

1Q2007 FINANCIAL RESULTS

(1 January to 31 March 2007)

16 April 2007



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Highlights

Financial Results (1 Jan to 31 Mar 2007)

- Distribution Per Unit (DPU) of **1.77** cents (**7.18** cents annualised)
- **99.4%** committed occupancy, higher than Core CBD occupancy of 96.8% and Fringe CBD occupancy of 95.1%
- Total return of **28.7%**⁽¹⁾ for 1Q2007 and **213.8%** since listing ⁽²⁾

- (1) Total return is based on K-REIT Asia's unit price appreciation from its closing price of \$2.50 on 29 Dec 2006 to the closing price of \$3.20 on 30 Mar 2007 and DPU of 1.77 cents for 1 Jan 2007 to 31 Mar 2007
- (2) Total return is based on K-REIT Asia's unit price appreciation from its first day opening price of \$1.04 on 28 Apr 2006 to the closing price of \$3.20 on 30 Mar 2007 and DPU of 6.40 cents for 26 Apr 2006 to 31 Mar 2007

Financial Results

Higher Distributable Income

- Distributable Income of \$4.3m in 1Q2007 outperforms 1Q2006 by 23.6%

(\$'000)	1Q2007	1Q2006		4Q2006	
	Actual	Pro forma ⁽¹⁾	% Chg	Actual	% Chg
Property Income	8,866	7,868	12.7	9,102	(2.6)
Property Expenses	(2,404)	(2,302)	4.4	(2,888)	(16.8)
Net Property Income	6,462	5,566	16.1	6,214	4.0
Non-Property Expenses	(3,014)	(3,124)	(3.5)	(3,046)	(1.1)
Net Profit	3,448	2,442	41.2	3,168	8.8
Distributable Income to Unitholders	4,289	3,470	23.6	4,256	0.8

(1) As K-REIT Asia had no income and expenses for the corresponding preceding quarter from 1 Jan to 31 Mar 2006, the comparative pro forma figures have been compiled based on the unaudited financial statements of Mansfield Realty Limited, Keppel Land (Tower D) Pte Ltd and BCH Office Investment Pte Ltd after making certain assumptions and adjustments.

Stable DPU

- DPU holds steady at 1.77 cents for 1Q2007
- Annualised DPU for 1Q2007 improves to 7.18 cents

	1Q2007	4Q2006	
	Actual	Actual	% Chg
Distribution Per Unit (DPU)	1.77 ¢	1.76 ¢	0.6%
Annualised DPU ⁽¹⁾	7.18 ¢	6.98 ¢	2.9%
Distribution Yield ⁽²⁾	2.24%	2.18%	2.8%

(1) Annualised DPU of 7.18 cents is based on DPU of 1.77 cents for the period 1 Jan to 31 Mar 2007 and annualised DPU of 6.98 cents is based on DPU of 1.76 cents for the period 1 Oct to 31 Dec 2006

(2) Based on unit closing price of \$3.20 on 30 Mar 2007

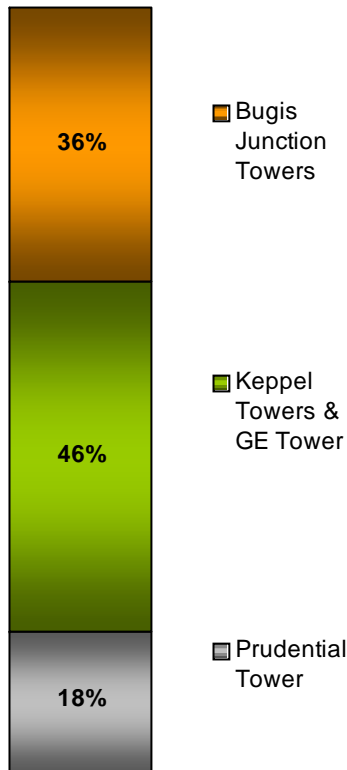
Balance Sheet Highlights

(\$m)	As At	
	31-Mar-07	31-Dec-06
Non-current Assets ⁽¹⁾	677.0	677.0
Total Assets	690.6	694.9
Borrowings	189.1	189.0
Total Liabilities	202.2	202.5
Unitholders' Funds	488.4	492.4
Net Asset Value Per Unit	\$2.02	\$2.04
Adjusted NAV Per Unit ⁽²⁾	\$2.00	\$2.00

(1) Investment properties were stated at valuation performed by an independent professional valuer as at 31 Dec 2006

(2) Assuming distribution income has been paid out to Unitholders

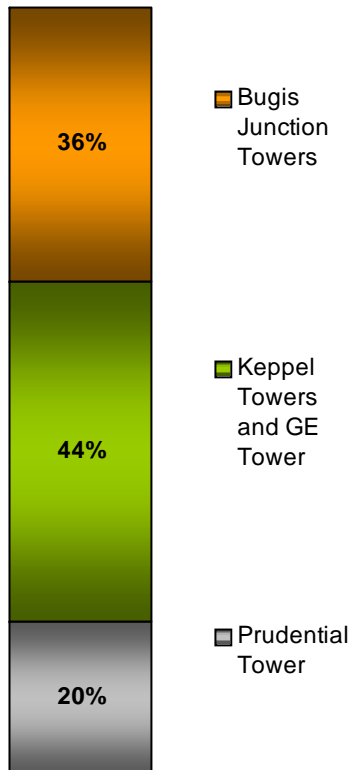
Gross Revenue by Asset



(\$ '000)	1Q2007	1Q2006		4Q2006	
	Actual	Pro forma	% Chg	Actual	% Chg
Prudential Tower ⁽¹⁾	1,632	1,293	26.2	1,609	1.4
Keppel Towers & GE Tower	4,046	3,634	11.3	4,379	(7.6)
Bugis Junction Towers	3,188	2,941	8.4	3,114	2.4
Total Property Income	8,866	7,868	12.7	9,102	(2.6)

(1) Approximately 44% of strata area of the building

Net Property Income by Asset



(\$ '000)	1Q2007	1Q2006		4Q2006	
	Actual	Pro forma	% Chg	Actual	% Chg
Prudential Tower ⁽¹⁾	1,283	993	29.2	1,218	5.3
Keppel Towers & GE Tower	2,863	2,340	22.4	2,980	(3.9)
Bugis Junction Towers	2,316	2,233	3.7	2,016	14.9
Total Net Property Income	6,462	5,566	16.1	6,214	4.0

(1) Approximately 44% of strata area of the building

Capital Management

- Fixed rate loans locked in to mitigate risk of interest rate hike
 - 100% fixed for five years until May 2011

	As At	
	31-Mar-07	31-Dec-06
Borrowings	\$190.1m	\$190.1m
Gearing ⁽¹⁾	27.5%	27.4%
Interest Coverage Ratio ⁽²⁾	3.0 times	2.7 times
All-in Interest Rate ⁽³⁾	4.06%	4.06%
Weighted Average Term to Expiry	4.1 years	4.3 years

(1) Gearing = Borrowings / total assets.

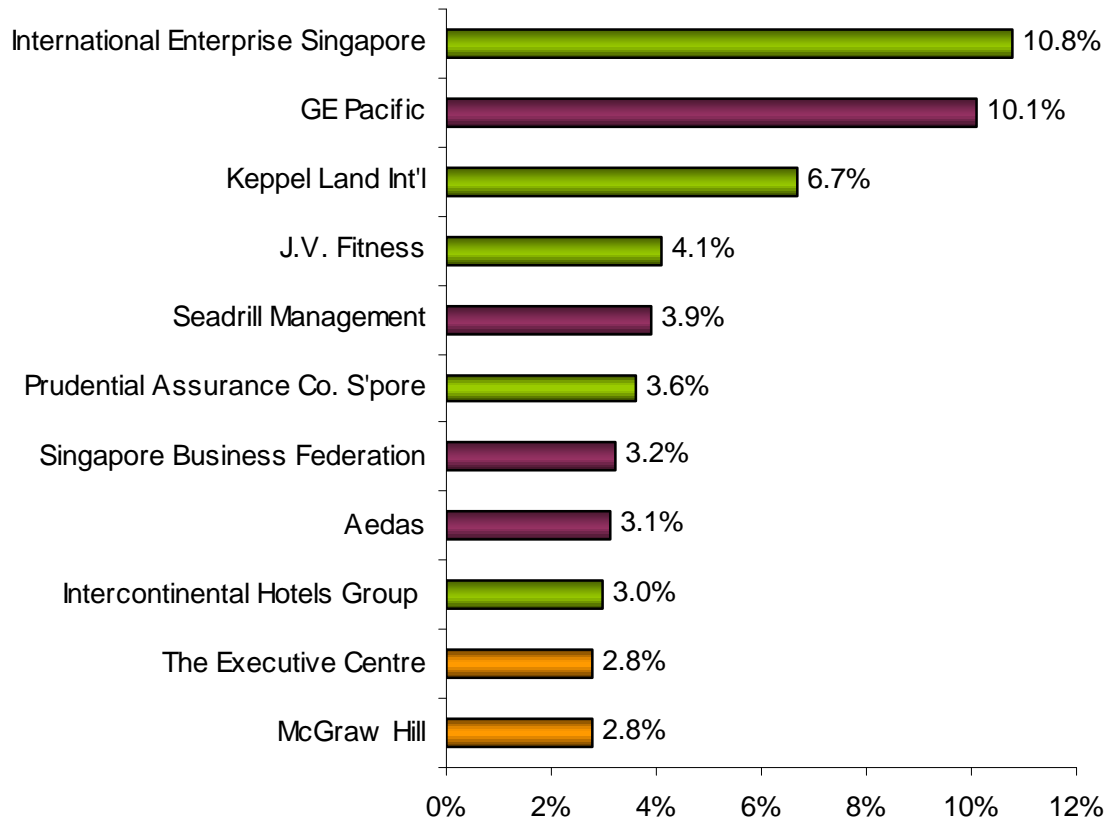
(2) Interest coverage ratio = YTD profit before interest and tax / net interest

(3) All-in interest rate for 5-year term loans includes the amortisation of upfront debt arrangement expenses of approximately \$1.2m

Portfolio Performance

Broad Tenant Diversity

Top 10 Tenants : 54.1% of NLA (73,027 sm) @ 31 Mar 2007



■ Bugis Junction Towers

■ Prudential Tower

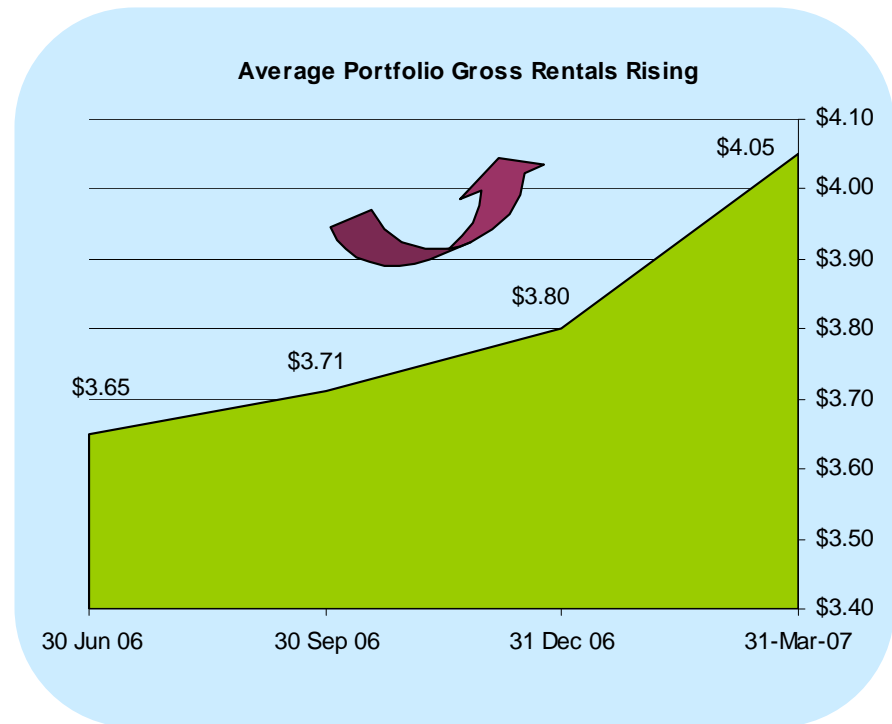
■ Keppel Towers & GE Tower

Broad Tenant Diversity

- Wide tenant base
 - A total of 96 tenants from various different industries
 - Financial and business services
 - Hospitality
 - Government agencies
 - Pharmaceuticals and healthcare
 - IT services and consultancy
- Income diversification to reduce risk
 - The top tenant by NLA contributes less than 15% of total rental revenue

Continual Rental Growth

- Rise in average portfolio gross rentals continues
- Steeper rental increase in 1Q2007
- Potential for further increase in renewal rates

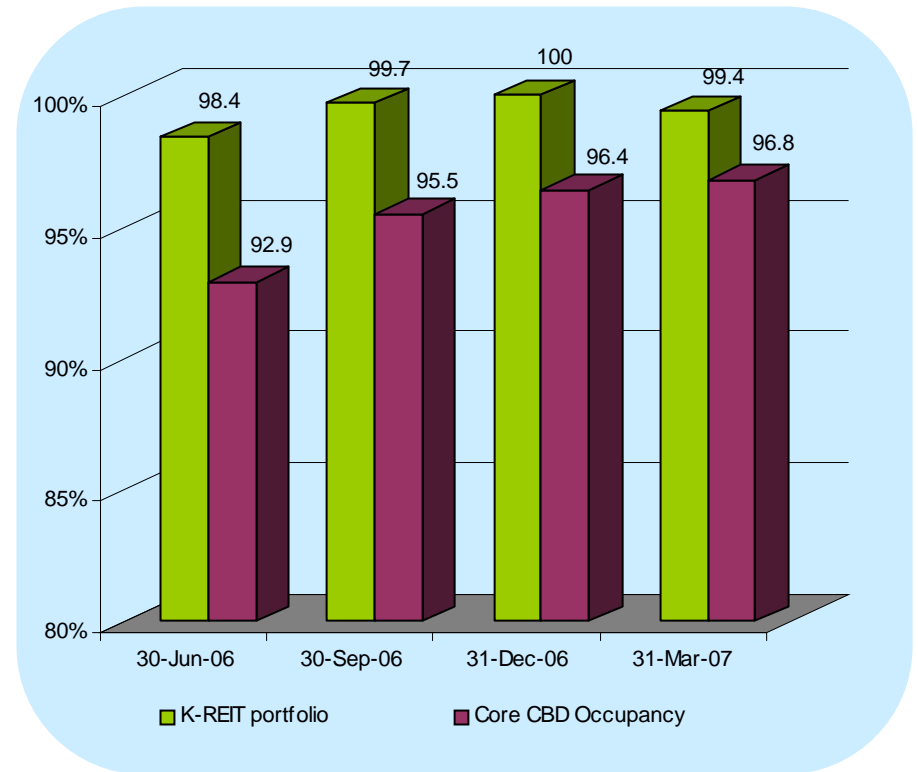


Riding Rental Uptrend

- Expiry of old leases allows for positive rent reversions
- About 16% of the total NLA at Keppel Towers and GE Tower was secured by new tenants at more than 50% higher than preceding rents

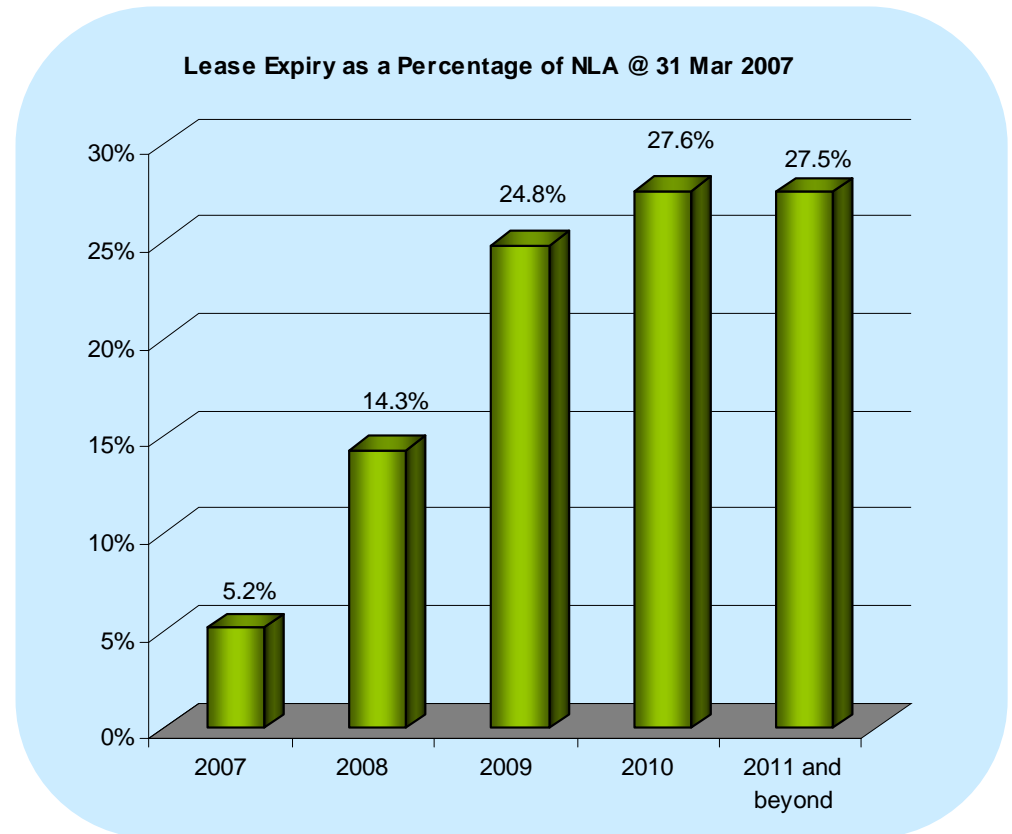
Occupancy Remains High

- Committed occupancy of 99.4% as at 31 Mar 2007
 - Ahead of Core CBD occupancy of 96.8% and Fringe CBD occupancy of 95.1% *(Source : CBRE)*



Positive Lease Expiry Profile

- K-REIT Asia is able to capitalise on rising rents
 - About 72% of net lettable area (NLA) due for renewal from 2007 to 2010, during which new supply averages less than 700,000 sf per annum
 - Higher reversionary rents expected on sustained demand and tight office supply



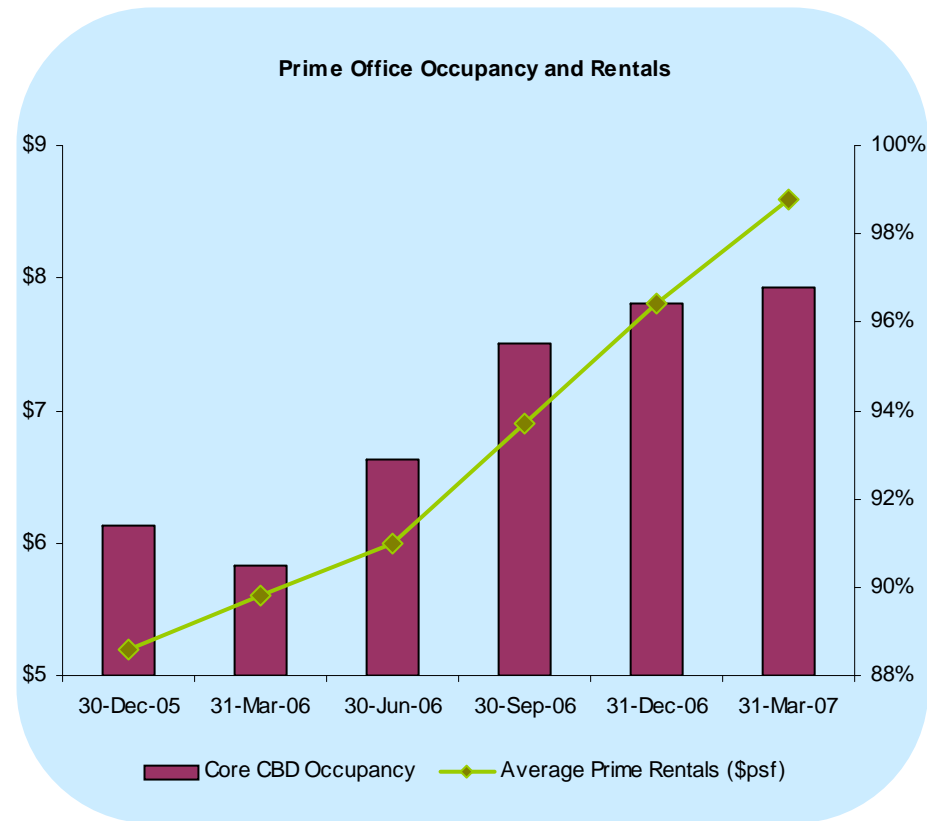
Market Review and Outlook

Economy Remains Strong

- 1Q2007 Advance GDP growth estimate at 6.0%
- Continued growth in manufacturing, construction and financial services sectors
- Government expecting economy to grow at healthy 4.5 – 6.5% in 2007
- Steady regional growth to benefit Singapore's economy

Strong Office Demand Continues

- Continued high demand for prime office space drove rents significantly higher
 - Average prime rents reached \$8.60 psf at end of 1Q2007*
- Office take-up increased to 2.4 mil sf in 2006
- Office demand expected to sustain upward trend in rents

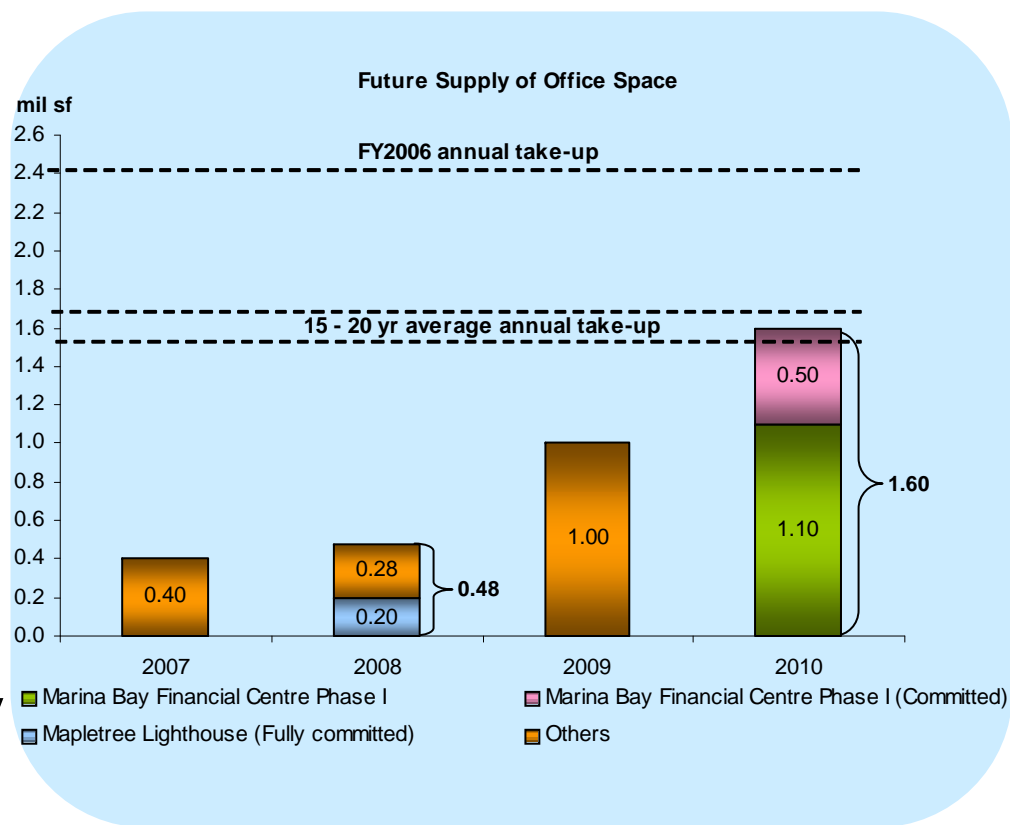


*Source : CBRE

Supply Remains Tight

■ No substantial new supply until Marina Bay Financial Centre (Phase I) comes on stream in 2010

- CBD office stock to reduce by over 1 mil sf from 2007 onwards due to conversions and redevelopment of older buildings
- About 0.5 mil sf of Marina Bay Financial Centre (Phase I) already committed



Source : URA, CBRE, DTZ and K-REIT Asia estimates

Limited Potential Supply

Office Supply in the Pipeline		
Year	Development	NFA (sf)
2007	LKN Building Redevelopment	80,080
	VisionCrest	139,940
	Central	179,000
	SUBTOTAL	399,020
2008	Selegie Road Development	120,300
	Straits Trading Building	156,000
	Mapletree Lighthouse (fully taken up)	195,640
	City Square	6,020
	SUBTOTAL	477,960
2009	Overseas Union House Redevelopment	385,260
	SPI Redevelopment	350,000
	New Bridge Road/North Canal Road	46,410
	Crosby House Redevelopment	219,800
	SUBTOTAL	1,001,470
2010	Marina Bay Financial Centre (Phase I)	1,600,000
	SUBTOTAL	1,600,000
	TOTAL (2007 - 2010)	3,478,450

Limited supply of
< 700,000* sf per annum
between 2007 and 2010
will lead to rise in office
rents and occupancies

* Excludes Mapletree Lighthouse which has been fully taken up as well as about 500,000 sf of Marina Bay Financial Centre (Phase I) which has already been committed

Source: CBRE, DTZ, K-REIT Asia and JLL

Going Forward

Forward Strategy

- Actively seek potential acquisitions that will value-add to the portfolio
- Proactive management and continuous active leasing to achieve better returns for unitholders
- Continuous evaluation of property portfolio to identify possible asset enhancement initiatives to better meet the needs of tenants and grow asset value

A Pan-Asian Commercial REIT

- Grow the portfolio by identifying and pursuing quality assets in Singapore and other Asian growth cities.
- Able to ride on different market cycles to allow for diversification of risks across countries
- Target Assets Under Management of \$2 bln within the next few years

Additional Information

Snapshot of K-REIT Asia



Manager	K-REIT Asia Management Limited
Property Portfolio	Four quality office buildings valued at \$677.0m
Listing and Trading Date	28 Apr 2006 on Singapore Stock Exchange
Market Capitalisation	\$764.7 million (as at 13 Apr 2007) ⁽¹⁾
Unit Price	\$3.16 (closing price on 13 Apr 2007)
Total No. of Units	241,997,637 ⁽²⁾
Free Float	28% (as at 31 Mar 2007) ⁽³⁾

(1) Market capitalisation is based on the market closing price of \$3.16 per unit for 241,997,637 units issued as at 13 Apr 2007

(2) Includes issue of new units in payment of management fees – 516,401 units on 1 Aug 2006, 585,965 units on 30 Oct 2006 and 387,271 units on 1 Feb 2007

(3) Excludes total unitholding of 72% held by Keppel Land and Keppel Corporation

Property Portfolio

	Prudential Tower ⁽¹⁾	Keppel Towers	GE Tower	Bugis Junction Towers
				
Total Lettable Area (sm)	10,074	39,963	22,990	
Car Park Lots	-	288	-	
Number of Tenants	14	69	13	
Principal Tenants	McGraw-Hill Companies The Executive Centre	GE Pacific Seadrill Management Singapore Business Federation Aedas	IE Singapore J.V. Fitness Prudential Assurance	
Title	Leasehold estate of 99 years expiring 14 Jan 2095	Estate in fee simple	Leasehold estate of 99 years expiring 9 Sep 2089	
Valuation ⁽²⁾	\$128.0 million	\$367.0 million	\$182.0 million	
Committed Occupancy	100.0%	99.0%	100.0%	

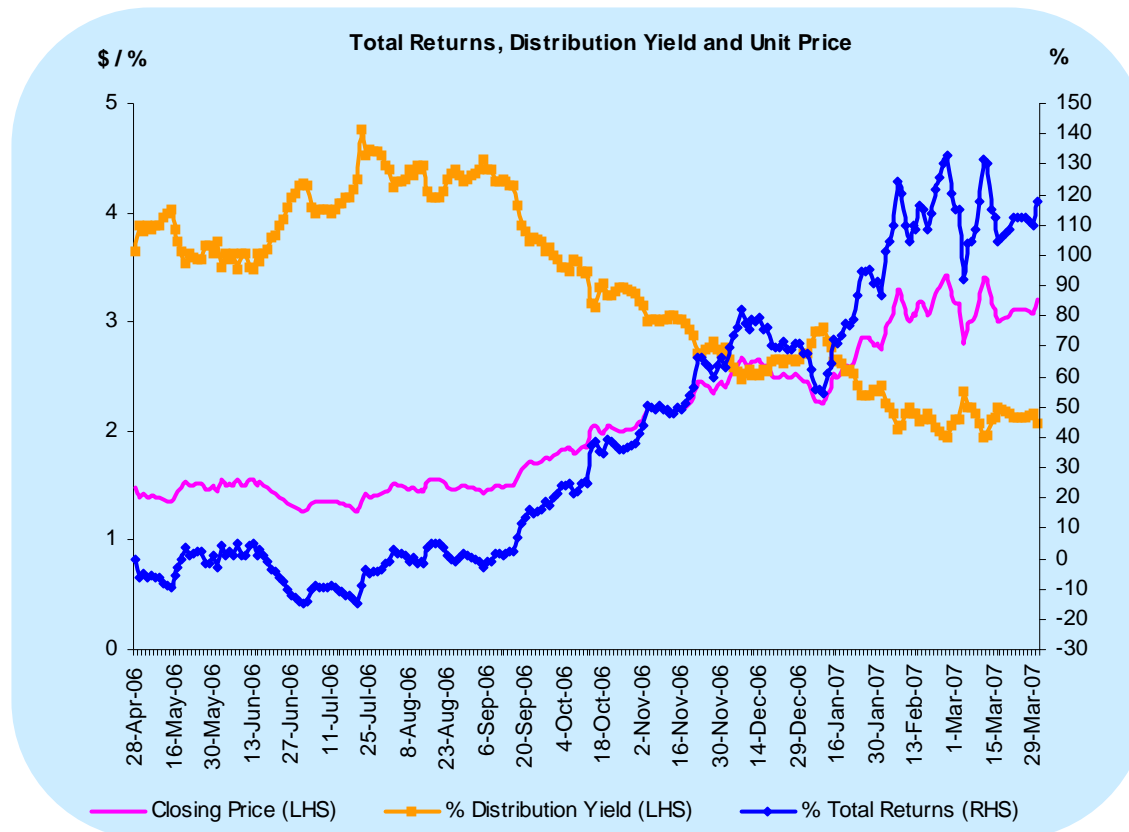
Information as at 31 Mar 2007

(1) Approximately 44% of strata area of the building

(2) Appraised value as at 31 Dec 2006

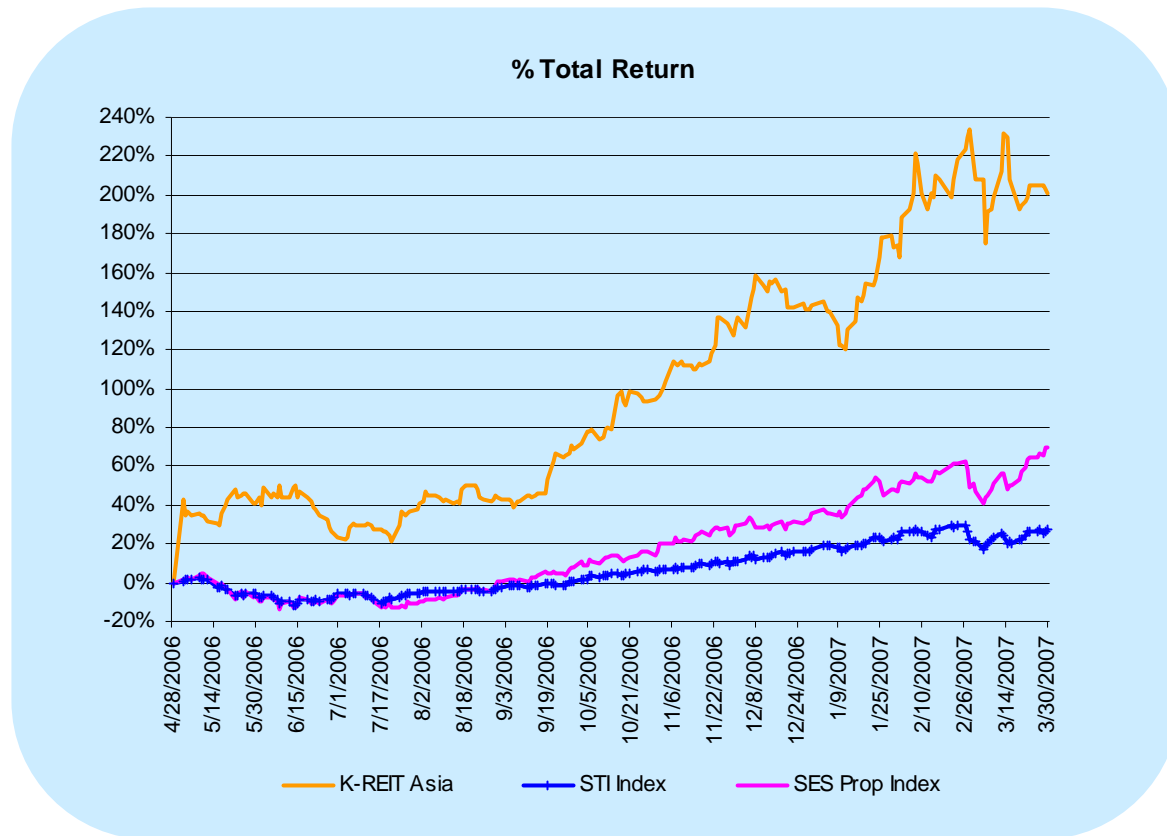
Total Return

- Total return of 213.8% since listing (1)



(1) Total return is based on K-REIT Asia's unit price appreciation from its first day opening price of \$1.04 on 28 Apr 2006 to the closing price of \$3.20 on 30 Mar 2007 and DPU of 6.40 cents for 26 Apr 2006 to 31 Mar 2007

Comparable Returns



Source : Bloomberg

As at 30 Mar 2007

Thank You

Important Notice

The value of units in K-REIT Asia ("Units") and the income from them may fall as well as 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 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of K-REIT Asia is not necessarily indicative of its future performance. This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.