

K-REITasia



Prudential Tower



Keppel Towers



GE Tower



Bugis Junction Towers

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Overview

- K-REIT Asia intends to **generate stable returns** to Unitholders by owning and investing in **quality income-producing commercial real estate** assets
- K-REIT Asia is sponsored by Keppel Land, one of the largest landlords in the Singapore Central Business District and a leading property development company in Asia
- Key investment highlights of K-REIT Asia to Unitholders:
 - Strong Pipeline of Potential Acquisitions
 - Benefit from Rising Market
 - High Payout Ratio
 - Benefit of Tax Transparency
 - Alignment of Interests

Overview

Key attractions of Initial Property Portfolio:

- Quality Assets
- Quality Tenants
- Good Occupancy
- Experienced and Professional Management

Overview of K-REIT Asia

Initial portfolio to include the following assets in Singapore:

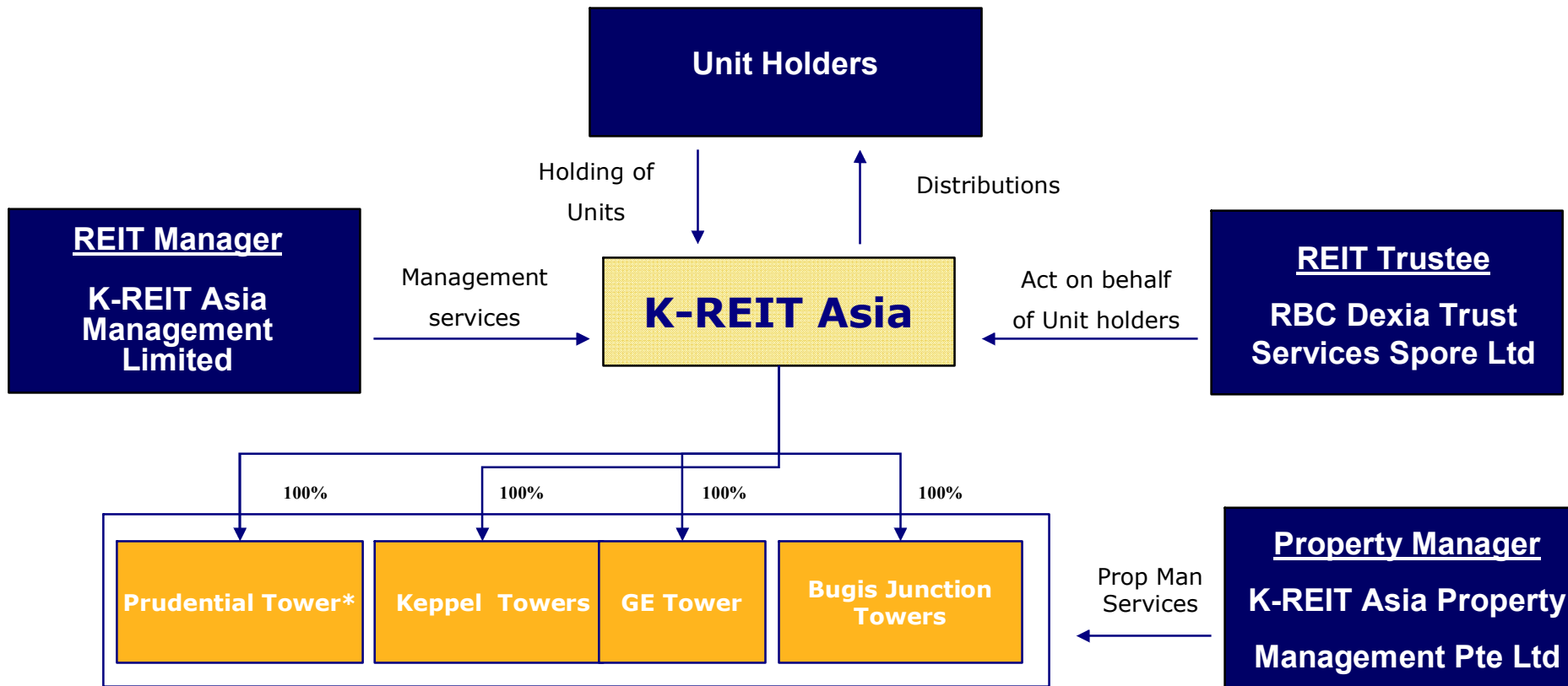
1. Prudential Tower* -	86.9% occupied**
2. Keppel Towers -	} 85.3% occupied**
3. GE Tower -	
4. Bugis Junction Towers -	96.2% occupied**

approx. 44% of strata area* *committed occupancy as at 30 Sep 05*

Total value of initial acquisitions = S\$630.7 million
financed in part by CMBS of approx. S\$190.6 million,
the balance (S\$440.1 million) by Units.

Overview of K-REIT Asia

- Distribution *in Specie* (subject to Keppel Land shareholder's approval)
 - Up to 144.4 million K-REIT Asia Units (or approx. 60%) of total 240.5 million units to be distributed to Keppel Land shareholders
 - 200 K-REIT Asia Units for every 1,000 Keppel Land shares
- EGM : 11 April 2006
- Expected Commencement
of Trading of Units : 28 April 2006



**(approx. 44% of strata area)*

Key Investment Attractions

Better Returns

- High Payout Ratio
- Benefit of Tax Transparency

Quality Portfolio

- Quality Assets
- Quality Tenants
- Good Occupancy

Growth Potential

- Benefit from a Rising Office Market
- Strong Pipeline of Potential Acquisitions

Company Strengths

- Experienced and Professional Management
- Strong Network and Quality Brand

High Dividend Payout

- At least 90% of taxable income to be distributed
- 2006 : 100% of taxable income
- 2007 : At least 95% of taxable income
- Estimated DPU thru Forecast 2006 = 5.43 cents*

** Since the units will only be issued pursuant to acquisition of the Properties, the actual DPU will differ. Unitholders will only be entitled to DPU arising from operations from the date of Distribution in Specie to 31 December 2006.*

Sponsor Support – Alignment of Interests

- Keppel Land and Keppel Corp will hold 40% and 32% stakes respectively following the completion of the Distribution *in Specie*
- Moratorium Agreements - Keppel Land's and Keppel Corp's undertaking not to sell Units for 12-months from listing
- Manager's Management Fee paid in the form of Units through end-2007.

K-REIT Asia's Impact on Keppel Land *

** Based on FY05 results*

- ROE improves from 9.5% to 10.3%
- NTA per share decreases from \$2.35 to \$1.98
- Net gearing increases from 1.14 to 1.21
- EPS remains stable at 21.8 cents

Prudential Tower



- Raffles Place
- 99 yr leasehold
(*expiring Jan. 2095*)

- NLA : 10,037 sq m
- Occupancy of 87% (09/05)
- Principal tenants:
 - The McGraw-Hill Companies, Inc.
 - The Executive Centre
 - KBC Bank N.V. (Singapore Branch)
- Appraised value S\$ 117.7M

Keppel Towers



- Tanjong Pagar
- Freehold

GE Tower



- Tanjong Pagar
- Freehold

Combined Keppel Tower and GE Tower:

- NLA ~ 40,295sm
- Occupancy 85% (09/05)
- Principal tenants:
 - GE Pacific Pte Ltd
 - Novartis (Singapore) Pte Ltd
 - Singapore Business Federation
- Appraised Value S\$ 353.5M

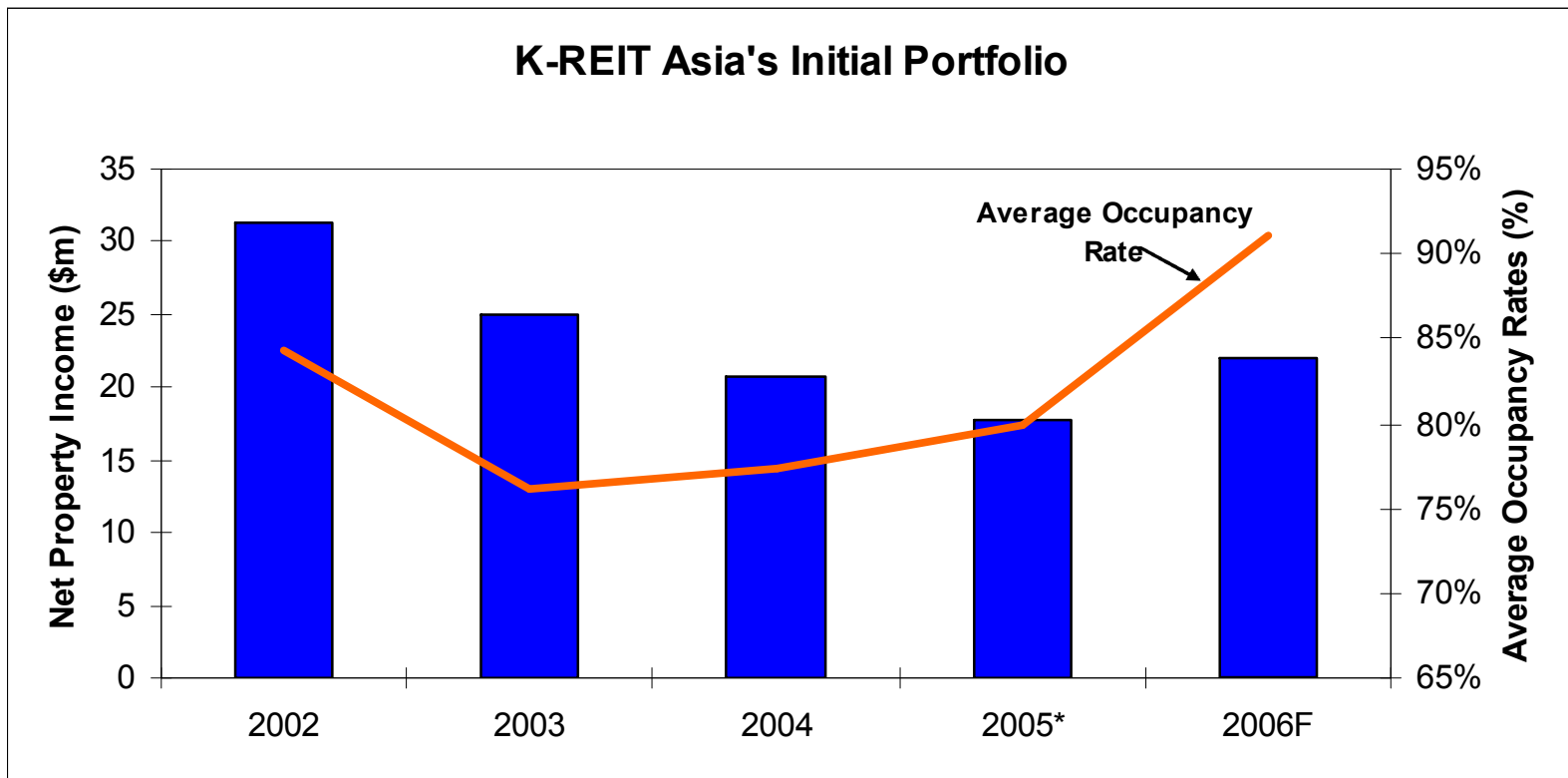
Bugis Junction Towers



- Bugis sub-market
- 99 year leasehold
(*expiring Sep 2089*)

- NLA : 22,990 sq m
- Occupancy of 96% (09/05)
- Principal tenants:
 - International Enterprise Singapore
 - J.V. Fitness Pte Ltd
 - Prudential Assurance Company Singapore (Pte) Ltd
- Appraised value S\$ 159.5M

Pro Forma Net Property Income & Occupancy

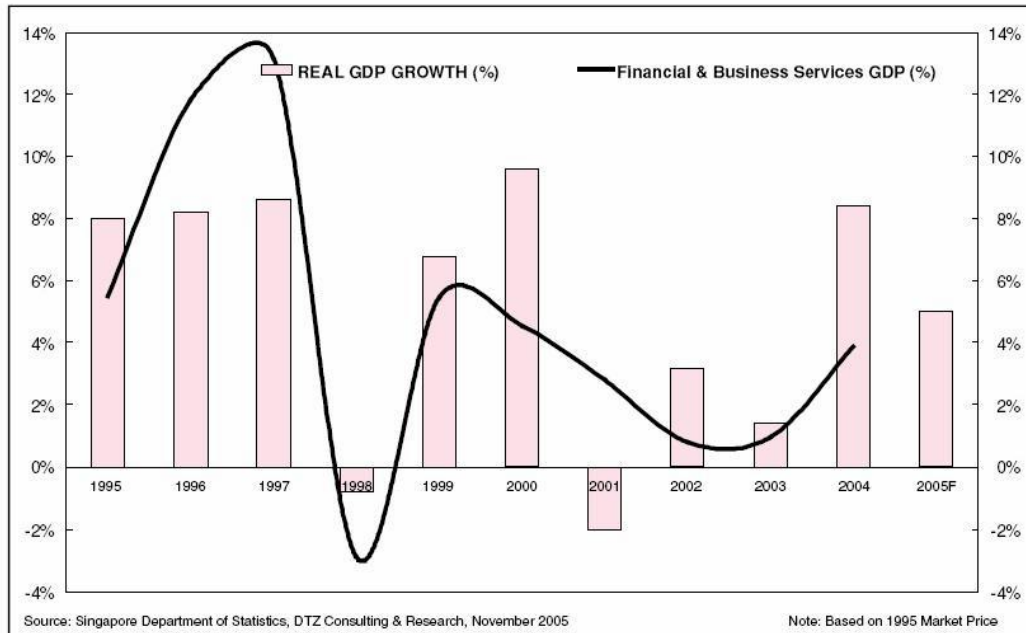


* Annualised Net Property Income for nine-months ended 30 September 2005

2006 Forecast

	<u>(S\$'000)</u>
Property Income	31,583 ¹
Property Expenses	<u>(9,521)</u>
Net Property Income	22,062
Taxable Income available for distribution to Unitholders	13,170
Distribution per Unit (cents)	5.43

¹ *Approximately 90% of gross rental income is attributable to committed leases*



- Growth in economy and jobs, particularly in services sectors
- Occupancies & rental rates for Grade A properties are rising with continued demand for prime office space from expansion of financial and business sector
- Conditions support a continuation of this trend
 - Limited new supply
 - Declining existing supply due to conversions
 - Strong underlying demand

Rental Rates (actual and forecast) for Applicable Areas

		Forecast				
	3Q2005	End 2005	End 2006	End 2007	End 2008	End 2009
Raffles Place	\$5.20 psf	\$5.60 psf (8%)	\$6.20 psf (10%)	\$6.70 psf (8%)	\$7.20 psf (8%)	\$7.60 psf (6%)
Anson Road/ Tanjong Pagar	\$3.10 psf	\$3.30 psf (6%)	\$3.60 psf (9%)	\$3.80 psf (6%)	\$4.00 psf (5%)	\$4.20 psf (5%)
North Bridge Road/ Beach Road	\$3.40 psf	\$3.80 psf (12%)	\$4.20 psf (10%)	\$4.50 psf (7%)	\$4.80 psf (6%)	\$5.00 psf (4%)

Source: DTZ Consulting & Research, Nov 2005

Note: Parentheses refer to year-on-year increases with the exception of 2005 which refers to quarter-on-quarter increase.

Strategy

Achieve stable dividend income and long-term growth in Net Asset Value for Unitholders by way of:

• Acquisition Growth	Acquire additional commercial properties that meet its investment criteria
• Asset Management Strategy	Implement strategies to increase property yield
• Capital Management Strategy	Employ appropriate debt and equity financing strategies

Corporate Info

Sponsor:	Keppel Land Limited
Trustee:	RBC Dexia Trust Services Singapore
Manager:	K-REIT Asia Management
Property Manager:	K-REIT Asia Property Management
Financial Advisors:	Deloitte & Touche Corporate Finance
Auditors:	Ernst & Young
Legal Advisor to the Introduction:	Arfat Selvam Alliance
Legal Advisor to the Financial Advisors	Allen & Gledhill
Independent Valuers:	<ul style="list-style-type: none">• Colliers International• DTZ Debenham Tie Leung
Principal Bankers:	<ul style="list-style-type: none">• Deutsche Bank• Standard Chartered Bank

K-REIT Asia Management Limited

- Wholly-owned subsidiary of Keppel Land, who is recognized for developing and managing good quality office assets including award winning designs for Prudential Tower as well as Capital Square.
- Keppel Land extends their track record of successfully investing in and managing quality real estate and real estate related assets in Singapore and in Asia.
- The Manager's board consists of independent directors having in-depth experience including areas of real estate investment, asset management and research as well as fund management, legal and finance.



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