

## INVESTOR MEETINGS

May 2008



## Contents

- Introduction
- Operations Review
- Financial Results
- Portfolio Performance
- Market Outlook & Review
- Going Forward

# *Introduction*

## Overview

- A Singapore-listed leading commercial real estate investment trust with a ***Pan-Asian mandate*** and ***portfolio of quality assets*** providing stable income to unitholders

Portfolio Summary	
Property Portfolio	5 quality commercial office assets
Net Lettable Area	114,425 sm (1,231,673 sf)
Assets under Management <sup>(1)</sup>	S\$2,102 million
Number of Tenants <sup>(2)</sup>	121

(1) Based on valuation as at 10 December 2007 by Knight Frank  
(2) Including the entire One Raffles Quay development as at 31 March 2008

## High Quality Portfolio of Assets



Property	Prudential Tower <sup>(1)</sup>	Keppel Towers and GE Tower	Bugis Junction Towers	One Raffles Quay
Net Lettable Area (sm)	10,074	40,002	22,990	41,359 <sup>(2)</sup>
Number of Tenants	13	68	9	31
Principal Tenants	KBC Bank N.V. McGraw-Hill Companies The Executive Centre	GE Pacific Seadrill Management Singapore Business Federation	IE Singapore J.V. Fitness Prudential Assurance Co	ABN Amro Deutsche Bank UBS
Tenure	99 years expiring 14 Jan 2095	Estate in fee simple	99 years expiring 9 Sep 2089	99 years expiring 12 Jun 2100
Valuation <sup>(3)</sup>	\$227 million	\$580 million	\$303 million	\$992 million <sup>(2)</sup>
Committed Occupancy @31 Mar 08	100%	99.2%	99.2%	100%

(1) K-REIT Asia owns approximately 44% of the strata area of the building

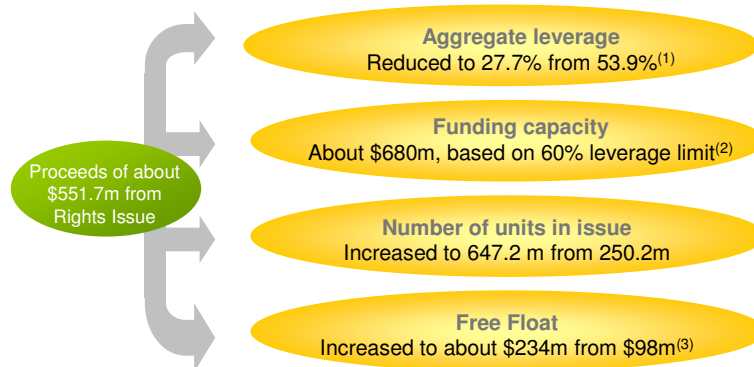
(2) K-REIT Asia owns a one-third interest of One Raffles Quay Pte Ltd; net lettable area of 41,359 sm represents one-third of One Raffles Quay's total net lettable area and valuation of \$992 million is for one-third interest in One Raffles Quay

(3) Valuation as at 10 December 2007 by Knight Frank

5

## Rights Issue Strengthens Balance Sheet

- Issue and listing of 396.9m Rights Units on 8 May 2008
- Rights Ratio of 8 for 5 and Rights Issue price of \$1.39/unit



(1) Aggregate Leverage = Gross borrowings / Value of deposited properties

(2) Based on borrowings of approximately \$581.4m which include \$190 million fixed rate mortgage loan and balance of bridging loan from Keppel Corporation

(3) Based on closing market price of \$1.45 on 21 May 2008

6

# Financial Results

## Distributable Income on Upward Trend

(\$'000)	Actual 1Q2008	Actual 1Q2007	% Chg	Actual FY2007	Pro forma <sup>(1)</sup> FY2006	% Chg
Property income	11,506	8,866	29.8	40,069	33,778	18.6
Property expenses	(2,365)	(2,404)	(1.6)	(11,807)	(10,153)	16.3
Net property income	9,141	6,462	41.5	28,262	23,625	19.6
Investment and interest income <sup>(2)</sup>	11,009	116	nm	2,632	236	nm
Other operating expenses <sup>(3)</sup>	(17,841)	(3,130)	nm	(18,205)	(12,665)	43.7
Net profit before tax	2,309	3,448	(33.0)	12,689	11,196	13.3
Revaluation of investment properties	-	-	nm	432,964	-	nm
Income tax	(1,012)	-	nm	(163)	-	nm
Net profit after revaluation & tax	1,297	3,448	(62.4)	445,490	11,196	nm
<b>Distributable income to Unitholders <sup>(4)</sup></b>	<b>11,405</b>	<b>4,289</b>	<b>165.9</b>	<b>21,812</b>	<b>15,307</b>	<b>42.5</b>

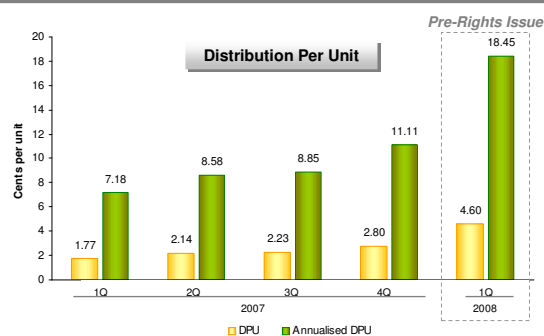
- (1) As K-REIT Asia has no income and expenses for the period prior to 26 Apr 2006, the comparative figures have been compiled based on (i) unaudited financial statements of Mansfield Realty Ltd, Keppel Tower (Tower D) Pte Ltd and BCH Office Investment Pte Ltd for the period of 1 January 2006 to 25 April 2006 after making certain assumptions and adjustments; and (ii) the actual results of K-REIT Asia from 26 April 2006 to 31 December 2006
- (2) Comprises (a) share of results of associated company for K-REIT Asia's one-third interest in One Raffles Quay Pte Ltd (b) income support and (c) interest income
- (3) Comprises (a) amortisation of income support (b) borrowing costs (c) Manager's management fees and (d) trust expenses
- (4) Based on 100% of the income available for distribution to unitholders

## Income Contribution by Assets

(\$'000)	Actual 1Q2008	Actual 1Q2007	% Chg	Actual FY2007	Pro forma FY2006	% Chg
Prudential Tower	1,832	1,283	42.8	5,037	4,395	14.6
Keppel Towers and GE Tower	4,678	2,863	63.4	13,741	10,598	29.7
Bugis Junction Towers	2,631	2,316	13.6	9,484	8,632	9.9
<b>Total net property income for initial properties</b>	<b>9,141</b>	<b>6,462</b>	<b>41.5</b>	<b>28,262</b>	<b>23,625</b>	<b>19.6</b>
Income support	6,145	-	nm	1,080	-	nm
Interest income	2,845	-	nm	690	-	nm
Dividend income	1,898	-	nm	1,000	-	nm
<b>Total income from 1/3 interest in ORQPL</b>	<b>10,888</b>	<b>-</b>	<b>nm</b>	<b>2,770</b>	<b>-</b>	<b>nm</b>
<b>Total income contribution</b>	<b>20,029</b>	<b>6,462</b>	<b>210.0</b>	<b>31,032</b>	<b>23,625</b>	<b>31.4</b>

9

## DPU Comparison



	Actual 1Q2008	Actual 1Q2007	% Chg	Actual FY2007	Pro forma FY2006	% Chg
<b>Distribution per unit (DPU)</b>	<b>4.60 c</b>	<b>1.77 c</b>	<b>159.9</b>	<b>8.82 c</b>	<b>4.63 c<sup>(2)</sup></b>	<b>nm</b>
<b>Annualised DPU</b>	<b>18.45 c<sup>(1)</sup></b>	<b>7.18 c</b>	<b>157.0</b>	<b>8.82 c</b>	<b>6.76 c</b>	<b>30.5</b>
<b>Distribution Yield<sup>(3)</sup></b>	<b>12.06%</b>	<b>4.69%</b>	<b>157.0</b>	<b>5.76%</b>	<b>4.42%</b>	<b>30.5</b>

(1) The annualised DPU excludes the effect of the 396.9 million rights units that were issued on 8 May 2008

(2) K-REIT Asia's actual DPU for the period 26 Apr 2006 to 31 Dec 2006 was 4.63 cents per unit, equivalent to an annualised 6.76 cents per unit

(3) Based on K-REIT Asia's market closing price per unit of \$1.53 on 31 March 2008

10

## Balance Sheet

- NAV per unit: about \$2.29 post-Rights Issue <sup>(1)</sup>
- Debt Profile, post-Rights Issue:
  - Fixed-rate mortgage loans of \$190m: 4.06% p.a. until May 2011
  - Fixed-rate bridging loan of \$391m: 2.28% p.a. maturing in Sep 2008

	<i>Post-Rights Issue</i>		<i>Pre-Rights Issue</i>
	<b>Pro forma</b>		
(\$million)	<b>31 Mar 2008</b>	<b>31 Mar 2008</b>	<b>31 Dec 2007</b>
Non-current Assets	2,055.0	2,055.0	2,061.8
<b>Total Assets</b>	<b>2,082.7</b>	<b>2,081.7</b>	<b>2,088.1</b>
Borrowings <sup>(2)</sup>	580.6	1,131.3	1,131.3
<b>Total Liabilities</b>	<b>606.3</b>	<b>1,157.0</b>	<b>1,154.3</b>
<b>Unitholders' Funds</b>	<b>1,476.4</b>	<b>924.6</b>	<b>933.8</b>
Net Asset Value Per Unit	<b>\$2.29</b>	<b>\$3.73</b>	<b>\$3.78</b>

(1) Based on the pro forma NAV per unit stated in the Circular dated 9 April 2008

(2) Borrowings are stated net of unamortised upfront debt arrangement expenses of approximately \$1.2 million for the 5-year term loans of \$190 million

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

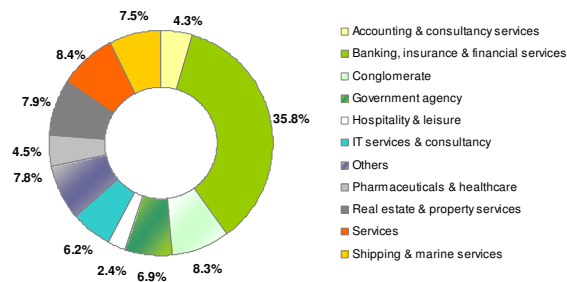
11

## Portfolio Performance

## Broad Tenant Diversity

- Total of **121** tenants as at 31 March 2008
- Committed occupancy of **99.6%** for portfolio as at 31 March 2008
- High tenant retention ratio of **93.6%** for 1Q 2008

Tenant Business Sector  
by Net Lettable Area @ 31 Mar 2008

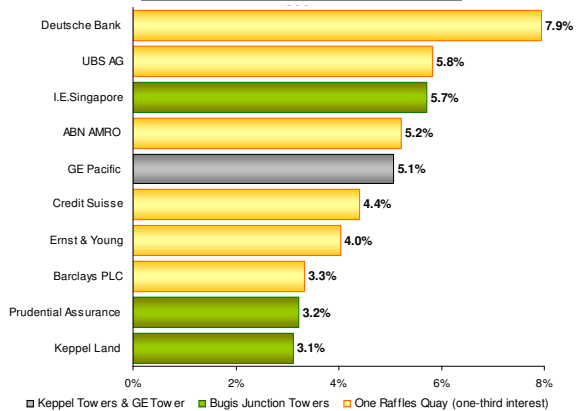


13

## Improved Tenant Diversification

- Top 10 tenants account for **47.9%** of portfolio's monthly gross rental income for March 2008
- Portfolio's weighted average lease term of **6.2 years**
  - Mixture of long lease terms and short lease terms
  - Enhances stability of rental income

Portfolio's Top 10 Tenants  
by Gross Rental Income for March 2008

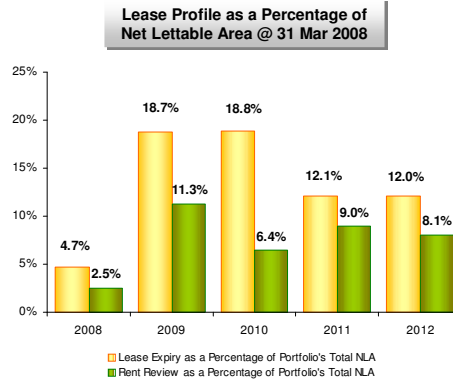


14

## Portfolio Lease Expiry & Rent Review Profiles

- **Positive rent reversions** expected due to limited prime office space

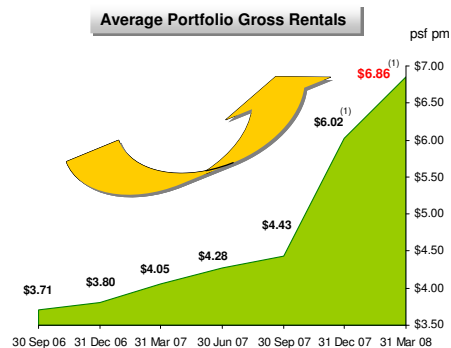
- About **42.2%** of portfolio's net lettable area due for lease expiry from 2008 to 2010
- About **20.2%** of portfolio's net lettable area due for rent review from 2008 to 2010



15

## Further Appreciation in Portfolio Rents

- Average gross rent of portfolio at \$6.86 psf in March 2008, **up 69% y-o-y and 14% from end-2007**
- Uptrend in rental rates remains intact



16



## ***Market Outlook & Review***

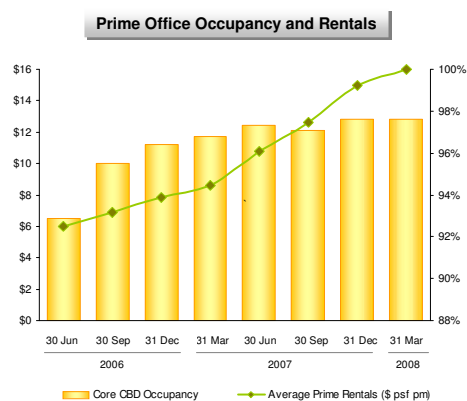
### **Office Rents Supported by Economic Growth**

- Government's 2008 GDP forecast lower at **4 – 6%**
- 1Q 2008 advance GDP growth estimate at **7.2%**

- Continued growth in financial services, construction and manufacturing sectors

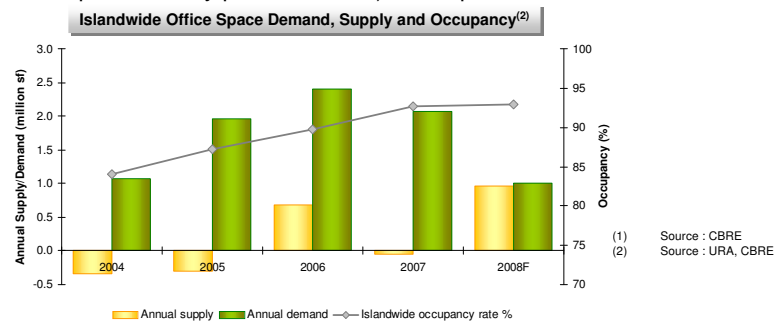
- Prime office space
  - Near full occupancy
  - Rents @ \$16.00 psf pm at end-Mar 2008, up **86%** y-o-y <sup>(1)</sup>

(1) Source : CBRE



## Office Rents Continue to Rise

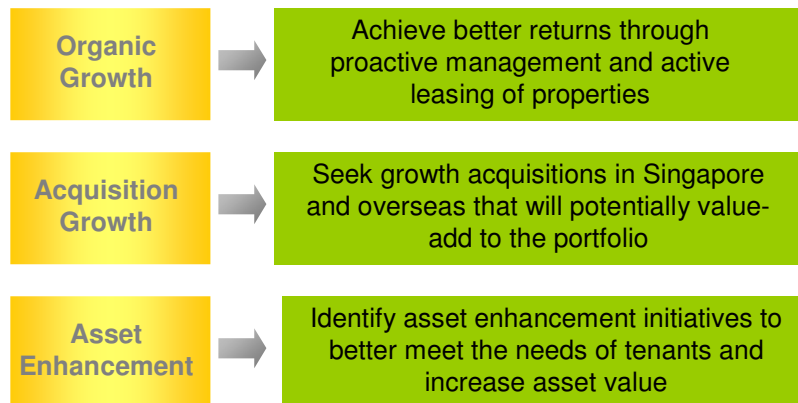
- Demand for prime office space is expected to continue although pace of rental growth is likely to moderate
  - Monthly prime office rents forecast to grow by about 13% y-o-y by end-2008<sup>(1)</sup>
  - No substantial new supply until Marina Bay Financial Centre, Phase I (>50% space already pre-committed) is completed in 2010



19

## *Going Forward*

## Growth Strategy



21

## Leveraging on Key Strengths

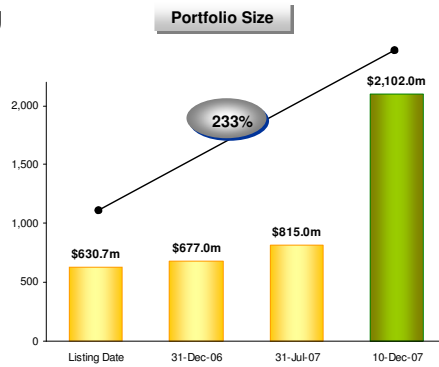
- Pan-Asian office-focused S-REIT
- Quality assets and tenants
- Stable income stream
- Positive rental reversions
- Sponsor's strong support



22

## A Pan-Asian Commercial REIT

- **Grow portfolio** by identifying and pursuing quality commercial assets in Singapore and other Asian growth cities
- Ride on different market cycles to allow for **risk diversification** across countries



23

## Strong Keppel Land Sponsorship

### 1 Leading development expertise

- ◆ Leading property developer in Asia
- ◆ Currently has 5.2m sf NLA of prime office space in Singapore, including 3.8m sf under development in CBD and New Downtown, with joint venture partners

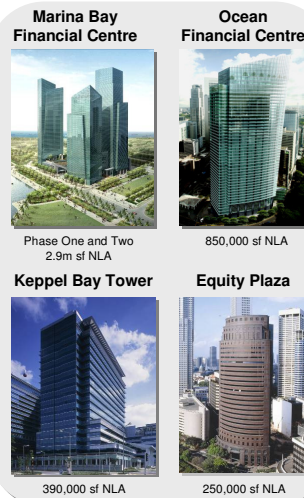
### 2 Strong alignment with K-REIT Asia's unitholders

- ◆ ~44% anchor stake in K-REIT Asia
- ◆ Growing fund management platform

### 3 Established property management expertise

- ◆ Sizeable economies of scale
- ◆ Effective marketing and asset management

*Singapore*



24

## Strong Keppel Land Sponsorship

4

### Pan-Asian platform and network

- ◆ Strong network in 10 major cities across Asia
- ◆ Currently has 1.7m sf NLA of prime office space overseas, with joint venture partners
- ◆ Competitive edge in sourcing and pursuing pan-Asian acquisition opportunities

Indonesia

Wisma BCA, Jakarta



410,000 sf NLA

Vietnam

Saigon Centre, Ho Chi Minh City



178,000 sf NLA (Office & Retail)

Vietnam

International Centre, Hanoi



82,000 sf NLA

25

# 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.

## ***Additional Information***

### **Snapshot of K-REIT Asia**

<b>Manager</b>	K-REIT Asia Management Limited
<b>Property Portfolio</b>	5 quality commercial office assets valued at \$2.1 bil <sup>(1)</sup>
<b>Listing Date</b>	28 Apr 2006 on Singapore Stock Exchange
<b>Market Capitalisation</b>	\$938 million <sup>(2)</sup>
<b>Unit Price</b>	\$1.45 <sup>(2)</sup>
<b>Number of units in issue</b>	647,157,086 <sup>(2)</sup>
<b>Free Float</b>	24.9% <sup>(2)(3)</sup>

(1) Valuation as at 10 December 2007

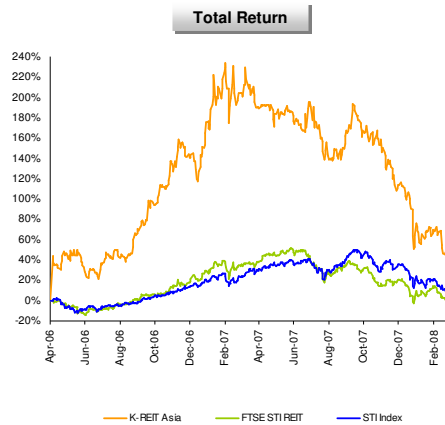
(2) As at 21 May 2008

(3) Excludes stakes of about 43.6% held by Keppel Land and 31.5% held by Keppel Corporation

## Total Return Since Listing

- Total return of **60%**, outperforming major Singapore indices

	Total Return Since Listing
K-REIT Asia <sup>(1)</sup>	64.5%
STI Index <sup>(2)</sup>	18.2%
FTSE STI REIT Index <sup>(3)</sup>	11.7%



(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 \$1.53 on 31 March 2008 and total DPU of 18.13 cents from 26 April 2006 to 31 March 2008  
 (2) Total return calculated based on index price appreciation

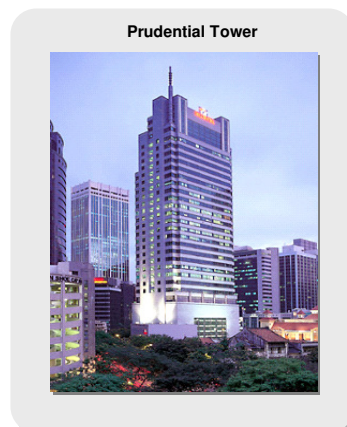
Source : Bloomberg as at 31 March 2008

29

## Prudential Tower Property

- 30-storey Grade-A building
- Located at Raffles Place, within a 5-minute walk from MRT station
- 44.4% of building's strata area owned by K-REIT Asia
- Winner of prestigious office/ industrial category of the FIABCI Prix d'excellence 2003 Awards

Key Property Information	
Net Lettable Area	10,074 sm (108,439 sf)
Tenure	99 years expiring 14 January 2095
Committed Occupancy	100%, as at 31 Mar 2008
Purchase price (on acquisition)	\$117.7 million
Valuation (as at 10 Dec 2007)	\$227 million
Number of Tenants	13
Number of car park lots	181
Principal Tenants	KBC Bank N.V. McGraw-Hill Companies The Executive Centre



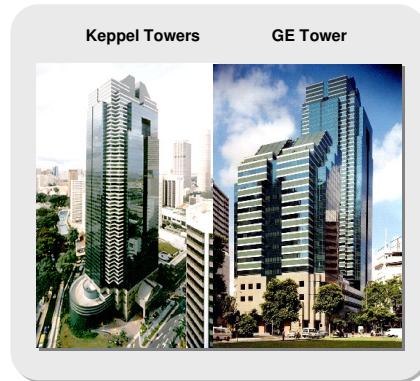
30

## Keppel Towers & GE Tower

- ◆ Keppel Towers: 27-storey office building
- ◆ GE Tower: 13-storey office building, within a five-minute walk from MRT station
- ◆ Located in the Tanjong Pagar vicinity

### Key Property Information

Net Lettable Area	40,002 sm (430,582 sf)
Tenure	Estate in fee simple
Committed Occupancy	99.2%, as at 31 Mar 2008
Purchase price (on acquisition)	\$353.3 million
Valuation (as at 10 Dec 2007)	\$580 million
Number of Tenants	68
Number of car park lots	288
Principal Tenants	GE Pacific Seadrill Management Singapore Business Federation



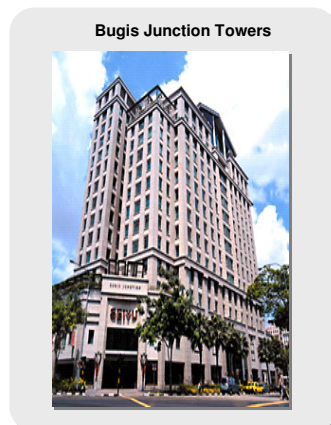
31

## Bugis Junction Towers

- ◆ 15-storey office tower located along Victoria Street,
- ◆ Directly linked to Bugis MRT station
- ◆ Part of an integrated development known as Bugis Junction with a popular retail mall and the five-star InterContinental Singapore hotel

### Key Property Information

Net Lettable Area	22,990 sm (247,464 sf)
Tenure	99 years expiring 9 Sep 2089
Committed Occupancy	99.2%, as at 31 Mar 2008
Purchase price (on acquisition)	\$159.5 million
Valuation (as at 10 Dec 2007)	\$303.0 million
Number of Tenants	9
Number of car park lots	648 (for the entire integrated development)
Principal Tenants	IE Singapore J.V. Fitness Prudential Assurance Co



32

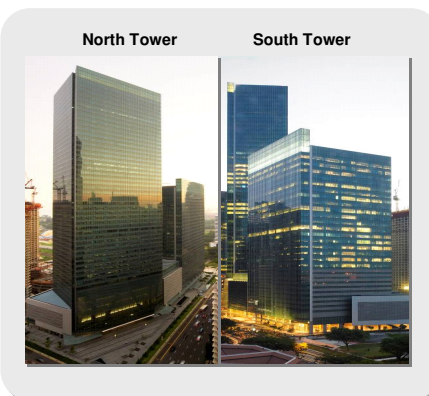


## One Raffles Quay

- ♦ Strategically located at Marina Bay and gateway to Singapore's new business and financial district
- ♦ One of the largest office developments with a 50-storey North Tower and a 29-storey South Tower
- ♦ Direct underground link to Raffles Place MRT station

### Key Property Information

Net Lettable Area <sup>(1)</sup>	41,359 sm (445,188 sf)
Tenure	99 years expiring 12 Jun 2100
Committed Occupancy	99.2%, as at 31 Mar 2008
Purchase price (on acquisition) <sup>(1)</sup>	\$941.5 million
Valuation (as at 10 Dec 2007) <sup>(1)</sup>	\$992.0 million
Number of Tenants	31
Number of car park lots	713
Principal Tenants	ABN Amro Deutsche Bank UBS



<sup>(1)</sup> The information shown is related to K-REIT Asia's one-third interest in One Raffles Quay Pte Ltd and not as a whole interest