

INVESTOR MEETINGS

28–30 November 2007



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Introduction

Introduction

- Leading **pan-Asian** commercial-focused S-REIT
- Presently a **pure-office** S-REIT
- Market capitalisation grows to \$608m⁽¹⁾ from \$250.1m⁽²⁾ since listing on SGX-ST on 28 April 2006
- Significant expansion with **acquisition** of a one-third interest in One Raffles Quay
 - Portfolio value will more than double to **\$1.76 bn** from \$815m as at 31 Jul 2007
 - Attributable NLA to increase 57% to **1.23m sf**
- Strong support by way of **Keppel Group's sponsorship** and continued alignment of interests

(1) Based on unit closing price of \$2.50 and 243,191,077 issued units as at 27 November 2007
(2) Based on first trading day's unit opening price of \$1.04 and 240,508,000 issued units on 28 April 2006

High Quality Portfolio of Assets



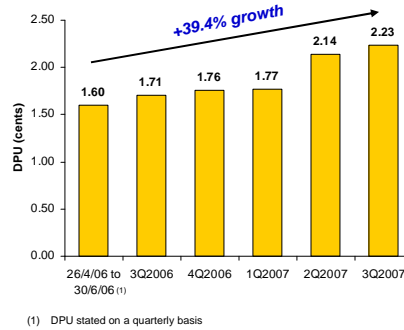
| Property | Prudential Tower ⁽¹⁾ | Keppel Towers and GE Tower | Bugis Junction Towers | One Raffles Quay ⁽²⁾ |
|------------------------|--|--|--|---|
| Net Lettable Area (sm) | 10,074 | 40,002 | 22,990 | 124,078 |
| Number of Tenants | 14 | 68 | 12 | 31 |
| Principal Tenants | McGraw-Hill Companies The Executive Centre KBC Bank N.V. | GE Pacific Seadrill Management Singapore Business Federation | IE Singapore J.V. Fitness | ABN Amro Deutsche Bank UBS |
| Tenure | Leasehold estate of 99 years expiring 14 Jan 2095 | Estate in fee simple | Leasehold estate of 99 years expiring 9 Sep 2089 | Leasehold estate of 99 years expiring 12 Jun 2100 |
| Valuation | \$152 million ⁽³⁾ (\$1,402 psf) | \$444 million ⁽³⁾ (\$1,031 psf) | \$219 million ⁽³⁾ (\$885 psf) | \$941.5 million ⁽⁴⁾ (\$2,109 psf) |
| Committed Occupancy | 100% | 99.3% | 100% | 100% |

(1) K-REIT Asia owns approximately 44% of the strata area of the building
 (2) K-REIT Asia will own a one-third interest of One Raffles Quay (ORQ) upon completion of the acquisition
 (3) Valuation as at 31 July 2007
 (4) For one-third stake in ORQ

Financial Highlights

Strong Organic Growth

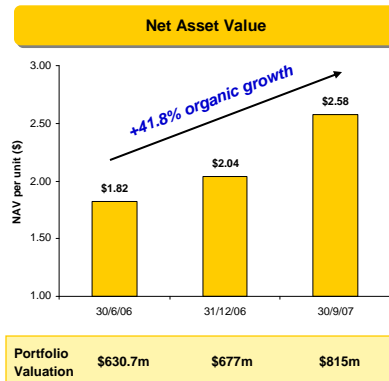
- Earnings driven by strong organic growth
- Strong DPU growth



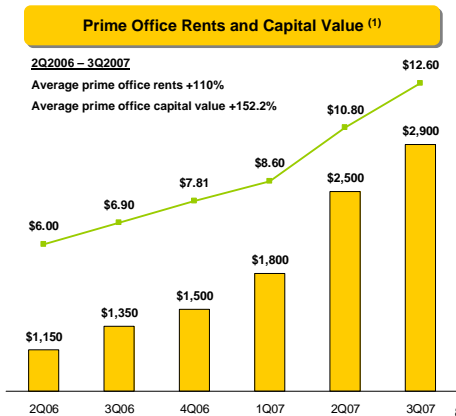
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Solid Asset Backing

- Strong NAV growth, with **further upside potential** from increase in office capital value



(1) Source: CBRE

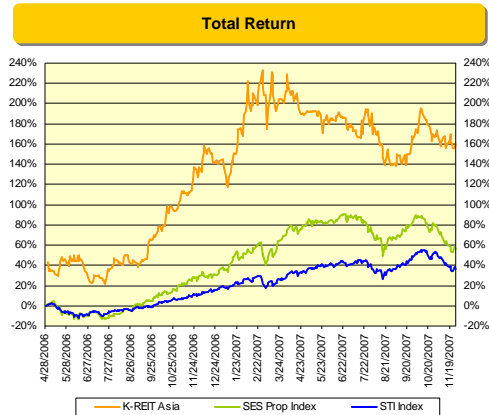


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Strong Total Return Since Listing

- Strong total return of **150.7%** outperforming major Singapore indices

| | Total Return Since Listing |
|------------------------------|----------------------------|
| K-REIT Asia ⁽¹⁾ | 150.7% |
| SESProp Index ⁽²⁾ | 54.4% |
| STI Index ⁽²⁾ | 35.9% |



(1) Total return calculated based on unit price appreciation from first day opening price of \$1.04 on 28 April 2006 to closing price of \$2.50 on 27 November 2007 and total DPU of 10.77 cents from 26 April 2006 to 30 September 2007

(2) Total return calculated based on index price appreciation and dividend payouts

Source : Bloomberg as at 27 November 2007

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Prudent Capital Management

- Minimal** interest rate exposure
 - > **100% fixed loans** until May 2011
- Gearing **lowered** to **22.9%** from 29% at listing

| As at | 30-Sep-07 | 30-Jun-07 | 31-Mar-07 | 31-Dec-06 |
|--|-----------|-----------|-----------|-----------|
| Borrowings | \$190.1m | \$190.1m | \$190.1m | \$190.1m |
| Gearing ⁽¹⁾ | 22.9% | 27.3% | 27.5% | 27.4% |
| Interest Coverage Ratio ⁽²⁾ | 3.2 times | 3.3 times | 3.0 times | 2.7 times |
| All-in Interest Rate ⁽³⁾ | 4.06% | 4.06% | 4.06% | 4.06% |
| Weighted Average Term to Expiry | 3.7 years | 3.9 years | 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 amortisation of upfront debt arrangement expenses of approximately \$1.2m

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Acquisition of a One-third Interest in One Raffles Quay

Significant Maiden Acquisition

- Acquisition of Keppel Land's one-third stake in One Raffles Quay (ORQ) for **\$941.5m** approved at EGM on 11 October 2007
- Significant maiden acquisition
 - Asset size more than doubles from \$815m to **\$1.76 bn**
 - Portfolio net lettable area grows from 0.79m sf to **1.23m sf**
 - Expected to be **yield-accretive**
 - Increases ability to **capitalise on strengthening office sector**
- Acquisition will **strengthen** K-REIT Asia's position as an office-focused commercial REIT

Enlarged Portfolio with ORQ Stake

Strategically located in new downtown at **Marina Bay** with direct underground access to Raffles Place MRT station.


Fully occupied with blue-chip tenants with long-term leases.

Close to **Marina Bay Sands Integrated Resort** and **Formula 1** night race circuit.


| | |
|----------------------|---|
| Gross Lettable Area | 1,339,407 sf |
| Net Lettable Area | 1,335,565 sf |
| Carpark Lots | 713 |
| Number of Tenants | 31 |
| Title | Leasehold estate of 99 years commencing from 13 June 2001 |
| Property Description | Comprises a 50-storey North Tower, a 29-storey South Tower and an underground retail link |

"... the gateway to Singapore's new business and financial district"


North Tower



South Tower

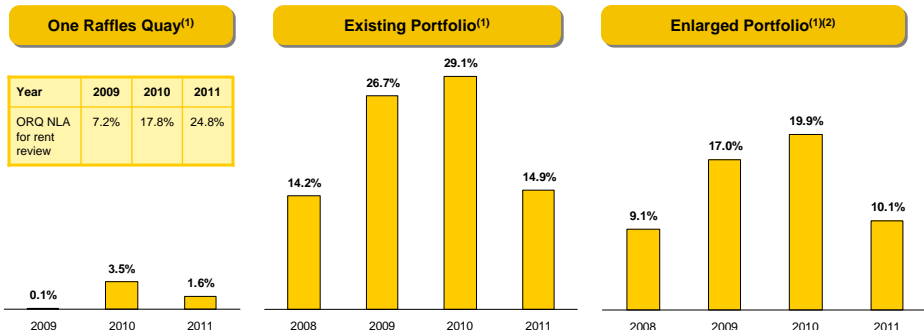


Major Tenants



Growth Potential from Positive Rent Reversions

- **Positive rent reversions** will support strong organic growth
- About **85%** of existing portfolio NLA due for expiry from 2008 – 2011
- About **55%** of ORQ NLA due for rent reversion from 2008 – 2011
- Staggered lease expiry profile facilitates **stable and rising rental income**



(1) Lease expiry profile as at 30 September 2007
 (2) Upon completion of acquisition of a one-third interest in ORQ

Attractive Investment Proposition

1 Delivering on Growth Strategy

- 116% growth in portfolio value to \$1,756m ⁽¹⁾
- Closer to achieving target size of \$2 bn

2 Acquisition of a Landmark Commercial Property

- ORQ is strategically located and is an iconic commercial property
- The property is tenanted with blue-chip end-users with long-term leases

3 Accretive Acquisition

- Accretion of 9.1% and 16.7% for FY2008 DPU (assuming \$250m CB and \$400m CB respectively ⁽²⁾)

4 Potential Growth from Rental Reversions

- 55% of ORQ's NLA up for rent reversion from 2008 – 2011
- Marina Bay / Raffles Place rentals forecast to grow 56% from 2H2007 – 2010

5 Greater Trading Liquidity and Flexibility

- Free float increases from 28% to over 40%

6 Strong Sponsorship

- Keppel Land's commitment and alignment with K-REIT Asia's unitholders
- Potential pipeline of prime office space

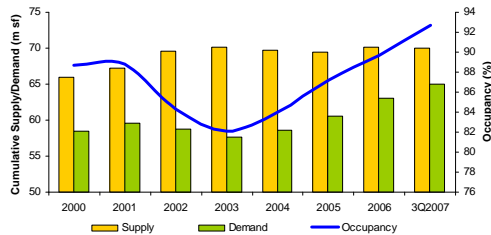
(1) Upon completion of acquisition of a one-third interest in ORQ

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

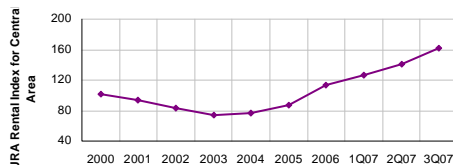
Portfolio Performance

Riding on Strengthening Office Sector

Demand and Supply of Office Space⁽¹⁾



Rental Index for Central Area⁽¹⁾



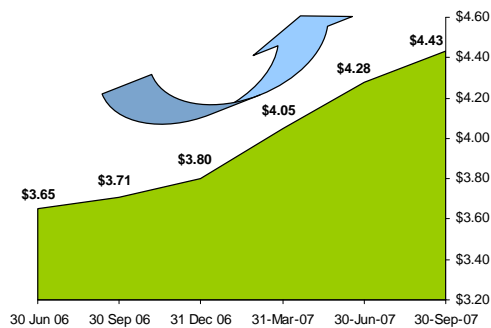
- Robust Singapore economy with forecast 7.5 – 8% real GDP growth for 2007⁽²⁾
- Strong demand from financial services sector
- Limited new supply of ~1.5m sf per annum over next few years
- Prime office space enjoys full occupancy
- Prime office rents rose by 61.3% from end-2006 to \$12.60 psf in 3Q2007⁽³⁾
- Marina Bay / Raffles Place rentals forecast to grow by 56% from 2H2007 – 2010⁽⁴⁾
- Costs of prime office space in Singapore remains lower than London, Tokyo and Hong Kong

(1) Source : URA
 (2) Ministry of Trade and Industry, 20 November 2007
 (3) Source : CBRE
 (4) Source : Independent Office Market Review by DTZ Debenham Tie Leung (SEA) Pte Ltd dated 2 July 2007

Appreciation in Portfolio Rents

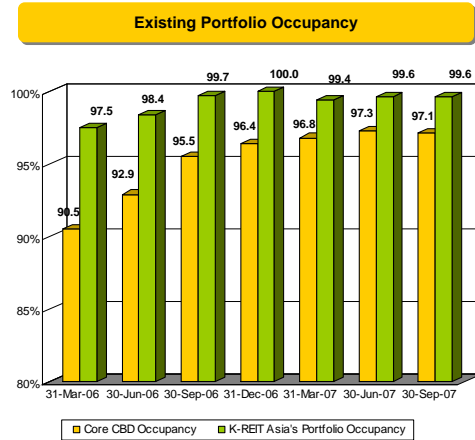
- Existing portfolio gross rent **rose 21.4%** from mid-2006
- **Uptrend in rental rates** remains intact, supported by sustained demand for prime office space

Average Portfolio Gross Rentals



Strong Occupancy Rates

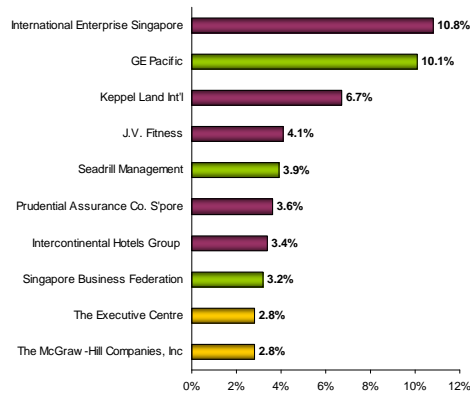
- Committed occupancy remains strong at **99.6%**, higher than Core CBD and Fringe CBD occupancy of 97.1% and 96.5% respectively (Source : CBRE)



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Broad Tenant Diversity

Top 10 Tenants : 51.4% of NLA (73,066 sm) @ 30 Sept 2007



Keppel Towers & GE Tower Prudential Tower Bugis Junction Towers

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Strong Trade Sector Mix

- Diverse tenant base
 - A total of **94** tenants from various industries
 - ❖ Financial and business services
 - ❖ Hospitality
 - ❖ Government agencies
 - ❖ Pharmaceuticals and healthcare
 - ❖ IT services and consultancy
- Risk diversification
 - Top tenant by NLA contributes **less than 15%** of gross rental revenue

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Going Forward

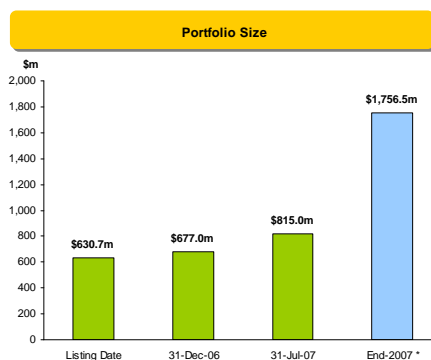
Growth Strategy



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A Pan-Asian Commercial REIT

- Target portfolio size of **\$2 bn** within reach
- Grow portfolio** by pursuing quality commercial assets in Singapore and regional markets with **attractive risk-adjusted returns**
- Ride on different market cycles to allow for **risk diversification** across countries



* With acquisition of a one-third interest in ORQ

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Strong Keppel Land Sponsorship

1

Leading development expertise

- ◆ Leading property developer with landmark commercial developments
- ◆ Currently owns and developing more than 4.5m sf NLA of prime office space in Singapore with joint-venture partners

2

Pan-Asian platform and network

- ◆ Leverage on Keppel Land's platform in major cities across Asia
- ◆ Competitive edge in sourcing and pursuing pan-Asian acquisition opportunities

3

Strong alignment with K-REIT Asia's unitholders

- ◆ Sharing in K-REIT Asia's growth through anchor stake of approx. 41%
- ◆ Growing fund management platform

4

Established property management expertise

- ◆ Established property management capabilities and economies of scale
- ◆ Effective marketing and asset management enhancing property performance and value

Marina Bay Financial Centre



Phase One and Two
2.9m sf NLA

Ocean Financial Centre



0.85m sf NLA

Keppel Bay Tower



387,000 sf NLA

Equity Plaza



448,000 sf NLA

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Additional Information

Snapshot of K-REIT Asia

| | |
|--------------------------|--|
| Manager | K-REIT Asia Management Limited |
| Property Portfolio | Five quality office buildings valued at \$1.76 bn ⁽¹⁾ |
| Listing and Trading Date | 28 Apr 2006 on Singapore Stock Exchange |
| Market Capitalisation | \$608 million (as at 27 Nov 2007) ⁽²⁾ |
| Unit Price | \$2.50 (closing price on 27 Nov 2007) |
| Total No. of Units | 243,191,077 ⁽³⁾ |
| Free Float | 28% (as at 27 Nov 2007) ⁽⁴⁾ |

(1) Upon completion of acquisition of a one-third interest in One Raffles Quay
 (2) Based on closing price of \$2.50 and 243,191,077 units issued as at 27 November 2007
 (3) Includes issue of new units in payment of management fees
 (4) Excludes total unitholding of about 72% held by Keppel Land and Keppel Corporation

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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.