

# INVESTOR MEETINGS

November 2006



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# ***Introduction***

# Introduction

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- Pan-Asian commercial REIT listed on SGX on 28 Apr 06
- Initial portfolio of four quality office buildings of \$630 m
  - Prudential Tower (approx. 44% of strata area)
  - Keppel Towers
  - GE Tower
  - Bugis Junction Towers
- Sponsored by Keppel Land, one of the largest office landlords in CBD in Singapore and diversified in Asia

# 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

# Growth Strategy

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- Generate stable returns to unitholders by owning and investing in quality income-producing commercial real estate assets
- Target AUM of about S\$2 bln within next few years
- Identify and pursue prime properties for acquisition in Singapore and the region

# ***Highlights***

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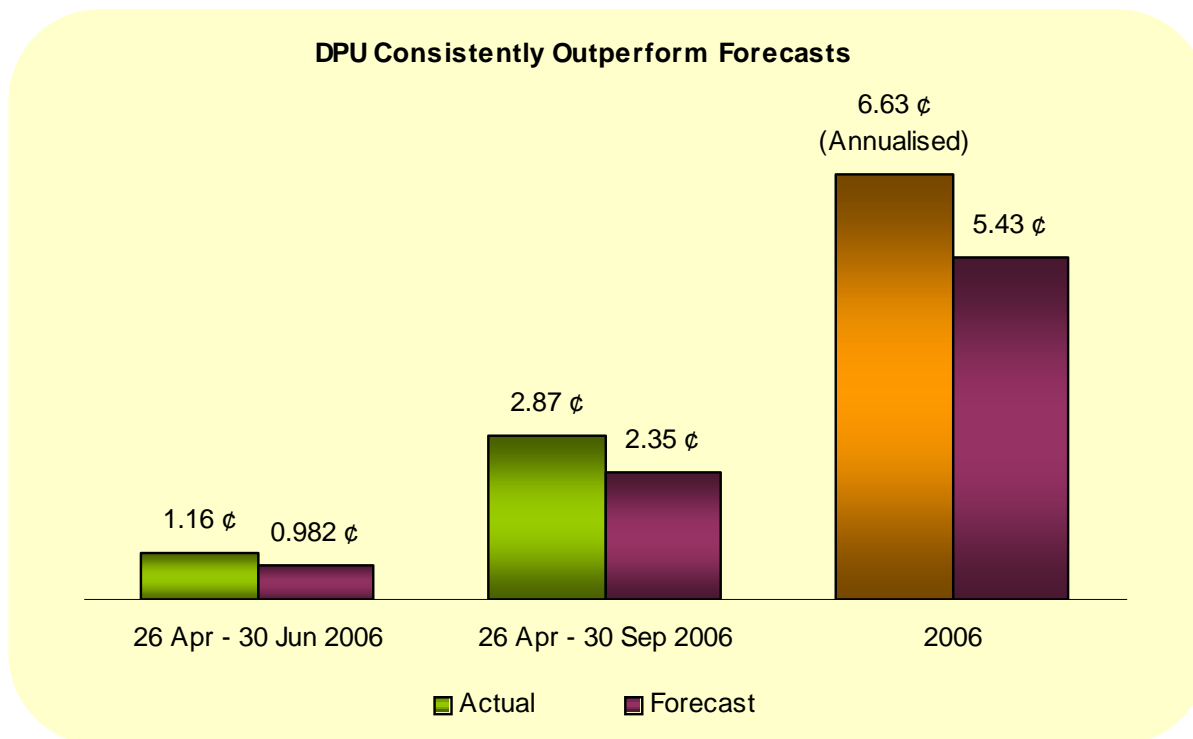
- Annualised Distribution Per Unit (DPU) of 6.63 cents @ 30 Sep 06, 22% above forecast of \$5.43 cents
- Total shareholder returns of 47.6%\* since listing in Apr-06
- Portfolio occupancy of almost 100%, underpinned by strong office demand and limited supply

\* Based on K-REIT Asia's unit price appreciation from its first day closing price of \$1.49 on 28 Apr 2006 to the closing price of \$2.17 on 13 Nov 2006 and total DPU payout of 2.87 cents for the year up to 30 Sep 2006



# DPU Growth

- On track to deliver higher distribution for 2006 relative to forecast <sup>(1)</sup>



(1) Forecast DPU of 5.43 cents as disclosed in the Introductory Document

# Interest Rate Exposure Capped

- Locked in fixed rate loans to mitigate interest rate risk
  - 100% fixed for five years until May 2011

	As At		
	30-Sep-06	30-Jun-06	30 Sep 05 <sup>(1)</sup>
Borrowings	\$190.1m	\$190.1m	\$190.6m
Gearing <sup>(2)</sup>	29.5%	29.6%	30.0%
Interest Coverage Ratio <sup>(3)</sup>	2.7 times	2.5 times	2.3 times
All-in Interest Rate <sup>(4)</sup>	4.06%	4.06%	3.96%
Weighted Average Term to Expiry	4.6 years	4.9 years	Not Applicable

(1) Pro forma figures as disclosed in the Introductory Document

(2) Gearing = Borrowings / Total Assets

(3) Interest Coverage Ratio = YTD Profit before Interest and Tax / Net Interest

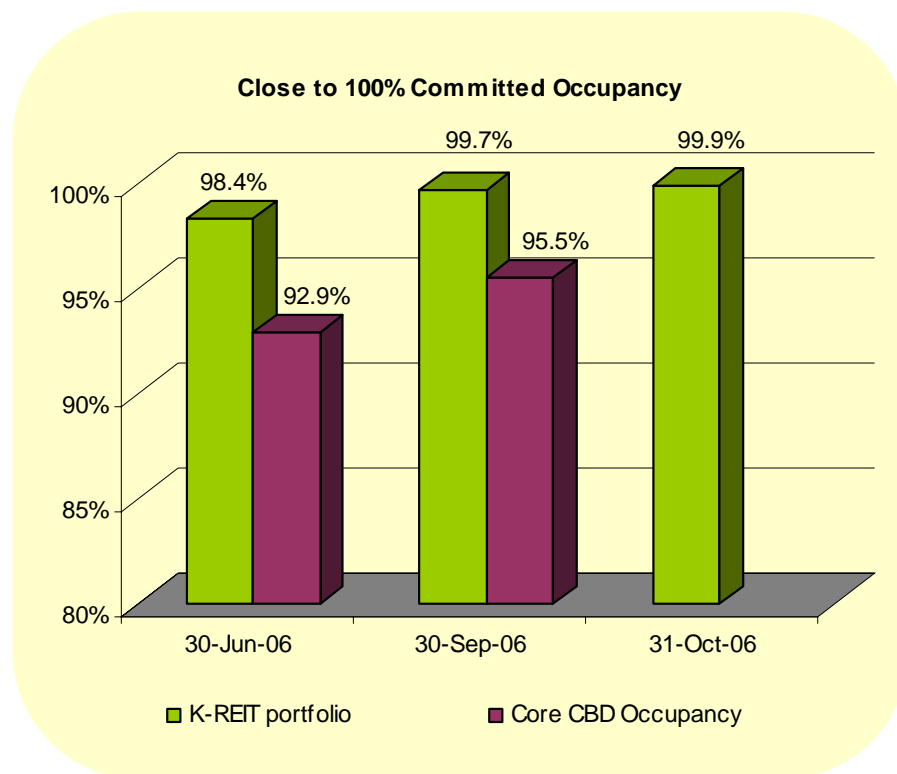
(4) All-in Interest Rate for 5-year term loans includes the amortisation of upfront debt arrangement expenses of approximately \$1.2m

# ***Portfolio Performance***

# High Portfolio Occupancy

- Committed occupancy hit 99.9% at end-Oct 2006

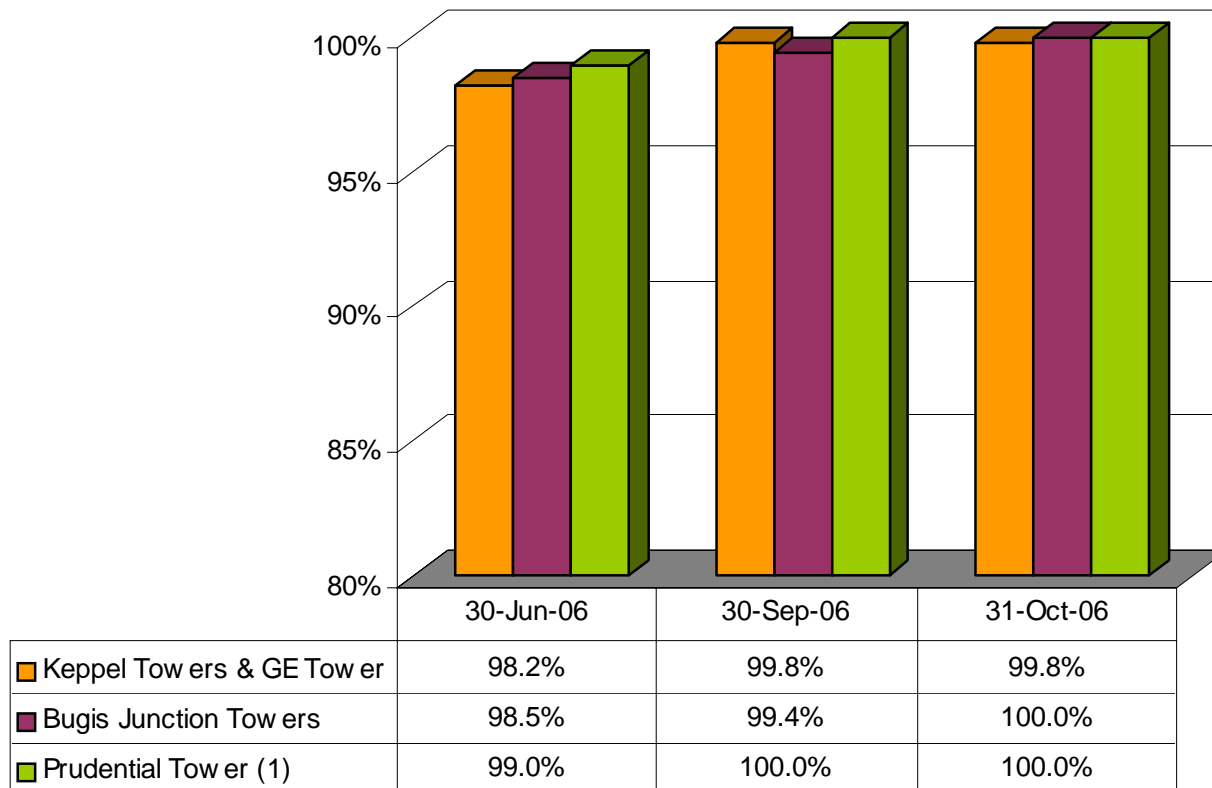
- Substantially higher vs 89% at end-Sep 05
- Ahead of Core CBD occupancy of 95.5% at end-Sep 06  
(Source : CBRE)
- Prudential Tower <sup>(1)</sup> and Bugis Junction Towers now fully tenanted



Source : CBRE and K-REIT Asia

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

# Committed Occupancy on the Rise

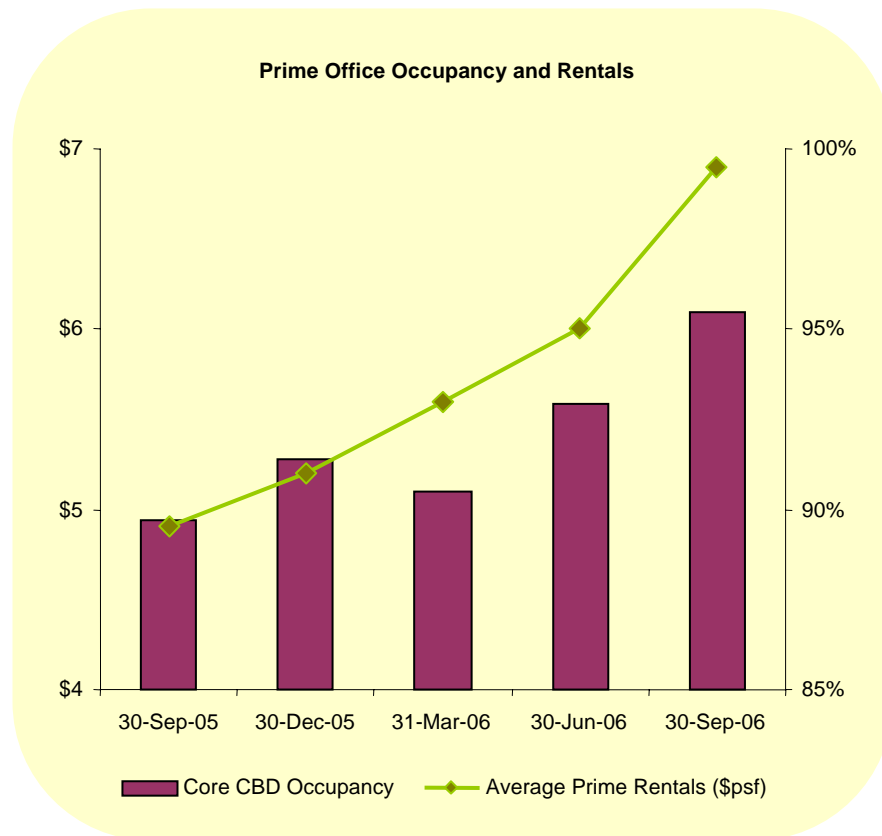


(1) Approximately 44% of strata area of the building

# ***Market Outlook***

# Growing Office Demand

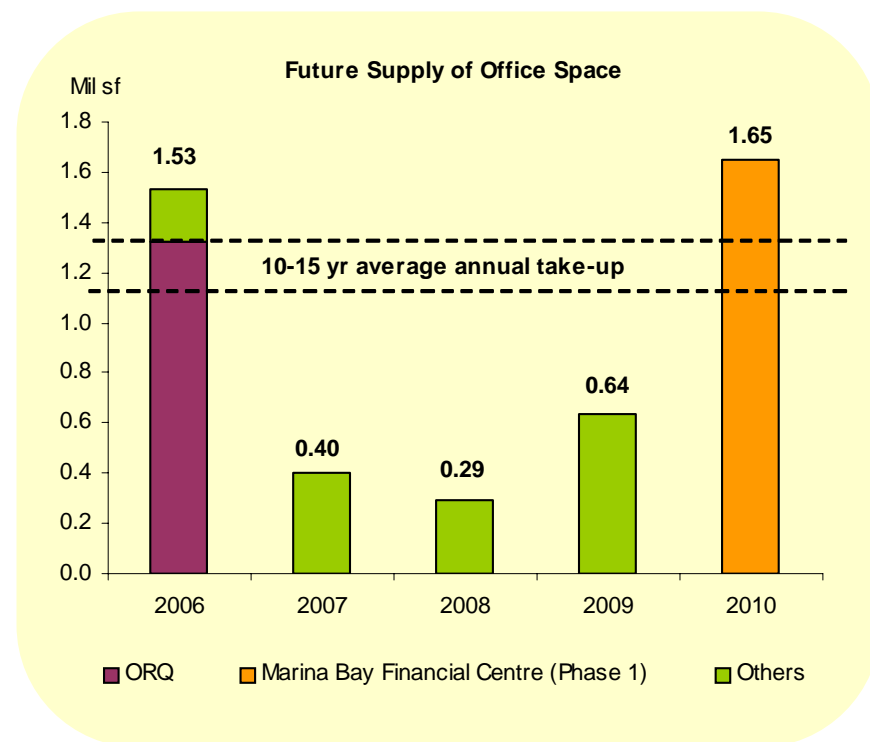
- Sustained high demand for prime office space pushed up rentals significantly
  - Average prime rents rose further to \$6.90 psf at end-Sep 06, up 33% from \$5.20 psf at end-2005 (CBRE)
  - Prime rents forecast to reach \$7.30 psf by end-2006 (CBRE)
  - Office take-up of 1.84 mln sf at end-Sep 06 (URA)
- Projected office demand of 2 mln sf for 2006 (CBRE)



Source : CBRE

# Tight Supply of Quality Space

- No major new supply until completion of Marina Bay Financial Centre (Ph 1) in 2010
  - Conversion and redevelopment to further cut CBD office stock by 1.5 mln sf over next few years
- Supply squeeze to fuel further increases in occupancy and rentals



Source : CBRE and K-REIT Asia



# ***Going Forward***

# Grow into a Pan-Asian Commercial REIT

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- Identify and pursue good quality, well-located properties in Singapore and around the region
- Diversify risks across countries, riding on different market cycles
- Target Assets Under Management (AUM) of S\$2 bln within the next few years

# ***Additional Slides***


# Snapshot of K-REIT Asia

Manager	K-REIT Asia Management Limited
Property Portfolio	Four quality office buildings valued at \$630.7m
Listing and Trading Date	28 April 2006 on Singapore Stock Exchange
Market Capitalisation	\$523 million (as at 13 Nov 2006) <sup>(1)</sup>
Unit Price	\$2.17 (closing price on 13 Nov 2006)
Free Float	28.03% (as at 31 Oct 2006) <sup>(2)</sup>

(1) Market capitalisation is based on 241.6 mln units issued as at 31 Oct 2006

(2) Excludes total unitholding of 71.97% held by Keppel Land and Keppel Corporation

# Property Portfolio

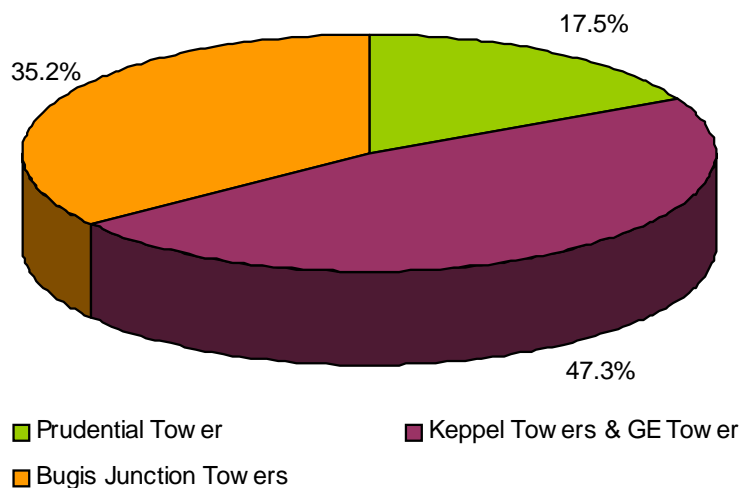
	Prudential Tower <sup>(1)</sup>	Keppel Towers	GE Tower	Bugis Junction Towers
				
<b>Total Lettable Area (sm)</b>	<b>10,074</b>	<b>40,044</b>	<b>22,990</b>	
<b>Car Park Lots</b>	-	<b>288</b>	-	
<b>Number of Tenants</b>	<b>14</b>	<b>66</b>	<b>13</b>	
<b>Principal Tenants</b>	<ul style="list-style-type: none"> <li>- The McGraw-Hill Companies, Inc.</li> <li>- The Executive Centre</li> <li>- KBC Bank N.V. (Singapore Branch)</li> </ul>	<ul style="list-style-type: none"> <li>- GE Pacific Pte Ltd</li> <li>- Singapore Business Federation</li> <li>- Novartis (Singapore) Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>- International Enterprise Singapore</li> <li>- J.V. Fitness Pte Ltd</li> <li>- Prudential Assurance Company Singapore (Pte) Ltd</li> </ul>	
<b>Title</b>	Leasehold estate of 99 years expiring 14 Jan 2095	Estate in fee simple	Leasehold estate of 99 years expiring 9 Sep 2089	
<b>Valuation <sup>(2)</sup></b>	<b>\$117.7 million</b>	<b>\$353.5 million</b>	<b>\$159.5 million</b>	
<b>Committed Occupancy</b>	<b>100%</b>	<b>99.8%</b>	<b>100%</b>	

Information as at 31 Oct 2006

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

(2) Average appraised value as at 24 Nov 2005

# Gross Revenue by Asset



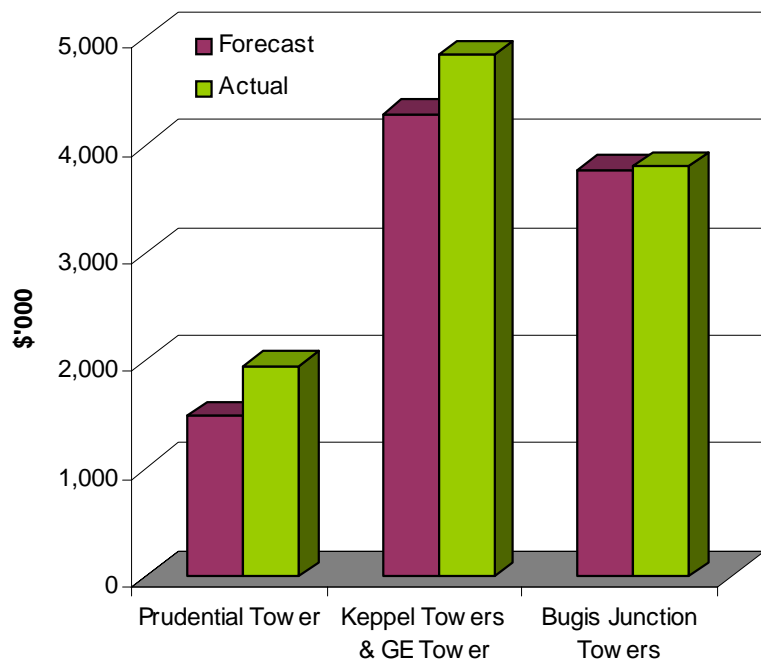
	From 26 Apr to 30 Sep 2006		
	Actual <sup>(1)</sup>	Forecast <sup>(2)</sup>	% Chg
Prudential Tower <sup>(3)</sup>	2,578	2,120	21.6
Keppel Towers & GE Tower	6,985	6,363	9.8
Bugis Junction Towers	5,196	5,188	0.2
<b>Total Property Income</b>	<b>14,759</b>	<b>13,671</b>	<b>8.0</b>

(1) For the period from 26 Apr to 30 Sep 2006

(2) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 30 Sep 2006

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

# Net Property Income by Asset



	From 26 Apr to 30 Sep 2006		
	Actual <sup>(1)</sup>	Forecast <sup>(2)</sup>	% Chg
Prudential Tower <sup>(3)</sup>	1,948	1,482	31.4
Keppel Towers & GE Tower	4,844	4,291	12.9
Bugis Junction Towers	3,808	3,777	0.8
<b>Total Net Property Income</b>	<b>10,600</b>	<b>9,550</b>	<b>11.0</b>

(1) For the period from 26 Apr to 30 Sep 2006

(2) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 30 Sep 2006

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

# Balance Sheet Highlights

(\$m)	As At		
	30-Sep-06	30-Jun-06	30 Sep 05 <sup>(1)</sup>
Non-current Assets	630.7	630.7	630.7
<b>Total Assets</b>	<b>643.7</b>	<b>641.4</b>	<b>635.2</b>
Borrowings	189.0	188.8	189.3
<b>Total Liabilities</b>	<b>201.8</b>	<b>200.8</b>	<b>196.6</b>
Unitholders' Funds	441.9	440.6	438.6
<b>Net Asset Value Per Unit</b>	<b>\$1.83</b>	<b>\$1.83</b>	<b>\$1.82</b>
<b>Adjusted NAV Per Unit <sup>(2)</sup></b>	<b>\$1.82</b>	<b>\$1.82</b>	<b>\$1.82</b>

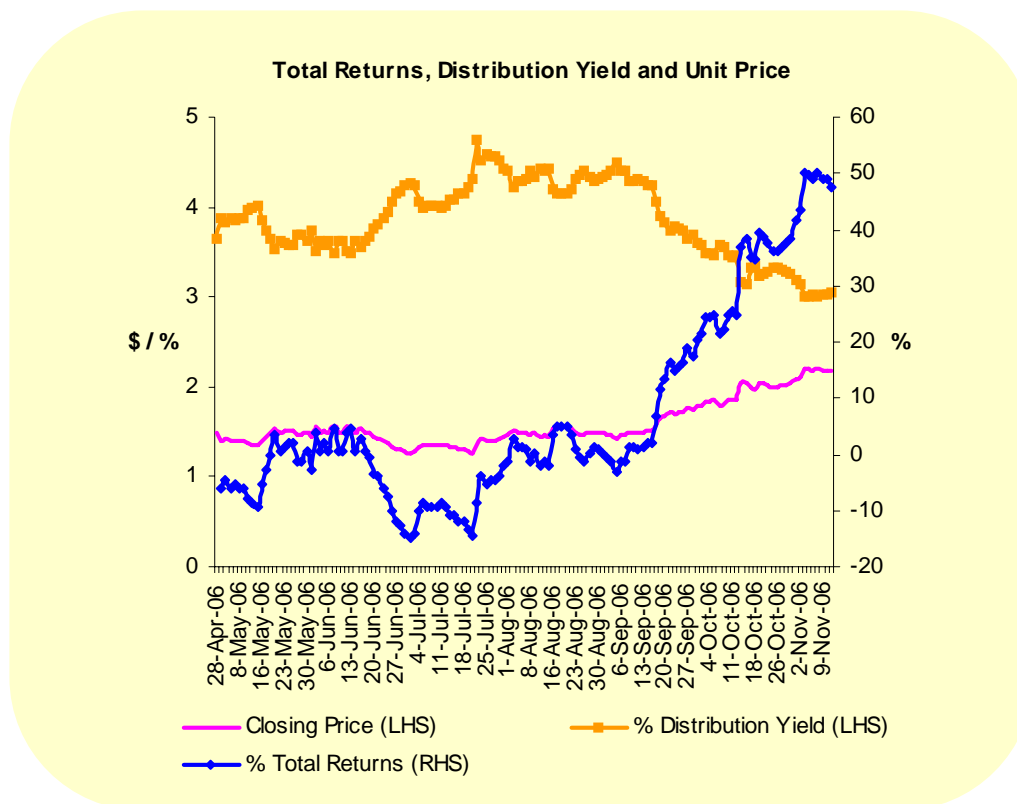
(1) Pro forma figures as disclosed in the Introductory Document

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



# Total Returns

- Total returns of 47.6% since listing (1)



(1) Total returns is derived based on K-REIT Asia's unit price appreciation from its first day closing price of \$1.49 on 28 Apr 2006 to the closing price of \$2.17 on 13 Nov 2006 and total DPU payout of 2.87 cents for the year up to 30 Sep 2006

*This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based in the current views of Management on future developments and events.*