-08
22.	Kinyacho Y Building	Hiroshima	RH	231,000	30-Jun-08
23.	Matoba Y Building	Hiroshima	RH	212,000	30-Jun-08
24.	Otemachi Y Building	Hiroshima	RH	222,000	30-Jun-08
25.	U.I. Building	Hiroshima	RH	324,000	30-Jun-08
26.	Aistage Ushita Minami	Hiroshima	RH	349,000	30-Jun-08
27.	Sun Park Yokokawa	Hiroshima	RV	75,400	30-Jun-08
28.	Matoba Meijibashi II	Hiroshima	RV	312,700	30-Jun-08
29.	Grand Polestone Takeya	Hiroshima	RV	636,000	30-Jun-08
30.	Grand Polestone Kinya	Hiroshima	RV	171,000	30-Jun-08
31.	Yamamoto Mansion	Kagoshima	TKAR	710,000	30-Jun-08
32.	KN 7 Kirigaoka	Kitakyushu	AR	409,000	30-Jun-08
33.	KN 21 Shiragane	Kitakyushu	AR	270,000	30-Jun-08
34.	Urban KN 2 Kumamoto	Kitakyushu	AR	94,000	30-Jun-08
35.	Chalet Aoyama	Kitakyushu	AR	262,000	30-Jun-08
36.	Alte Heim Kokura	Kitakyushu	AR	101,000	30-Jun-08
37.	Alte Heim Kokura II	Kitakyushu	AR	495,000	30-Jun-08
38.	Alte Heim Kokura IV	Kitakyushu	AR	109,000	30-Jun-08
39.	Alte Heim Mojekimae	Kitakyushu	AR	185,000	30-Jun-08
40.	Alte Heim Orio	Kitakyushu	AR	335,000	30-Jun-08
41.	Shinko Kokura Kogane Sky Mansion	Kitakyushu	Prime	243,000	30-Jun-08
42.	Katano Residential Building	Kitakyushu	Prime	465,000	30-Jun-08
43.	City Room Nakai III	Kitakyushu	Sakura	190,000	30-Jun-08
44.	Club House Kikugaoka	Kitakyushu	Sakura	307,000	30-Jun-08
45.	Chalet Kishinoura	Kitakyushu	TKAR	348,000	30-Jun-08
46.	Chalet Numahon Machi II	Kitakyushu	TKAR	222,000	30-Jun-08
47.	Chalet Suwamachi	Kitakyushu	TKAR	345,000	30-Jun-08
48.	Chalet Tsudashin Machi	Kitakyushu	TKAR	175,000	30-Jun-08
49.	Chalet Einomaru II	Kitakyushu	TKAR	134,000	30-Jun-08
50.	Chalet Kanda II	Kitakyushu	TKAR	320,000	30-Jun-08
51.	Chalet Matsuo II	Kitakyushu	TKAR	75,000	30-Jun-08
52.	Chalet Harunomachi	Kitakyushu	TKAR	459,000	30-Jun-08
53.	Chalet Shiragane	Kitakyushu	TKAR	283,000	30-Jun-08
54.	Maestoso Figur	Kohriyama	RV	441,000	30-Jun-08
55.	Leggiero Viola	Kohriyama	RV	349,000	30-Jun-08

No.	Property Name	Location	Valuer	Latest Valuation (JPY million)	Valuation Point
56.	EMYU Honjo	Kumamoto	AR	944,000	30-Jun-08
57.	EMYU Shinmachi	Kumamoto	AR	653,000	30-Jun-08
58.	KC Heights	Kumamoto	AR	136,000	30-Jun-08
59.	Rise Kojo Horibata	Kumamoto	AR	99,000	30-Jun-08
60.	Rise Kuhonji II	Kumamoto	AR	440,000	30-Jun-08
61.	Rise Shimodori	Kumamoto	AR	330,000	30-Jun-08
62.	Mon Palais Toroku	Kumamoto	AR	271,000	30-Jun-08
63.	Rise Gofuku	Kumamoto	AR	301,000	30-Jun-08
64.	Rise Fujisaki Dai	Kumamoto	AR	298,000	30-Jun-08
65.	Rise Kumamoto Station South	Kumamoto	AR	170,000	30-Jun-08
66.	EMYU Heisei Keyakidori	Kumamoto	AR	789,000	30-Jun-08
67.	EMYU Suizenji	Kumamoto	AR	1,070,000	30-Jun-08
68.	Rise Kumadai Hospital II	Kumamoto	AR	563,000	30-Jun-08
69.	Rise Oe	Kumamoto	AR	251,000	30-Jun-08
70.	Gardenia Kurashiki	Kurashiki	RH	144,000	30-Jun-08
71.	K2 Mansion Morioka	Morioka	Aota	329,000	30-Jun-08
72.	K1 Mansion Morioka	Morioka	Aota	71,800	30-Jun-08
73.	Taisei Building III	Oita	AR	307,000	30-Jun-08
74.	Estella 24-ken A	Sapporo	Mizuno	73,000	30-Jun-08
75.	Three Tower	Sapporo	RH	960,000	30-Jun-08
76.	Luna Heights	Sapporo	RH	257,000	30-Jun-08
77.	Matsui 53	Sapporo	RH	191,000	30-Jun-08
78.	Plaza Nakajima Park	Sapporo	RH	340,000	30-Jun-08
79.	Chateau 24	Sapporo	RH	561,000	30-Jun-08
80.	Chateau Nakanoshima	Sapporo	RH	250,000	30-Jun-08
81.	Glance Nishimachi	Sapporo	RH	427,000	30-Jun-08
82.	Matsui 82	Sapporo	RH	410,000	30-Jun-08
83.	Urban Yamahana	Sapporo	RH	131,000	30-Jun-08
84.	Maison Towa	Sapporo	RH	199,000	30-Jun-08
85.	Misono Heights	Sapporo	RH	319,000	30-Jun-08
86.	Dominion Yamanote	Sapporo	RH	164,000	30-Jun-08
87.	Treasure 15	Sapporo	RH	173,000	30-Jun-08
88.	Infinity Higashi Sapporo	Sapporo	RH	226,000	30-Jun-08
89.	First Kotake Building	Sapporo	RH	996,000	30-Jun-08
90.	Park Crystal	Sapporo	RH	269,000	30-Jun-08
91.	Matsui 38	Sapporo	RH	162,000	30-Jun-08
92.	Sun City	Sapporo	RH	356,000	30-Jun-08
93.	Les Chambres	Sapporo	RH	81,400	30-Jun-08
94.	S. Heim	Sapporo	RH	120,000	30-Jun-08
95.	Kohatsu 88	Sapporo	RH	57,400	30-Jun-08
96.	Lumiere et vent	Sapporo	RH	58,500	30-Jun-08
97.	Estoille S12	Sapporo	RH	219,000	30-Jun-08
98.	Ebisu Building III	Sapporo	RH	80,700	30-Jun-08
99.	Escort South 11	Sapporo	RH	55,000	30-Jun-08
100.	Heart Inn Hongou	Sapporo	RH	74,200	30-Jun-08

No.	Property Name	Location	Valuer	Latest Valuation (JPY million)	Valuation Point
101.	Reef Suite	Sapporo	RH	174,000	30-Jun-08
102.	Art Side Terrace	Sapporo	RH	595,000	30-Jun-08
103.	Kotoni 1-6 Mansion	Sapporo	RH	330,000	30-Jun-08
104.	Aster Yamahana	Sapporo	RH	169,000	30-Jun-08
105.	TOA Mansion	Sapporo	RH	684,000	30-Jun-08
106.	Jeunes 23	Sapporo	RH	290,000	30-Jun-08
107.	Studio City	Sapporo	RH	240,000	30-Jun-08
108.	Suien	Sapporo	Toho	93,100	30-Jun-08
109.	Aisho Plaza Hachiman	Sendai	RV	229,000	30-Jun-08
110.	Exceed Tsuchitoi	Sendai	RV	112,000	30-Jun-08
111.	Sun Hills Asahigaoka	Sendai	RV	68,000	30-Jun-08
112.	Sun Port 6	Sendai	RV	176,000	30-Jun-08
113.	Sun Rise Kashiwagi	Sendai	RV	236,000	30-Jun-08
114.	Lively Kamisugi	Sendai	RV	82,800	30-Jun-08
115.	Mansion Lilac	Sendai	RV	61,700	30-Jun-08
116.	Etoile Higashi Sendai	Sendai	RV	116,000	30-Jun-08
117.	Urban Hills Dainohara	Sendai	RV	158,000	30-Jun-08
118.	High Grace II	Sendai	RV	387,000	30-Jun-08
119.	Sun Vario Shinden Eki Mae	Sendai	RV	484,000	30-Jun-08
120.	Niken Chaya Grand Heights	Sendai	RV	459,000	30-Jun-08
121.	River City Kimachi	Sendai	RV	154,000	30-Jun-08
122.	Royal Hills Katagiri	Sendai	RV	184,000	30-Jun-08
123.	Castle Kano	Sendai	RV	229,000	30-Jun-08
124.	Clio Court	Sendai	RV	232,000	30-Jun-08
125.	Core Life	Sendai	RV	512,000	30-Jun-08
126.	YSK Co-op Saiwaicho	Sendai	RV	500,000	30-Jun-08

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

27 August 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.