

INVESTOR MEETINGS

February 2007



Contents

- Introduction
- Highlights
- Portfolio Performance
- Market Review and Outlook
- Going Forward

Introduction

Introduction

- Pan Asian commercial REIT listed on SGX on 28 Apr 06
- Initial portfolio of four quality office buildings valued at \$677m as at 31 Dec 06
 - 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
- Potential Acquisitions

Company Strengths

- Experienced and Professional Management
- Strong Network and Quality Brand

Growth Strategy

- Generate stable returns to unitholders by owning and investing in quality income-producing commercial real estate assets
- Target AUM of \$2 billion within next few years
- Identify and pursue prime properties for acquisition in Singapore and other Asian growth cities

Highlights

Highlights

FY2006 Financial Results Outperformed Forecast

- Distribution Per Unit (DPU) of **4.63** cents (**6.76** cents annualised) exceeds forecast by **24.5%**
- **100%** occupancy, higher than Core CBD occupancy of 96.4% and Fringe CBD occupancy of 93.1%
- Total return of **229.5%** since listing ⁽¹⁾

(1) Total return is derived based on K-REIT Asia's unit price appreciation from its first day opening price of \$1.04 on 28 Apr 2006 to the closing price of \$3.38 on 26 Feb 2007 and total DPU of 4.63 cents for the year up to 31 Dec 2006

Outperformed: Distributable Income

- Distributable Income surpasses forecast by 23.9% to reach \$11.2m

(\$'000)	26 Apr to 31 Dec 2006		
	Actual	Forecast ⁽¹⁾	% Chg
Property Income	23,861	21,632	10.3
Property Expenses	(7,047)	(6,521)	8.1
Net Property Income	16,814	15,111	11.3
Non-Property Expenses	(8,447)	(8,600)	(1.8)
Net Profit	8,367	6,511	28.5
Distributable Income to Unitholders	11,174	9,021	23.9

(1) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 31 Dec 2006

Outperformed: DPU

- DPU of 4.63 cents exceeds forecast by 24.5%
 - Annualised DPU of 6.76 cents versus forecast of 5.43 cents ⁽¹⁾

	From 26 Apr to 31 Dec 2006		
	Actual	Forecast ⁽²⁾	% Chg
Distribution Per Unit (DPU)	4.63 ¢	3.72 ¢	24.5%
Annualised DPU	6.76 ¢	5.43 ¢	24.5%
Distribution Yield ⁽³⁾	2.7%	2.2%	22.7%

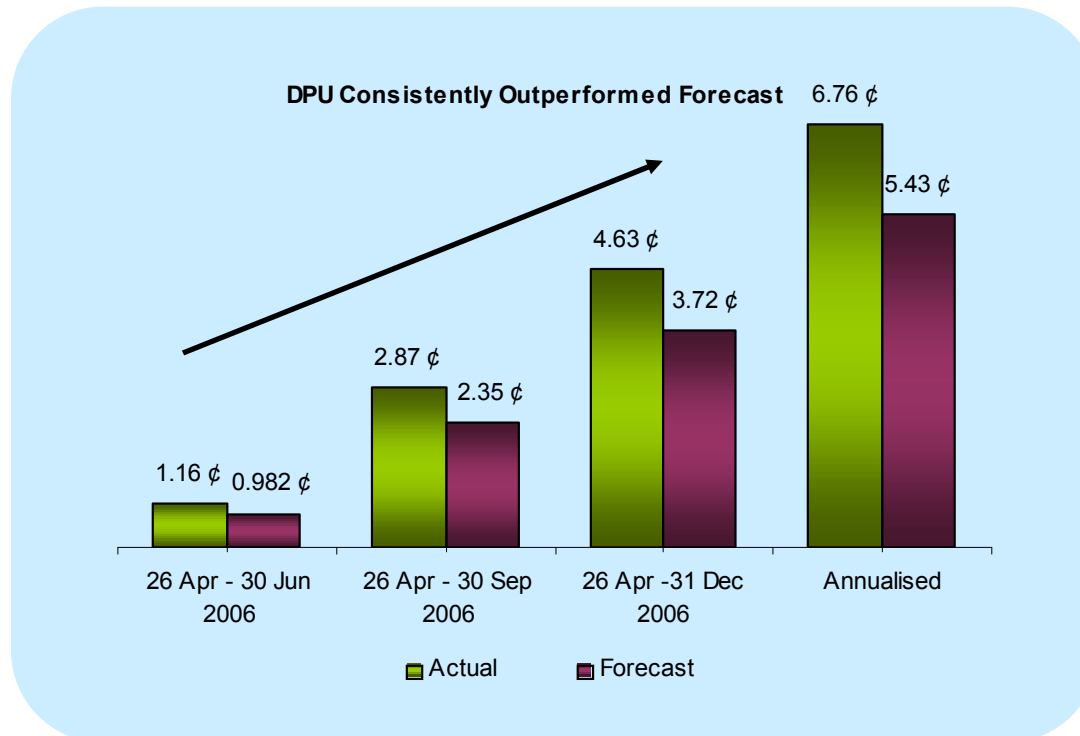
(1) Annualised DPU of 6.76 cents is based on DPU of 4.63 cents for the period from 26 Apr to 31 Dec 2006, and forecast DPU of 5.43 cents is as disclosed in the Introductory Document

(2) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 31 Dec 2006

(3) Based on unit closing price of \$2.50 on 29 Dec 2006

Continual Growth in DPU

- Achieved higher distribution for FY2006 relative to forecast (1)



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

Balance Sheet Highlights

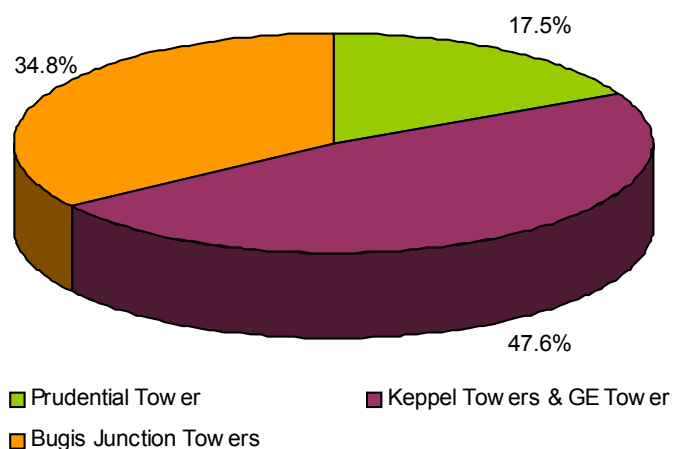
(\$m)	As At			
	31-Dec-06	30-Sep-06	30-Jun-06	30 Sep 05 ⁽²⁾
Non-current Assets ⁽¹⁾	677.0	630.7	630.7	630.7
Total Assets	694.9	643.7	641.4	635.2
Borrowings	189.0	189.0	188.8	189.3
Total Liabilities	202.5	201.8	200.8	196.6
Unitholders' Funds	492.4	441.9	440.6	438.6
Net Asset Value Per Unit	\$2.04	\$1.83	\$1.83	\$1.82
Adjusted NAV Per Unit ⁽³⁾	\$2.00	\$1.82	\$1.82	\$1.82

(1) Investment properties were stated at valuation performed by an independent professional valuer as at the end of the year

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

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

Gross Revenue by Asset

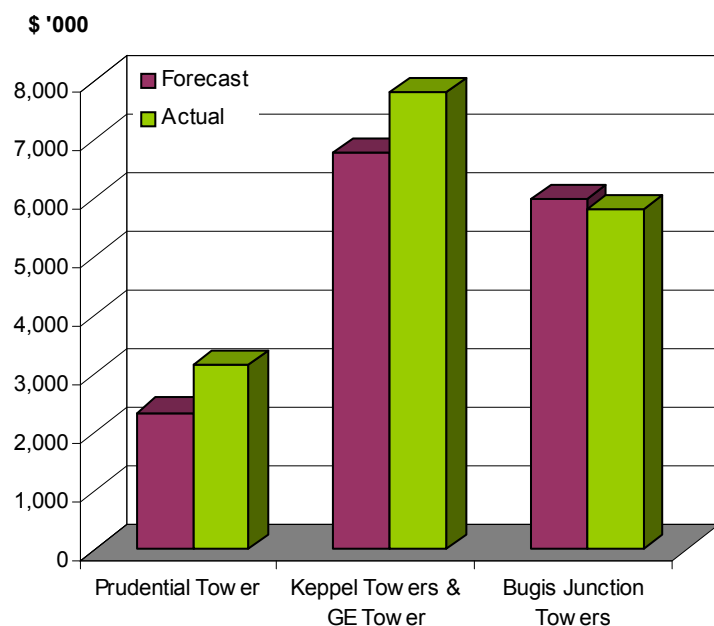


	From 26 Apr to 31 Dec 2006		
	Actual	Forecast ⁽¹⁾	% Chg
Prudential Tower ⁽²⁾	4,187	3,354	24.8
Keppel Towers & GE Tower	11,364	10,069	12.9
Bugis Junction Towers	8,310	8,209	1.2
Total Property Income	23,861	21,632	10.3

(1) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 31 Dec 2006

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

Net Property Income by Asset



	From 26 Apr to 31 Dec 2006		
	Actual	Forecast ⁽¹⁾	% Chg
Prudential Tower ⁽²⁾	3,166	2,345	35.0
Keppel Towers & GE Tower	7,824	6,791	15.2
Bugis Junction Towers	5,824	5,975	(2.5)
Total Net Property Income	16,814	15,111	11.3

(1) Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 31 Dec 2006

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

Capital Management

- Fixed rate loans locked in to mitigate risk of interest rate hike
 - 100% fixed for five years until May 2011

	As At			
	31-Dec-06	30-Sep-06	30-Jun-06	30 Sep 05 ⁽¹⁾
Borrowings	\$190.1m	\$190.1m	\$190.1m	\$190.6m
Gearing ⁽²⁾	27.4%	29.5%	29.6%	30.0%
Interest Coverage Ratio ⁽³⁾	2.7 times	2.7 times	2.5 times	2.3 times
All-in Interest Rate ⁽⁴⁾	4.06%	4.06%	4.06%	3.96%
Weighted Average Term to Expiry	4.3 years	4.6 years	4.9 years	Not Applicable

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

(2) Gearing = Borrowings / Total assets. Gearing as at 31 Dec 06 improved due to an increase in asset revaluation.

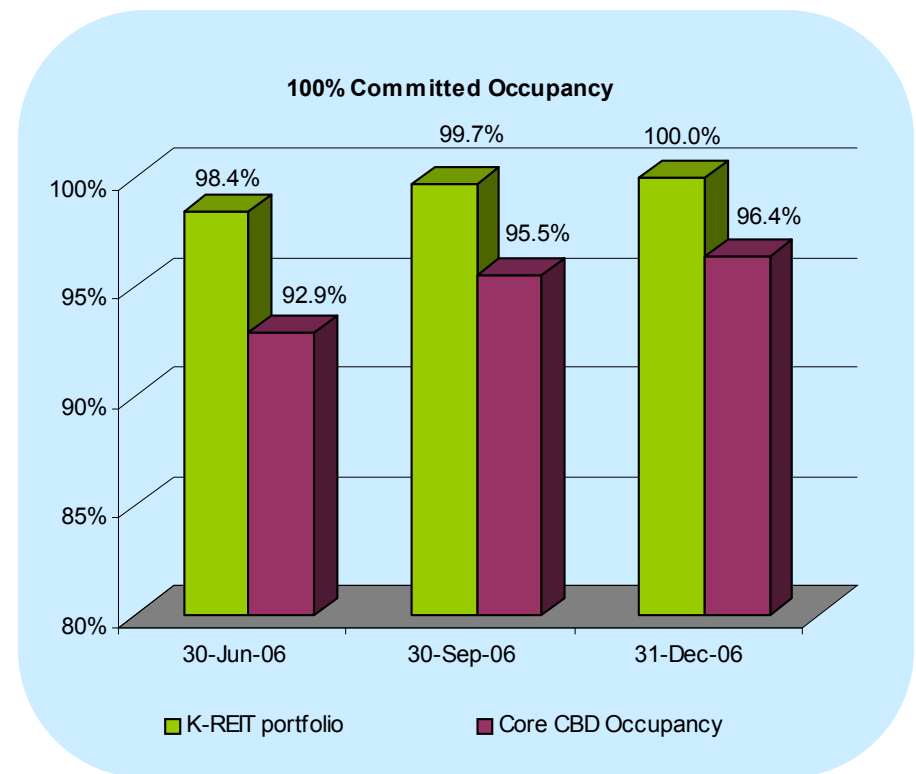
(3) Interest coverage ratio = YTD profit before interest and tax / net interest

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

Portfolio Performance

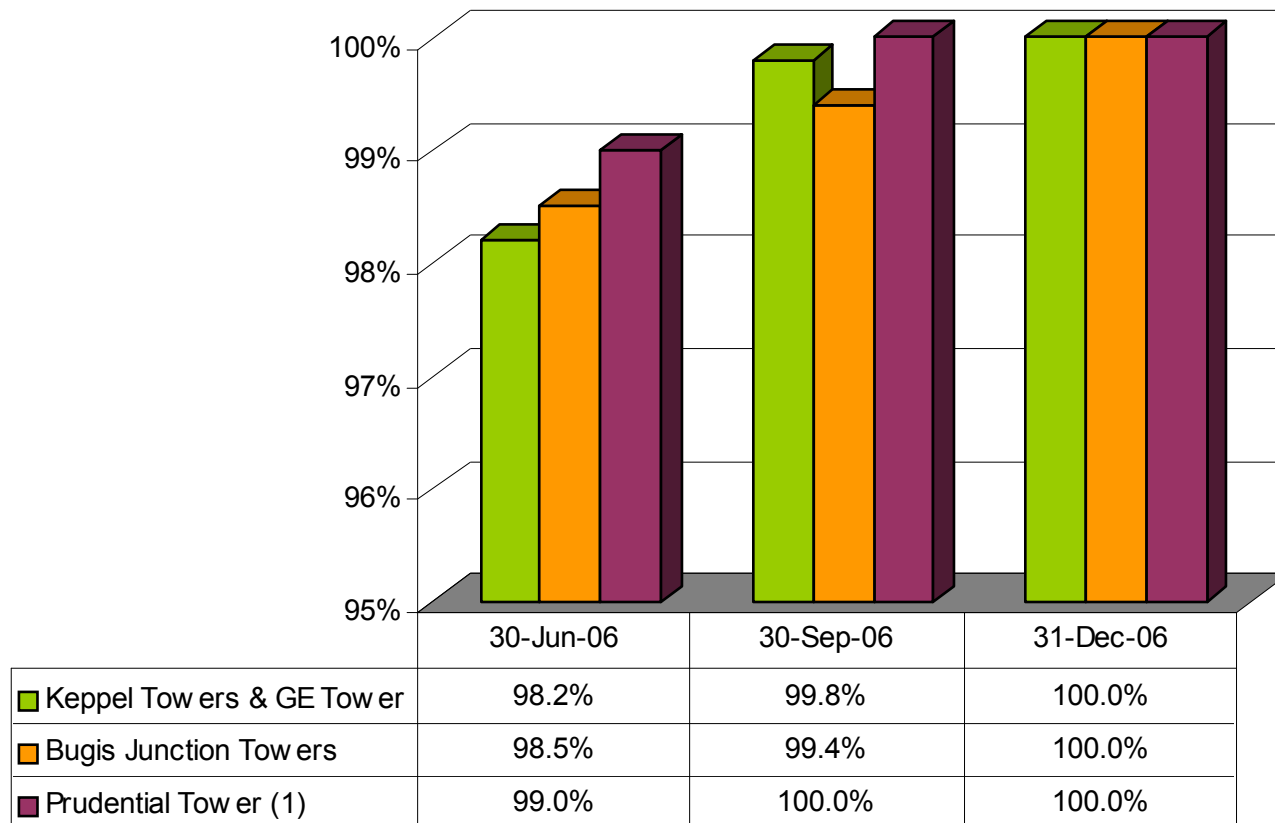
Occupancy Hits 100%

- 100% committed occupancy as at end-Dec 2006
 - Ahead of Core CBD occupancy of 96.4% and Fringe CBD occupancy of 93.1% (Source : CBRE)



Source : CBRE and K-REIT Asia

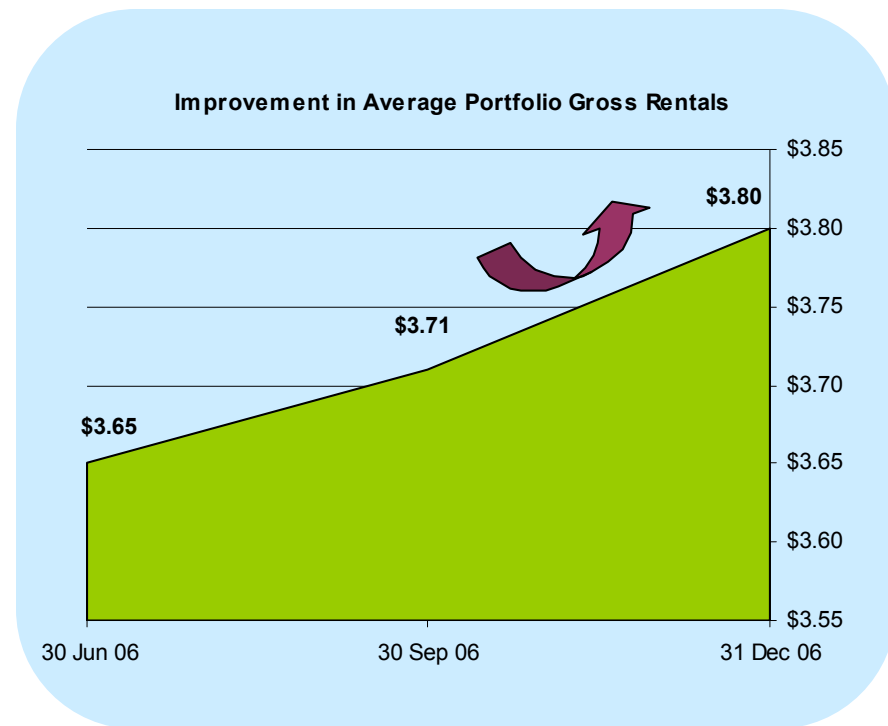
Committed Occupancy on the Rise



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

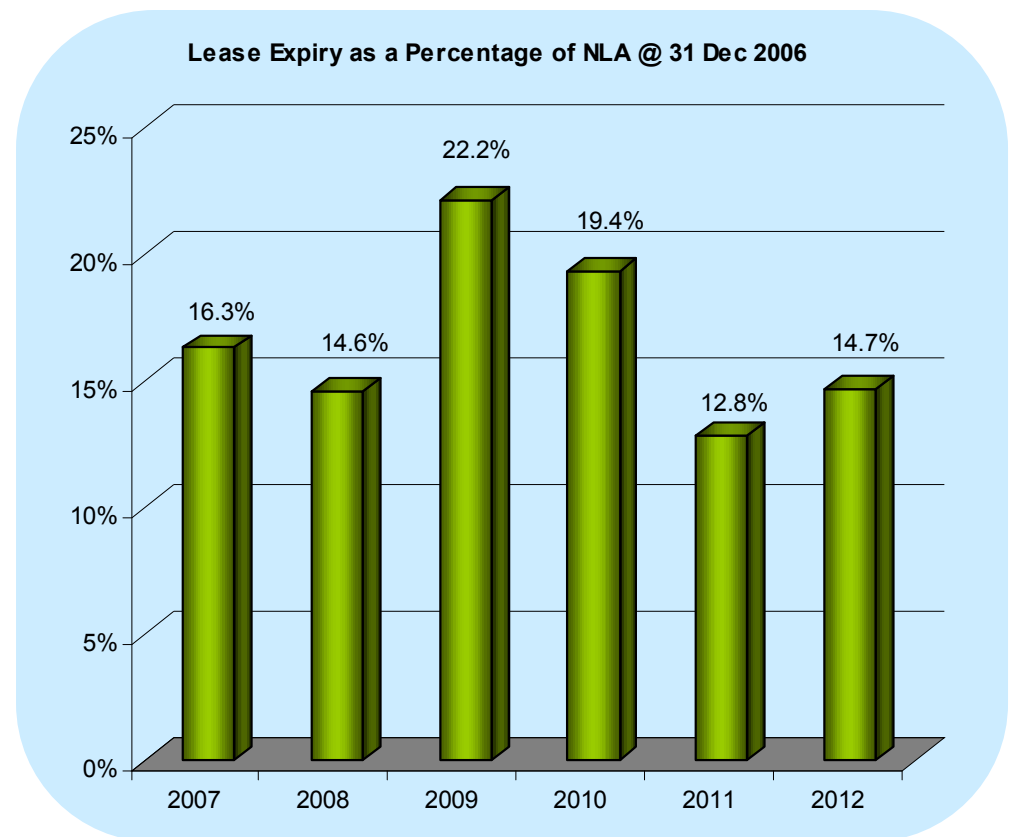
Continued Rental Growth

- Steady rise in average portfolio gross rentals
- Potential for further increase in renewal rates



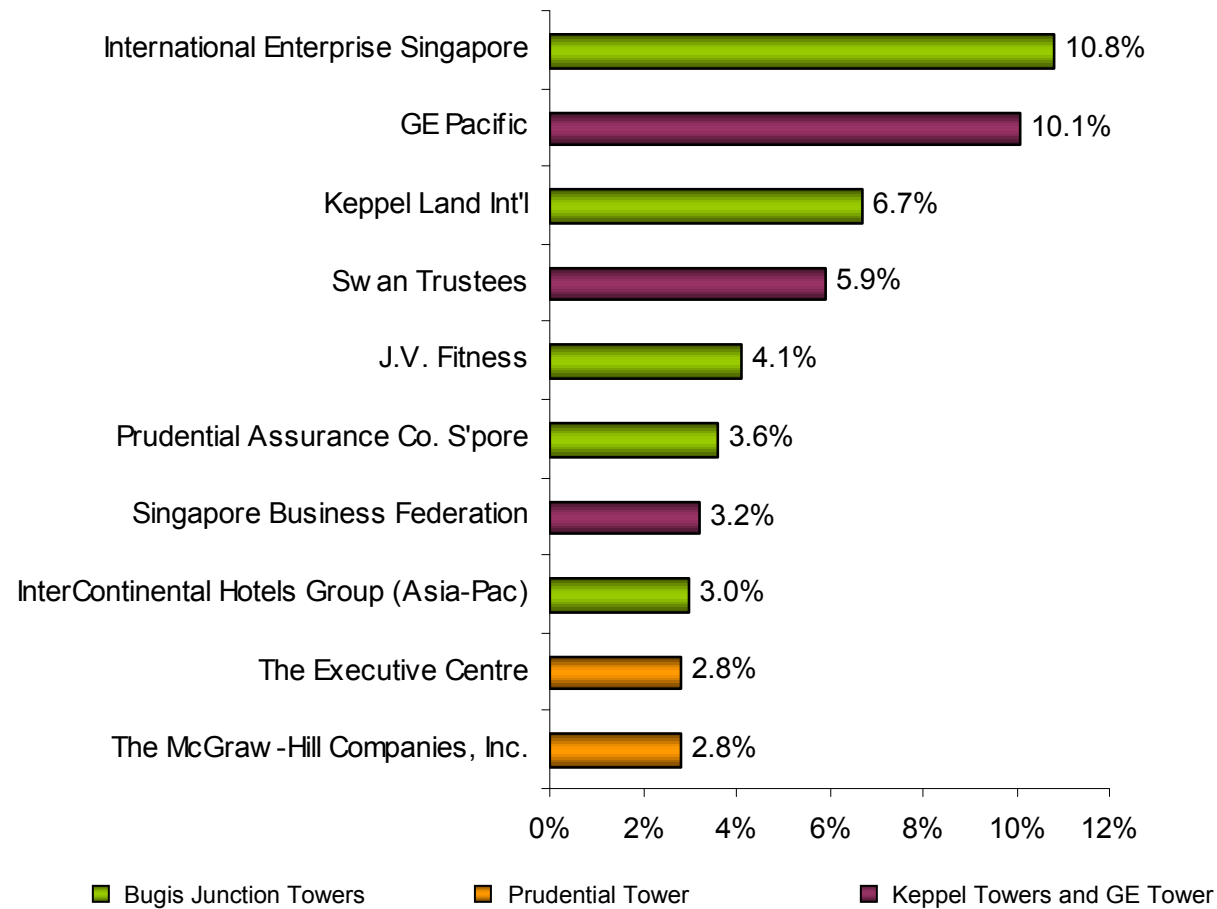
Favourable Lease Renewal Cycle

- Lease expiry profile is well balanced
 - About 53% of net lettable area (NLA) due for renewal from 2007 to 2009, during which new supply averages less than 600,000 sf per annum
 - About 31% of NLA due for renewal over the next 24 months, which coincides with the 12 to 18 month period expected to have steepest rental growth (Source: CBRE)
 - Higher reversionary rentals expected on sustained demand and tight office supply



Broad Tenant Diversity

Top 10 Tenants : 53% of NLA (73,108 sm) @ 31 Dec 2006



Broad Tenant Diversity

- Wide tenant base
 - A total of 95 tenants from various different industries
 - Financial and business services
 - Hospitality
 - Government agencies
 - Pharmaceuticals and healthcare
 - IT services & consultancy
- Income diversification to reduce risk
 - The top tenant by net lettable area contributes less than 15% of total rental revenue

Retention Rate Near 100%

- High tenant retention rate of 99.5%, reflecting good tenant relationships

	As at 31 Dec 2006	
	Area Renewed (sm)	Tenant Retention Rate
Prudential Tower ⁽¹⁾	2,219	100%
Keppel Towers & GE Tower	7,393	98.6%
Bugis Junction Towers	6,876	100%
Overall Portfolio	16,488	99.5%

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

Market Review and Outlook

Bright Economic Outlook

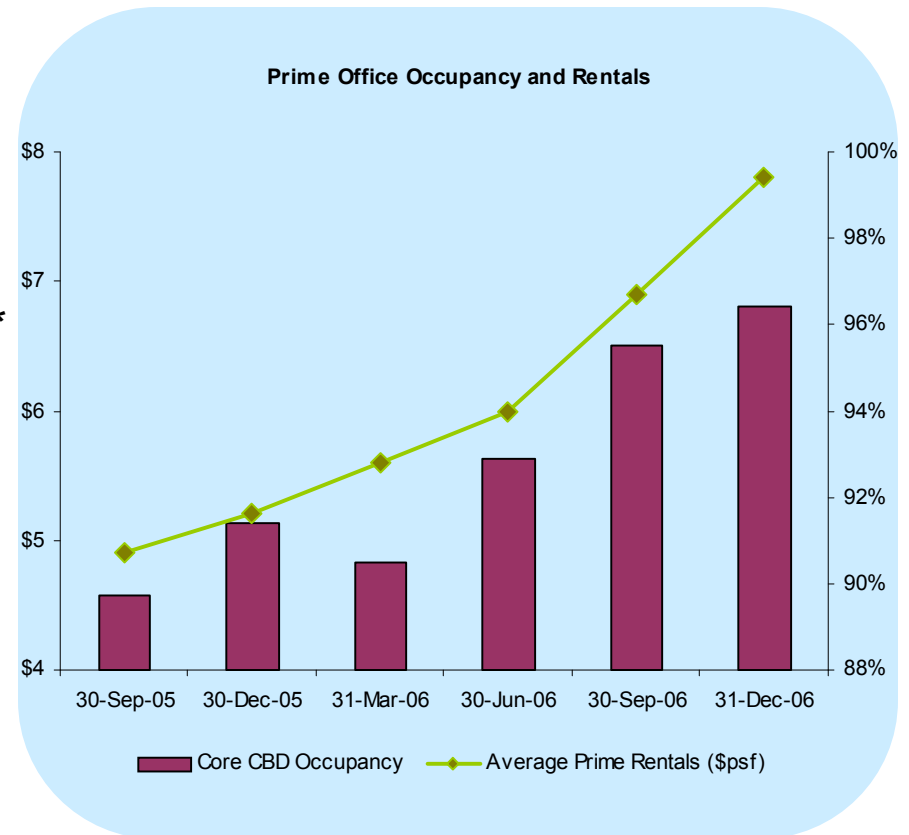
- 2006 GDP growth rate at 7.9%
- Strong growth in manufacturing, and banking and financial sectors
- Integrated resorts expected to draw spin-offs in supporting industries
- Government expects economy to grow at healthy 4.5 – 6.5% in 2007



Source : Singapore Department of Statistics

Surging Office Demand

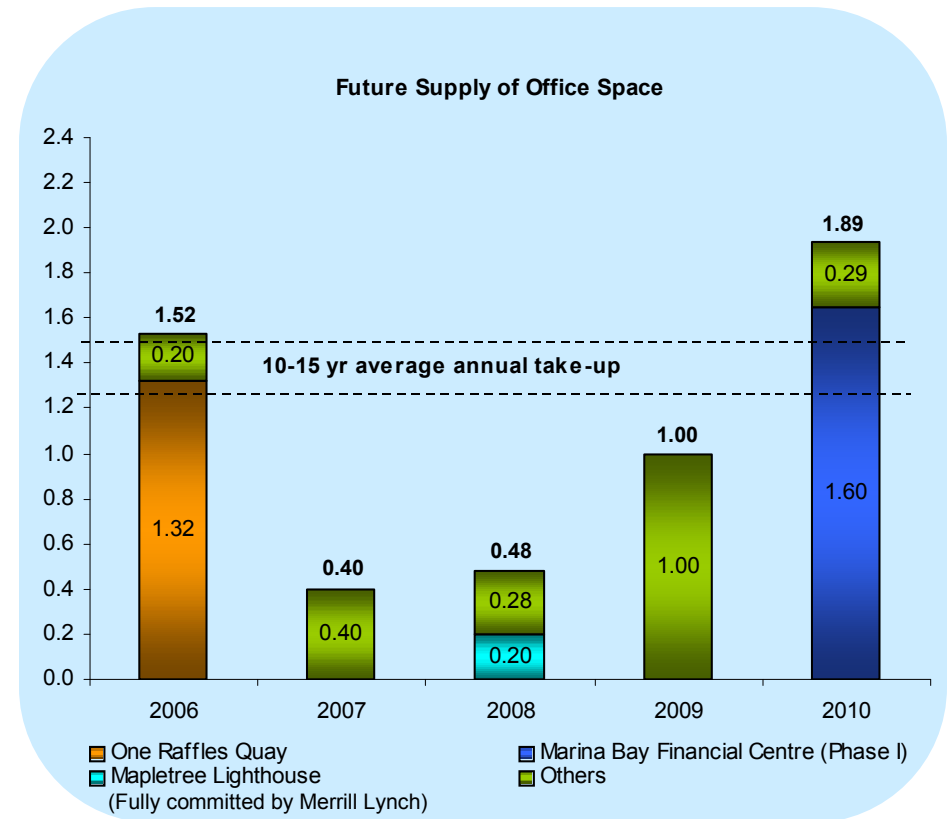
- High demand for prime office space drove rentals significantly higher
 - Average prime rents reached \$7.81 psf at end-Dec 2006, up 50.2% y-o-y*
- New office demand of 2.4 mln sf in 2006 (Source: URA)
- Strong office demand expected to continue



*Source : CBRE

Supply Remains Tight

- No substantial new supply until Marina Bay Financial Centre (Phase I) comes on stream in 2010
 - CBD office stock reduced by up to 1.3 mln sf from 2007 onwards due to redevelopment and conversions of older buildings
- Tight supply puts upward pressure on occupancy and rentals



Source : CBRE, DTZ and K-REIT Asia estimates

Limited Potential Supply

Office Supply in the Pipeline		
Year	Development	NFA (sf)
2007	LKN Building Redevelopment	80,080
	VisionCrest	139,940
	Central	179,000
	SUBTOTAL	399,020
2008	Selegie Road Development	120,300
	Straits Trading Building	156,000
	Mapletree Lighthouse (fully taken up)	195,640
	City Square	6,020
	SUBTOTAL	477,960
2009	Overseas Union House Redevelopment	385,260
	SPI Redevelopment	350,000
	New Bridge Road/North Canal Road	46,410
	Crosby House Redevelopment	219,800
	SUBTOTAL	1,001,470
2010	Marina Bay Financial Centre (Phase I)	1,600,000
	Tampines Grande (GLS Confirmed Site)	289,334
	SUBTOTAL	1,889,334
	TOTAL (2007 - 2010)	3,767,784

Limited supply of
< 600,000* sf per annum
between 2007 and 2009
will support office rents
and occupancies

* Excludes Mapletree Lighthouse which
has been fully taken up

Source: CBRE, DTZ and K-REIT Asia estimates

Going Forward

Proactive Asset Management

- Experienced management and continuous active leasing to achieve better returns for unitholders
- Ongoing evaluation of property portfolio to identify value-adding asset enhancements to meet the needs of tenants and grow asset value

A Pan Asian Commercial REIT

- Grow the portfolio by identifying and pursuing quality assets in Singapore and other Asian growth cities.
- Able to ride on different market cycles to allow for diversification of risks across countries
- Target Assets Under Management of S\$2 bln within the next few years

Additional Information

Snapshot of K-REIT Asia

Manager	K-REIT Asia Management Limited
Property Portfolio	Four quality office buildings valued at \$677m
Listing and Trading Date	28 Apr 2006 on Singapore Stock Exchange
Market Capitalisation	\$818.0 million (as at 26 Feb 2007) ⁽¹⁾
Unit Price	\$3.38 (closing price on 26 Feb 2007)
Total No. of Units	241,997,637 ⁽²⁾
Free Float	27.98% (as at 26 Feb 2007) ⁽³⁾

(1) Market capitalisation is based on 241,997,637 units issued as at 26 Feb 2007

(2) Includes issue of new units in payment of management fees – 516,401 units on 1 Aug 2006, 585,965 units on 30 Oct 2006 and 387,271 units on 1 Feb 2007.

(3) Excludes total unit-holding of 72.02% held by Keppel Land and Keppel Corporation

Property Portfolio

	Prudential Tower ⁽¹⁾	Keppel Towers	GE Tower	Bugis Junction Towers
				
Total Lettable Area (sm)	10,074	40,044	22,990	
Car Park Lots	-	288	-	
Number of Tenants	14	68	13	
Principal Tenants	McGraw-Hill Companies, Inc. The Executive Centre	GE Pacific Pte Ltd Swan Trustees Singapore Business Federation	IE Singapore J.V. Fitness Pte Ltd Prudential Assurance	
Title	Leasehold estate of 99 years expiring 14 Jan 2095	Estate in fee simple	Leasehold estate of 99 years expiring 9 Sep 2089	
Valuation ⁽²⁾	\$128.0 million	\$367.0 million	\$182.0 million	
Committed Occupancy	100.0%	100.0%	100.0%	

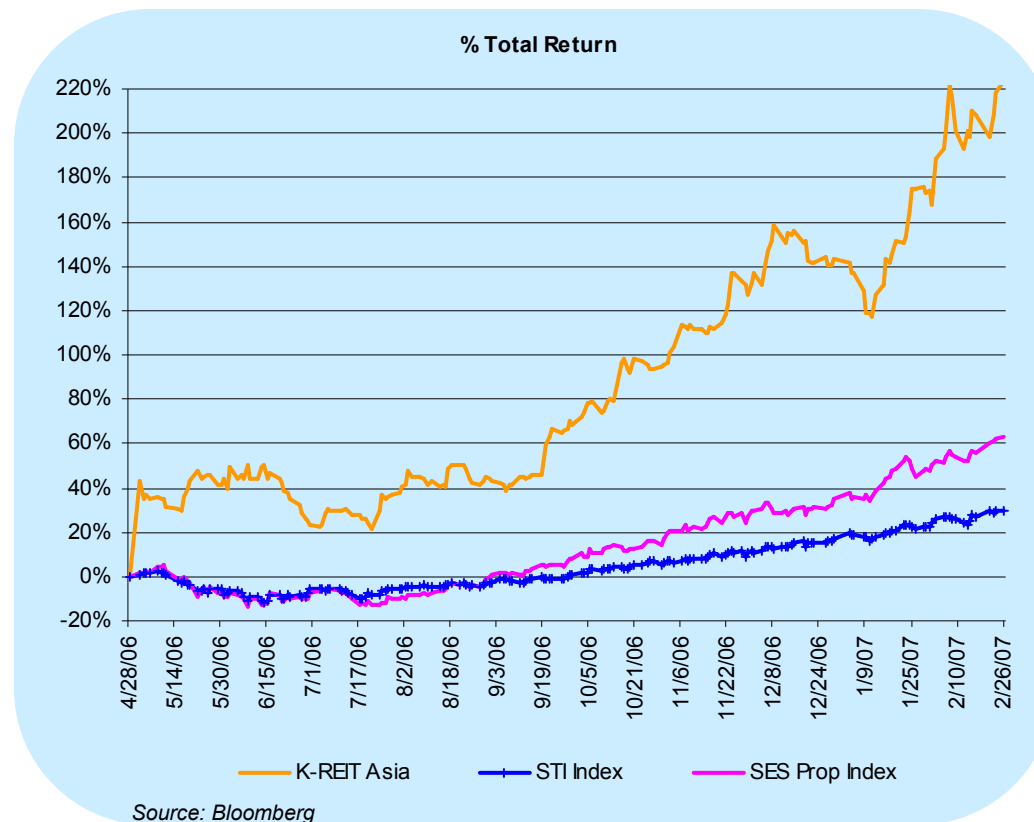
Information as at 31 Dec 2006

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

(2) Average appraised value as at 31 Dec 2006

Total Return

- Total return of 229.5% since listing (1)



(1) Total return is derived based on K-REIT Asia's unit price appreciation from its first day opening price of \$1.04 on 28 Apr 2006 to the closing price of \$3.38 on 26 Feb 2007 and DPU of 4.63 cents for the year up to 31 Dec 2006

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.