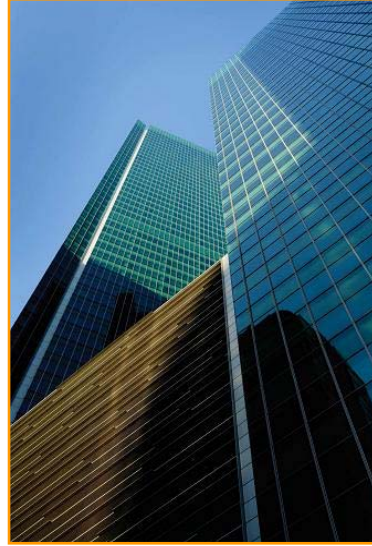


## Proposed Acquisition of One-Third Stake in One Raffles Quay

30 July 2007



## Summary

- K-REIT Asia proposes to acquire Keppel Land's one-third stake in **One Raffles Quay (ORQ)** for about \$941.5 mil
- **Significant maiden acquisition**
  - **Asset size** more than doubles from \$677 mil to \$1.62 bn
  - **Net lettable area** grows from 786,603 sf to 1.23 mil sf
  - Expected to be **yield-accretive**

## Current Portfolio



Prudential Tower

Keppel Towers

GE Tower

Bugis Junction Towers

- **Total Net Lettable Area (NLA):** 786,603 sf
- **Total portfolio value:** \$677 million<sup>1</sup>

1. Portfolio value as at 31 Dec 2006

## Enlarged Portfolio with ORQ



Prudential Tower<sup>1</sup>

Keppel Towers



One Raffles Quay<sup>2</sup>



**Total portfolio value ↑ to \$1.62 billion**

**Total NLA ↑ to 1.23 million sf**



GE Tower

Bugis Junction Towers

1. K-REIT Asia owns approximately 44% of strata area of the building (108,439 sf)  
 2. K-REIT Asia's attributable one-third share of the asset's NLA is about 445,188 sf

## ***One Raffles Quay Up Close***

## **One Raffles Quay**

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

One of the largest office developments in Singapore with about **1.3 million** sf of NLA and **100%** committed occupancy.

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



## One Raffles Quay – Key Information



One Raffles Quay

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.”*

## Blue Chip Tenants

**Fully occupied by well-established tenants**

- Deutsche Bank
- UBS
- ABN Amro
- Ernst & Young
- Credit Suisse
- Barclays

## ***Acquisition of One-Third Stake in ORQ Leverages Singapore's Growth***

### **Positive Growth in Singapore**

- **Higher than expected GDP growth**
  - **8.2%** in 2Q2007 according to MTI advance estimates
- **Strong growth in financial services sector**
  - Expansion in wealth management and fund management
  - Inflow of new companies tapping into **region's growth**
  - Growth of support services with the advent of integrated resorts

## Strong Demand For Quality Space

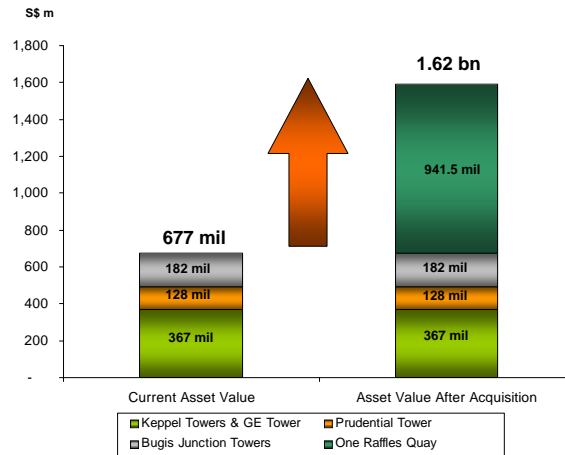
- Demand for **prime office** space supports rents and occupancies
- With **superior quality** office space, ORQ is **well-positioned** to benefit from rising rental environment
- ORQ will **value add** to K-REIT Asia's portfolio of quality prime office buildings
- Acquisition will strengthen K-REIT Asia's position as an **office focused** commercial REIT

*"More banks and insurers are setting up shop here for the first time, in a market where suitable office space is costing a premium - if any can be found"*

Source: Business Times, 23 May 2007

## *Impact of Acquisition*

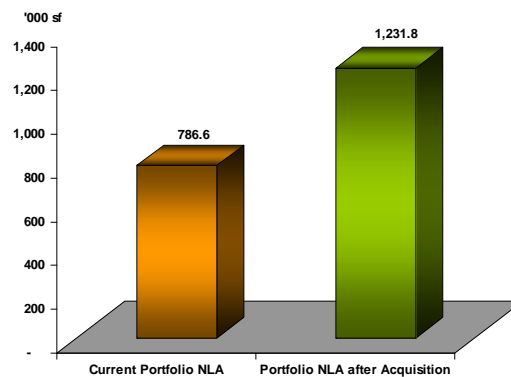
## Asset Size More Than Double



Asset size **2.4 times** larger at **\$1.62 bn**

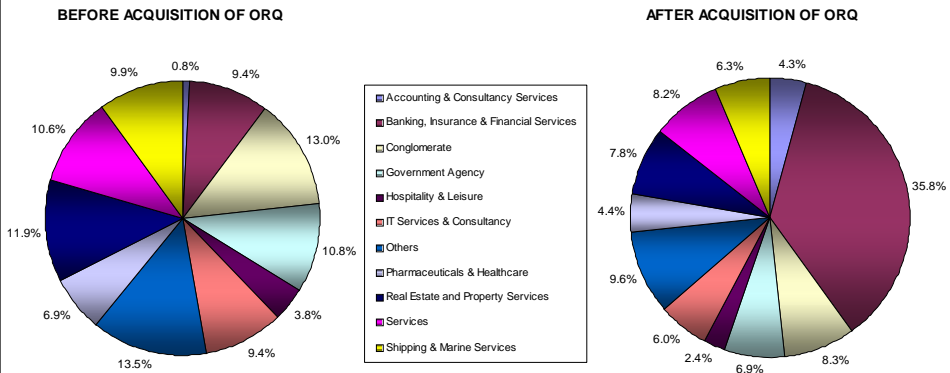
## Growth in Total NLA

Total attributable NLA increases **57%** to 1.23 mil sf



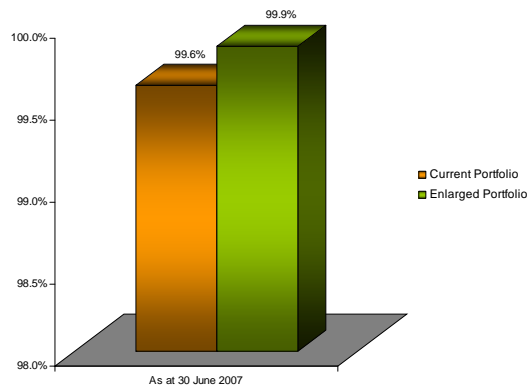
## Enlarged Portfolio Tenant Base

Trade Sector Analysis as a % of NLA  
As as 30 June 2007



## Portfolio Occupancy Close to 100%

- **100%** committed occupancy at ORQ
- Portfolio committed occupancy lifted from 99.6% to **99.9%** as at 30 June 2007





## ***Going Forward***

### **A Pan-Asian Commercial REIT**

- Closing in on target Assets Under Management (AUM) of **\$2 bn**
- Growing the portfolio by identifying and pursuing **quality assets** in Singapore and other Asian growth cities
- Building on **new expanded portfolio** to grow asset value

## ***Additional Information***

## **Property Portfolio After Acquisition**



	Prudential Tower Property	Keppel Towers	GE Tower	Bugis Junction Towers	One Raffles Quay
<b>Net Lettable Area (sq m)</b>	10,074 <sup>(1)</sup>	40,014		22,990	124,078 <sup>(2)</sup>
<b>Car Park Lots</b>	-	288		-	713
<b>Number of Tenants</b>	14	69		12	31
<b>Principal Tenants</b>	McGraw Hill Companies The Executive Centre KBC Bank N.V.	GE Pacific Seadrill Management Singapore Business Federation		IE Singapore J.V.Fitness Prudential Assurance	Deutsche Bank UBS ABN AMRO
<b>Title</b>	Leasehold estate of 99 years expiring 14 Jan 2095	Estate in fee simple		Leasehold estate of 99 yrs expiring 9 Sep 2089	Leasehold estate of 99 yrs expiring 12 Jun 2100
<b>Committed Occupancy</b>	100%	99.3%		100%	100%

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

(2) As approximately one-third of the asset is held through shareholding, attributable NLA is one-third of total NLA or about 41,359 sq m

## Snapshot of K-REIT Asia

Manager	K-REIT Asia Management Limited
Property Portfolio	Four quality office buildings valued at \$677 mil
Listing and Trading Date	28 Apr 2006 on Singapore Stock Exchange
Market Capitalisation	\$678.5 million (as at 27 Jul 2007) <sup>(1)</sup>
Unit Price	\$2.80 (closing price on 27 Jul 2007)
Total No. of Units	242,332,586 <sup>(2)</sup>
Free Float	28% (as at 27 Jul 2007) <sup>(3)</sup>

(1) Market capitalisation based on the market closing price of \$2.80 per unit for 242,332,586 units issued as at 27 Jul 2007

(2) Includes issue of new units in payment of management fees

(3) Excludes total unitholding of about 72% held by Keppel Land and Keppel Corporation

# 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.*