

Proposed Rights Issue

Investor Meetings
March 2008

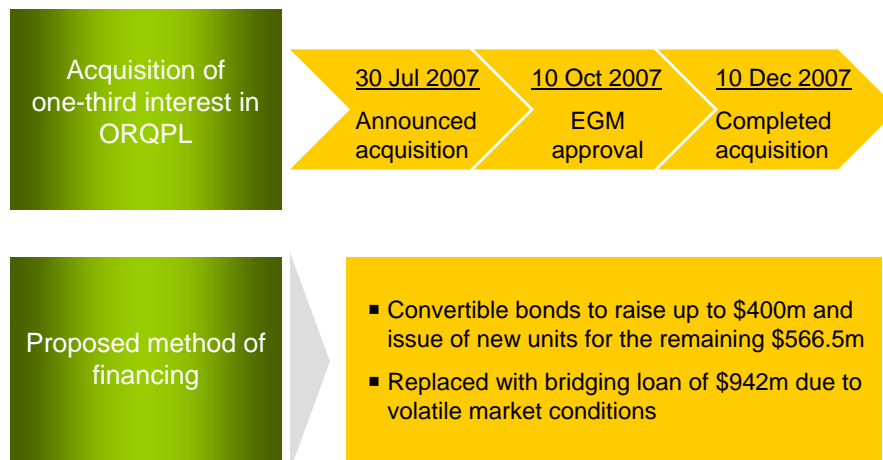


Contents

- Background
- Rationale for Rights Issue
- Impact of Rights Issue
- Going Forward
- Key Dates and Times

Background

Background



Rationale for Rights Issue

Details of Proposed Rights Issue

- **Up to \$700m** to be raised and **420m rights units** to be issued
- Rights issue price at a discount of **up to 20%** to the prevailing market price before launch
- Issue price and rights ratio to be determined closer to launch
- Net proceeds will be used to partially refinance the bridging loan
- Priority given to minority unitholders for allocation of excess rights units
- Keppel Corporation and Keppel Land undertake to take up:
 - Respective allocations of the Units and
 - Any Units not subscribed for by minority unitholders

Rationale for Renounceable Rights Issue

- **Most appropriate means** of raising equity under current market conditions
 - Net asset value as at 31 December 2007: \$3.78 per unit
 - Trading price as at 17 March 2008: \$1.39 per unit
 - Fresh equity to new unitholders will be dilutive to existing unitholders
- **Reduce aggregate leverage**
 - Approaching maximum allowable limit of 60%
 - To strengthen balance sheet and optimise capital structure
 - To enhance ability for **acquisition of new properties** in Singapore and the region
- Allow unitholders to **participate in K-REIT Asia's growth** without dilution of proportional stake
- Enhance **credit profile**

7

Impact of Rights Issue

Rights Ratios' Impact on Gross Proceeds

- Expected gross proceeds of between \$258m and \$694.6m if number of rights units issued ranges between 248.1m and 413.5m

For illustrative purposes only	Rights Ratio		1 for 1	5 for 4	3 for 2	5 for 3
	No. of Rights Units ⁽¹⁾ (mil)		248.1	310.1	372.1	413.5
Illustrative Prevailing Market Price (\$)	Rights Issue Price ⁽²⁾ (\$)		Gross Proceeds (\$ million)			
1.30	1.04		258.0	322.5	387.0	430.0
1.40	1.12		277.8	347.3	416.8	463.1
1.50	1.20		297.7	372.1	446.5	496.2
1.60	1.28		317.5	396.9	476.3	529.2
1.70	1.36		337.4	421.7	506.1	562.3
1.80	1.44		357.2	446.5	535.8	595.4
1.90	1.52		377.1	471.3	565.6	628.5
2.00	1.60		396.9	496.2	595.4	661.5
2.10	1.68		416.8	521.0	625.2	694.6
2.20	1.76		436.6	545.8	654.9	-

(1) The illustrative number of rights units has been computed based on the rights ratio and the number of units in issue as at 29 February 2008
 (2) The rights issue price represents an assumed maximum discount of 20.0% to the illustrative prevailing market price

9

Net Income and Distribution Forecast

Based on scenario stated in circular which assumes rights ratio of 3 for 2 and rights issue price of \$1.20/unit

(S\$'000)	Actual	Forecast ⁽¹⁾	% Change
	FY2007	FY2008	
Property Income	40,069	50,543	26.1
Property Expenses	(11,807)	(14,594)	23.6
Net Property Income	28,262	35,949	27.2
Investment and Interest Income ⁽²⁾	2,632	44,164	nm
Other Operating Expenses ⁽³⁾	(18,205)	(69,533)	281.9
Net Profit	12,689	10,580	(16.6)
Revaluation Gain on Investment Properties	432,964	-	nm
Income Tax	(163)	(4,421)	nm
Net Profit After Revaluation & Tax	445,490	6,159	nm
Distributable Income to Unitholders ⁽⁴⁾	21,812	47,052	115.7

(1) Assuming (i) rights issue will be completed on 1 June 2008 and (ii) net proceeds of approximately S\$445.5 million are used to partially repay the bridging loan on 1 June 2008
 (2) Comprises (i) share of results of associated company for K-REIT Asia's one-third interest in One Raffles Quay Pte Ltd (ii) income support and (iii) interest income
 (3) Comprises (i) amortisation of income support (ii) borrowing costs (iii) Manager's management fees and (d) trust expenses
 (4) Distribution for Forecast FY2008 is based on 100% of the income available for distribution

10

Impact on Distribution Per Unit

	Actual	Forecast	% Change
	FY2007	FY2008	
Distributable Income to Unitholders (S\$'000)	21,812	47,052	115.7
Units in Issue ('000) ⁽¹⁾	247,184	626,596	153.5
DPU (cents)	8.82	7.51	(14.9)
DPU Yield ⁽²⁾ (%)	5.88	5.69	(3.3)

- (1) The number of units in issue includes the Manager's forecast of units to be issued (i) pursuant to the rights issue at a rights issue price of S\$1.20 per unit on 1 June 2008 and (ii) as payment for the Manager's management fees for FY2008 at an issue price of S\$1.50 per unit.
 (2) For illustrative purposes, actual FY2007 DPU yield assumes DPU of 8.82 cents and prevailing market price of \$1.50 per unit; forecast FY2008 DPU yield assumes theoretical ex-rights price of \$1.32 per unit.

Pro Forma Balance Sheet

	As At 31 December 2007		% Change
	Actual	Pro forma	
Net Asset Value (S\$ million)	921.4 ⁽¹⁾	1,365.4 ⁽²⁾	48.2
Represented by:			
Unitholders' Funds (S\$ million)	921.4	1,365.4	48.2
Issued Units (million)	247.2	618.0 ⁽³⁾	150.0
Net Asset Value Per Unit (S\$)	3.73	2.21	nm

- (1) Based on the FY2007 audited financial statements and adjusted for the distribution payable in February 2008 in relation to K-REIT Asia's distributable income for the period 1 July 2007 to 31 December 2007.
 (2) Assumes that the net proceeds of the rights issue were used to partially repay the bridging loan on 31 December 2007.
 (3) Assumes that approximately 370.8 million units issued pursuant to the rights issue.

Impact on Aggregate Leverage

- Aggregate leverage of 53.9% expected to be reduced to between ~21% and 42% depending on price and number of rights units

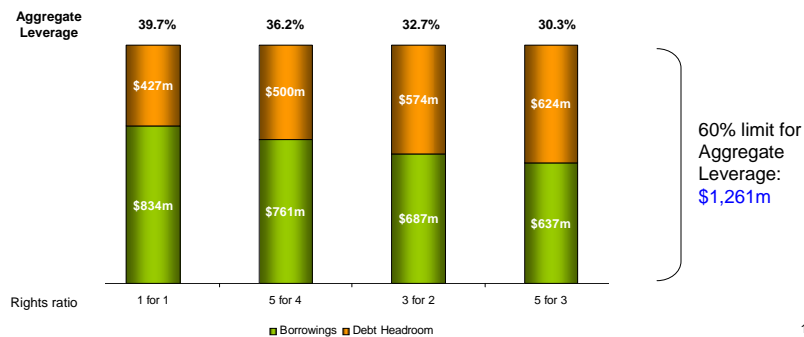
For illustrative purposes only	Rights Ratio	1 for 1	5 for 4	3 for 2	5 for 3
	No. of Rights Units ⁽¹⁾ (mil)	248.1	310.1	372.1	413.5
Illustrative Prevailing Market Price (S\$)	Rights Issue Price ⁽²⁾ (S\$)	Aggregate Leverage			
1.30	1.04	41.6%	38.6%	35.5%	33.4%
1.40	1.12	40.7%	37.4%	34.1%	31.9%
1.50	1.20	39.7%	36.2%	32.7%	30.3%
1.60	1.28	38.8%	35.0%	31.2%	28.7%
1.70	1.36	37.9%	33.8%	29.8%	27.2%
1.80	1.44	36.9%	32.7%	28.4%	25.6%
1.90	1.52	36.0%	31.5%	27.0%	24.0%
2.00	1.60	35.0%	30.3%	25.6%	22.4%
2.10	1.68	34.1%	29.1%	24.2%	20.9%

(1) The illustrative number of rights units has been computed based on the rights ratio and the number of units in issue as at 29 February 2008
 (2) The rights issue price represents an assumed maximum discount of 20.0% to the illustrative prevailing market price

Impact on Funding Capacity

- Expected to create funding capacity of between \$386.8m⁽¹⁾ and \$828.2m, assuming aggregate leverage is reduced to 41.6% and 20.6% respectively⁽²⁾

Assuming a rights issue price of S\$1.20/unit on 1 June 2008



Impact on Free Float

- Keppel Group's stake in K-REIT Asia will be <90% post-rights issue
- Various parameters of the rights issue and allocations will be worked out to ensure that K-REIT Asia does not become a subsidiary of Keppel Land

For illustrative purposes only

Assuming all issued rights units are taken up by Keppel Corporation and Keppel Land in proportional allotment:

<i>Rights Ratio</i>		<i>Keppel Group's post-rights stake in K-REIT Asia</i>
Scenario A: 1 for 1	➔	86.4%
Scenario B: 5 for 4	➔	87.9%
Scenario C: 3 for 2	➔	89.1%
Scenario D: 5 for 3	➔	89.8%

Going Forward

Growth Strategy



Use of Proceeds from Rights Issue

In summary, proceeds from proposed rights issue will be used to:

- 1 Reduce aggregate leverage
- 2 Strengthen balance sheet and optimise capital structure
- 3 Enhance ability for acquisition of new properties in Singapore and the region
 - Potential pipeline of assets from Keppel Land and third parties

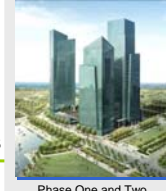
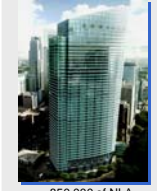


Sponsor's Commitment to K-REIT Asia

- Keppel Land remains committed to growing K-REIT Asia as separate listed platform
- K-REIT Asia to remain as platform for unlocking of value for commercial developments in Singapore and overseas
- Keppel Group's combined stake will not exceed 90% and trigger a privatization
- Nor will K-REIT will become a subsidiary of Keppel Land resulting in consolidation of debt onto Keppel Land's balance sheet
- Free float
 - Intention of K-REIT Asia to grow its free float and improve liquidity

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**
 - ◆ ~42% 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

 <p>Phase One and Two 2.9m sf NLA</p>	 <p>850,000 sf NLA</p>
 <p>390,000 sf NLA</p>	 <p>250,000 sf NLA</p>

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

21

Key Dates and Times

Key Dates and Times

Despatch of the Circular to unitholders	13 March 2008
Last date and time for lodging proxy forms	29 March 2008, 10:00am
Extraordinary General Meeting	31 March 2008, 10:00am
Completion of the proposed rights issue	By 15 May 2008

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

High Quality Portfolio of Assets



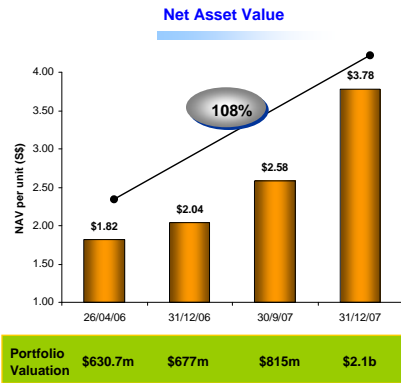
Property	Prudential Tower ⁽¹⁾	Keppel Towers and GE Tower	Bugis Junction Towers	One Raffles Quay ⁽²⁾
Net Lettable Area (sm)	10,074	40,002	22,990	41,359 ⁽²⁾
Number of Tenants	13	69	12	31
Principal Tenants	KBC Bank N.V. McGraw-Hill Companies The Executive Centre	GE Pacific Seadrill Management Singapore 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 ⁽³⁾	\$227 million	\$580 million	\$303 million	\$992 million ⁽²⁾
Committed Occupancy	100%	99.8%	100%	100%

(1) K-REIT Asia owns approximately 44% of the strata area of the building which amounts to 10,074 square metres

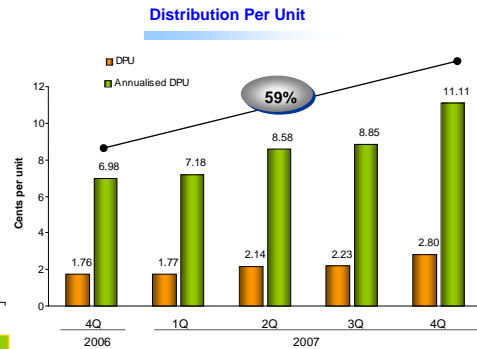
(2) K-REIT Asia owns a one-third interest of ORQPL; net lettable area of 41,359 sm represents one-third of ORQ's total net lettable area and valuation of \$992 million is for one-third interest in ORQ

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

Solid Asset Backing and Growing DPU



(1) Source : CBRE



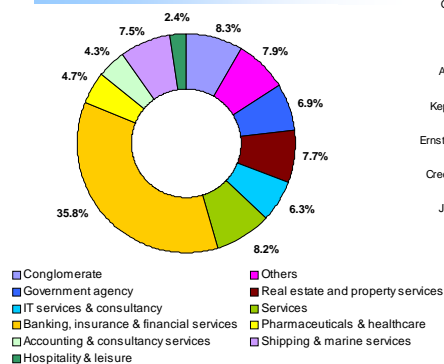
	FY2007	FY2006 ⁽¹⁾	% Chg
DPU	8.82 ¢	6.76 ¢	30.5%
DPU Yield ⁽²⁾	4.14%	3.17%	30.6%

(1) Annualised DPU: K-REIT Asia made its trading debut on 28 April 2006
 (2) Based on K-REIT Asia's closing price of \$2.13 on 31 December 2007

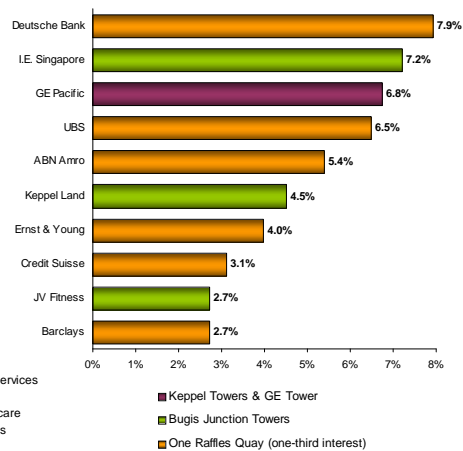
Portfolio's Broad Tenant Diversity

- Risk diversification: total of **125** tenants as at 31 December 2007

Tenant Trade Sector by NLA @ 31 Dec 2007



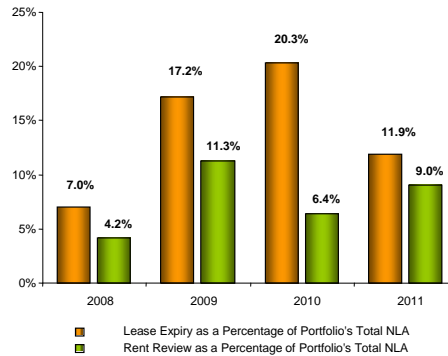
Top 10 Tenants:
50.8% of NLA (114,426 sm) @ 31 Dec 2007



Positive Rent Reversions Expected

- **Positive rent reversions** expected due to limited prime office space
- About **44.5%** of portfolio's net lettable area due for lease expiry from 2008 to 2010
- About **21.9%** of portfolio's net lettable area due for rent review from 2008 to 2010

Lease Profile as a Percentage of NLA* @ 31 Dec 2007

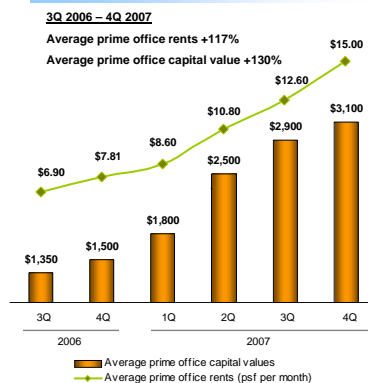


* Includes one-third (41,359 sm) of One Raffles Quay's total net lettable area

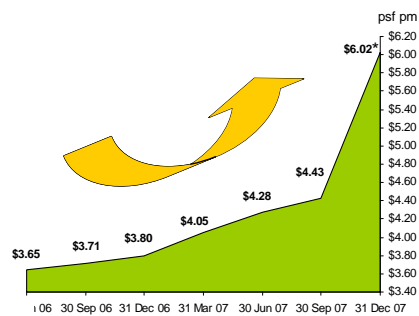
Further Appreciation in Portfolio Rents

- Average portfolio gross rent **up 58%** from end-2006
- **Uptrend in rental rates** remains intact

Prime Office Rents and Capital Values ⁽¹⁾



Average Portfolio Gross Rentals

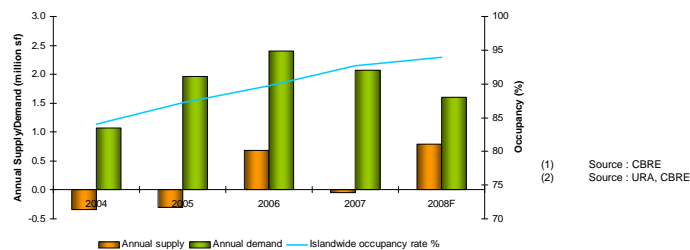


* Includes income support for one-third interest in ORQPL, the acquisition of which was completed on 10 December 2007

Supply Remains Tight

- Healthy office demand expected to continue
 - Office rents forecast to grow by 11-13% in 2008⁽¹⁾
- Expected supply of ~10m sf of office space from 2008 – 2012
 - ~1.8m sf already pre-committed
 - Average supply of 1.7m sf per year, excluding pre-committed space
 - Recent transaction of CBD office space at \$2,700 psf pm

Islandwide Office Space Demand, Supply and Occupancy⁽²⁾



31

One Raffles Quay – Key Information

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 One** night race circuit.

Gross Lettable Area	1,339,407 sf
Net Lettable Area	1,335,565 sf
Carpark Lots	713
Number of Tenants	31
Tenure	99 years expiring 12 Jun 2100
Valuation	\$992 million ⁽¹⁾
Committed Occupancy	100%
Property Description	Comprises a 50-storey North Tower, a 29-storey South Tower and an underground retail link

North Tower



South Tower



Major Tenants



⁽¹⁾ K-REIT Asia owns a one-third stake with an attributable net lettable area of 41,359 sm and a corresponding valuation of \$992 million as at 10 December 2007 by Knight Frank

32

Snapshot of K-REIT Asia

Manager	K-REIT Asia Management Limited
Property Portfolio	5 quality commercial office assets valued at \$2.1 bil
Listing and Trading Date	28 Apr 2006 on Singapore Stock Exchange
Market Capitalisation	\$344.8 million (as at 17 Mar 2008) ⁽¹⁾
Unit Price	\$1.39 (closing price on 17 Mar 2008)
Total No. of Units	248,078,245 (as at 14 Mar 2008)
Free Float	27.3% (as at 17 Mar 2008) ⁽²⁾

(1) Based on closing price of \$1.39 and 248,078,245 units issued as at 17 March 2008
(2) Excludes total unitholding of about 72.7% held by Keppel Land and Keppel Corporation