

Update on Proposed Rights Issue

Announcement of:

- Rights Ratio
- Rights Issue Books Closure Date
- Advanced Distribution

24 March 2008



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Update on Rights Issue

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Summary of Key Points

- Previously announced : **Up to \$700m** to be raised
Up to 420 million units to be issued
- Rights issue price to be determined at a discount of **up to 20%** to the prevailing market price⁽¹⁾ before launch
- Issue price to be announced prior to commencement of ex-rights trading
- Net proceeds to partly refinance the bridging loan taken to complete acquisition of 1/3 stake of One Raffles Quay
- Priority to minority unitholders for allocation of excess Rights Units
- Undertaking of Keppel Corporation and Keppel Land to take up:
 - Respective allocations of the Rights Units and
 - Any Rights Units not subscribed for by minority unitholders

(1) Prevailing market price is defined as the volume-weighted average trading price for the three business days immediately preceding the price fixing date

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Update on Rights Issue

Rights Ratio

8 Rights Units for every 5 existing Units held by eligible unitholders as at the Books Closure Date

Rights Issue Books Closure Date

8 April 2008, 5.00pm
(subject to approval at EGM)

Advanced Distribution

Distributable income from 1 January 2008 until the date preceding the issue of the Rights Units will be made to existing unitholders

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Impact of Rights Issue

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Impact on Gross Proceeds and Leverage

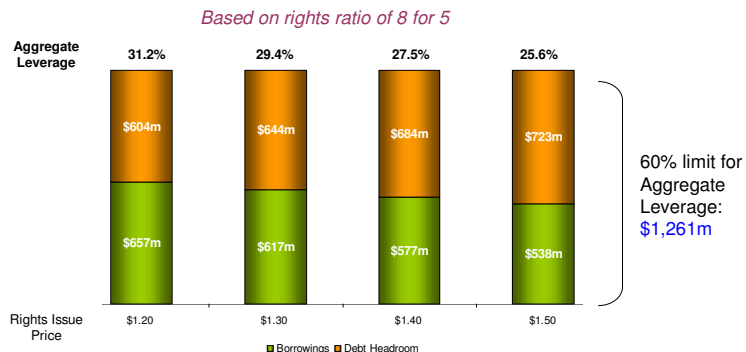
- Based on 396.9m Rights Units to be issued, gross proceeds could range between \$476.3m and \$595.4m
- Aggregate leverage of 53.9% could be reduced to between 25.6% and 31.2%

Rights Ratio	8 for 5	
No. of Rights Units (mil)	396.9	
Illustrative Rights Issue Price	Gross Proceeds	Aggregate Leverage
\$1.20	\$476.3 mil	31.2%
\$1.30	\$516.0 mil	29.4%
\$1.40	\$555.7 mil	27.5%
\$1.50	\$595.4 mil	25.6%

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Impact on Funding Capacity

- Expected to create funding capacity of between \$604m and \$723m, assuming aggregate leverage is reduced to 31.2% and 25.6% respectively⁽¹⁾



(1) Borrowings include \$190m fixed rate mortgage loan and balance of bridging loan from Keppel Corporation

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Impact on Free Float

- Number of units increased by 160% from 248.1m to 645.0m
- Free float should all unitholders take up their proportional allotments: 27.3%
 - Increase in free float will then increase from \$101.6m to \$264.1m assuming market price of \$1.50⁽¹⁾

(1) Assuming all unitholders take up their proportional allotments

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Key Dates and Times

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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
Rights Issue Books Closure Date	8 April 2008, 5.00pm
Completion of the proposed rights issue	By 15 May 2008

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Thank You

Important Notice

The circular containing the offer information statement and the wrap-around document (the "Rights Issue Circular") in relation to the proposed rights issue described in this presentation ("Rights Issue") will be dispatched to all unitholders of K-REIT Asia ("Unitholders") and will be made available on the website of K-REIT Asia at www.kreitasia.com when the offer in relation to the Rights Issue is made, subsequent to approval by Unitholders for the Rights Issue at the extraordinary general meeting of K-REIT Asia to be held on 31 March 2008. A potential investor should read the Rights Issue Circular before deciding whether to subscribe for or purchase units in K-REIT Asia ("Units") under the Rights Issue.

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, K-REIT Asia Management Limited, as manager of K-REIT Asia (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.

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