



K-REITasia



Extraordinary General Meeting

11 October 2007

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A circular dated 22 September 2007 (the "Unitholders' Circular") setting out the details of the proposed equity fund raising, the proposed issue of convertible bonds and the proposed acquisition of a one-third interest in ORQ (as defined in the Unitholders' Circular), together with the notice of an extraordinary general meeting of the holders of Units ("Unitholders"), has been despatched to Unitholders. This presentation is qualified in its entirety by, and should be read in conjunction with, the full text of the Unitholders' Circular. Terms not defined in this presentation adopt the meanings in the Unitholders' Circular.

An offer information statement (the "OIS") in relation to the offer of new Units ("New Units") will also be made available if an offer is made subsequent to approval by the Unitholders of the proposed acquisition of the one-third interest in ORQ and the proposed equity fund raising. Any decision to purchase or subscribe for New Units should be made solely on the basis of information contained in the OIS if and when available and no reliance should be placed on any information other than that contained in the OIS.

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Approvals Sought

To seek unitholders' approval for:

- Inter-conditional
- 1 Proposed Acquisition of a one-third interest in One Raffles Quay (“ORQ”)
 - 2 Proposed Issue of New Units under the Equity Fund Raising (“EFR”)
 - 3 Proposed Issue of Convertible Bonds (“CB”)
 - 4 Proposed Placement of New Units to Keppel Land Group
 - 5 Proposed General Mandate for the Issue of new Units and Convertible Securities
 - 6 Proposed Supplement to the Trust Deed in respect of investments held through special purpose vehicles

Proposed Acquisition Of One-Third Interest In One Raffles Quay

A Prestigious Landmark Commercial Development

North Tower



South Tower



The Plaza



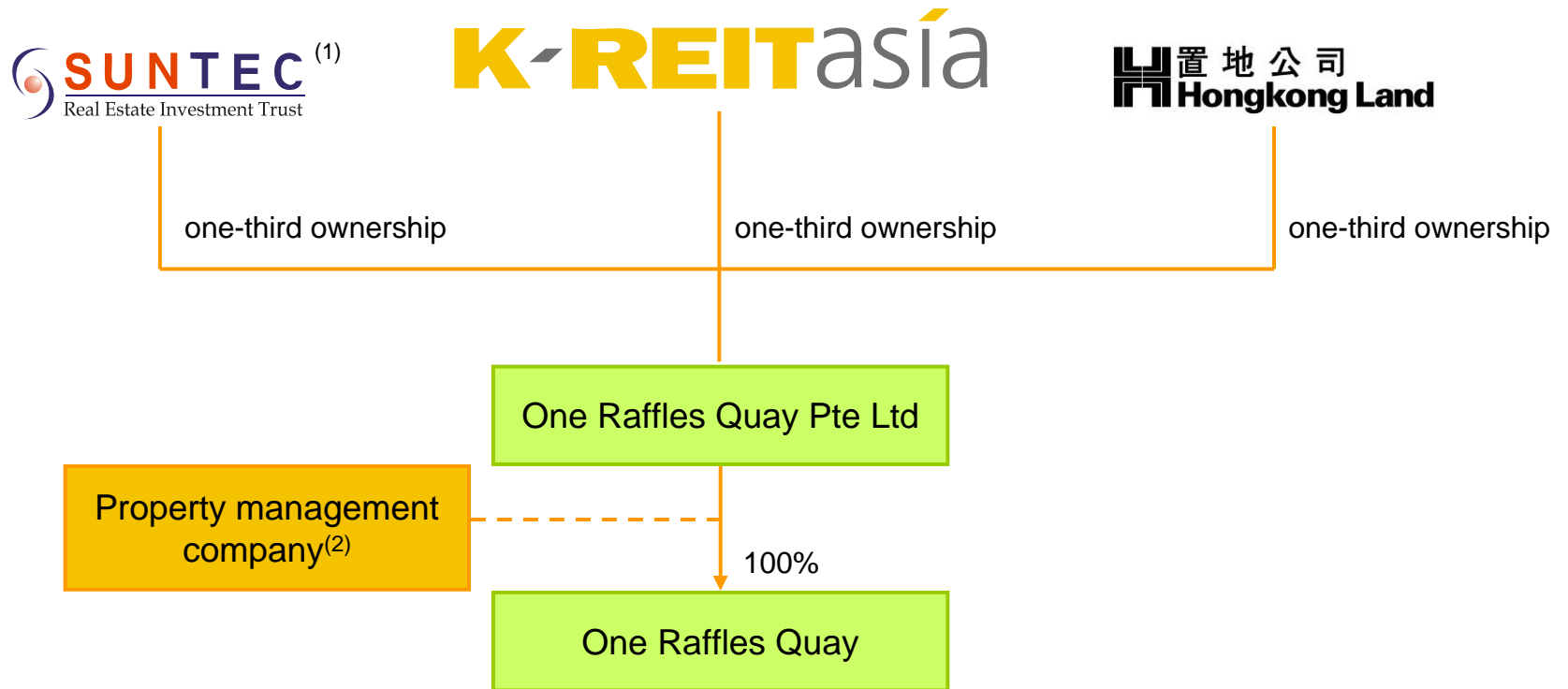
Retail Link



- Strategically Located
- Close proximity to the Marina Bay Financial Centre and the Sands Integrated Resort developments
- 50-storey office tower (“North Tower”), a 29-storey office tower (“South Tower”) and a pedestrian/retail link to Raffles Place MRT
- Sizeable: NLA of approx. 1.34m sq ft.
- 713 car park lots

Joint-Ownership Structure

Joint ownership with Suntec REIT and Hongkong Land



(1) Suntec REIT's unitholders approved the acquisition of one-third interest in ORQ on 8 October 2007; pending completion.

(2) Property management company is jointly-owned by K-REIT Asia Property Management Pte Ltd, Hongkong Land (Singapore) Pte Ltd and Charm Aim International Limited (associated with Cheung Kong Holdings)

Key Benefits To Unitholders

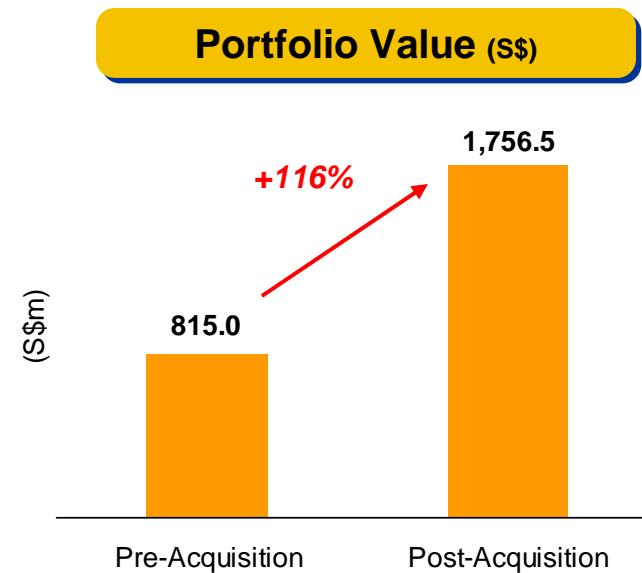
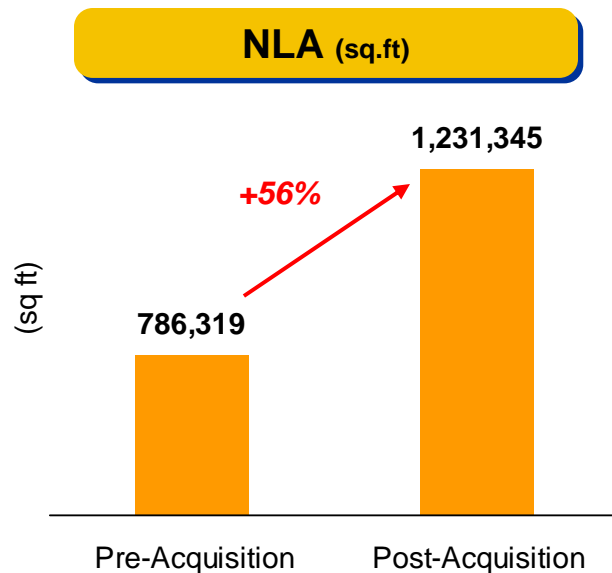
The acquisition will bring the following key benefits to Unitholder:

- 1 Delivering on Growth Strategy**
- 2 Acquisition of a Landmark Property with Blue-Chip Tenants**
- 3 Accretive Acquisition**
- 4 High Growth Potential from Future Rental Reversions**
- 5 Greater Trading Liquidity and Flexibility**

Delivering On Growth Strategy

Acquisition of One Raffles Quay:

- More than doubles K-REIT Asia's portfolio value
- Closer to achieving target size of S\$2.0 billion
- Increases ability to capitalise on strengthening Singapore office sector
- Enhances K-REIT Asia's position as a leading commercial REIT in Asia



Acquisition Of A Landmark Commercial Property

Singapore's Central Business District



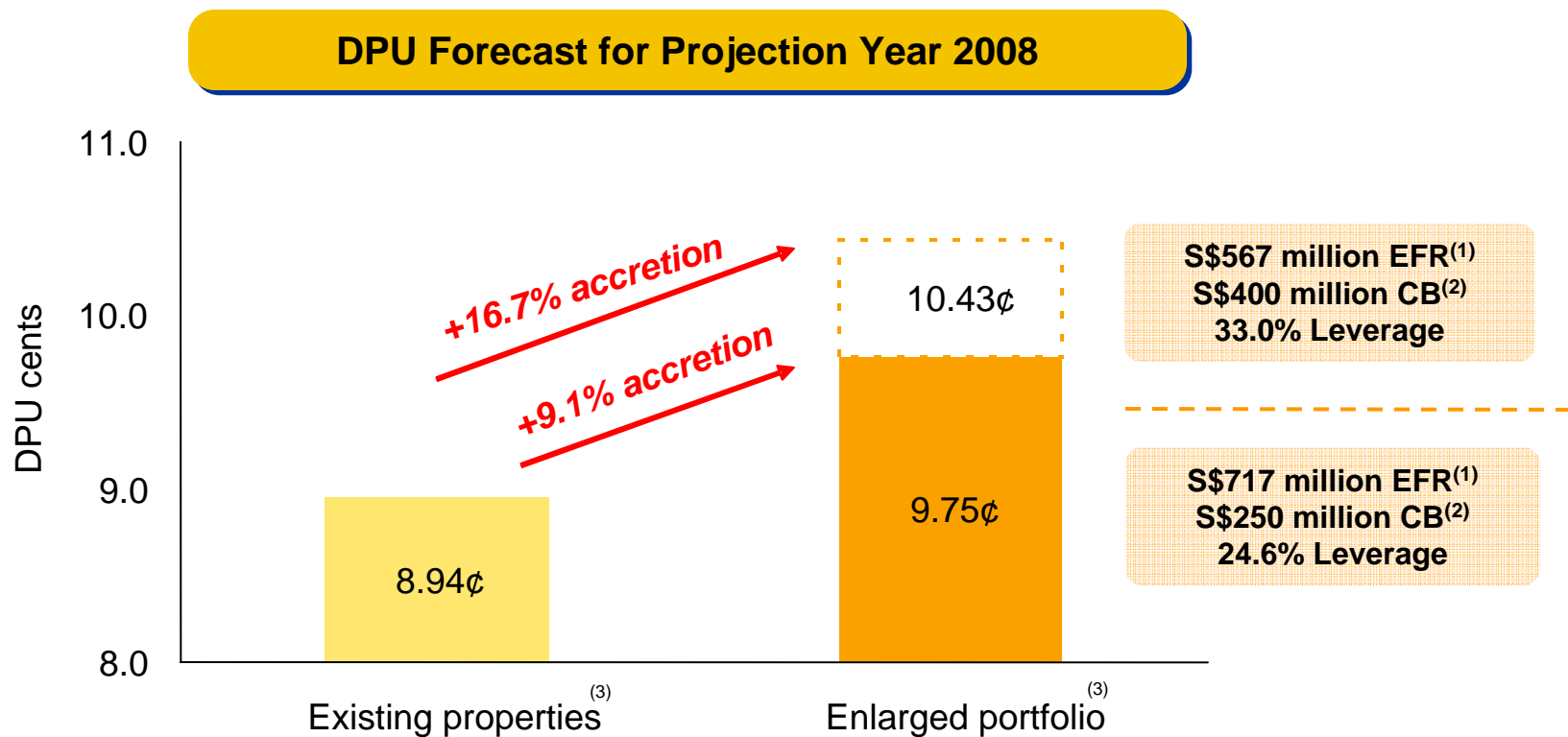
Tenants include:



- Designed by internationally-acclaimed architectural firm: KPF, New York
- Strategically Located at the gateway to Marina Bay, the new Singapore downtown
- Fully-Occupied: 87.5% of tenants are blue-chip institutions - with long-term leases
- Easy Access via major expressways
- Retail/Pedestrian Link to Raffles Place MRT and future Landmark station

3 Accretive Acquisition

The Manager expects the Acquisition to significantly improve DPU...



Notes:

(1) Assuming unit issue price at S\$2.80 per New Unit

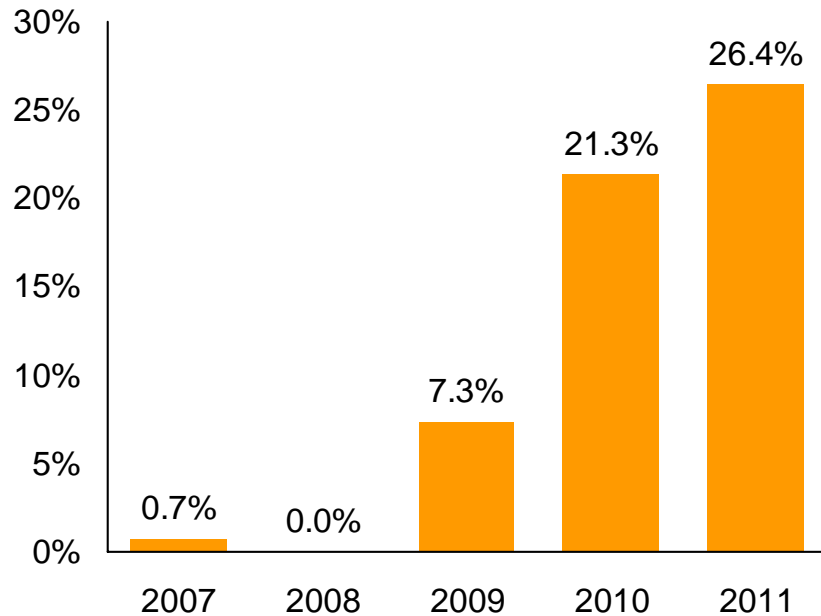
(2) Assuming CB offering is issued at a coupon rate of 1.75% with 30% conversion premium

(3) Assumes 100% of the Manager's management fee are paid in cash as stated in K-REIT Asia's Unitholders' Circular dated 22 September 2007

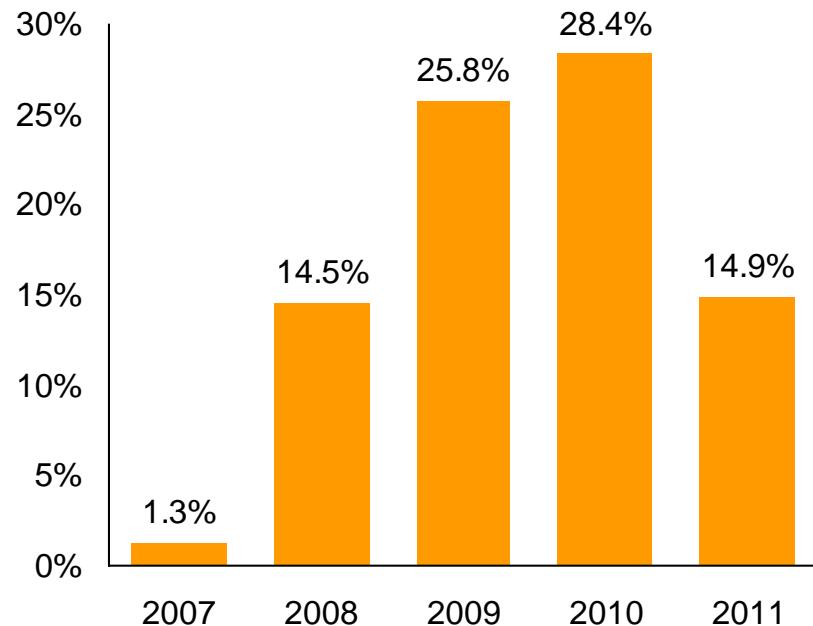
4 High Growth Potential From Future Rental Reversions

- 55.7% of ORQ leases are due for renewal or rent review from 2007-2011
- 84.9% of existing properties are due for renewal from 2007-2011
- Strong potential for positive rental reversions
- Staggered expiry profile facilitates stable and rising rental income

One Raffles Quay⁽¹⁾



Existing Properties⁽¹⁾

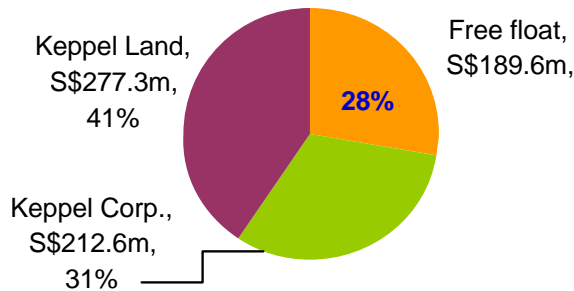


Note:
(1) As of 30 June 2007

Greater Trading Liquidity And Flexibility

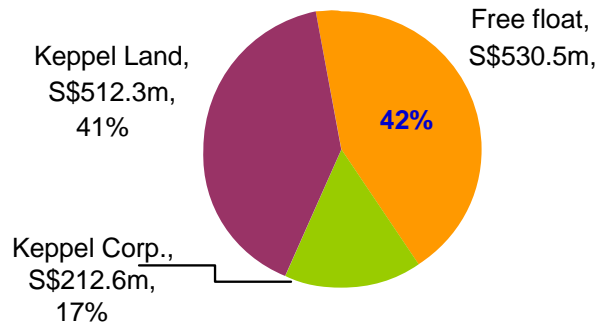
- Investors will have greater trading liquidity and free float

Pre-Acquisition



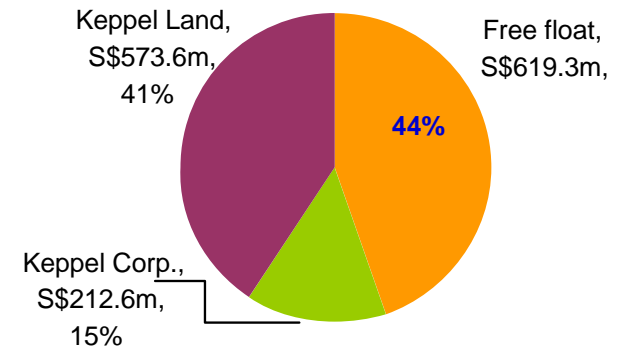
Pre-Acquisition Mkt Cap. = S\$679.5m⁽¹⁾

Post-Acquisition (if S\$567m EFR; S\$400m CB)



Post-Acquisition Mkt Cap. = S\$1,255.4m⁽¹⁾⁽²⁾

Post-Acquisition (if S\$717m EFR; S\$250m CB)



Post-Acquisition Mkt Cap. = S\$1,405.5m⁽¹⁾⁽²⁾

Post-Conversion of CB⁽³⁾

Market Cap = S\$1,563.2m
Free Float = S\$838.2m (54%)

Market Cap = S\$1,597.8m
Free Float = S\$811.6m (51%)

Notes:

(1) Assuming unit price and issue price of S\$2.80 per K-REIT Asia unit

(2) Prior to conversion of CB units issued for the CB offering

(3) Assuming CB conversion price of S\$3.64 per Unit

Independent Financial Adviser's Opinion

- KPMG Corporate Finance (“KPMG”) appointed as Independent Financial Adviser to the Independent Directors of K-REIT Asia
- Financial terms of the Acquisition and the Keppel Land Placement:

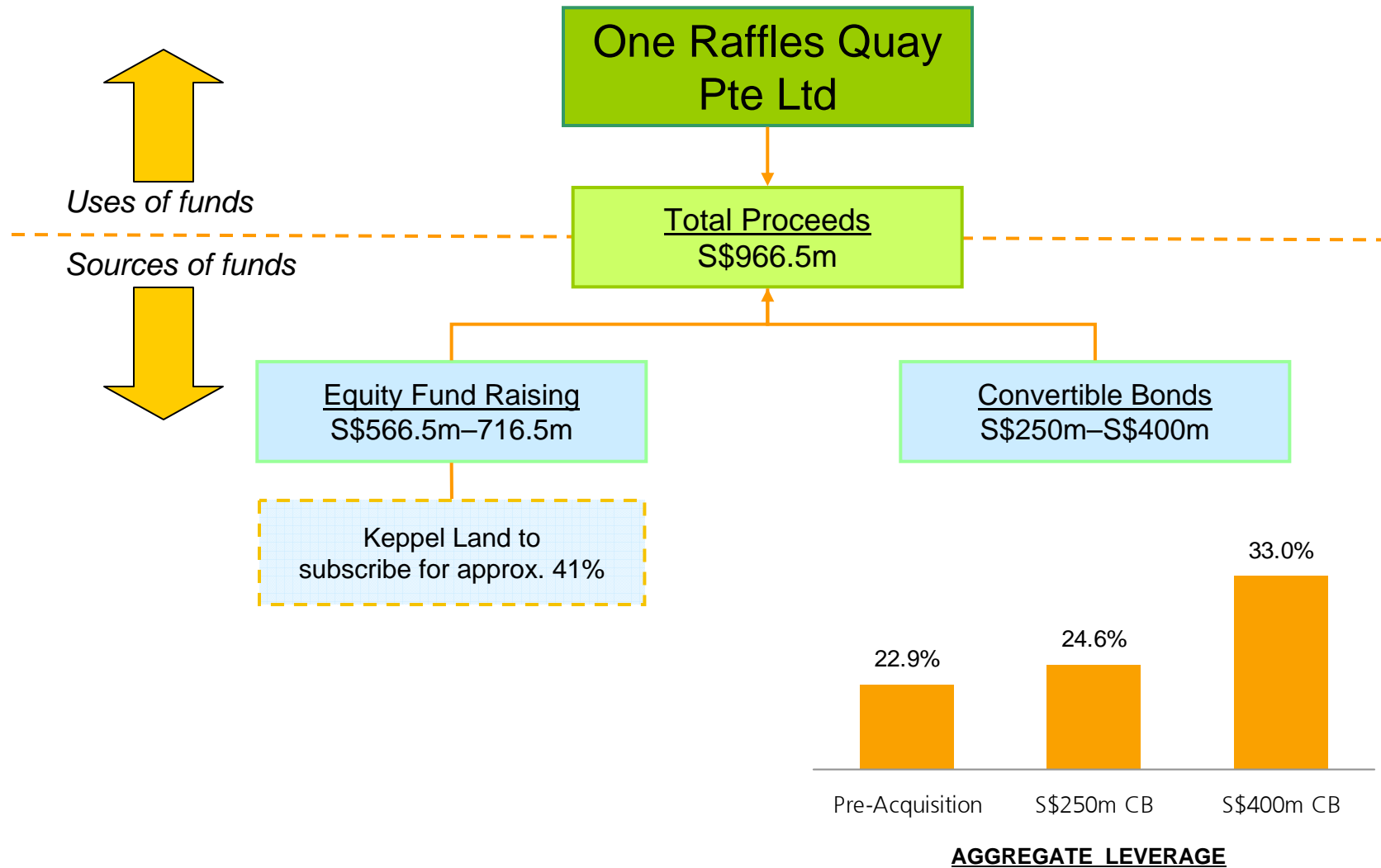


On normal commercial terms



Not prejudicial to the interests of K-REIT Asia and its minority Unitholders

Proposed Acquisition And Financing Structure









Attractive Investment Proposition

1	Delivering on Growth Strategy	<ul style="list-style-type: none">▪ 116% growth in portfolio value to S\$1,756m▪ Closer to achieving acquisition target of S\$2.0 billion
2	Acquisition of a Landmark Property	<ul style="list-style-type: none">▪ ORQ is strategically located and is a superior commercial property▪ The property is tenanted with blue-chip end-users with long-term leases
3	Accretive Acquisition	<ul style="list-style-type: none">▪ Compelling accretion of 9.1% and 16.7% for FY2008 DPU <i>(assuming S\$250m CB and S\$400m CB respectively⁽¹⁾)</i>
4	Potential Growth from Rental Reversions	<ul style="list-style-type: none">▪ 55.7% of ORQ's NLA is up for renewal or rent review before 2011▪ Marina Bay/Raffles Place rentals forecast to grow 56% from 2H2007-2010
5	Greater Trading Liquidity and Flexibility	<ul style="list-style-type: none">▪ Free float increases from 28% to over 40%
6	Strong Sponsorship	<ul style="list-style-type: none">▪ Demonstrates Keppel Land's commitment as well as alignment with K-REIT Asia's Unitholders

(1) Assumes new unit issue price of S\$2.80, 1.75% coupon on the convertible bonds, 30% conversion premium and payment of management fees in cash

Summary of Approvals Sought

Inter-conditional	1	Proposed Acquisition of a one-third interest in One Raffles Quay	<i>Grade 'A' property asset</i>	
	2	Proposed Issue of New Units under the Equity Fund Raising	<i>Prudent means of financing</i>	
	3	Proposed Issue of Convertible Bonds		
	4	Proposed Placement of New Units to the Keppel Land Group	<i>Aligns interests</i>	
	5	Proposed General Mandate for the Issue of new Units and Convertible Securities	<i>Allows for quicker response in competitive market</i>	
	6	Proposed Supplement to the Trust Deed in respect of investments held through special purpose vehicles	<i>Clarifies valuation method such that it will be the same for real estate owned directly or held through an SPV</i>	

K REITasia

ONE RAFFLES QUAY

Thank You