



Extraordinary General Meeting

Singapore

21 October 2009

K-REITasia

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Rationale for the Rights Issue

- ❖ Position K-REIT Asia for acquisition growth across Asia
- ❖ Facilitate diversification of K-REIT Asia's capital structure
- ❖ Finance asset enhancement initiatives to maximise rental income
- ❖ Provide greater financial flexibility
- ❖ Consistent with the Manager's long-term proactive capital management strategy

Overview of the Rights Issue

The Rights Issue	Offer Structure	<ul style="list-style-type: none">❖ Underwritten renounceable Rights Issue❖ 1-for-1 Rights Ratio, approx. 666.7m Rights Units at S\$0.93 per Rights Unit❖ Raising gross proceeds of approximately S\$620 million❖ Eligible Unitholders can:<ul style="list-style-type: none">▪ accept their provisional allotments and apply for excess units▪ renounce or sell their rights entitlements during the “nil-paid” rights trading period❖ New Rights Units will rank pari passu in all respects with existing Units
	Major Unitholders' Commitment	<ul style="list-style-type: none">❖ Irrevocable undertakings by:<ul style="list-style-type: none">▪ Keppel Corporation Limited and Keppel Land Limited, which together own an aggregate interest of approximately 75.8% through their respective wholly-owned subsidiaries, to subscribe to their pro-rata entitlements
	Underwriting	<ul style="list-style-type: none">❖ Remaining 24.2% to be underwritten by BNP Paribas, Singapore Branch
Distributions	<ul style="list-style-type: none">❖ Rights Units will be entitled to distributions which accrue from 1 July 2009 to 31 December 2009 and all distributions thereafter	

Use of Proceeds

Proceeds will be utilised in mainly 3 ways:

1. Strengthen the balance sheet

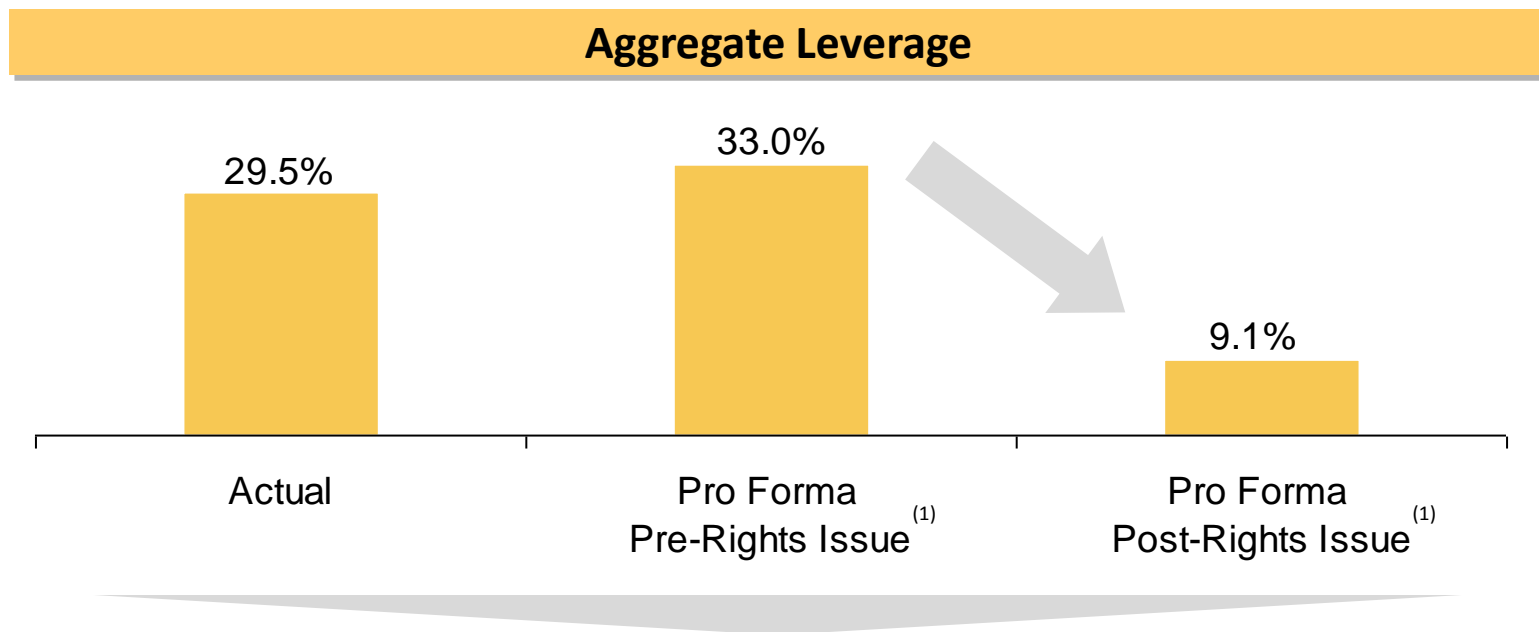
2. Provide headroom for strategic acquisitions

3. Finance asset enhancement initiatives

Gross proceeds of approximately S\$620m

Amount	% Gross	Use
S\$501.0m	80.8%	Debt repayment
S\$115.0m	18.5%	Acquisitions, asset enhancement initiatives and general and working capital purposes
S\$4.0m	0.7%	Rights issue-related fees/expense

Enhance Financial Flexibility for Further Growth



Post-Rights Issue, the debt headroom created will allow K-REIT Asia to :

- ❖ **provide additional funding capacity of up to S\$650m⁽²⁾**
- ❖ **increase its assets under management**

Note: All figures as at 30 Sep 09

(1) As adjusted for the proposed acquisition of six additional strata floors in Prudential Tower to be completed in Nov 09 and the latest valuation of the existing portfolio as at 29 Sep 2009

(2) Assuming 40% Aggregate Leverage, potential acquisition of new properties at market value (fully funded by debt) and including the proposed acquisition of six additional strata floors in Prudential Tower

Indicative Timetable

Event	Date
Last day of “cum-rights” trading	22 October (Thu)
First day of “ex-rights” trading	23 October (Fri)
Rights Issue Books Closure Date	27 October (Tue)
Lodgement of OIS	
Trading of “nil-paid” rights	30 October (Fri) – 9 November (Mon)
Last day for acceptance	13 November (Fri)
Expected date for issue of Rights Units	20 November (Fri)
Expected date of commencement of trading of Rights Units	23 November (Mon)

Approvals Sought from Unitholders

**Resolution 1
(Extraordinary
Resolution)**

**The Proposed Underwritten
Renounceable Rights Issue**

**Resolution 2
(Extraordinary
Resolution)**

**The Proposed Trust Deed Supplement
to Facilitate Equity Fund Raising**