

1H2007 FINANCIAL RESULTS

(1 January to 30 June 2007)

18 July 2007



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Highlights

Financial Results (1 Jan to 30 Jun 2007)

- Distribution Per Unit (DPU) of **3.91** cents (**7.88** cents annualised)
- **99.6%** committed occupancy as at 30 June 2007, higher than Core CBD occupancy of 97.3% and Fringe CBD occupancy of 96.2%
- Total return of **16.0%**⁽¹⁾ for 1H2007 and **183.2%** since listing ⁽²⁾

(1) Total return is based on K-REIT Asia's unit price appreciation from its closing price of \$2.50 on 29 Dec 2006 to the closing price of \$2.86 on 29 Jun 2007 and DPU of 3.91 cents for 1 Jan 2007 to 30 Jun 2007

(2) Total return is 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 \$2.86 on 29 Jun 2007 and DPU of 8.54 cents for 26 Apr 2006 to 30 Jun 2007

Financial Results

Strong Performance

- Distributable Income of \$9.5m in 1H2007 outperforms 1H2006 by 36.8%

(\$'000)	1H2007	1H2006		2Q2007	2Q2006	
	Actual	Pro forma ⁽¹⁾	% Chg	Actual	Pro forma ⁽¹⁾	% Chg
Property Income	18,718	15,907	17.7	9,852	8,039	22.6
Property Expenses	(4,973)	(4,758)	4.5	(2,569)	(2,456)	4.6
Net Property Income	13,745	11,149	23.3	7,283	5,583	30.4
Non-Property Expenses	(6,138)	(6,266)	(2.0)	(3,124)	(3,142)	(0.6)
Net Profit	7,607	4,883	55.8	4,159	2,441	70.4
Distributable Income to Unitholders	9,481	6,930	36.8	5,192	3,460	50.1

- (1) As K-REIT Asia has no income and expenses for period prior to 26 April 2006, the comparative figures have been compiled based on (i) the unaudited financial statements of Mansfield Realty Limited, Keppel Land (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 30 June 2006.

DPU Climbs

- DPU of 3.91 cents for 1H2007 (annualised at 7.88 cents)
- DPU of 2.14 cents for 2Q2007 (annualised at 8.58 cents), up 20.9% from 1.77 cents for 1Q2007

	1H2007	2Q2007	1Q2007	
	Actual	Actual	Actual	% Chg
Distribution Per Unit (DPU)	3.91 ¢	2.14 ¢	1.77 ¢	20.9%
Annualised DPU ⁽¹⁾	7.88 ¢	8.58 ¢	7.18 ¢	19.5%
Distribution Yield ⁽²⁾	2.76%	3.00%	2.51%	19.5%

(1) Annualised DPU of 7.88 cents is based on DPU of 3.91 cents for the period 1 Jan to 30 Jun 2007 and annualised DPU of 8.58 cents is based on DPU of 2.14 cents for the period 1 Apr to 30 Jun 2007

(2) Based on unit closing price of \$2.86 on 29 Jun 2007

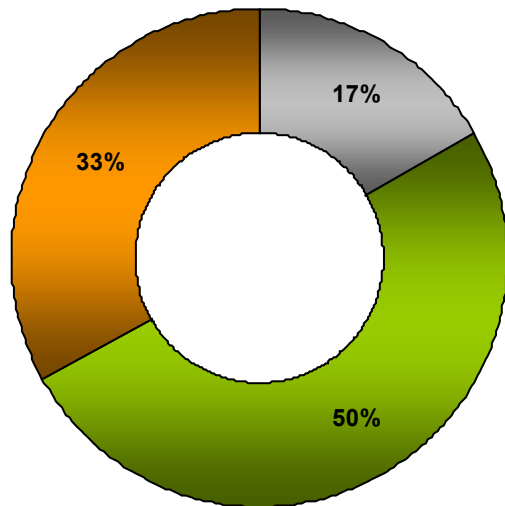
Balance Sheet Highlights

(\$m)	As At		
	30-Jun-07	31-Mar-07	31-Dec-06
Non-current Assets ⁽¹⁾	677.0	677.0	677.0
Total Assets	696.5	690.6	694.9
Borrowings	189.2	189.1	189.0
Total Liabilities	202.8	202.2	202.5
Unitholders' Funds	493.6	488.4	492.4
Net Asset Value Per Unit	\$2.04	\$2.02	\$2.04
Adjusted NAV Per Unit ⁽²⁾	\$2.00	\$2.00	\$2.00

(1) Investment properties were stated at valuation performed by an independent professional valuer as at 31 Dec 2006

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

Gross Revenue Breakdown



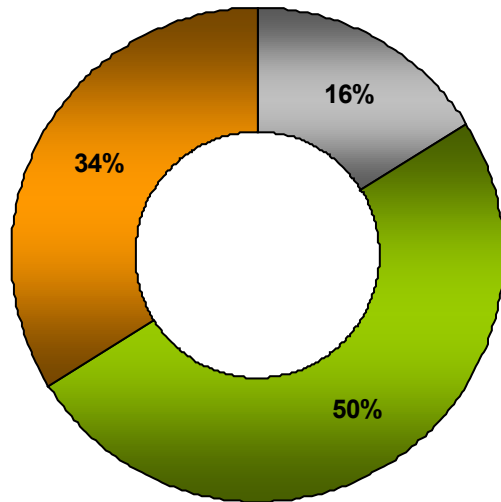
Gross Revenue by Asset for 2Q2007

- Prudential Tower
- Keppel Towers & GE Tower
- Bugis Junction Towers

(\$ '000)	1H2007	1H2006		2Q2007	2Q2006	
	Actual	Pro forma	% Chg	Actual	Pro forma	% Chg
Prudential Tower ⁽¹⁾	3,286	2,663	23.4	1,654	1,370	20.7
Keppel Towers & GE Tower	8,976	7,309	22.8	4,930	3,675	34.1
Bugis Junction Towers	6,456	5,935	8.8	3,268	2,994	9.2
Total Property Income	18,718	15,907	17.7	9,852	8,039	22.6

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

Net Property Income Breakdown



(\$ '000)	1H2007	1H2006		2Q2007	2Q2006	
	Actual	Pro forma	% Chg	Actual	Pro forma	% Chg
Prudential Tower ⁽¹⁾	2,450	1,972	24.2	1,167	979	19.2
Keppel Towers & GE Tower	6,508	4,732	37.5	3,645	2,392	52.4
Bugis Junction Towers	4,787	4,445	7.7	2,471	2,212	11.7
Total Net Property Income	13,745	11,149	23.3	7,283	5,583	30.4

(1) 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		
	30-Jun-07	31-Mar-07	31-Dec-06
Borrowings	\$190.1m	\$190.1m	\$190.1m
Gearing ⁽¹⁾	27.3%	27.5%	27.4%
Interest Coverage Ratio ⁽²⁾	3.3 times	3.0 times	2.7 times
All-in Interest Rate ⁽³⁾	4.06%	4.06%	4.06%
Weighted Average Term to Expiry	3.9 years	4.1 years	4.3 years

(1) Gearing = Borrowings / total assets.

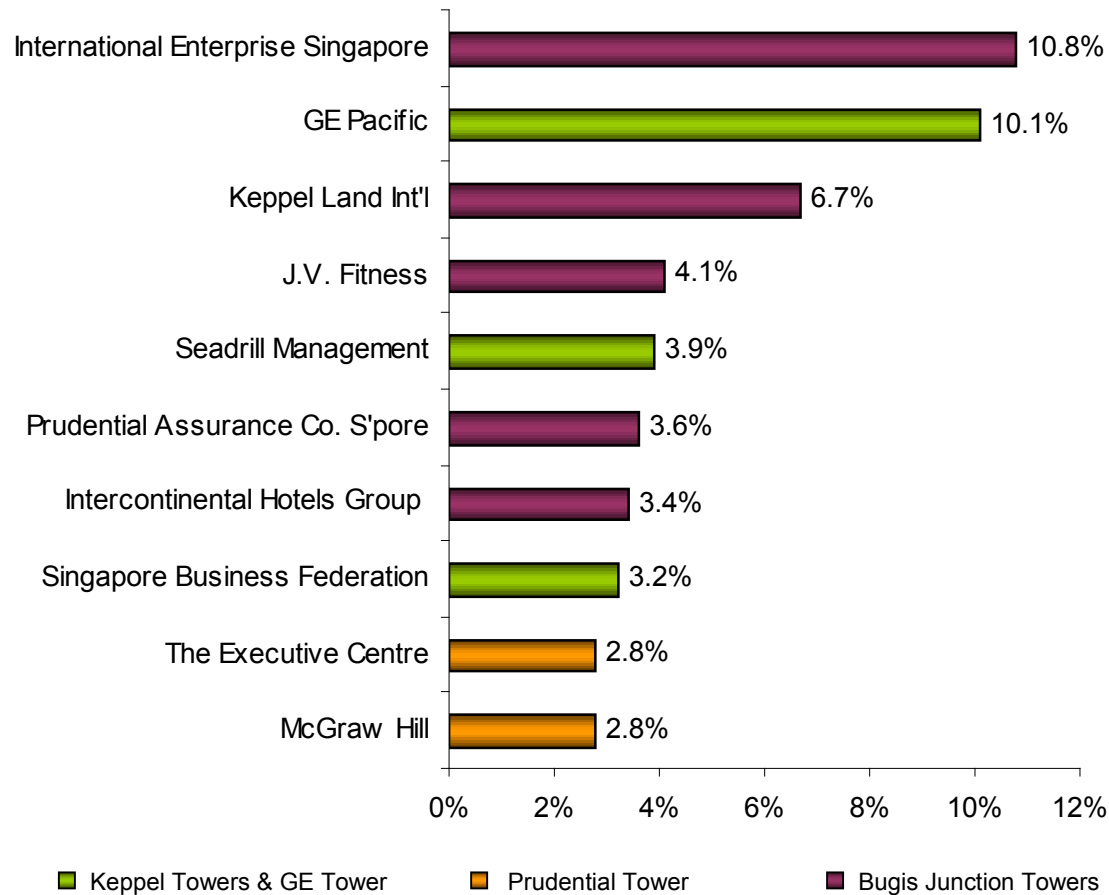
(2) Interest coverage ratio = YTD profit before interest and tax / net interest

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

Portfolio Performance

Broad Tenant Diversity

Top 10 Tenants : 51.4% of NLA (73,078 sm) @ 30 Jun 2007



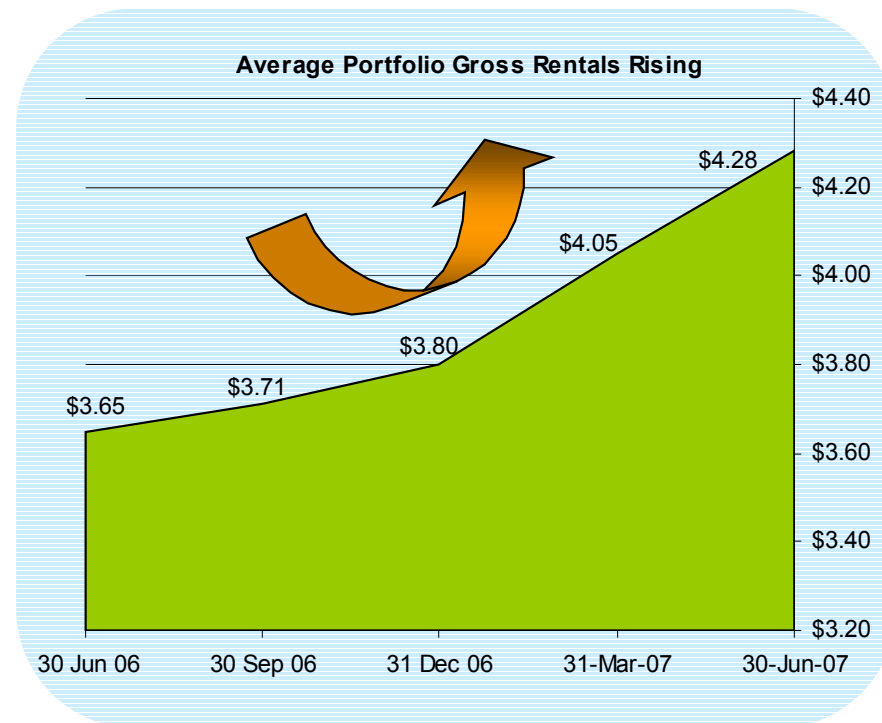
Diverse Tenant Mix

- Wide tenant base
 - A total of 95 tenants from various different industries
 - Financial and business services
 - Hospitality
 - Government agencies
 - Pharmaceuticals and healthcare
 - IT services and consultancy

- Income diversification to reduce risk
 - Top tenant by NLA contributes less than 15% of total rental revenue

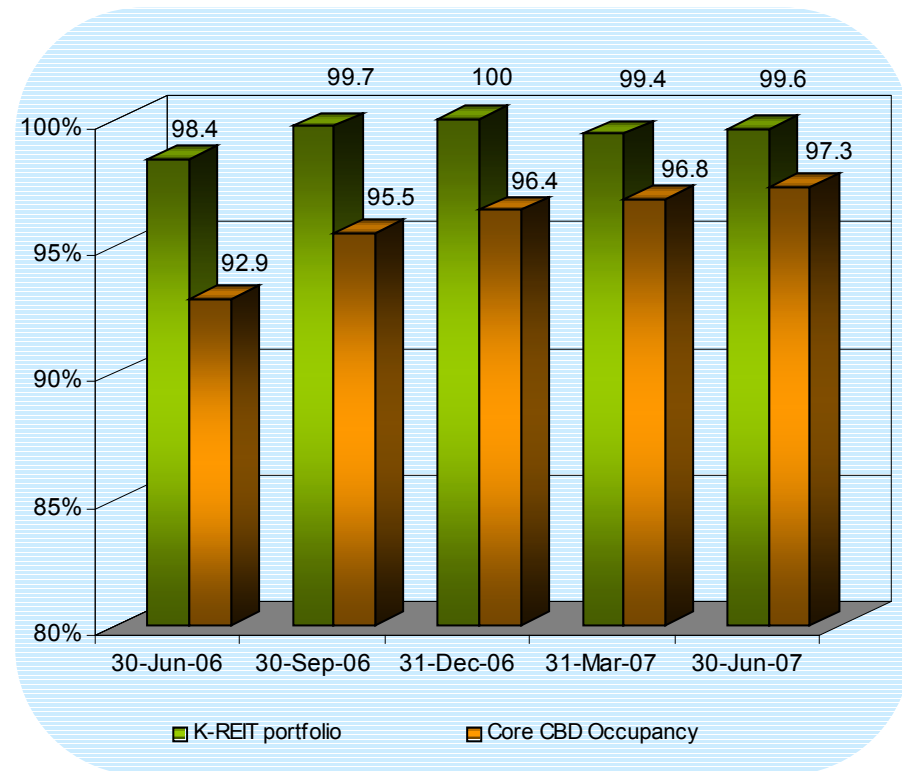
Consistent Upward Trend in Rents

- Average portfolio gross rents continue to rise in 2Q2007
- Potential for further increase in new and renewal rates



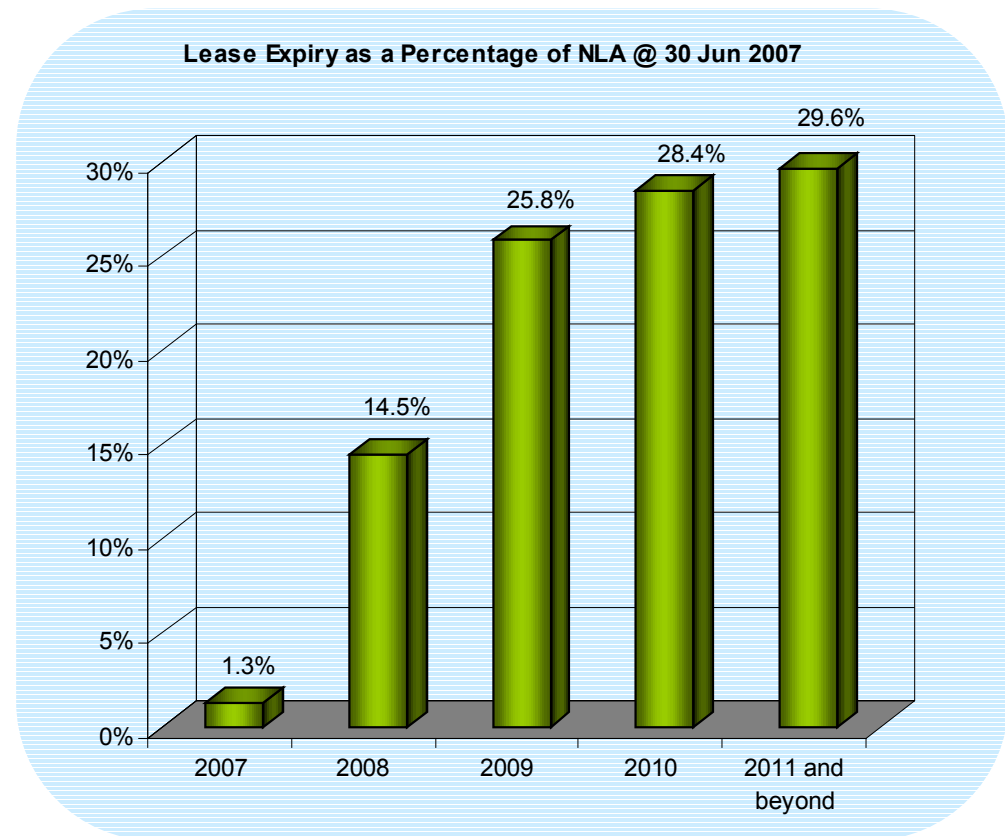
Occupancy Surpasses Core CBD

- Committed occupancy of 99.6% as at 30 Jun 2007
 - Ahead of Core CBD occupancy of 97.3% and Fringe CBD occupancy of 96.2% (Source : CBRE)



Opportunity for Rental Growth

- K-REIT Asia positioned to capitalise on rising rents
 - About 70% of NLA due for renewal from 2007 to 2010
 - Higher reversionary rents expected on sustained demand



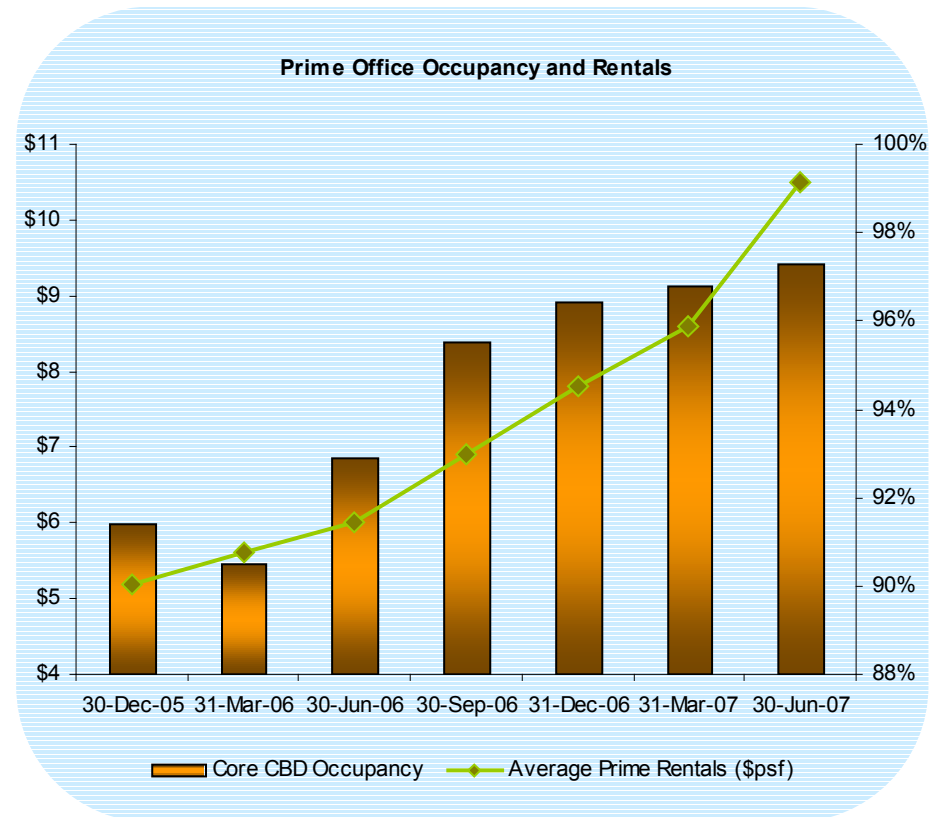
Market Review and Outlook

Strong Demand for Quality Space

- **Robust economy with advance GDP estimate of 8.2% in 2Q2007**
- **Government's current GDP estimate of 5 – 7% for 2007 expected to be revised upwards**
- **Continued demand for office space supports rents and occupancies**

Office Rents Continue Uptrend

- Office rents supported by higher occupancies from sustained demand
- Average prime rents up from \$8.60 psf in 1Q2007 to \$10.50 psf in 2Q2007*



*Source : CBRE

Going Forward

Forward Strategy

- Continue search for potential acquisitions that will value-add to the portfolio
- Achieve better returns for unitholders through proactive management and active leasing
- Identify possible asset enhancement initiatives through continuous evaluation of property portfolio to better meet the needs of tenants and grow asset value

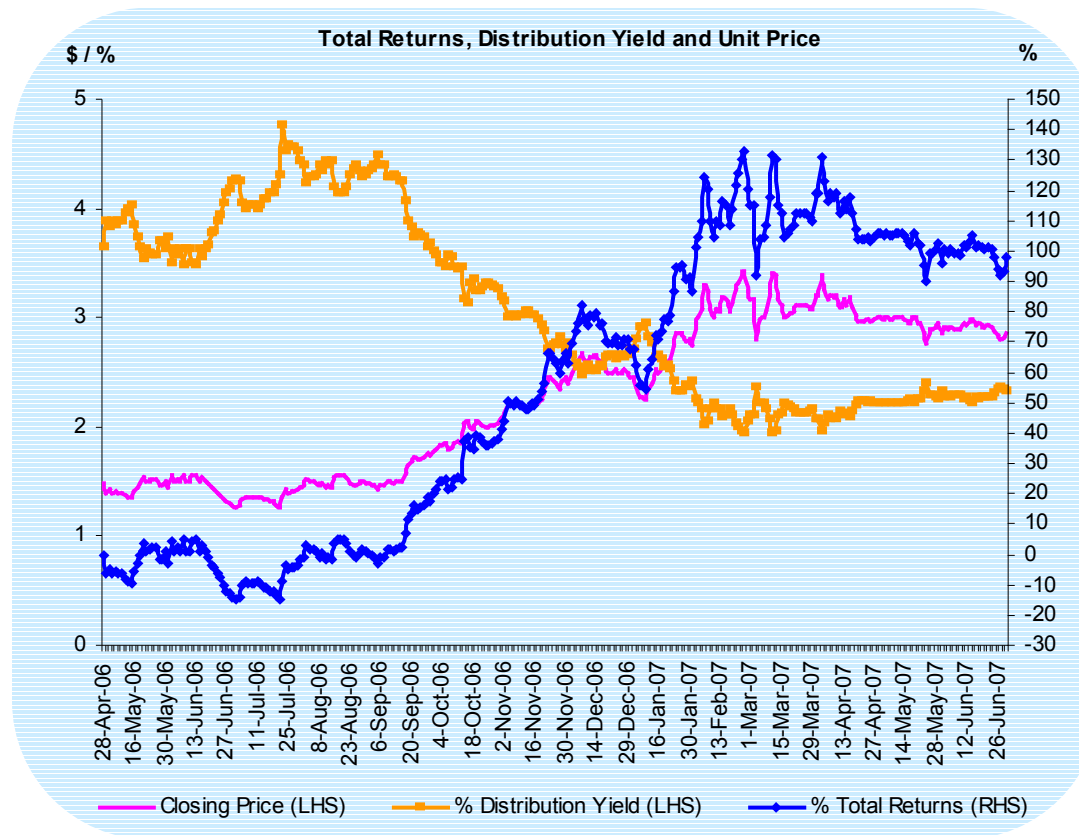
A Pan-Asian Commercial REIT

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

Additional Information

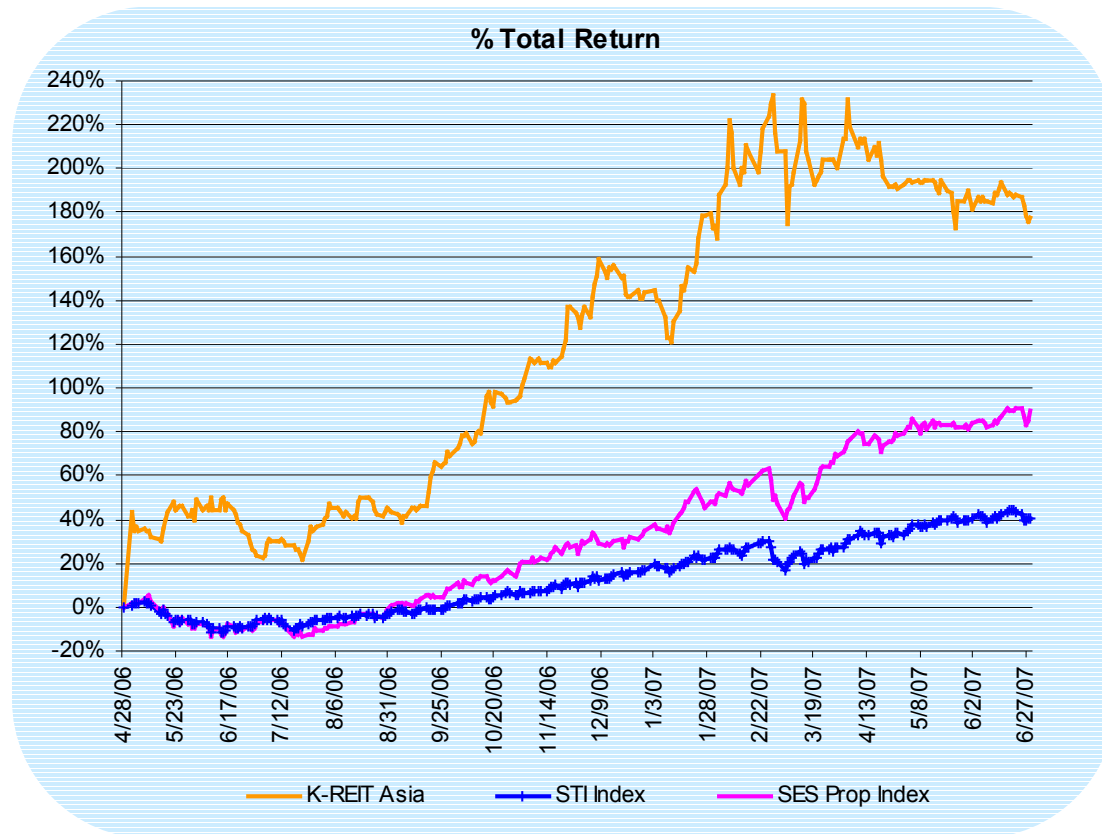
Total Return

- Total return of 183.2% since listing (1)



(1) Total return is 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 \$2.86 on 29 Jun 2007 and DPU of 8.54 cents for 26 Apr 2006 to 30 Jun 2007





Comparable Returns



Source : Bloomberg

As at 30 Jun 2007

Property Portfolio

	Prudential Tower ⁽¹⁾	Keppel Towers	GE Tower	Bugis Junction Towers
				
Total Lettable Area (sm)	10,074	40,014	22,990	
Car Park Lots	-	288	-	
Number of Tenants	14	69	12	
Principal Tenants	McGraw-Hill Companies The Executive Centre KBC Bank N.V.	GE Pacific Seadrill Management Singapore Business Federation	IE Singapore J.V. Fitness 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%	99.3%	100.0%	

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

(2) All valuations as at 31 Dec 2006

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	\$702.8 million (as at 17 Jul 2007) ⁽¹⁾
Unit Price	\$2.90 (closing price on 17 Jul 2007)
Total No. of Units	242,332,586 ⁽²⁾
Free Float	28% (as at 17 Jul 2007) ⁽³⁾

(1) Market capitalisation based on the market closing price of \$2.90 per unit for 242,332,586 units issued as at 17 Jul 2007

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

(3) Excludes total unitholding of 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.