NOT FOR DISTRIBUTION IN THE UNITED STATES

Offer Information Statement dated 17 November 2011
(Lodged with the Monetary Authority of Singapore on 17 November 2011)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

The collective investment scheme offered in this Offer Information Statement is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). A copy of this Offer Information Statement, together with the application form for the new units in K-REIT Asia ("**K-REIT**") to be issued for the purpose of the Rights Issue (as defined herein) (the "**Rights Units**") and Excess Rights Units (as defined herein) to be issued to Eligible Depositors (as defined herein) (the "**ARE**") and the application form for Rights Units to be issued to purchasers of the "nil-paid" rights (the "**ARS**") under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") under the book-entry (scripless) settlement system, and the application form for Rights Units and Excess Rights Units to be issued to Eligible Scripholders (as defined herein) (the "**PAL**") has been lodged with the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE, the ARS and the PAL. Lodgment of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the Rights Issue, the Rights Units, the Acquisition (as defined herein), K-REIT and/or its subsidiaries, K-REIT Asia Management Limited, as manager of K-REIT (the "**Manager**"), and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement.

No units in K-REIT ("**Units**") shall be allotted on the basis of this Offer Information Statement later than the date falling six months from the date of lodgment of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver or make an offer of the Rights Units and the "nil-paid" rights under the Rights Issue, and the Rights Units and the "nil-paid" rights may not be sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The Rights Units and the "nil-paid" rights have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under any securities laws of any state or other jurisdiction of the United States ("**U.S.**") and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S under the Securities Act) ("**Regulation S**") except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights Units and the "nil-paid" rights may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly (a) outside the U.S. in transactions exempt from or not subject to the registration requirements of the Securities Act, or (b) to beneficial holders of Units whose identities have been agreed between the Manager and DBS Bank Ltd. and United Overseas Bank Limited, as the joint managers and underwriters for the Rights Issue (together, the "**Joint Managers and Underwriters**") who are each a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) ("**QIB**"), who have delivered to the Manager and the Joint Managers and Underwriters a signed investor representation letter in the form set out in Appendix J of this Offer Information Statement which is accepted by the Manager and the Joint Managers and Underwriters, and who are also Eligible Unitholders (as defined herein) ("**Eligible QIBs**") in reliance on the exemption from the requirements of the Securities Act under Section 4(2) thereof. The Rights Units and the "nil-paid" rights will be offered and sold outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S.

The discussion of U.S. tax matters in this Offer Information Statement was written in connection with the promotion or marketing of the Units, and it was not intended to be, and cannot be used by any person for the purpose of avoiding penalties that may be asserted against the holder under U.S. federal, state and local tax law. Taxpayers should seek their own advice based on their particular circumstances from an independent tax adviser.

K-REIT asia

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 28 November 2005 (as amended))

Managed by

K-REIT ASIA MANAGEMENT LIMITED

AN UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE OF 1,159,694,000 RIGHTS UNITS (THE "RIGHTS ISSUE") AT AN ISSUE PRICE OF S$0.85 FOR EACH RIGHTS UNIT (THE "RIGHTS ISSUE PRICE"), ON THE BASIS OF 17 RIGHTS UNITS FOR EVERY 20 EXISTING UNITS (THE "RIGHTS RATIO") (FRACTIONAL ENTITLEMENTS TO BE DISREGARDED) HELD BY UNITHOLDERS AS AT 16 NOVEMBER 2011 AT 5.00 P.M. (THE "RIGHTS ISSUE BOOKS CLOSURE DATE")

Joint Managers and Underwriters for the Rights Issue

DBS

UOB 大華銀行

IMPORTANT DATES AND TIMES

(The following is qualified by, and should be read in conjunction with, the section titled "Timetable of Key Events")

Last date and time for splitting and trading of "nil-paid" rights	:	29 November 2011 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Units	:	5 December 2011 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for application and payment for Excess Rights Units	:	5 December 2011 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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NOTICE TO UNITHOLDERS AND INVESTORS

You should rely only on the information contained in this document and other documents to which we have referred you. Neither the Manager, RBC Dexia Trust Services Singapore Limited, as trustee of K-REIT (the "**Trustee**") nor the Joint Managers and Underwriters has authorised anyone to provide you with information that is different. This document may only be used where it is legal to sell Units. The information in this document may only be accurate on the date of this document.

No person has been authorised to give any information or makes any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of K-REIT, the Manager, the Trustee, or the Joint Managers and Underwriters. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of K-REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of K-REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units ("**Unitholders**") and investors should take note of any such announcement and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Depositors, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited ("**CDP**") or by way of Electronic Application.

For Eligible Scripholders, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units may be made through the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**").

Central Provident Fund ("CPF") Investment Scheme ("CPFIS") investors, Supplementary Retirement Scheme ("SRS") investors and investors who hold Units through a finance company and/or Depository Agent should see the section titled "Important Notice to (a) CPFIS investors, (b) SRS investors and (c) investors who hold Units through a finance company and/or Depository Agent" of this Offer Information Statement on important details relating to the offer procedure.

This Offer Information Statement, the ARE, the ARS and the PAL may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to K-REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

The Joint Managers and Underwriters make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the "nil-paid" rights or K-REIT, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units. Prospective subscribers of the Rights Units should rely on their own investigation, appraisal and determination of the merits of investing in K-REIT and shall be deemed to have done so. The Manager and the Joint Managers and Underwriters make no representation to any person regarding the legality of an investment in the "nil-paid" rights, the Rights Units and/or the Units by such person under any investment or any other laws or regulations.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the "nil-paid" rights have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights Units and the "nil-paid" rights may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly (a) outside the U.S. in transactions exempt from or not subject to the registration requirements of the Securities Act, or (b) to Eligible QIBs in reliance on the exemption from the requirements of the Securities Act under Section 4(2) thereof. The Rights Units and the "nil-paid" rights will be offered and sold outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S.

The distribution of this Offer Information Statement and the offering of the "nil-paid" rights in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager to inform themselves of, and observe, any such prohibitions and restrictions.

Selected financial data from the audited financial statements of K-REIT for the financial year ended 31 December 2008 (the "**2008 Audited Financial Statements**"), the financial year ended 31 December 2009 (the "**2009 Audited Financial Statements**") and the financial year ended 31 December 2010 (the "**2010 Audited Financial Statements**") and the unaudited financial statements of K-REIT for the nine-month period ended 30 September 2011 (the "**9M2011 Unaudited Financial Statements**", together with the 2008 Audited Financial Statements, the 2009 Audited Financial Statements and the 2010 Audited Financial Statements, the "**Financial Statements**"), including the line items in the statement of total return, the distribution statement, balance sheet and the statement of cash flows of K-REIT, are set out in Appendix A of this Offer Information Statement. Financial data relating to (a) distribution per Unit ("**DPU**"), (b) *pro forma* DPU, (c) earnings per Unit, (d) earnings per Unit after any adjustment to reflect the issue of the Acquisition and the issue of Rights Units, (e) NAV per Unit and (f) NAV per Unit after any adjustment to reflect the Acquisition and the issue of Rights Units are also set out in Appendix A of this Offer Information Statement.

The Financial Statements are deemed incorporated into this Offer Information Statement by reference, and are current only as at the dates of such financial statements, and the incorporation of such Financial Statements by reference is not intended to create any implication that there has been no change in the affairs of K-REIT since the respective dates of such Financial Statements or that the information contained in such Financial Statements is current as at any time subsequent to their respective dates.

Any statement contained in the Financial Statements shall be deemed to be modified or superseded for the purposes of this Offer Information Statement to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to form a part of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, which are available on the website of K-REIT at www.kreitasia.com and are also available for inspection during normal business hours at the registered office of the Manager[1] at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, information contained on the website of K-REIT does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes) before making any investment decision in relation to the "nil-paid" rights and/or Rights Units.

The value of the Units and the income derived 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 the 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 is not necessarily indicative of the future performance of K-REIT.

This Offer Information Statement 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 property expenses and operating expenses, and governmental and public policy changes. See the section titled "Risk Factors" of this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the "nil-paid" rights and the Rights Units.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. Neither the Manager nor any other person represents or warrants that K-REIT's actual future results, performance or achievements will be as expected, expressed or implied in these forward-looking statements. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of K-REIT before deciding whether to subscribe for the Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Further, each of the Manager and the Joint Managers and Underwriters disclaims any responsibility to update any of the forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the SGX-ST, the Manager may make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

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[1] Prior appointment with the Manager will be appreciated.

IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND (C) INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT

Eligible Unitholders who have subscribed for or purchased Units under CPFIS and/or SRS or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units by instructing the relevant approved banks, finance companies and/or Depository Agents in which they hold their CPFIS accounts and/or SRS accounts to do so on their behalf.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS TO CDP OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

(A) Use of CPF Funds

Eligible Unitholders participating in the CPFIS - Ordinary Account ("**CPFIS-OA**") must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their provisional allotments of Rights Units and (if applicable) application for Excess Rights Units, if they have previously bought their Units using CPF funds.

Such Unitholders who wish to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units using CPF funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to subscribe for their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units. CPF funds may not, however, be used for the purchase of the provisional allotments of Rights Units directly from the market.

(B) Use of SRS Funds

Eligible Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their provisional allotments of Rights Units and (if applicable) application for Excess Rights Units, if they have previously bought their Units using SRS monies.

Such Unitholders who wish to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks to enable them to subscribe for their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units. SRS monies may not, however, be used for the purchase of the provisional allotments of Rights Units directly from the market.

(C) Holdings through Finance Company and/or Depository Agent

Eligible Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Eligible Unitholders

Eligible Unitholders comprise Eligible Depositors (as defined herein) and Eligible Scripholders (as defined herein) ("**Eligible Unitholders**").

Eligible Depositors are Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days (as defined herein) prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of K-REIT, and the Joint Managers and Underwriters agree, including Eligible QIBs, may be offered Rights Units without breaching applicable securities laws ("**Eligible Depositors**").

Eligible Scripholders are Unitholders whose Units are not deposited with CDP and who have tendered to the Unit Registrar valid transfers of their Units and/or the documentary evidence evidencing their title in relation thereto for registration up to the Rights Issue Books Closure Date, and whose registered addresses with the Unit Registrar are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided the Unit Registrar with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of K-REIT, and the Joint Managers and Underwriters agree, including Eligible QIBs, may be offered Rights Units without breaching applicable securities laws ("**Eligible Scripholders**").

Eligible QIBs are beneficial holders of Units whose identities have been agreed between the Manager and the Joint Managers and Underwriters who are each a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), who have delivered to the Manager and the Joint Managers and Underwriters a signed investor representation letter in the form set out in Appendix J of this Offer Information Statement which is accepted by the Manager and the Joint Managers and Underwriters, and who are also Eligible Unitholders.

Eligible Unitholders are at liberty to accept in part or in full or decline to accept their provisional allotments of Rights Units and (if applicable) apply for the Excess Rights Units.

In addition, Eligible Unitholders may also renounce their provisional allotments of Rights Units in favour of a third party during the "nil-paid" rights trading period prescribed by the SGX-ST.

In the case of Eligible Depositors, they are also able to trade their provisional allotments of Rights Units on the SGX-ST during the "nil-paid" rights trading period prescribed by the SGX-ST.

Eligible Unitholders who have subscribed for or purchased Units under CPFIS and/or SRS can only accept their provisional allotments of Rights Units by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS accounts to do so on their behalf. Any application made directly to CDP or through automated teller machines by such Eligible Unitholders will be rejected.

Eligible Unitholders holding Units through a finance company and/or Depository Agent may only subscribe for the Rights Units through their respective finance company and/or Depository Agent. Any application made directly to CDP or through ATMs of Participating Banks by such Eligible Unitholders will be rejected.

The procedures for acceptance, excess applications and payment by Eligible Unitholders are set out in this Offer Information Statement.

Ineligible Unitholders

No provisional allotments of Rights Units will be made to Unitholders other than Eligible Unitholders ("**Ineligible Unitholders**") and no purported acceptance thereof or application therefor by Ineligible Unitholders will be valid.

The making of the Rights Issue may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP or the Unit Registrar (as the case may be), the Rights Issue will not be extended to Ineligible Unitholders. Save as provided herein, Ineligible Unitholders who wish to participate in the Rights Issue will have to provide CDP or the Unit Registrar (as the case may be) with addresses in Singapore for the service of notice and documents and any other evidence of eligibility that the Manager, in its absolute discretion, requires at least three Market Days prior to the Rights Issue Books Closure Date. Save as provided herein and for the avoidance of doubt, the Ineligible Unitholders are not eligible to participate in the Rights Issue.

The Rights Units and the "nil-paid" rights have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights Units and the "nil-paid" rights may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly (a) outside the U.S. in transactions exempt from or not subject to the registration requirements of the Securities Act, or (b) to Eligible QIBs in reliance on the exemption from the requirements of the Securities Act under Section 4(2) thereof. The Rights Units and the "nil-paid" rights will be offered and sold outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Units, if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of Rights Units credited to their Securities Accounts should make the necessary arrangement with their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged to, treat as invalid any application or purported application, or decline to register such application or purported application which (a) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (b) purports to exclude any deemed representation or warranty.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, at its absolute discretion, arrange for the "nil-paid" rights which would otherwise have been allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after trading of the "nil-paid" rights commences. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in connection therewith.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings determined as at the Rights Issue Books Closure Date and sent to them by ordinary post at their own risk, provided that where the amount to be distributed to any Ineligible Unitholder is less than S$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of K-REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Managers and Underwriters, the Trustee or CDP in connection herewith.

FOR INVESTORS IN THE UNITED STATES

For this Rights Issue, the Manager is relying upon exemptions from registration with the U.S. Securities and Exchange Commission for an offer and sale that does not involve a public offering in the United States. The Units, the Rights Issue, the "nil-paid" rights, or the Rights Units have not been recommended by any U.S. federal or state authorities or by any foreign authorities and they have not determined that this Offer Information Statement is accurate or complete. Any representation to the contrary is a criminal offence.

The Rights Units and the "nil-paid" rights have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights Units and the "nil-paid" rights may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly (a) outside the U.S. in transactions exempt from or not subject to the registration requirements of the Securities Act, or (b) to Eligible QIBs in reliance on the exemption from the requirements of the Securities Act under Section 4(2) thereof.

Any person in the United States who obtains a copy of this Offer Information Statement and who is not a QIB is requested to disregard the contents of this Offer Information Statement.

An offer or sale of the "nil-paid" rights or Rights Units within the U.S. by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

Each QIB understands that if it determines to purchase Rights Units and/or the "nil-paid" rights, it will be deemed to have acknowledged, represented, warranted and agreed with each of K-REIT, the Manager and the Joint Managers and Underwriters as follows:

(a) it is the beneficial holder of (or acting on account of Unitholders beneficially holding) Units as at the date hereof and it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and have the power, approvals and authorisations to enter into and perform its obligations under the investor representation letter set out in Appendix J of this Offer Information Statement and to carry out the transactions contemplated by such letter;

(b) it is a QIB and as such, it is a sophisticated investor with such knowledge and experience in financial and business matters that it is capable of evaluating the merits, risks and suitability of investing in the Rights Units and/or the "nil-paid" rights, and it is able to bear the economic risks of an investment in the Rights Units and/or the "nil-paid" rights, including an entire loss of such investment and it will not seek to recover from any of K-REIT, the Manager or the Joint Managers and Underwriters or any of their respective affiliates, or their officers, directors, employees or agents all or part of any such loss or losses it may suffer;

(c) K-REIT, the Manager or the Joint Managers and Underwriters (i) have not provided it with any information with respect to K-REIT, the Rights Units and/or the "nil-paid" rights or the Rights Issue and (ii) do not make any representation as to the credit quality of K-REIT or the merits of an investment in the Rights Units and/or the "nil-paid" rights;

(d) K-REIT, the Manager or the Joint Managers and Underwriters have not provided it with any legal, business, tax or other advice in connection with the Rights Issue or its possible purchase of the Rights Units and/or the "nil-paid" rights;

(e) it acknowledges that the Units are listed on the SGX-ST and that K-REIT is therefore required to publish certain business and financial information in accordance with the rules and practices of the SGX-ST (the "**Information**") and that it is able to obtain or access such information without undue difficulty; it further acknowledges that the Joint Managers and Underwriters do not make any representation or warranty with respect to the accuracy or completeness of the Information;

(f) it is in compliance with all relevant laws and regulations in connection with the subscription of the Rights Units and it undertakes to provide, or cause or procure to be provided, to the SGX-ST and/or any other regulators (together, the "**Regulators**") all information (including, without limitation, identity information of the ultimate beneficial owner, if any, of the Rights Units and/or the "nil-paid" rights and/or the person ultimately responsible for the giving of the instruction relating to the subscription) within the time and as requested by any such Regulators and it authorises the Joint Managers and Underwriters to disclose to such Regulators all information relating to the transaction hereunder as such Regulators may request or to produce the investor representation letter set out in Appendix J of this Offer Information Statement, pursuant to, in connection with, or as may be required by, any applicable law or regulation, administrative, legal or arbitration proceeding, requirements or requests of any regulatory authority, potential dispute or official enquiry with respect to the matters set forth therein;

(g) it acknowledges that it (i) has completed its own diligence investigation of K-REIT, the Rights Units and/or the "nil-paid" rights, as the case may be; (ii) have had sufficient access to the agreements, documents, records, officers and directors of K-REIT to make its investment decision related to the Rights Units and/or the "nil-paid" rights; (iii) has received all information that it believes is necessary or appropriate in connection with its purchase of the Rights Units and/or the "nil-paid" rights; and (iv) have consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the tax, legal, currency and other economic considerations related to the investment in the Rights Units and/or the "nil-paid" rights, and has only relied on the advice of, or has only consulted with, such independent advisers. It is aware that the transferability of the Rights Units and/or the "nil-paid" rights, as the case may be, is restricted and that the value of the Rights Units and/or the "nil-paid" rights, as the case may be, may decline, and agrees that none of the Joint Managers and Underwriters and their respective affiliates shall have any obligation to purchase or acquire all or any of the Rights Units and/or the "nil-paid" rights acquired by it or to support any losses directly or indirectly sustained or incurred by it for any reason whatsoever in connection with the purchase of the Rights Units and/or the "nil-paid" rights;

(h) it has not relied on any disclosures or offering document that has been prepared by the Manager in connection with the Rights Issue and it will not hold the Joint Managers and Underwriters responsible for any misstatements in or omissions from any publicly available information concerning K-REIT; and it may not rely, and agrees that it has not relied, on any investigation or due diligence that the Joint Managers and Underwriters, or any person acting on their behalf, may have conducted with respect to the Units, the Rights Units and/or the "nil-paid" rights, and/or the business and properties of K-REIT, and none of such persons has made any representation to it, express or implied, with respect to the Units, the Rights Units and/or the "nil-paid" rights, the business and properties of K-REIT and the accuracy, completeness or adequacy of any publicly available information;

(i) it acknowledges that the issue of the Rights Units and the "nil-paid" rights is conditional upon the satisfaction of certain conditions set out in the Management and Underwriting Agreement (as defined herein), and the Management and Underwriting Agreement not having been terminated prior to the closing of the Rights Issue; if such conditions are not fulfilled, the subscription or application monies in respect of the Rights Units and the "nil-paid" rights will be returned to it without interest or any share of revenue or other benefit arising therefrom, and without any right of claim against any of K-REIT, the Manager, the Joint Managers and Underwriters or any of their affiliates or any person acting on their behalf;

(j) the Joint Managers and Underwriters do not make and have not made any warranty, representation or recommendation as to the merits of the Rights Units or the "nil-paid" rights, the purchase or offer thereof, as to the condition, financial or otherwise, of K-REIT or as to any other matter relating thereto or in connection therewith or the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Rights Units or the "nil-paid" rights; nothing in the investor representation letter set out in Appendix J of this Offer Information Statement shall be construed as a recommendation to it to purchase the Rights Units or the "nil-paid" rights; no information has been supplied by the Joint Managers and Underwriters, the Manager or K-REIT and it has relied upon its own investigations and resources in deciding to invest in the Rights Units and/or the "nil-paid" rights;

(k) the Joint Managers and Underwriters may currently or in the future own securities issued by, or have business relationships (including, among others, lending, depository, risk management, advisory and banking relationships) with K-REIT and its respective affiliates, and the Joint Managers and Underwriters will manage such security positions and business relationships as they determine to be in their respective best interests, without regard to the interests of the holders of the Rights Units and/or the "nil-paid" rights;

(l) it is acquiring the Rights Units and/or the "nil-paid" rights for its own account or for one or more accounts (each of which is a QIB) as to each of which it exercises sole and full investment discretion; it, subject to the disposition of its property being at all times within its control, is not acquiring the Rights Units or the "nil-paid" rights with a view to any distribution of the Rights Units and/or the "nil-paid" rights; it confirms that, to the extent it is purchasing the Rights Units and/or the "nil-paid" rights for the account of one or more other persons, (i) it has been duly authorised to make the representations, warranties, acknowledgements and agreements set forth in the investor representation letter set out in Appendix J of this Offer Information Statement on their behalf and (ii) the provisions of this letter constitute legal, valid and binding obligations of it and any other person for whose account it is acting;

(m) it understands that the financial information of K-REIT has not been prepared or presented in compliance with Regulation S-X of the United States Securities and Exchange Commission; as such, it has not placed any reliance on such financial information; furthermore, it understands that the preparation of such financial information has not been carried out in accordance with auditing standards generally accepted in the United States and accordingly should not be relied upon as if it has been carried out in accordance with those standards;

(n) it shall not deposit or cause to be deposited the Rights Units and/or the "nil-paid" rights acquired by it into any unrestricted depositary facility established or maintained by a depositary bank in respect of the Rights Units for so long as such Rights Units and the "nil-paid" rights are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act;

(o) it has consulted with a tax adviser regarding the U.S. tax consequences of participation in the Rights Issue and the ownership of the Rights Units and/or the "nil-paid" rights, as the case may be, the application of the U.S. tax rules to any non-U.S. taxes imposed on distributions made to, or dispositions from the disposition of, the Rights Units and/or the "nil-paid" rights, as the case may be and any U.S. tax filing requirements that might apply to an investment in the Rights Units and/or the "nil-paid" rights, as the case may be; it is aware that no analysis has been undertaken to determine if K-REIT is a "passive foreign investment company" within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986; it understands that if K-REIT is a passive foreign investment company, a U.S. investor in the Rights Units, the "nil-paid" rights and/or any additional securities of the Rights Issue could be subject to materially adverse tax consequences including being subject to U.S. tax at greater rates than would otherwise apply with respect to the investment and being subject to additional tax filing and reporting requirements;

(p) it has not offered or sold and will not offer or sell any of the Rights Units and/or the "nil-paid" rights which may be acquired by it in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation; it will only make such offer, sale or invitation under circumstances that will result in compliance with any applicable laws and/or regulations;

(q) it became aware of the Rights Issue, and the Rights Units and/or the "nil-paid" rights, as the case may be, were offered to it, solely by direct contact between it and K-REIT, the Manager or the Joint Managers and Underwriters, and not by any other means, including, by any form of general solicitation (within the meaning of Rule 502(c) of Regulation D of the Securities Act), advertising or publication in the United States through any form of media, including, without limitation, paper publications, audio or video broadcasts and the internet; neither it nor any of its affiliates has conducted any form of general solicitation (within the meaning of Rule 502(c) of Regulation D of the Securities Act, advertising or publication in the United States through any form of media, including, without limitation, paper publications, audio or video broadcasts and the internet; it will not seek to offer or sell any Rights Units or "nil-paid" rights by making any general solicitation or general advertising as defined in Rule 502(c) under the Securities Act;

(r) it understands (and each beneficial owner of the Rights Units and/or the "nil-paid" rights, as the case may be, has been advised and understands) that the Rights Units and the "nil-paid" rights are being offered and sold to it in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the offer and sale of the Rights Units and the "nil-paid" rights to it has not been and will not be registered under the Securities Act and that K-REIT, the Manager and the Joint Managers and Underwriters make no representation as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Rights Units or the "nil-paid" rights; it understands that the Rights Units and/or the "nil-paid" rights purchased by it in this offer and sale are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act; it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Rights Units and the "nil-paid" rights are restricted securities, it (and they) will not deposit the Rights Units and/or the "nil-paid" rights acquired by it (and them) in any unrestricted American depositary receipt facility and it (and they) will offer, sell, pledge or otherwise transfer such Rights Units and the "nil-paid" rights, as the case may be, only in accordance with any applicable securities laws and pursuant to an exemption under the Securities Act; and

(s) it shall be deemed to have repeated the written representations and warranties given by it in the investor representation letter set out in Appendix J of this Offer Information Statement on and as of the closing and/or the settlement date for the subscription of the Rights Units.

FOR INVESTORS OUTSIDE THE UNITED STATES

Each purchaser of the "nil-paid" rights and/or the Rights Units offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(a) the purchaser is acquiring the "nil-paid" rights and/or the Rights Units in an offshore transaction as defined in and meeting the requirements of Regulation S;

(b) the purchaser is aware that the "nil-paid" rights and/or the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered outside the U.S. in reliance on Regulation S; and

(c) the purchaser acknowledges that the Manager, the Joint Managers and Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Unitholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

CORPORATE INFORMATION

Directors of the Manager	:	Professor Tsui Kai Chong (Chairman and Non-Executive Independent Director) Mr Kevin Wong Kingcheung (Deputy Chairman and Non-Executive Director) Ms Ng Hsueh Ling (Chief Executive Officer and Executive Director) Dr. Chin Wei-Li, Audrey Marie (Non-Executive Independent Director) Mrs Lee Ai Ming (Non-Executive Independent Director) Mr Tan Chin Hwee (Non-Executive Independent Director) Mr Tan Swee Yiow (Alternate Director to Mr Kevin Wong Kingcheung)
Registered Office of the Manager	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
The Trustee	:	RBC Dexia Trust Services Singapore Limited 20 Cecil Street #28-01 Equity Plaza Singapore 049705
Joint Managers and Underwriters	:	DBS Bank Ltd. 6 Shenton Way #35-00 DBS Building Tower One Singapore 068809 United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
Legal Adviser for the Rights Issue and to the Manager	:	WongPartnership LLP One George Street #20-01 Singapore 049145
Legal Adviser to the Joint Managers and Underwriters as to Singapore law and U.S. Federal law	:	Clifford Chance Pte. Ltd. One George Street 19th Floor Singapore 049145
Legal Adviser to the Trustee	:	Lee & Lee 5 Shenton Way #07-00 UIC Building Singapore 068808
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

Independent Reporting Accountants	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Tax Adviser	:	Ernst & Young Solutions LLP One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Valuers	:	Savills Valuation and Professional Services (S) Pte Ltd (appointed by the Manager) 30 Cecil Street #20-03 Prudential Tower Singapore 049712
		Knight Frank Pte Ltd (appointed by the Trustee) 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
Independent Market Consultant	:	DTZ Debenham Tie Leung (SEA) Pte Ltd 100 Beach Road #35-00 Shaw Tower Singapore 189702

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement.

1. Overview of K-REIT

Sponsored by Keppel Land Limited ("**KLL**"), one of the largest listed property companies in Singapore, K-REIT was listed on the SGX-ST on 28 April 2006 following a distribution *in specie* of Units to shareholders of KLL.

K-REIT's objective is to generate stable and sustainable returns for its Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia. K-REIT is managed by the Manager, K-REIT Asia Management Limited.

As at 11 November 2011 (the "**Latest Practicable Date**"), K-REIT had a market capitalisation of S$1.4 billion and assets under management of approximately S$3.9 billion.

K-REIT's portfolio comprises seven commercial office properties located in Singapore and Australia. In Singapore, these are Bugis Junction Towers, the MBFC Interest, the ORQ Interest and the Prudential Tower Property. In Australia, K-REIT owns the 275 George Street Property in Brisbane, the 77 King Street Property and the 8 Chifley Square Interest[2], which are both in Sydney (each as defined herein, collectively, the "**Existing Properties**").

2. Overview of the EGM Resolutions

The Manager has obtained the approval of Unitholders at the extraordinary general meeting held on 10 November 2011 (the "**EGM**") in respect of:

(a) the proposed acquisition (the "**Acquisition**") of an approximate 87.51% equity interest in Ocean Properties Pte. Limited ("**OPPL**"), which owns Ocean Financial Centre (the "**Property**"); and

(b) the proposed underwritten renounceable Rights Issue.

3. Overview of the Acquisition

On 17 October 2011, the Trustee entered into a conditional sale and purchase agreement (the "**SPA**") with Straits Property Investments Pte Ltd (the "**Vendor**"), a wholly-owned subsidiary of KLL and Keppel Land Properties Pte Ltd (the "**Guarantor**"), a wholly-owned subsidiary of KLL as guarantor for the Vendor, to acquire approximately 87.51% of the issued share capital of OPPL for a period of 99 years from the date the Acquisition is completed (the "**Completion Date**"). The remaining issued share capital of OPPL of approximately 12.49% is held by Avan Investments Pte Ltd ("**AIPL**"), an unrelated third party and the existing shareholder of OPPL.

OPPL owns the Property. The Property is situated on a site with a 999-year leasehold title that commenced from 22 June 1862 and approximately 90 sqm of the basement area (which connects the Property to the passageway linking to the Raffles Place mass rapid transit ("**MRT**") interchange station) is situated on a site with a 99-year leasehold title that commenced from

[2] On 28 July 2011, K-REIT acquired a 50.0% interest in Mirvac 8 Chifley Trust ("**M8CT**") which owns a commercial property situated at 8 Chifley Square, Sydney, Australia (the "**8 Chifley Square Property**"). The 8 Chifley Square Property is currently under development and is scheduled for completion in the third quarter of 2013.

13 June 2001. The Property is built over two phases; the first being the office tower which has received temporary occupation permits ("**OFC Phase 1**"), and the second phase which comprises the car park and retail space and is targeted for completion by end-2012 ("**OFC Phase 2**"). In accordance with the terms of the SPA, the Vendor will be liable for its share of all project development costs required for the Property to obtain a certificate of statutory completion ("**CSC**") and K-REIT will not be required to incur any further project development costs.

On the Completion Date, the Trustee shall by executing an option deed (the "**Option Deed**"), grant to the Vendor, in its capacity as option holder (the "**Option Holder**"), a call option, pursuant to which the Option Holder shall have the right to acquire approximately 87.51% equity interest in OPPL, or equivalent (the "**Option Interest**"), for S$1.00, such option to be exercisable only after expiry of a period of 99 years after the Completion Date (the "**Relevant Period**") (the "**Call Option**"). The transaction is structured in this manner to reflect the consideration for the Acquisition which is premised on OPPL holding the Property with only a 99-year lease term and not a 999-year lease term.

Under the Option Deed, the Trustee shall not dispose of its legal or beneficial interest in all or any part of the Option Interest to any person unless, among others, the Option Holder's right of first refusal conferred under the Option Deed has lapsed. In addition, if any of certain specified events occurs anytime during the 99 years after the Completion Date, the Option Holder shall have the right to procure OPPL to take the necessary steps to carve out and transfer a leasehold title of the remaining tenure less the 99 years (from the Completion Date) to a special purpose vehicle (the "**SPV**") owned by the Option Holder and AIPL (the "**Reversionary Interest**") and in this case, OPPL will still retain the title over the Property for the remainder of the Relevant Period (as defined herein). Pending the grant and registration of the Reversionary Interest, the Option Holder may exercise the Call Option and require the transfer of the Option Interest to it, whereupon the Option Holder shall procure OPPL to create the Reversionary Interest. If the Reversionary Interest is created within six months after the date of request by the Option Holder (the "**Specified Period**"), the Option Interest shall be re-transferred to K-REIT. If the Reversionary Interest is not created within the Specified Period, the Option Interest shall not be re-transferred to K-REIT and the Option Holder shall (within 15 business days after the expiry of the Specified Period) pay to K-REIT the net tangible asset (the "**NTA**") value of the Option Interest as at the date of expiry of the Specified Period but with adjustments for (a) a market valuation (based on the average of two valuations, each determined by an internationally recognised property valuer firm commissioned by K-REIT and the Option Holder respectively) of the Property as if OPPL has a lease for the remainder of the Relevant Period and (b) any cash distributions made by OPPL to its members after the occurrence of a specified event. There are no intangible assets at the OPPL level. Any stamp duty payable in connection with such transfers, which is prescribed under the applicable law as payable by the transferee, shall be borne by the transferee. Other costs (other than stamp duty which is prescribed under the applicable law as payable by the transferee) upon the occurrence of the specified event shall be borne by K-REIT (or its successor-in-title if it is insolvent or terminated). See the section titled "Information Relating to the Acquisition, The Existing Properties and The Enlarged Portfolio — The Acquisition — Option Deed" of this Offer Information Statement for further details.

The Property will be managed by K-REIT Asia Property Management Pte Ltd (the "**Property Manager**"). OPPL, Keppel Land International Limited (the current property manager) and the Property Manager will on the Completion Date enter into a novation agreement to novate the property management agreement (the "**Property Management Agreement**") from Keppel Land International Limited to the Property Manager, where the Property Manager is responsible for providing, among others, services relating to property management and maintenance, lease administration, marketing and leasing, accounting and administration, and budget preparation.

OPPL had entered into a project management agreement with Keppel Land International Pte Limited (the "**Project Manager**") in relation to the development of the Property (including the OFC Phase 2) (the "**Project Management Agreement**") until its completion. The fees payable to the Project Manager will be included in the project development costs and borne by the Vendor for the Vendor's Shareholding Proportion in accordance with the SPA.

The Trustee and AIPL, an unrelated third party and the existing shareholder which owns approximately 12.49% of the shares in OPPL, have agreed, post-Completion Date, that OPPL shall apply to the Accounting and Corporate Regulatory Authority of Singapore to convert itself into a limited liability partnership ("**LLP**") pursuant to the Limited Liability Partnerships Act, Chapter 163A of Singapore, with the name "Ocean Properties LLP" ("**OPLLP**") (the "**Conversion**"). AIPL is an investment-holding company incorporated in Singapore which is beneficially owned by a private family. AIPL is not related to K-REIT, the Manager, the Vendor or KLL. Its only investment is in OPPL. The Trustee will enter into a limited liability partnership agreement (the "**Limited Liability Partnership Agreement**") with AIPL, to govern their relationship in the LLP.

The Inland Revenue Authority of Singapore ("**IRAS**") has issued an advanced tax ruling to the Manager to confirm that, amongst others, K-REIT, being a real estate investment trust ("**REIT**") as defined in the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), will be entitled to tax transparency treatment under Section 43(2) and Section 43(2A) of the Income Tax Act on its share in the taxable income of OPLLP.

The estimated purchase consideration for the Acquisition as at 31 July 2011 is S$1,571.3 million. After the completion of the Acquisition, which is expected to take place no later than 31 December 2011, the value of K-REIT's asset portfolio will increase to approximately S$5.9 billion.

Based on the DPU of 7.16 cents for Forecast Year 2012 (as defined herein), the DPU yield at TERP (as defined herein) is 7.56% and the DPU yield at the Rights Issue Price is 8.42%.

4. The Rights Issue

The Manager intends to issue 1,159,694,000 Rights Units, based on the Rights Ratio, at the Rights Issue Price so as to raise gross proceeds of approximately S$985.7 million to partially fund the Acquisition and associated costs.

The Rights Issue would provide Eligible Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Rights Issue Price of S$0.85 per Rights Unit which is at a discount of approximately 17.5% to the last traded price of S$1.03 per Unit as at 17 October 2011, prior to the announcement of the Acquisition and the Rights Issue on 17 October 2011 (the "**Last Traded Price**") and which also represents a discount of approximately 10.3% to the TERP of S$0.947 per Unit.

5. Valuation of K-REIT's Asset Portfolio

As the last valuation was carried out more than six months ago, the Manager had commissioned a valuation of its Existing Properties as of 1 October 2011[3] which amounts to S$4,068.4 million.

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3 With the exception of the 8 Chifley Square Interest, which was valued as at 12 July 2011 based on completed basis of S$194.5 million, at an exchange rate of A$1.00 = S$1.255.

6. Use of Proceeds of the Rights Issue

The Rights Issue will raise gross proceeds of approximately S$985.7 million and net proceeds of approximately S$980.9 million.

The Manager intends to use the net proceeds from the Rights Issue in the following manner:

(a) approximately S$978.2 million (which is equivalent to 99.7% of the net proceeds of the Rights Issue) will be used to partially fund the Acquisition and associated costs; and

(b) approximately S$2.7 million (which is equivalent to 0.3% of the net proceeds of the Rights Issue) will be used to pay the estimated fees and expenses incurred or to be incurred by K-REIT in connection with the debt financing of approximately S$600.7 million from financial institutions (the "**Debt Financing**").

7. Rationale and Benefits for the Rights Issue

Fund the Acquisition

The Manager intends to utilise the proceeds of the Rights Issue to partially fund the Acquisition and associated costs.

Provide Eligible Unitholders with pro rata entitlement to Rights Units

The Rights Issue would provide Eligible Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Rights Issue Price of S$0.85 per Rights Unit which is at a discount of approximately 17.5% to the Last Traded Price and which also represents a discount of approximately 10.3% to the TERP of S$0.947 per Unit.

Eligible Unitholders who do not wish to subscribe for their provisional allotments of Rights Units may choose to renounce their provisional allotments in favour of a third party during the "nil-paid" rights trading period. In addition, Eligible Unitholders are entitled to apply for Excess Rights Units. In the case of Eligible Depositors, they are also able to trade their provisional allotments on the SGX-ST during the "nil-paid" rights trading period. Hence, Eligible Unitholders are given the flexibility to subscribe for or renounce the Rights Units.

Potential increase in trading liquidity of Units

The Rights Issue will increase the number of Units in issue by 1,159,694,000, which is an increase of 85.0% from a total of 1,364,346,950 Units in issue as at the Latest Practicable Date.

The increase in the total number of Units in issue pursuant to the Rights Issue is expected to improve the level of trading liquidity of the Units after the Rights Issue.

8. Keppel Irrevocable Undertakings

To demonstrate their support for K-REIT and the Rights Issue, Keppel Corporation Limited ("**KCL**") and KLL, which together own an aggregate interest of approximately 76.3% of the issued Units through their respective wholly-owned subsidiaries as at 17 October 2011, have each, for a consideration of S$1.00, provided the Keppel Irrevocable Undertakings (as defined herein) to the Manager on 17 October 2011, details of which are set out below.

(a) KCL which owns an interest of approximately 29.9% of the issued Units as at the date of the undertaking (excluding its interest through KLL) through its wholly-owned subsidiary, Keppel Real Estate Investment Pte. Ltd. ("**KREI**"), has irrevocably undertaken to the Manager that, among others, it will, directly and/or through one or more of its wholly-owned subsidiaries, subscribe and pay in full for KREI's total provisional allotments of Rights Units (the "**KCL Irrevocable Undertaking**"); and

(b) KLL which owns an interest of approximately 46.4% of the issued Units as at the date of the undertaking through its wholly-owned subsidiaries, K-REIT Asia Investment Pte. Ltd. ("**KRAI**") and the Manager (collectively the "**KLL Subsidiaries**"), has irrevocably undertaken to the Manager that, among others, it will, directly and/or through one or more of its wholly-owned subsidiaries, subscribe and pay in full for the KLL Subsidiaries' total provisional allotments of Rights Units (the "**KLL Irrevocable Undertaking**", together with the KCL Irrevocable Undertaking, the "**Keppel Irrevocable Undertakings**").

The obligations of KCL and KLL under the Keppel Irrevocable Undertakings shall cease if, among others, the Rights Issue is not completed by 31 December 2011. Approval of Unitholders for, among others, the Rights Issue was obtained at the EGM.

KCL and KLL will not be receiving any sub-underwriting fees for undertaking to subscribe for KREI's and the KLL Subsidiaries' total provisional allotments of Rights Units respectively.

In conjunction with the Keppel Irrevocable Undertakings, a commercial bank has confirmed to the SGX-ST that each of KCL and KLL has sufficient financial resources for utilisation by it to satisfy the aggregate subscription sum for KREI's and the KLL Subsidiaries' respective provisional allotments of Rights Units.

9. Underwriting of the Rights Issue

The Joint Managers and Underwriters have agreed with the Manager to underwrite the total number of Rights Units less the Units to be subscribed under the Keppel Irrevocable Undertakings (the "**Keppel Proportionate Rights Units**"), up to a maximum of 273,999,540 Rights Units (the "**Balance Rights Units**"), in equal proportions, severally but not jointly, on the terms of and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Managers and Underwriters on 17 October 2011, as supplemented on 11 November 2011 (the "**Management and Underwriting Agreement**"). For the avoidance of doubt, the 2,731,828 Units issued on 28 October 2011 as partial payment of the Manager's management fees for the quarter ended 30 September 2011 and provisional allotments of Rights Units made in respect of such Units, shall not form part of the Balance Rights Units and shall not be underwritten by the Joint Managers and Underwriters. The Joint Managers and Underwriters will be entitled to management fees of approximately S$1.0 million and underwriting commissions of 1.5% of the Rights Issue Price multiplied by the Balance Rights Units, together with any applicable goods and services tax payable thereon.

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Managers and Underwriters will not be entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement after "ex-rights" trading has commenced, in compliance with Rule 818 of the listing manual of the SGX-ST (the "**Listing Manual**").

10. Manager Lock-up

The Manager has agreed with the Joint Managers and Underwriters that it will not, in its capacity as manager of K-REIT, without the prior written consent of the Joint Managers and Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly cause K-REIT to:

(a) offer, issue, contract to issue or sell, grant any option to purchase any Units or any securities convertible into or exchangeable for Units or which carry rights to subscribe for or purchase Units;

(b) enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; or

(c) publicly announce any intention to do any of the above,

from the date of the Management and Underwriting Agreement until the date falling 90 days from (and including) the date on which the Rights Units are listed on the SGX-ST, other than as required by applicable laws and regulations. The restrictions set out above shall not apply to (i) the Rights Units to be offered under the Rights Issue and (ii) any Units to be issued to the Manager or its related corporation in full or part payment of the Manager's fees under the Trust Deed.

11. Excess Rights Units

Eligible Unitholders are entitled to apply for Rights Units represented by the provisional allotments:

(a) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their provisional allotments of Rights Units under the Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the "nil-paid" rights trading period; or

(b) that have not been validly taken up by the original allottees, renouncees of the provisional allotments or the purchasers of the "nil-paid" rights,

(collectively, the "**Excess Rights Units**").

KCL or KLL may directly and/or through their wholly-owned subsidiaries, at their absolute discretion, choose (but shall not be obligated) to apply for Excess Rights Units.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, followed by allotment to the Unitholders who are neither Substantial Unitholders (as defined herein) nor Directors (as defined herein). The Manager, Directors and Substantial Unitholders (including KCL and KLL, and their wholly-owned subsidiaries) who have control or influence over K-REIT in connection with the day-to-day affairs of K-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors will rank last in priority for the rounding of odd lots and in the allotment of Excess Rights Units.

12. Status of the Rights Units

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2011 to 31 December 2011, as well as all distributions thereafter. See the section titled "Principal Terms of the Rights Issue" of this Offer Information Statement for more information.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Issue Size	:	The Rights Issue is expected to raise gross proceeds of approximately S$985.7 million and net proceeds of approximately S$980.9 million.
Basis of Provisional Allotments/ Rights Ratio	:	Each Eligible Unitholder is entitled to subscribe for 17 Rights Units for every 20 existing Units (fractional entitlements to be disregarded) held as at the Rights Issue Books Closure Date.
Rights Issue Price	:	S$0.85 per Rights Unit. The Rights Units are payable in full upon acceptance and/or application. The Rights Issue Price represents a discount of approximately: (a) 17.5% to the Last Traded Price; and (b) 10.3% to the TERP of S$0.947 per Unit.
Status of Rights Units	:	The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2011 to 31 December 2011 as well as all distributions thereafter.
Eligibility to participate in the Rights Issue	:	See the sections titled "Eligibility of Unitholders to Participate in the Rights Issue", "For Investors in the United States" and "For Investors outside the United States" of this Offer Information Statement for details.
Rights of Eligible Unitholders	:	Eligible Unitholders will receive their provisional allotments of Rights Units and are at liberty to accept their provisional allotments of Rights Units, or reject their "nil-paid" rights and are eligible to subscribe for Excess Rights Units from 21 November 2011 to the Closing Date (as defined herein). In addition, Eligible Unitholders may renounce their provisional allotments of Rights Units in favour of a third party. The last date and time for acceptance of and payment for the Rights Units by renouncees is on the Closing Date at 5.00 p.m. (or 9.30 p.m. for Electronic Applications through ATMs of Participating Banks). Each Eligible Unitholder may, among others, choose to: (a) accept his entire provisional allotment of Rights Units;

(b) accept his entire provisional allotment of Rights Units and apply for Excess Rights Units;

(c) accept a portion of his provisional allotment of Rights Units and renounce the balance of his provisional allotment of Rights Units;

(d) accept a portion of his provisional allotment of Rights Units and trade the balance of his provisional allotment of Rights Units;

(e) renounce his entire provisional allotment of Rights Units in favour of a third party; or

(f) not accept or renounce his entire provisional allotment of Rights Units in which case his "nil-paid" rights will lapse and he will receive neither any Rights Units nor any sale proceeds.

The procedures for acceptance, payment, renunciation and excess application by Eligible Depositors are set out in Appendix G of this Offer Information Statement. The procedures for acceptance, payment, splitting, renunciation and excess application by Eligible Scripholders are set out in Appendix H of this Offer Information Statement.

No provisional allotments of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application thereof by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section titled "Eligibility of Unitholders to Participate in the Rights Issue — Ineligible Unitholders" of this Offer Information Statement.

Administrative Fee : An administrative fee of between S$1.00 and S$2.00 will be payable by applicants for each Electronic Application made through the ATMs of the Participating Banks.

Trading of the "nil-paid" rights : Eligible Depositors who wish to trade all or part of their provisional allotments of Rights Units on the SGX-ST can do so for the period commencing on 21 November 2011 from 9.00 a.m., being the date of commencement of the "nil-paid" rights trading, and ending on 29 November 2011 at 5.00 p.m., being the last date and time of the "nil-paid" rights trading.

Eligible Depositors should note that the provisional allotments of Rights Units will be tradable in board lot sizes of 1,000 "nil-paid" rights. As the Rights Ratio is on a 17 for 20 basis, approval has been obtained from the SGX-ST for a temporary counter to be set up to allow Eligible Depositors to trade "nil-paid" rights in board lot sizes of 50 "nil-paid" rights for the duration of the "nil-paid" rights trading period. Eligible Depositors who wish to trade in other lot sizes can do so on the SGX-ST's Unit Share Market.

		Eligible Scripholders should see Appendix H of this Offer Information Statement for arrangements to facilitate scripless trading.
Trading of the Rights Units	:	Upon the listing and quotation of the Rights Units on the Main Board of the SGX-ST, the Rights Units will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purpose of trading on the Main Board of the SGX-ST, each board lot of Units will comprise 1,000 Units. All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As the Rights Ratio is on a 17 for 20 basis, approval has been obtained from the SGX-ST for a temporary counter to be set up to allow Unitholders and investors to trade Units (for the avoidance of doubt, this includes Rights Units) in board lot sizes of 50 Units for the period from 14 December 2011 to 13 January 2012. Notwithstanding the above, Unitholders who hold odd lots of Units (that is, lots other than board lots of 50 Units or 1,000 Units) and wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Units with a minimum size of one Unit.
Underwriting	:	The Rights Issue is underwritten[4] by the Joint Managers and Underwriters, in equal proportions, severally and not jointly, on the terms and subject to the conditions of the Management and Underwriting Agreement. For the avoidance of doubt, the 2,731,828 Units issued on 28 October 2011 as partial payment of the Manager's management fees for the quarter ended 30 September 2011 and provisional allotments of Rights Units made in respect of such Units shall not form part of the Balance Rights Units and shall not be underwritten by the Joint Managers and Underwriters. See the section titled "Summary — Underwriting of the Rights Issue" of this Offer Information Statement for details.

[4] KCL and KLL have each provided an irrevocable undertaking to the Manager to subscribe for the Keppel Proportionate Rights Units. The Joint Managers and Underwriters will underwrite the Balance Rights Units. As at the Latest Practicable Date, based on the unitholdings of KCL, KLL and their respective wholly-owned subsidiaries, the Keppel Proportionate Rights Units and the Balance Rights Units will amount to approximately 76.4% and 23.6% of the total number of Rights Units respectively.

Listing of the Rights Units	:	Approval in-principle has been obtained from the SGX-ST for the listing and quotation of, among others, the Rights Units on the Main Board of the SGX-ST. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the Acquisition, K-REIT and/or its subsidiaries, the Manager and/or its subsidiaries.
Unitholders who are CPFIS investors or SRS investors or who hold Units through a finance company and/or Depository Agent	:	CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section titled "Important Notice to (a) CPFIS investors, (b) SRS investors and (c) investors who hold Units through a finance company and/or Depository Agent" of this Offer Information Statement on important details relating to the offer procedure.
Governing Law	:	Laws of the Republic of Singapore.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, followed by allotment to Unitholders who are neither Substantial Unitholders (as defined herein) nor Directors (as defined herein). The Manager, the Directors and Substantial Unitholders (including KCL and KLL and their wholly-owned subsidiaries) who have control or influence over K-REIT in connection with the day-to-day affairs of K-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors will rank last in priority for the rounding of odd lots and in the allotment of Excess Rights Units.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE PROVISIONAL ALLOTMENTS OF RIGHTS UNITS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, IN THE CASE OF ELIGIBLE DEPOSITORS ONLY, SOLD ON THE SGX-ST.

Results of the Allotment

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at www.sgx.com and the K-REIT website at www.kreitasia.com.

Crediting of Units

The Rights Units will be provisionally allotted to Eligible Unitholders on or about 18 November 2011 by (a) crediting the "nil-paid" rights to the Eligible Depositor's Securities Accounts or (b) through the despatch of the PALs to the Eligible Scripholders.

In the case of Eligible Unitholders and their renouncees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances and (where applicable) successful applications of Excess Rights Units, a confirmation note representing such number of Rights Units will be sent to CDP within 10 business days after the Closing Date. Such confirmation note shall be deemed to be documentary evidence evidencing title to the Rights Units issued, and CDP will thereafter credit such number of Rights Units to the relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Units credited to their Securities Accounts.

In the case of Eligible Scripholders and their renouncees with valid acceptances and, where applicable, successful applications of Excess Rights Units and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, documentary evidence evidencing title to the Rights Units allotted to them will be sent by registered post, at their own risk, to their mailing addresses in Singapore as maintained with the Unit Registrar within 10 business days after the Closing Date.

TIMETABLE OF KEY EVENTS

The timetable for the Rights Issue is set out below.

Event		**Date and Time**
Last day of "cum-rights" trading	:	11 November 2011
First day of "ex-rights" trading	:	14 November 2011
Rights Issue Books Closure Date	:	16 November 2011 at 5.00 p.m.
Despatch of Offer Information Statement to Eligible Unitholders	:	21 November 2011
Commencement of "nil-paid" rights trading	:	21 November 2011 from 9.00 a.m.
Last date and time for splitting and trading of "nil-paid" rights	:	29 November 2011 at 5.00 p.m.
Closing Date(1):		
Last day for acceptance/application of and payment for Rights Units/Excess Rights Units and close of the Rights Issue	:	5 December 2011 at 5.00 p.m.(2),(3) (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment for Rights Units by renouncees	:	5 December 2011 at 5.00 p.m.(3),(4)
Expected date of issue of Rights Units	:	13 December 2011
Expected date for crediting of Rights Units	:	14 December 2011
Expected date for refund of unsuccessful applications (if made through CDP)	:	14 December 2011
Expected date of commencement of trading of Rights Units on the SGX-ST	:	14 December 2011

Notes:

(1) CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section titled "Important Notice to (a) CPFIS investors, (b) SRS investors and (c) investors who hold Units through a finance company and/or Depository Agent" of this Offer Information Statement. Any application made by these investors directly to CDP or through ATMs will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

(2) If acceptances of the "nil-paid" rights and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS or through the Unit Registrar in accordance with the PAL.

(3) Please see Appendix G of this Offer Information Statement for details on the procedures for acceptance, payment, renunciation and excess application by Eligible Depositors. Please see Appendix H of this Offer Information Statement for details on the procedures for acceptance, payment, splitting, renunciation and excess application by Eligible Scripholders.

(4) Eligible Depositors who wish to renounce their provisional allotments of Rights Units in favour of a third party should note that CDP requires three Market Days to effect such renunciation. Eligible Scripholders who wish to renounce their entire provisional allotments of Rights Units in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form of Renunciation (Form C) for the number of provisional allotments of Rights Units which they wish to renounce and deliver the PAL in its entirety to the renouncee. The renouncee should complete and sign the Form of Nomination (Form D) and forward Form D, together with the PAL in its entirety and the remittance for the payment in the prescribed manner by post at his/their own risk, in the enclosed self-addressed envelope provided, to K-REIT Asia

Management Limited, as manager of K-REIT Asia c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 so as to reach the Unit Registrar not later than 5.00 p.m. on 5 December 2011 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renouncee to accept his provisional allotments of Rights Units.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Manager does not expect the timetable to be modified. However, the Manager may, with the approval of the SGX-ST and the Joint Managers and Underwriters, modify the timetable subject to any limitation under any applicable law. In that event, the Manager will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at www.sgx.com.

USE OF PROCEEDS

Offer Proceeds and Use of Proceeds

The Rights Issue will raise gross proceeds of approximately S$985.7 million and net proceeds of approximately S$980.9 million.

The Manager intends to use the net proceeds from the Rights Issue in the following manner:

(a) approximately S$978.2 million (which is equivalent to 99.7% of the net proceeds of the Rights Issue) will be used to partially fund the Acquisition and associated costs; and

(b) approximately S$2.7 million (which is equivalent to 0.3% of the net proceeds of the Rights Issue) will be used to pay the estimated fees and expenses incurred or to be incurred by K-REIT in connection with the Debt Financing.

For each dollar of the gross proceeds of approximately S$985.7 million that will be raised from the Rights Issue, the Manager intends to allocate the gross proceeds from the Rights Issue in the following manner:

(a) approximately 99.2 cents to partially fund the Acquisition and associated costs;

(b) approximately 0.5 cents to pay the estimated fees and expenses incurred or to be incurred by K-REIT in connection with the Rights Issue; and

(c) approximately 0.3 cents to pay the estimated fees and expenses incurred or to be incurred by K-REIT in connection with the Debt Financing.

Pending the deployment of the net proceeds from the Rights Issue, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager believes that the net proceeds raised from the Rights Issue will be sufficient to enable K-REIT to meet its funding requirements.

The Manager will announce the utilisation of the net proceeds of the Rights Issue as and when such funds are materially utilised and will provide a status report on the use of proceeds in the annual report of K-REIT to Unitholders.

The Acquisition is being made in K-REIT's ordinary course of business. The Agreed Value of the approximate 87.51% equity interest in OPPL is S$2,013.1 million and the purchase consideration is estimated to be S$1,571.3 million (the "**Purchase Consideration**"). The Manager intends to use the net proceeds of approximately S$980.9 million from the Rights Issue to partially fund the Acquisition and associated costs and the estimated fees and expenses incurred or to be incurred in connection with the Debt Financing. The balance of the Purchase Consideration shall be funded by the Debt Financing. The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and is payable wholly in cash on the Completion Date. The actual amount of the Purchase Consideration will be determined on the Completion Date. See the section titled "Information Relating to the Acquisition, the Existing Properties and the Enlarged Portfolio" of this Offer Information Statement for more details on the Acquisition and the Purchase Consideration.

Under Chapter 9 of the Listing Manual, where K-REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of K-REIT's latest audited NTA, Unitholders' approval is required in respect of the transaction. Based on the 2010 Audited Financial Statements, the NTA of K-REIT was S$2,018.3 million as at 31 December 2010. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by K-REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$100.9 million, such a transaction would be subject to Unitholders' approval. Given the estimated Purchase Consideration for the Acquisition which is equal to approximately 87.51% of the Adjusted NTA value of S$1,571.3 million, taking into account the Agreed Value (which is 77.9% of the NTA of K-REIT as at 31 December 2010), the value of the Acquisition exceeds the said threshold.

Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") also imposes a requirement for Unitholders' approval for an interested party transaction by K-REIT whose value exceeds 5.0% of K-REIT's latest audited net asset value ("**NAV**"). Based on the 2010 Audited Financial Statements, the NAV of K-REIT was S$2,055.6 million as at 31 December 2010. Accordingly, if the value of a transaction which is proposed to be entered into by K-REIT with an interested party is equal to or greater than S$102.8 million, such a transaction would be subject to Unitholders' approval. Given the estimated Purchase Consideration for the Acquisition which is equal to approximately 87.51% the Adjusted NTA value of S$1,571.3 million, taking into account the Agreed Value (which is 76.4% of the NAV of K-REIT as at 31 December 2010), the value of the Acquisition exceeds the said threshold.

As at the Latest Practicable Date, KLL held an aggregate indirect interest in 634,559,850 Units, which is equivalent to approximately 46.5% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of K-REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of KLL, KLL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

KCL is also regarded as a "controlling Unitholder" under both the Listing Manual and the Property Funds Appendix. As at the Latest Practicable Date, through KREI and KLL, KCL has an aggregate indirect interest in 1,041,994,298 Units, which comprises approximately 76.4% of the total number of Units in issue, of which approximately 46.5% is held through KLL. KCL is therefore also regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is a wholly-owned subsidiary of KLL, for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, it (being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of K-REIT. Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

As the Acquisition constitutes an interested party transaction under the Property Funds Appendix, the acquisition fee to be paid to the Manager will be in the form of Units, which shall not be sold within one year from their date of issuance. This is in accordance with paragraph 5.6 of the Property Funds Appendix.

Working Capital

In the reasonable opinion of the Manager, the working capital available to K-REIT, as at the date of lodgment of this Offer Information Statement, after taking into account K-REIT's internal resources and its available loan facilities, is sufficient for present requirements.

Management and Underwriting Fee

The Joint Managers and Underwriters will be paid management fees of approximately S$1.0 million and underwriting commissions of 1.5% of the Rights Issue Price multiplied by the Balance Rights Units, being approximately S$3.5 million, in addition to any applicable goods and services tax payable thereon.

KCL and KLL will not be receiving any sub-underwriting fees for undertaking to subscribe for KREI's and the KLL Subsidiaries' total provisional allotments of Rights Units respectively.

OVERVIEW OF K-REIT

Background of K-REIT

Sponsored by KLL, one of the largest listed property companies in Singapore, K-REIT was listed on the SGX-ST on 28 April 2006 following a distribution *in specie* of Units to shareholders of KLL.

K-REIT's objective is to generate stable and sustainable returns for its Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia. K-REIT is managed by K-REIT Asia Management Limited.

As at the Latest Practicable Date, K-REIT had a market capitalisation of S$1.4 billion and assets under management of approximately S$3.9 billion.

K-REIT's portfolio comprises seven commercial office properties located in Singapore and Australia. In Singapore, these are Bugis Junction Towers, the MBFC Interest, the ORQ Interest and the Prudential Tower Property. In Australia, K-REIT owns the 275 George Street Property in Brisbane, the 77 King Street Property and the 8 Chifley Square Interest[5], which are both in Sydney.

The general development of the business of K-REIT from the beginning of the period comprising the three most recent completed financial years to the Latest Practicable Date is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of K-REIT since the release of the 9M2011 Unaudited Financial Statements.

Date		Significant developments
23 January 2008	:	Announcement of the 2008 rights issue (the "**2008 Rights Issue**").
29 February 2008	:	Distribution payment of 4.99 cents per Unit to Unitholders for the period from 1 July 2007 to 31 December 2007.
12 March 2008	:	Receipt of approval in-principle for the listing of new Units to be issued pursuant to the 2008 Rights Issue.
13 March 2008	:	Despatch of Unitholders' circular in relation to, among others, the 2008 Rights Issue and a general mandate for the issue of new Units and/or convertible securities which may be converted into Units ("**Convertible Securities**").
28 March 2008	:	Announcement of the rights issue price for the 2008 Rights Issue.
31 March 2008	:	An extraordinary general meeting of Unitholders was convened at which, the resolutions in relation to the 2008 Rights Issue and the general mandate for the issue of new Units and/or Convertible Securities were approved by Unitholders.
9 April 2008	:	Lodgment of circular incorporating an offer information statement in relation to the 2008 Rights Issue.
8 May 2008	:	396,925,192 Units issued pursuant to the 2008 Rights Issue were listed and quoted on the Official List of the SGX-ST.

[5] On 28 July 2011, K-REIT acquired a 50.0% interest in M8CT which owns the 8 Chifley Square Property. The 8 Chifley Square Property is currently under development and is scheduled for completion in the third quarter of 2013.

Date		Significant developments
15 May 2008	:	Utilisation of the net proceeds of approximately S$550.7 million from the 2008 Rights Issue for the partial repayment of the bridging loan provided by Kephinance Investment Pte Ltd ("**Kephinance**") to K-REIT.
18 June 2008	:	Advanced distribution payment of 6.58 cents per Unit to Unitholders for the period from 1 January 2008 to 7 May 2008.
28 July 2008	:	Entered into a loan agreement with Kephinance with respect to a revolving credit loan facility of up to S$391.0 million to refinance a bridging loan facility of up to S$960.0 million previously granted by Kephinance to the Trustee to finance the acquisition of the ORQ Interest.
28 August 2008	:	Distribution payment of 1.39 cents per Unit to Unitholders for the period from 8 May 2008 to 30 June 2008.
19 January 2009	:	Establishment of the S$1.0 billion MTN Programme.
23 February 2009	:	Distribution payment of 5.07 cents per Unit to Unitholders for the period from 1 July 2008 to 31 December 2008.
14 March 2009	:	Cessation of appointment of Mr Daniel Cerf as Deputy Chief Executive Officer of the Manager.
31 July 2009	:	Cessation of appointment of Mr Lim Poh Chuan as Independent Director, member of the audit committee of the Manager (the "**Audit Committee**") and chairman of the Nominating and Remuneration Committee. Appointment of Professor Tsui Kai Chong as a member of the Audit Committee.
17 August 2009	:	Cessation of appointment of Mr Tan Swee Yiow as Chief Executive Officer of the Manager. Appointment of Ms Ng Hsueh Ling as Chief Executive Officer and Director of the Manager.
27 August 2009	:	Distribution payment of 4.99 cents per Unit to Unitholders for the period from 1 January 2009 to 30 June 2009.
1 September 2009	:	Entered into a sale and purchase agreement in relation to the Prudential Tower 29.0% Interest Acquisition (as defined herein).
30 September 2009	:	Announcement of the receipt of approval in-principle for the listing of the rights units and announcement of the 2009 rights issue (the "**2009 Rights Issue**"). Entered into a bridging loan agreement with Kephinance to obtain the bridging loan to fund the Prudential Tower 29.0% Interest Acquisition (including related acquisition costs).
21 October 2009	:	An extraordinary general meeting was convened at which, the resolutions in relation to the 2009 Rights Issue and the trust deed supplement to amend the Trust Deed were approved by Unitholders.

Date		Significant developments
27 October 2009	:	Lodgment and despatch of an offer information statement in relation to the 2009 Rights Issue.
2 November 2009	:	Completion of the Prudential Tower 29.0% Interest Acquisition.
20 November 2009	:	Utilisation of S$99.7 million from the net proceeds of the 2009 Rights Issue for full repayment of a bridging loan facility provided by Kephinance to K-REIT.
23 November 2009	:	666,703,965 Units issued pursuant to the 2009 Rights Issue were listed and quoted on the Official List of the SGX-ST.
25 January 2010	:	Incorporation of a direct wholly-owned subsidiary, K-REIT Asia (Australia) Pte. Ltd.
26 January 2010	:	Incorporation of an indirect wholly-owned subsidiary, K-REIT Asia (Bermuda) Limited.
31 January 2010	:	Announcement of the acquisition of a 50.0% interest in 275 George Street, Brisbane, Australia.
25 February 2010	:	Distribution of 2.77 cents per Unit for the period from 1 July 2009 to 31 December 2009.
1 March 2010	:	Completion of the acquisition of the 50.0% interest in 275 George Street, Brisbane, Australia. Announcement of the use of approximately S$221.1 million from the net proceeds of the 2009 Rights Issue to finance the acquisition of a 50.0% interest in 275 George Street, Brisbane, Australia.
22 April 2010	:	Announcement of the use of S$230.0 million for the partial repayment of the revolving loan facility from Kephinance and S$4.3 million to finance the remainder of the acquisition-related costs for the acquisition of the 50.0% interest in 275 George Street, Brisbane, Australia, from the net proceeds of the 2009 Rights Issue.
7 May 2010	:	Announcement of the grant of a Capital Markets Services licence by the Authority.
19 July 2010	:	Entered into a contract for the acquisition of a 100.0% interest in Lots 1, 3, 4 and 5, 77 King Street, Sydney, Australia.
26 August 2010	:	Distribution of 2.97 cents per Unit for the period from 1 January 2010 to 30 June 2010.
1 September 2010	:	Cessation of appointment of Ms Evelyn Tong as Financial Controller of the Manager.
14 September 2010	:	Appointment of Mr Tan Chin Hwee as a Non-Executive Independent Director of the Manager. Appointment of Mr Tan Swee Yiow as an Alternate Director to Mr Kevin Wong Kingcheung, Deputy Chairman and a Non-Executive Director of the Manager. Cessation of appointment of Mr Tan Swee Yiow as an executive Director of the Manager.

Date		Significant developments
29 September 2010	:	Change in composition of the Audit Committee of the Manager pursuant to the appointment of Mr Tan Chin Hwee as a member of the Audit Committee and the relinquishing of Mrs Lee Ai Ming's membership on the Audit Committee, resulting in the following composition of the Audit Committee of the Manager: 1. Dr. Chin Wei-Li, Audrey Marie (chairman); 2. Professor Tsui Kai Chong (member); and 3. Mr Tan Chin Hwee (member).
11 October 2010	:	Entered into a conditional share purchase agreement with Bayfront Development Pte. Ltd., a wholly-owned subsidiary of KLL, for the acquisition of a one-third interest in phase one of Marina Bay Financial Centre at an agreed value of approximately S$1,426.8 million (inclusive of rental support), and entering into a conditional sale and purchase agreement with Mansfield Developments Pte Ltd, a wholly-owned subsidiary of KLL, for the divestment of Keppel Towers and GE Tower at an agreed value of S$573.0 million (the "**Asset Swap**").
15 October 2010	:	Appointment of Ms Eve Chan Bee Leng as Chief Financial Officer of the Manager.
18 October 2010	:	Announcement of a profit forecast for the financial year ending 31 December 2011.
8 November 2010	:	Despatch of Unitholders' circular setting out the details of, and other relevant information pertaining to the Asset Swap, together with a notice of the extraordinary general meeting of Unitholders for the purpose of seeking Unitholders' approval for the Asset Swap.
12 November 2010	:	Early redemption of approximately S$190.1 million mortgage loans made by Blossom Assets Ltd.
8 December 2010	:	An extraordinary general meeting of Unitholders was convened at which, the resolutions in relation to the Asset Swap were approved by Unitholders.
15 December 2010	:	Completion of the Asset Swap. Announcement on the use of S$41.5 million from the net proceeds of the 2009 Rights Issue to part finance the acquisition of the MBFC Interest.
21 December 2010	:	Completion of the acquisition of a 100.0% interest in Lots 1, 3, 4 and 5, 77 King Street, Sydney, Australia. Announcement on the use of S$19.4 million from the net proceeds of the 2009 Rights Issue to part finance the acquisition of the 100.0% interest in Lots 1, 3, 4 and 5, 77 King Street, Sydney, Australia.
25 February 2011	:	Distribution of 3.38 cents per Unit for the period 1 July 2010 to 31 December 2010.
21 March 2011	:	Entered into a sale and purchase agreement in relation to the Prudential Tower 19.4% Interest Acquisition (as defined herein).

Date		Significant developments
3 May 2011	:	Completion of the Prudential Tower 19.4% Interest Acquisition.
18 July 2011	:	Entered into a sale agreement, through K-REIT's wholly-owned sub-trust, with Mirvac Property Trust, which is part of the Mirvac Group, for the acquisition of a 50.0% interest in Mirvac 8 Chifley Trust, which owns a property situated at 8 Chifley Square, in the central business district of Sydney, Australia.
28 July 2011	:	Completion of the acquisition of a 50.0% interest in Mirvac 8 Chifley Trust.
26 August 2011	:	Distribution of 3.72 cents per Unit for the period 1 January 2011 to 30 June 2011.
17 October 2011	:	Entered into a conditional SPA with Straits Property Investments Pte Ltd in relation to the Acquisition and the Management and Underwriting Agreement with the Joint Managers and Underwriters. Announcement of the Acquisition, the Rights Issue and the receipt of approval in-principle for the listing of the Rights Units.
19 October 2011	:	Despatch of Unitholders' circular setting out the details of, and other relevant information pertaining to the Acquisition and Rights Issue, together with a notice of the extraordinary general meeting of Unitholders for the purpose of seeking Unitholders' approval for the Acquisition and the Rights Issue.
28 October 2011	:	Disclosure of relevant conditions of the loan facilities agreements of K-REIT pursuant to Rule 704(31) of the Listing Manual.
8 November 2011	:	Announcement of the Rights Issue Books Closure Date. Announcement of obtaining "BBB" long term corporate credit rating and "axA" ASEAN scale rating by Standard & Poor's.
10 November 2011	:	The EGM was convened at which, the resolutions in relation to the Acquisition and the Rights Issue were approved by Unitholders.

Latest Valuation

The latest valuation of the Existing Properties amounts to S$4,068.4 million as at 1 October 2011[6], based on K-REIT's interest in the respective properties.

The Manager of K-REIT

The Manager of K-REIT is K-REIT Asia Management Limited and its registered office is located at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632. The Manager can be contacted at +65 6835 7477, and its facsimile number is +65 6835 7747. The names and addresses of the Directors are set out below.

6 With the exception of the 8 Chifley Square Interest, which was valued as at 12 July 2011 based on completed basis of S$194.5 million, at an exchange rate of A$1.00 = S$1.255.

Name	Position	Address
Professor Tsui Kai Chong	Chairman and Non-Executive Independent Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Mr Kevin Wong Kingcheung	Deputy Chairman and Non-Executive Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Ms Ng Hsueh Ling	Chief Executive Officer and Executive Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Dr. Chin Wei-Li, Audrey Marie	Non-Executive Independent Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Mrs Lee Ai Ming	Non-Executive Independent Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Mr Tan Chin Hwee	Non-Executive Independent Director	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Mr Tan Swee Yiow	Alternate Director to Mr Kevin Wong Kingcheung	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632

INFORMATION ON THE UNITS

Number of Units

As at the Latest Practicable Date, there were 1,364,346,950 Units in issue.

Substantial Unitholders of K-REIT and their Unitholdings

Based on the Register of Substantial Unitholders maintained by the Manager, the unitholdings of Substantial Unitholders as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Temasek Holdings (Private) Limited(2)	—	—	1,046,494,298	76.70	1,046,494,298	76.70
Keppel Corporation Limited(3)	—	—	1,041,994,298	76.37	1,041,994,298	76.37
Keppel Land Limited(4)	—	—	634,559,850	46.51	634,559,850	46.51
K-REIT Asia Investment Pte. Ltd.	622,445,730	45.62	—	—	622,445,730	45.62
Keppel Real Estate Investment Pte. Ltd.	407,434,448	29.86	—	—	407,434,448	29.86

Notes:

(1) The percentage is based on 1,364,346,950 Units in issue in K-REIT as at the Latest Practicable Date.

(2) The interest of Temasek Holdings (Private) Limited ("**Temasek**") arises from the interests of KCL and DBS Group Holdings Limited, which are associated companies of Temasek.

(3) The interest of KCL arises from its interests in KREI and KLL.

(4) The interest of KLL arises from its interests in KRAI and K-REIT Asia Management Limited.

History of Issuance of Units

No Units have been issued by the Manager for cash or services within the 12 months immediately preceding the Latest Practicable Date, save for the issue of Units as set out in the table below.

Date	Number of Units Issued
30 December 2010	12,114,120 Units were issued at S$1.4143 per Unit to the Manager in payment of (a) the acquisition fee in connection with the acquisition of a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall; and (b) the divestment fee in connection with the divestment of Keppel Towers and GE Tower.
28 January 2011	1,473,527 Units were issued at S$1.4182 per Unit to the Manager as payment of 50% of the management fees for the period from 1 October 2010 to 31 December 2010.
29 April 2011	2,084,872 Units were issued at S$1.2863 per Unit to KRAI as directed by the Manager as payment of 50% of the management fees for the period from 1 January 2011 to 31 March 2011.
29 July 2011	2,152,506 Units were issued at S$1.3062 per Unit to KRAI as directed by the Manager as payment of 50% of the management fees for the period from 1 April 2011 to 30 June 2011.
28 October 2011	2,731,828 Units were issued at S$1.0552 per Unit to KRAI as directed by the Manager as payment of 50% of the management fees for the period from 1 July 2011 to 30 September 2011.

The issue of Units as payment of the Manager's management fees is in accordance with the terms of the Trust Deed.

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the twelve calendar months immediately preceding November 2011 and for the period commencing on 1 November 2011 to the Latest Practicable Date are as follows:

Month	Price Range (S$ per Unit)		Average Daily Volume Traded Units
	Highest	Lowest	
November 2010	1.420	1.350	875,900
December 2010	1.430	1.380	295,478
January 2011	1.450	1.390	745,048
February 2011	1.420	1.280	619,611
March 2011	1.350	1.250	742,913
April 2011	1.330	1.290	480,350
May 2011	1.330	1.280	425,400
June 2011	1.330	1.290	214,500
July 2011	1.370	1.320	315,048
August 2011	1.320	1.120	919,190
September 2011	1.160	1.005	425,591
October 2011	1.040	0.930	1,325,150
1 November 2011 to 11 November 2011, being the Latest Practicable Date	1.025	0.970	1,193,500

Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

INDEBTEDNESS

The total outstanding amount of borrowings of K-REIT as at the Latest Practicable Date was S$1,156.4 million, with the breakdown as follows:

Borrowings of K-REIT

As at the Latest Practicable Date, K-REIT has put in place the following facilities, totalling S$1,262.0 million:

(a) 5-year mortgage term loan facilities of S$425.0 million;

(b) 5-year term loan facilities of S$100.0 million;

(c) 4-year term loan facilities of S$160.0 million;

(d) 3-year term loan facilities of S$227.0 million; and

(e) 3.5-year revolving credit line of S$350.0 million.

As security for the 5-year mortgage term loan facilities of S$425.0 million, K-REIT mortgaged its Bugis Junction Towers and 73.4% interest in Prudential Tower. K-REIT granted in favour of the lender the following:

(i) an assignment of the rights, title and interest of the trust and to the insurances effected over Bugis Junction Towers;

(ii) an assignment of all the rights, benefits, title and interest of the trust in and to the property sale agreement and tenancy agreements relating to Bugis Junction Towers; and

(iii) a debenture creating fixed and floating charges over all assets of the trust relating to Bugis Junction Towers.

As a the Latest Practicable Date, K-REIT had utilised approximately S$1,156.4 million and has an unutilised S$105.6 million of facilities available to meet its future obligations.

In January 2009, K-REIT established a S$1.0 billion MTN Programme. There has been no utilisation of this MTN Programme as at the Latest Practicable Date.

As at the Latest Practicable Date, K-REIT's average cost of borrowings was 2.59% per annum and approximately 68.0% of K-REIT's borrowings are on a fixed rate basis or has been hedged to fixed rates, with the remaining borrowings on a floating rate basis.

INFORMATION RELATING TO THE ACQUISITION, THE EXISTING PROPERTIES AND THE ENLARGED PORTFOLIO

THE ACQUISITION

The Manager has obtained the approval of Unitholders at the EGM in respect of, among others, the Acquisition. The Manager intends to utilise the net proceeds of the Rights Issue to partially fund the Acquisition and associated costs.

Description of the Property

Ocean Financial Centre is a landmark 43-storey premium Grade A office development located at the Raffles Place and Marina Bay precincts in the heart of Singapore's central business district ("**CBD**"). It is currently one of the largest and newest premium office buildings in the CBD. Designed by world-renowned architectural firm Pelli Clarke Pelli, Ocean Financial Centre is connected to the Raffles Place MRT interchange station and is highly accessible.

The Property provides a view of the Marina Bay area, and is in close proximity to the Marina Bay Sands integrated resort, One Fullerton, The Esplanade — Theatres on the Bay, and other lifestyle and entertainment amenities in the downtown area.

The Property will comprise an office tower with a car park and retail podium when completed. OFC Phase 1 received its temporary occupation permits on 14 March 2011 and 29 April 2011. It comprises approximately 81,471.0 sqm of net lettable area ("**NLA**"). As at 15 September 2011, 79.6% of the total NLA has been pre-committed by tenants. Some of the key office tenants at Ocean Financial Centre include established corporations such as the Australia and New Zealand Banking Group, BNP Paribas, Drew & Napier LLC, Stamford Law Corporation, The Executive Centre and Verizon Communications.

OFC Phase 2 is targeted for completion by end-2012. The car park podium will comprise a total of 222 car park lots. There will be retail space on the ground and basement levels comprising approximately 744.2 sqm of NLA as well as direct underground pedestrian access to the Raffles Place MRT interchange station.

The Property is situated on a site with a 999-year leasehold title that commenced from 22 June 1862 and approximately 90 sqm of the basement area (with direct underground pedestrian access to the Raffles Place MRT interchange station) is situated on a site with a 99-year leasehold title that commenced from 13 June 2001. K-REIT intends to acquire approximately 87.51% of the issued share capital of OPPL for a period of 99 years from the Completion Date in connection with the Acquisition.

OPPL and One Raffles Quay Pte Ltd ("**ORQPL**") had entered into a sale and purchase agreement dated 25 February 2011 pursuant to which OPPL will acquire the residue of ORQPL's interest in respect of the approximately 90 sqm basement area under the State lease. Pending completion of the sale and purchase, the basement area is currently licensed to OPPL under a licence and agreement to sell dated 25 February 2011.

The Property holds the distinction of being the first office development in Singapore to be awarded the Platinum Green Mark Award by the Building and Construction Authority. The Property was also awarded the Solar Pioneer Award, Platinum Level LEED award and Best Green Development (Future) Award at the 2009 Cityscape Asia Real Estate Awards for its environmentally sustainable features. The Property has an energy-efficient hybrid chilled air-conditioning system as well as an innovative paper recycling system for all offices.

The Property is also one of the first commercial buildings to benefit from having additional gross floor area of 1,776.8 sqm for its lighting initiative and approximately 1,847.4 sqm for its art initiative under the Urban Redevelopment Authority's lighting and art incentive schemes. These schemes incentivise owners of buildings in the CBD to incorporate art and artistic lighting in the planning and design of their buildings.

The table below sets out a summary of selected information on the Property:

Site Area	Approximately 6,109.0 sqm
NLA	Approximately 82,215.2 sqm
Committed Occupancy	Approximately 79.6% as at 15 September 2011
Number of Tenants	23 as at 15 September 2011
Valuation(1)	S$2,054.0 million (Savills) as at 15 September 2011 S$2,050.0 million (Knight Frank) as at 15 September 2011

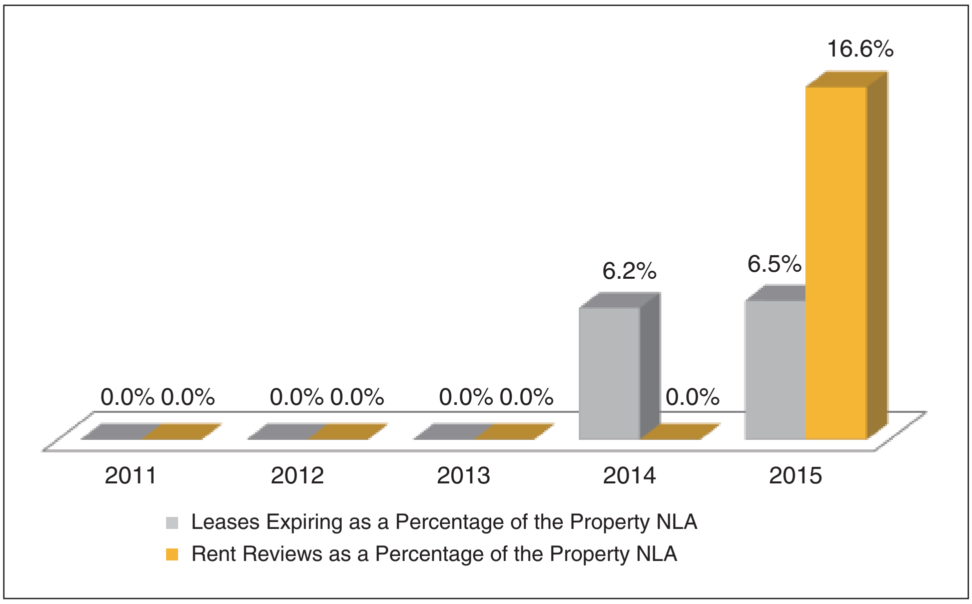
Note:

(1) The valuations by Savills and Knight Frank both take into account the Rental Support to be provided by the Vendor as well as the 99-year ownership by the Trustee.

See Appendix D of this Offer Information Statement for the summary of the valuation certificates issued by each of the Independent Valuers in relation to the Property.

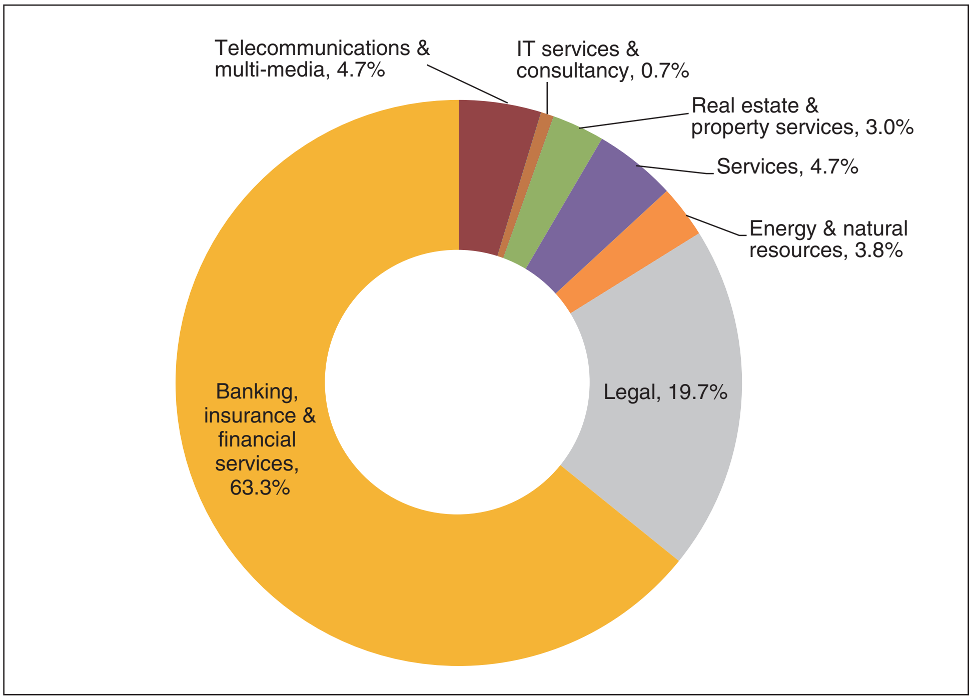
Lease Expiry and Rent Review Profiles of the Property as at 30 September 2011

The graph below illustrates the lease expiry and rent review profiles of the Property by NLA.



Business Sector Analysis for the Property as at 30 September 2011

The chart below provides a breakdown by NLA of the different business sectors represented in the Property.



Details of the SPA

On 17 October 2011, the Trustee entered into the SPA to acquire approximately 87.51% of the issued share capital of OPPL for a period of 99 years from the Completion Date with the Vendor and the Guarantor. OPPL owns the Property. The obligations of the Vendor to the Trustee under the SPA are guaranteed by the Guarantor.

The SPA includes, among others, the following conditions precedent:

(a) there being no material damage or compulsory acquisition of the whole or any part of the Property on or before the Completion Date, and

(b) the Management and Underwriting Agreement not being terminated by the Joint Managers and Underwriters for *force majeure* or the occurrence of market disruption events equivalent to *force majeure*.

The Completion Date is expected to be no later than 31 December 2011, subject to fulfilment of the conditions precedent under the SPA.

The principal terms of the SPA include, among others, the following:

Terms of the Rental Support

As the Property is a recently completed development, the Vendor will provide Rental Support to K-REIT for a period from the Completion Date to 31 December 2016 for vacant spaces, fitting-out periods where rents and maintenance charges will not be received, as well as for leases which are at lower-than-market rental rates as these leases were contracted during the recovery phase of the global financial crisis. These leases are expected to be revised to prevailing market rates when they expire or at the next rent review dates.

Pursuant to the foregoing, in the event the Actual OFC Net Property Income (as defined below) of the First Period (as defined below) and each Quarterly Period (as defined below), whichever is applicable, falls below the relevant Guaranteed Income Amount (as defined below) applicable, the Vendor will pay to the Trustee an amount equivalent to the Vendor's Shareholding Proportion (as defined herein) of the difference between the Guaranteed Income Amount and the Actual OFC Net Property Income for that First Period or Quarterly Period, together with any goods and services tax and any income tax payable (together, the "**Top-Up Payment**"), provided that the aggregate of all Top-Up Payments shall not in any event exceed S$170.0 million.

Period	**Guaranteed Income Amount**
First Period (commencing from Completion Date and ending on 31 December 2011)	S$10,179,625
Each Quarterly Period in each calendar year ending on 31 March, 30 June, 30 September and 31 December for the period commencing from year 2012 till year 2016	S$30,538,874

"**Actual OFC Net Property Income**" means all income accruing or resulting from the operation of the Property in accordance to the SPA less all costs and expenses incurred in the maintenance, management and operation of the Property in accordance with the SPA for the First Period or the Quarterly Period (as the case may be).

The Top-Up Payments (excluding goods and services tax) expected to be received by K-REIT for the First Period and for the Forecast Year 2012 are S$6.8 million and S$67.2 million respectively.

In arriving at the Top-Up Payments, the Manager has assumed that the vacant office spaces would be progressively leased from the occupancy of approximately 79.6% as at 15 September 2011 and is expected to achieve full occupancy by mid-2013. The projected OFC Net Property Income levels for the First Period and the Forecast Year 2012 are S$3,772,426 and S$58,408,020 respectively. The Manager has also assumed there is no income from the retail space under OFC Phase 2 for the financial year ending 31 December 2011 and the Forecast Year 2012 as OFC Phase 2 is targeted for completion by end-2012.

The Actual OFC Net Property Income together with the Top-Up Payments (excluding goods and services tax) translates to an income level which is within the market range of comparable properties that both the Independent Market Consultant and the Independent Valuers have stated in their respective reports.

The Rental Support is fully guaranteed by the Guarantor, a wholly-owned subsidiary of KLL, which has an NTA of S$202.5 million as at 31 December 2010.

The board of Directors of the Manager is of the view that the provision of the Rental Support is beneficial to K-REIT as it will provide income stability for a period from the Completion Date to 31 December 2016.

Project Development Costs

The Vendor agrees that the Acquisition is made on the basis that it shall bear in the Vendor's Shareholding Proportion of all costs (including legal costs), expenses, charges and amounts incurred and payable by OPPL for the purpose of or in connection with the development and completion of OFC Phase 1 and OFC Phase 2 as set out under the terms of the SPA.

Option Deed

The Acquisition is based on K-REIT acquiring a 99-year interest of approximately 87.51% equity interest in OPPL. On Completion Date, the Trustee shall by executing the Option Deed, grant to the Option Holder the Call Option, pursuant to which the Option Holder shall have the right to acquire the Option Interest for S$1.00, such option to be exercisable only after the Relevant Period. Any stamp duty payable upon such exercise of the Call Option which is prescribed under the applicable law as payable by the Option Holder, as transferee, shall be borne by the Option Holder.

The transaction is structured in this manner to reflect the consideration for the Acquisition which is premised on OPPL holding the Property with only a 99-year lease term and not a 999-year lease term.

The principal terms of the Option Deed include, among others, the following:

(a) the Trustee undertaking to and with the Option Holder that, throughout the period commencing on the Completion Date until the completion of the Option Holder's exercise of the Call Option, the Trustee:

   (i) shall not, without the prior written consent of the Option Holder (such consent not to be unreasonably withheld), create or allow to be created any encumbrance over, all or any part of the Option Interest;

   (ii) shall not sell, transfer or otherwise dispose of the legal or beneficial interest in all or any part of the Option Interest to any person unless the Option Holder's right of first refusal conferred under the Option Deed has lapsed and the Trustee agrees to procure that the new transferee executes a novation deed under which such transferee agrees to be bound by the Option Deed as if an original party to the Option Deed in place of the Trustee;

   (iii) shall procure that OPPL or OPLLP (as defined herein) (as the case may be) shall not sell, transfer or dispose of all or any part of its interest in the Property, directly or indirectly unless with the prior written consent of the Option Holder;

   (iv) shall procure that the aggregate financial indebtedness of OPPL or OPLLP (as the case may be) shall not at any time exceed 60.0% of the value of the Property, and the aggregate financial indebtedness which is secured by the Property shall not at any time exceed 60.0% of the value of the Property; and

   (v) shall incorporate the provisions of sub-paragraphs (ii) to (iv) above into the provisions of the Limited Liability Partnership Agreement, and any amendments to such provisions shall be subject to the prior written consent of the Option Holder;

(b) in the event that the Trustee desires to transfer the Option Interest:

   (i) the Trustee shall give to the Option Holder notice in writing of such desire, which notice shall specify (A) the price fixed by the Trustee for the sale of the Option Interest, (B) the other prescribed terms and conditions of such sale (if any) and (C) the identity of the person to whom the Trustee proposes to transfer the Option Interest. The transfer notice shall constitute an offer by the Trustee for the sale of the Option Interest to the Option Holder at the price fixed by the Trustee and on the prescribed terms (if any) (the "**Trustee's Offer**"), and shall not be revocable;

   (ii) if the Option Holder gives notice accepting the Trustee's Offer within 30 days after the Option Holder's receipt of the transfer notice (the "**Offer Period**"), the Trustee shall be bound to transfer the Option Interest to the Option Holder at the time and place specified in the acceptance notice by the delivery of such documents as the Option Holder may require for the purpose of transferring the Option Interest in favour of the Option Holder (or as it may direct), provided that completion of such transfer shall be conditional upon all relevant regulatory approvals as well as KLL's shareholders' and/or Unitholders' approvals which may then be required in respect of such transfer having been obtained; and

(iii) if the Option Holder does not accept the Trustee's Offer within the Offer Period or completion in respect of the Trustee's Offer does not take place within 120 days after the date of the acceptance notice, during the six months following the expiry of the Offer Period, the Trustee shall be entitled to sell all (and not some only) of the Option Interest to the buyer or AIPL and no other party at any price (not being less than the price fixed by the Trustee) and on terms not more favourable to the buyer or AIPL than the prescribed terms (if any);

(c) if any of certain specified event, which include, among others:

(i) a breach of any provision of the Option Deed;

(ii) K-REIT, OPPL or OPLLP (as the case may be) being insolvent or unable to pay its debts when they fall due, or stopping payment on any of its debts;

(iii) any step is taken by a person (other than the Option Holder or its related corporations) with more than 50.0% voting rights in K-REIT, or OPPL or OPLLP (as the case may be) with a view to winding up K-REIT, OPPL or OPLLP (as the case may be); or

(iv) a resolution being passed by the Unitholders (other than the Option Holder or its related corporations) which has the effect to terminate K-REIT,

occurs anytime during the 99 years after the Completion Date, the Option Holder shall have the right to procure OPPL or OPLLP (as the case may be) to take the necessary steps to carve out and grant the Reversionary Interest to the SPV and in this case, OPPL or OPLLP (as the case may be) will still retain the title over the Property for the remainder of the Relevant Period. Pending the grant and registration of the Reversionary Interest, the Option Holder may exercise the Call Option and require the transfer of the Option Interest to it, whereupon the Option Holder shall procure OPPL or OPLLP (as the case may be) to create the Reversionary Interest.

Any stamp duty payable for the grant of the Reversionary Interest, which is prescribed under the applicable law as payable by the SPV, as transferee, shall be borne by the SPV and any stamp duty payable for the transfer of the Option Interest, which is prescribed under the applicable law as payable by the Option Holder, as transferee of the Option Interest, shall be borne by the Option Holder.

If the Reversionary Interest is created within the Specified Period, the Option Interest shall be re-transferred to K-REIT. Any stamp duty payable for this re-transfer of the interest of the remainder of the Relevant Period, which is prescribed under the applicable law as payable by the transferee, shall be borne by K-REIT. If the Reversionary Interest is not created within the Specified Period, the Option Interest shall not be re-transferred to K-REIT and, the Option Holder shall (within 15 business days after the expiry of the Specified Period) pay to K-REIT the net tangible asset value of the Option Interest as at the date of expiry of the Specified Period but with adjustments for (i) a market valuation (based on the average of two valuations, each determined by an internationally recognised property valuer firm commissioned by K-REIT and the Option Holder respectively) of the Property as if OPPL or OPLLP (as the case may be) has a lease for the remainder of the Relevant Period and (ii) any cash distributions made by OPPL or OPLLP (as the case may be) to its members after the occurrence of a specified event. There are no intangible assets at the OPPL or OPLLP (as the case may be) level.

Other costs (other than stamp duty which is prescribed under the applicable law as payable by the transferee) upon the occurrence of the specified event shall be borne by K-REIT (or its successor-in-title if it is insolvent or terminated); and

(d) in the event that any notification, proposal, scheme or order for the compulsory acquisition of the whole or any part of the Property by the Government of Singapore occurs while the Option Deed is still subsisting and in force, any compensation received from the relevant authorities would be apportioned between the Trustee and the Option Holder in accordance with the terms of the Option Deed.

    The Trustee shall pay, or procure the payment, to the Option Holder, an amount determined by an agreed mathematical formula, which is based on the Option Holder's Shareholding Proportion and the average of two valuations (each determined by an approved valuer commissioned by the Option Holder and the Trustee respectively) of (i) the market value of the Property as at the date of notice of the compulsory acquisition as if the Property had a leasehold title commencing from the date of the notice of the compulsory acquisition to the remaining term of the Relevant Period and (ii) the market value of the Property as at the date of notice of the compulsory acquisition taking into account the entire remaining term of the leasehold title under the State lease.

Project Management Agreement

OPPL had entered into a Project Management Agreement with the Project Manager. The fees payable to the Project Manager will be included in the project development costs and borne by the Vendor for the Vendor's Shareholding Proportion in accordance with the SPA.

Conversion

The Trustee and AIPL have agreed, post-Completion Date, that OPPL shall apply to the Accounting and Corporate Regulatory Authority of Singapore to convert itself into a LLP pursuant to the Limited Liability Partnerships Act, Chapter 163A of Singapore, with the name "Ocean Properties LLP". The partners of OPLLP shall consist of the Trustee and AIPL, and any person or persons to whom the Trustee or AIPL may properly transfer their interest in OPLLP pursuant to the provisions of the Limited Liability Partnership Agreement, to be executed post-Completion Date. The percentage interest of the Trustee and AIPL in OPLLP as at the date of entering into the Limited Liability Partnership Agreement shall be approximately 87.51% and 12.49% respectively. The principal activity of OPLLP shall be that of property investment. The terms of the Limited Liability Partnership Agreement would include the principal terms as set out in sub-paragraphs (a)(ii) to (iv) above under the section titled "— Details of the SPA — Option Deed" and will govern the relationship between the Trustee and AIPL in the LLP.

The IRAS has issued an advance tax ruling to the Manager to confirm that:

(a) the Conversion will not result in an income tax liability for OPPL with respect to the transfer and vesting of the Property in OPLLP;

(b) an election under Section 24 of the Income Tax Act can be made for qualifying plant and machinery that OPPL will transfer to and vest in OPLLP as a result of the Conversion; and

(c) K-REIT, being a REIT as defined in the Income Tax Act, will be entitled to tax transparency treatment under Section 43(2) and Section 43(2A) of the Income Tax Act on its share in the taxable income of OPLLP.

It was announced in the Singapore Budget 2011 that stamp duty relief would be given for transfer of chargeable assets pursuant to the conversion of an existing company to a limited liability partnership on or after 19 February 2011, subject to conditions. In this respect, the Manager has obtained confirmation from the Commissioner of Stamp Duties on 11 November 2011 that the notice of registration upon conversion of OPPL to OPLLP may be given in-principle approval for Section 74 remission under the Stamp Duties Act, Chapter 312 of Singapore (the "**Stamp Duties Act**").

Total Acquisition Cost

The Purchase Consideration for the approximate 87.51% equity interest in OPPL is based on the Adjusted NTA as at the Completion Date. As at 31 July 2011[7], the estimated Purchase Consideration is S$1,571.3 million, which is derived from:

(a) S$2,013.1 million, being the Agreed Value; less

(b) approximately S$441.8 million, being the adjustments for the approximate 87.51% share of OPPL's borrowings (S$333.2 million), accruals (S$30.3 million) and estimated total development costs (S$78.3 million) for the completion of OFC Phase 2 as at 31 July 2011.

The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and is payable wholly in cash on the Completion Date. The actual amount of the Purchase Consideration will be determined on the Completion Date.

The Purchase Consideration has been agreed on the basis of an interest in OPPL for a period of 99 years. Any extension of K-REIT's interest beyond the 99-year period will be separately negotiated between the Manager and the Vendor at the appropriate time on an arm's length basis.

The Total Acquisition Cost comprises:

(a) the estimated Purchase Consideration of approximately S$1,571.3 million, which is based on the Agreed Value and after adjustments to arrive at the Adjusted NTA as at 31 July 2011;

(b) the estimated stamp duty, professional fees and other fees and expenses of approximately S$7.6 million incurred and to be incurred by K-REIT in connection with the Acquisition; and

(c) the Acquisition Fee, which amounts to approximately S$20.1 million, payable fully in Units.

As the Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be payable fully in the form of Units to the Manager, which shall not be sold within one year from the date of issuance.

Property Management Agreement

The Property will be managed by the Property Manager. The Property Manager shall be responsible for providing the following services under the Property Management Agreement:

(a) property management and maintenance;

(b) lease administration;

(c) marketing and leasing;

(d) accounting and administration; and

(e) budget preparation.

In consideration of the due performance by the Property Manager of the aforesaid services, OPPL shall pay to the Property Manager:

(i) a management fee equal to 3.0% of the property income from the Property;

[7] The date of the illustrative *pro forma* balance sheet of OPPL as set out in the SPA.

(ii) in relation to each lease entered into by a tenant, a leasing commission equivalent to:

(A) one month's Gross Rent for securing a lease of two years or more; or

(B) one-half month's Gross Rent for securing a lease of less than two years but at least a year; or

(C) a proportionate part of one-half month's Gross Rent, for securing a lease of less than a year.

(iii) in relation to the renewal of each lease, a leasing commission equivalent to:

(A) one-quarter month's Gross Rent for securing a renewal of lease of a year or more; or

(B) a proportionate part of one-quarter month's Gross Rent for securing a renewal of a lease of less than a year.

The Property Manager is currently the property manager of Bugis Junction Towers and the Prudential Tower Property. The fee structure payable by OPPL for the property management of the Property is similar to the fee structure for the property management of Bugis Junction Towers and the Prudential Tower Property and is comparable to the current management fees to the property manager for K-REIT's other properties in Singapore.

Rationale and Benefits for the Acquisition

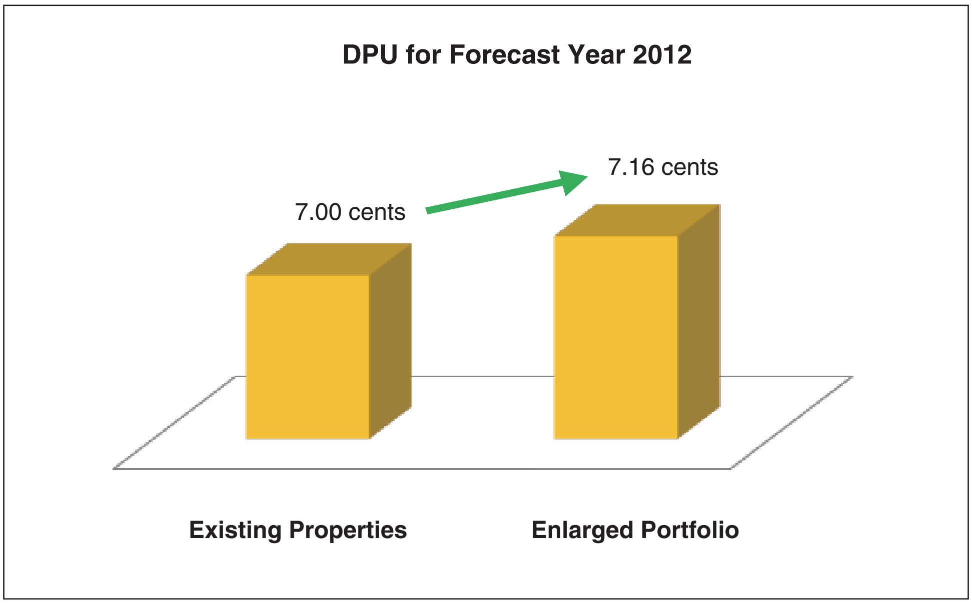
The Manager believes that the Acquisition will bring, among others, the following benefits to Unitholders:

(a) The Acquisition is consistent with K-REIT's investment and growth strategy

The principal investment strategy of K-REIT is to invest in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia. The Manager adopts a pro-active acquisition, portfolio optimisation and renewal strategy to constantly improve the portfolio's asset quality and maintain its market competitiveness. The Acquisition will allow K-REIT to benefit from a resilient cash flow generated from a premium Grade A office building with quality specifications. Post-Acquisition, K-REIT's income will be generated from eight premium Grade A and Grade A commercial properties within the CBDs of Singapore, Brisbane and Sydney. In this respect, the Manager believes the Acquisition will enhance K-REIT's overall portfolio quality and market competitiveness.

(b) Enhance portfolio distribution to Unitholders

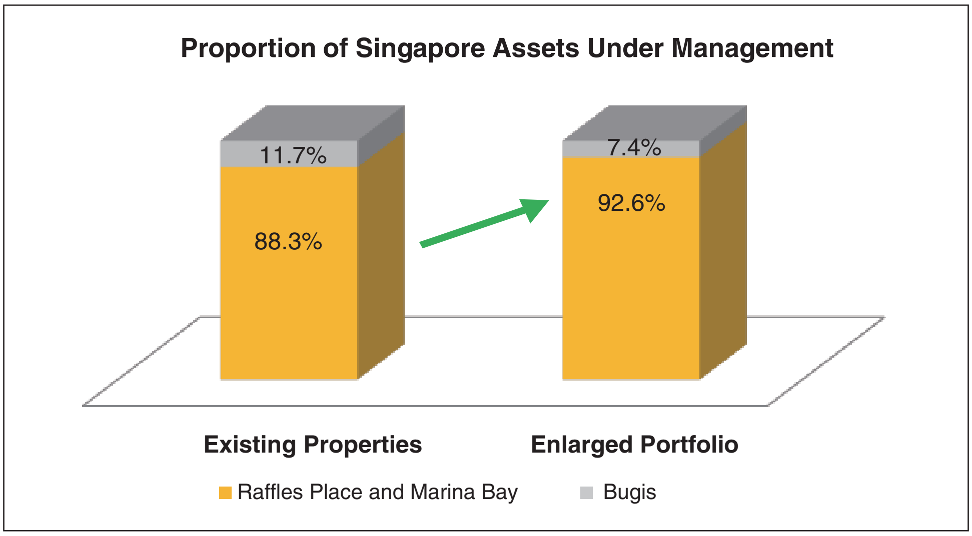
Based on the assumptions set out in Appendix B of this Offer Information Statement, the Acquisition is expected to be accretive to K-REIT's DPU. Unitholders will enjoy a higher forecast DPU of 7.16 cents for the Forecast Year 2012 after adjusting for the Rights Issue and the Acquisition, which is approximately 2.3% higher than the forecast DPU of 7.00 cents for the Forecast Year 2012 before adjusting for the Rights Issue and the Acquisition, based on K-REIT's existing property portfolio.



(c) **Enhance portfolio quality and strengthen branding in the Raffles Place and Marina Bay precincts**

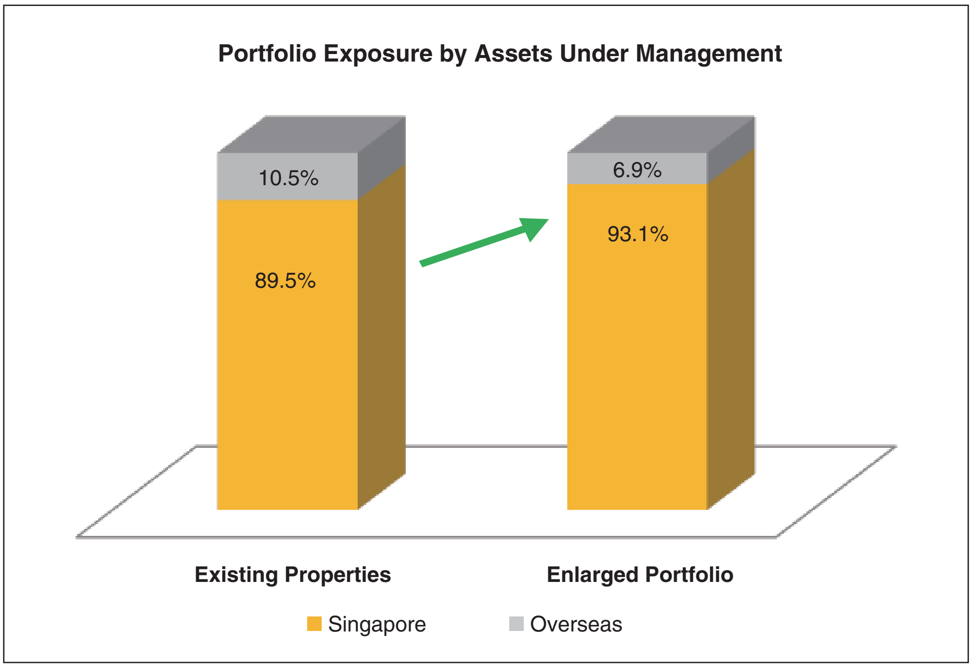
The Acquisition will allow K-REIT to own one of Singapore's newest and largest premium office assets situated at the intersection of Raffles Place and the new downtown at Marina Bay. In recent years, the Raffles Place and Marina Bay precincts have become the epicentre of prime commercial real estate in Singapore as newer and higher quality office buildings have been completed or are slated to be completed in these areas.

Together with the MBFC Interest, the ORQ Interest and the Prudential Tower Property, the Acquisition will strengthen K-REIT's branding as a key landlord with premium office assets in the Raffles Place and Marina Bay precincts. Post-Acquisition, the proportion of K-REIT's portfolio of properties in Singapore located in the Raffles Place and Marina Bay precincts is expected to increase from 88.3% to 92.6% based on the assets under management.



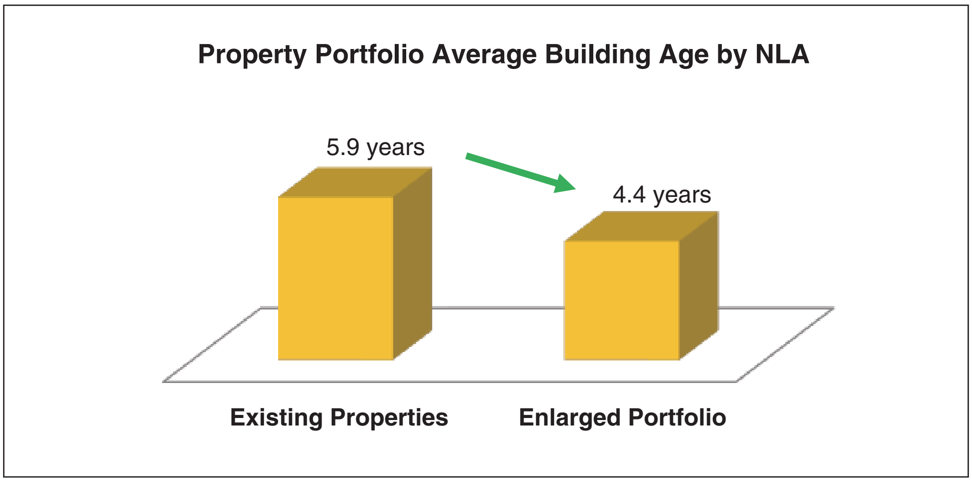
(d) **Increase exposure to Singapore office market**

The Acquisition will provide Unitholders with increased exposure to the Singapore office market. Post-Completion Date, the proportion of K-REIT's Singapore property portfolio to its entire property portfolio is expected to increase from 89.5% to 93.1% based on its assets under management. According to the Independent Market Consultant, the Singapore office market is expected to be relatively resilient.



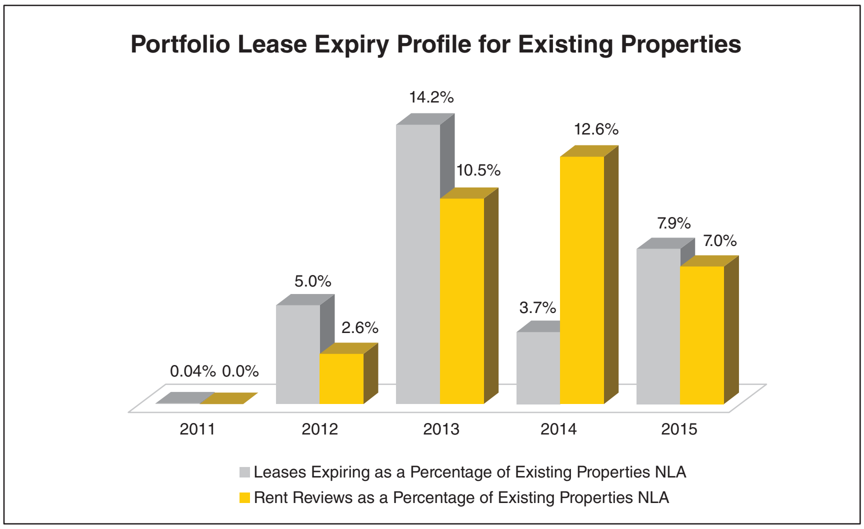
(e) **Reduce average age of K-REIT's property portfolio**

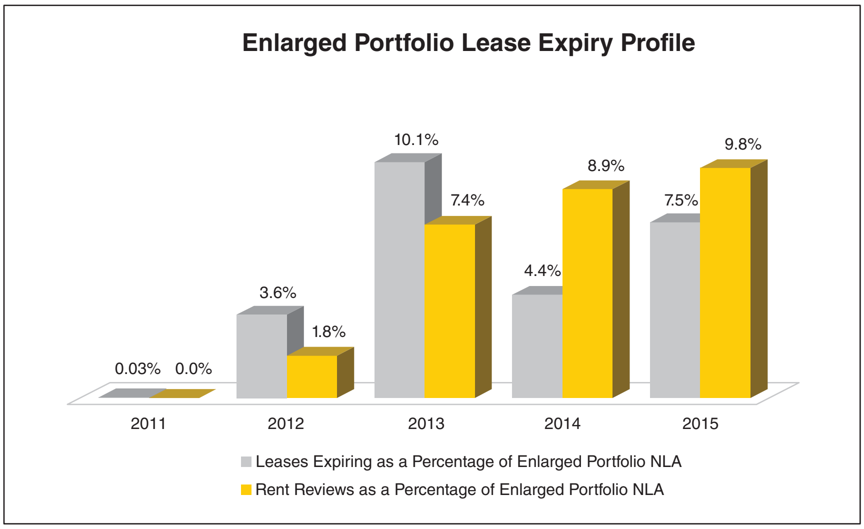
In line with maintaining K-REIT's competitiveness as a key office landlord in Singapore's CBD, the Acquisition is expected to enhance K-REIT's property portfolio by reducing the average age of the properties in the portfolio from 5.9 years to 4.4 years.



(f) Improve K-REIT's lease profile

With the Acquisition, K-REIT's lease profile is well-staggered, with not more than 11.0% of the Enlarged Portfolio by NLA expiring in any one year over the next five years.





The percentage of NLA committed to long-term leases of five years or more will increase from 61.3% to 64.7%. This is expected to enhance K-REIT's cash flow resilience.

In addition, due to the long leases committed in the Property, the Enlarged Portfolio will have a long weighted average lease expiry (the "**WALE**") of approximately 7.0 years, which is longer than typical office leases in Singapore which vary between three to five years.

The WALE of the Enlarged Portfolio's top ten tenants will be approximately 8.3 years, which is also longer than typical market leases of three to five years.

(g) Enhance tenant base with established organisations

K-REIT's portfolio of quality tenants will be enhanced with established corporations which have taken up tenancies at the Property, including the Australia and New Zealand Banking Group, BNP Paribas, Drew & Napier LLC, Stamford Law Corporation, The Executive Centre and Verizon Communications. This will add to K-REIT's existing portfolio of established organisations which include financial institutions and multinational corporations.

(h) Manage K-REIT's aggregate leverage

With proceeds from the Rights Issue and debt borrowings, K-REIT will be able to acquire the Property while maintaining a healthy balance sheet at an appropriate aggregate leverage ratio at the portfolio level.

In accordance with the terms of the SPA, the Vendor will be liable for its share of all project development costs required for the Property to obtain the CSC and K-REIT will not be required to incur any further project development costs. K-REIT's aggregate leverage ratio after the Completion Date will be approximately 41.6%.

The Manager believes that maintaining K-REIT's aggregate leverage at this level is appropriate under the current market conditions.

Method of Financing

The Manager intends to fund the Acquisition from a combination of:

(a) net proceeds of approximately S$980.9 million from the issue of 1,159,694,000 Rights Units on an underwritten and renounceable basis to Eligible Unitholders based on the Rights Ratio, fractional entitlements to be disregarded, at the Rights Issue Price, and

(b) Debt Financing of approximately S$600.7 million.

EXISTING PROPERTIES

The table below sets out selected information about the Existing Properties as at 30 September 2011.

	Bugis Junction Towers	MBFC Interest	ORQ Interest	Prudential Tower Property	275 George Street Property	77 King Street Property	8 Chifley Square Interest(3)
Attributable NLA (sqm)	22,876	54,089	41,353	20,744	20,874	13,752	9,555
Ownership interest (%)	100.0	33.3	33.3	92.8	50.0	100.0	50.0
Number of tenants	11	80	29	35	9	16	Not Applicable
Title	Leasehold estate of 99 years expiring on 9 September 2089	Leasehold estate of 99 years expiring on 10 October 2104	Leasehold estate of 99 years expiring on 12 June 2100	Leasehold estate of 99 years expiring on 14 January 2095	Freehold	Freehold	Leasehold estate of 99 years expiring on 5 April 2105
Valuation (S$ million)	410.5(1)	1,513.0(1)	1,099.0(1)	477.4(1)	225.9(1),(2)	148.1(1),(2)	194.5(2),(4)
Committed Occupancy (%)	100.0	98.5	100.0	94.1	100.0	88.0	Not Applicable

Notes:

(1) Valuation as at 1 October 2011 based on K-REIT's interest in the respective properties.

(2) Based on exchange rate of A$1.00 = S$1.255 used for the valuation of 275 George Street Property, 77 King Street Property and 8 Chifley Square Interest.

(3) The 8 Chifley Square Interest was acquired on 28 July 2011. The 8 Chifley Square Property is currently under construction and is expected to be completed in the third quarter of 2013.

(4) Valuation as at 12 July 2011 based on completed basis.

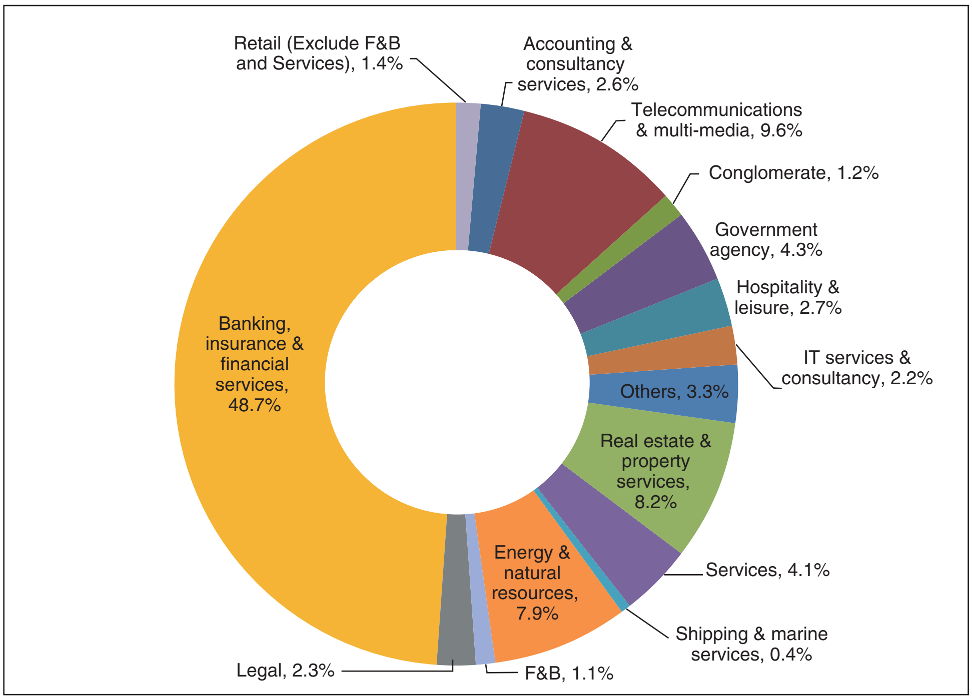
Lease Profile for the Existing Properties as at 30 September 2011

The graph below illustrates the portfolio lease profile of the Existing Properties by NLA.

Note: The lease profile for the Existing Properties excludes the 8 Chifley Square Property which is currently under construction.

Business Sector Analysis for Existing Properties as at 30 September 2011

The chart below provides a breakdown by NLA of the different business sectors represented in the Existing Properties.



Note: The business sector analysis for the Existing Properties excludes the 8 Chifley Square Property which is currently under construction.

Top Ten Tenants for the Existing Properties as at 30 September 2011

The table below sets out the selected information about the top ten tenants of the Existing Properties by NLA.

Property	Top Ten Tenants	Percentage of Leased NLA
Bugis Junction Towers	International Enterprise Singapore	53.2%
Bugis Junction Towers	Keppel Land International Limited	
MBFC Interest	Barclays Capital Service Limited Singapore Branch	
MBFC Interest	BHP Billiton Marketing Asia Pte Ltd	
MBFC Interest	Standard Chartered Bank	
ORQ Interest	The Royal Bank of Scotland N.V.	
ORQ Interest	Deutsche Bank Aktiengesellschaft	
ORQ Interest	UBS AG	
275 George Street Property	Queensland Gas Company Limited	
275 George Street Property	Telstra Corporation Limited	

ENLARGED PORTFOLIO

The table below sets out selected information on the Enlarged Portfolio as at 30 September 2011 (unless otherwise indicated).

	Existing Properties	OFC Interest	Enlarged Portfolio
Attributable NLA (sqm)	173,688[(2)]	71,945	245,633[(2)]
Number of Tenants[(1)]	175[(2)]	23[(5)]	196[(2)]
Valuation (S$ million)	3,909.5[(3),(4)]	2,013.1 (based on Agreed Value)	5,922.6[(3),(4)]
Committed Occupancy (%)	97.9[(2)]	79.6[(5)]	92.5[(2)]

Notes:

(1) Tenants located in more than one Property are accounted once when computing the total number of tenants.

(2) Excludes the 8 Chifley Square Property which is under construction.

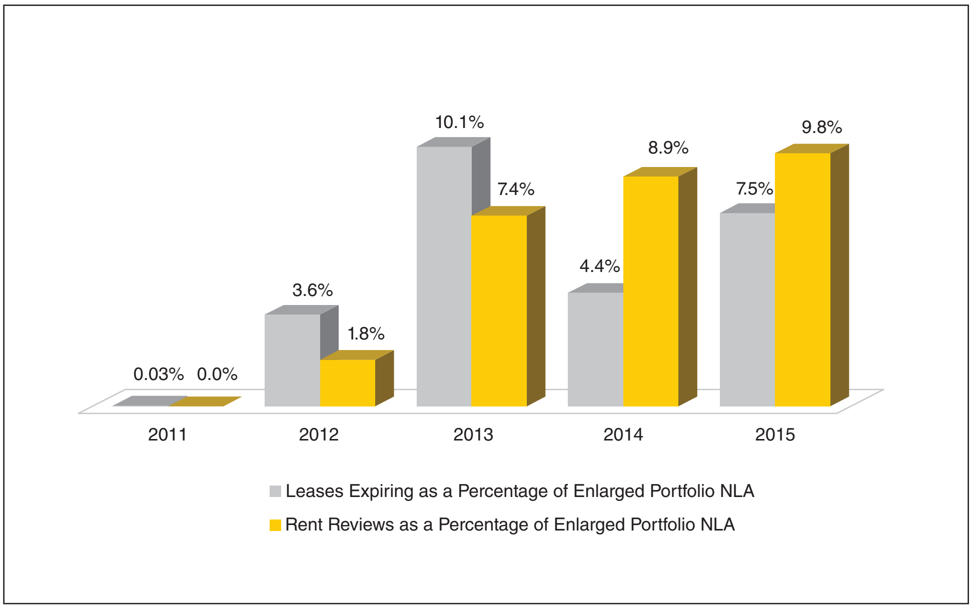
(3) The Valuation is based on K-REIT's interest in the respective properties as at 1 October 2011 except for the 8 Chifley Square Interest, which is accounted for based on K-REIT's investment costs in M8CT and OFC Interest, which is based on the Agreed Value.

(4) Based on exchange rate of A$1.00 = S$1.255 used for the valuation of 275 George Street Property, 77 King Street Property and 8 Chifley Square Interest.

(5) As at 15 September 2011.

Lease Profile for the Enlarged Portfolio as at 30 September 2011

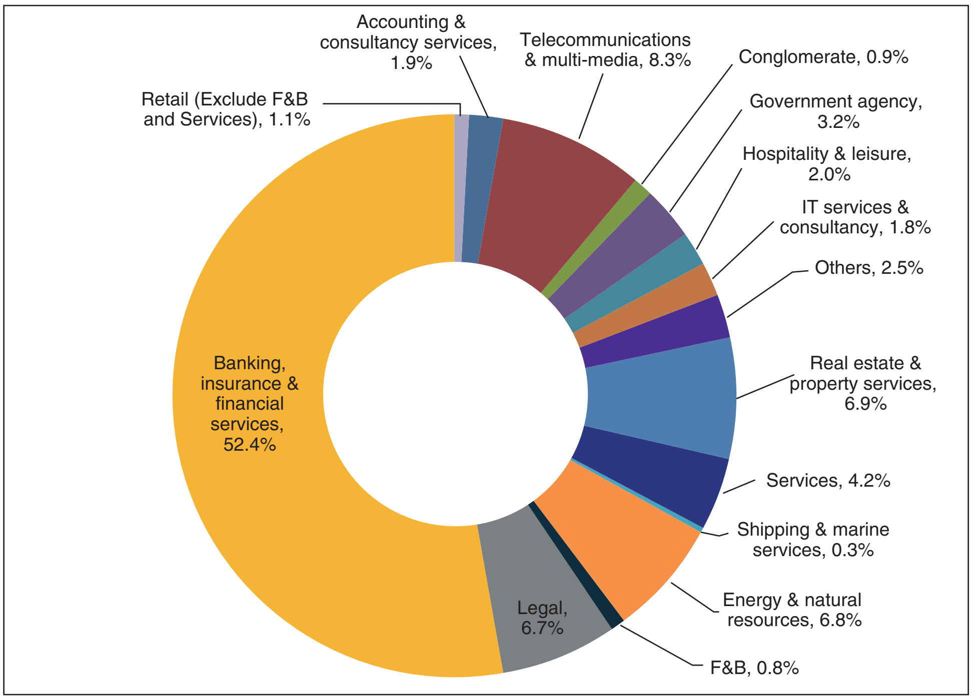
The graph below illustrates the lease profile of the Enlarged Portfolio by NLA.



Note: The lease profile for the Enlarged Portfolio excludes 8 Chifley Square Property which is currently under construction.

Business Sector Analysis for Enlarged Portfolio as at 30 September 2011

The chart below provides a breakdown by NLA of the different business sectors represented in the Enlarged Portfolio.



Note: The business sector analysis for the Enlarged Portfolio excludes the 8 Chifley Square Property which is currently under construction.

Top Ten Tenants for the Enlarged Portfolio as at 30 September 2011

The table below sets out the selected information about the top ten tenants of the Enlarged Portfolio by NLA.

Property	Top Ten Tenants	Percentage of Leased NLA
Bugis Junction Towers	International Enterprise Singapore	46.2%
MBFC Interest	Barclays Capital Service Limited Singapore Branch	
MBFC Interest	BHP Billiton Marketing Asia Pte Ltd	
MBFC Interest	Standard Chartered Bank	
Ocean Financial Centre	Australia and New Zealand Banking Group Ltd	
Ocean Financial Centre	BNP Paribas	
Ocean Financial Centre	Drew & Napier LLC	
ORQ Interest	Deutsche Bank Aktiengesellschaft	
ORQ Interest	UBS AG	
275 George Street Property	Telstra Corporation Limited	

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Review

This section should be read together with the selected financial data from the Financial Statements which is set out in Appendix A of this Offer Information Statement. Such selected financial data should also be read together with the relevant notes to the Financial Statements, which are available on the website of K-REIT at www.kreitasia.com and are also available for inspection during normal business hours at the registered office of the Manager[8] at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, information contained in the website of K-REIT does not constitute part of this Offer Information Statement.

Statement of Total Return, Comprehensive Income and Distribution Statements

Selected financial data from the Financial Statements, including the line items in the statement of total return, comprehensive income and the distribution statement of K-REIT, is set out in Appendix A of this Offer Information Statement. Financial data relating to (a) DPU, (b) earnings per Unit and (c) earnings per Unit after any adjustment to reflect the issue of Rights Units is also set out in Appendix A of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements.

Balance Sheet and Cash Flow Statement

Selected financial data from the 2010 Audited Financial Statements and the 9M2011 Unaudited Financial Statements, including the line items in the balance sheet of K-REIT, among others, is set out in Appendix A of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements.

The *pro forma* financial effects of the Acquisition and the Rights Issue on the NAV per Unit as at 30 September 2011 presented in the following table are strictly for illustrative purposes and were prepared based on the 9M2011 Unaudited Financial Statements, as if the Acquisition and the Rights Issue were completed on 30 September 2011, and also takes into account the following assumptions:

(a) net proceeds of approximately S$980.9 million from the issue of 1,159,694,000 Rights Units in relation to the Rights Issue, adjusted for the issuance of Units in payment of management fees to the Manager on 28 October 2011;

(b) Debt Financing of approximately S$600.7 million taken to finance the Acquisition; and

(c) approximately S$20.1 million of Acquisition Fee, payable to the Manager fully in Units.

8 Prior appointment with the Manager will be appreciated.

	As at 30 September 2011	*Pro Forma* financial effects after the Acquisition and the Rights Issue
NAV (S$'000)	1,954,630(1)	2,955,682
Issued Units ('000)	1,361,615	2,541,340(2)
NAV per Unit (S$)	1.44	1.16

Notes:

(1) Adjusted for the distribution to be made for the period from 1 July 2011 to 30 September 2011.

(2) Includes (a) 1,159,694,000 Rights Units and (b) approximately 20,031,000 new Units (based on an issue price of S$1.005 per Unit, which is K-REIT's historical closing price on 30 September 2011) issuable as payment of the Acquisition Fee.

Liquidity and Capital Resources

Selected financial data from the 2010 Audited Financial Statements and the 9M2011 Unaudited Financial Statements is set out in Appendix A of this Offer Information Statement. Such selected financial data and information should be read together with the relevant notes to the Financial Statements.

Financial Year ended 31 December 2010

The cash balance of K-REIT decreased by S$525.7 million to S$49.9 million during the year. The decrease was due mainly to cash outflows from investing activities of S$868.1 million, partly offset by cash generated from operating activities of S$35.4 million and cash generated from financing activities of S$307.0 million.

The main cash inflows from financing activities were loans drawdown of S$993.5 million for the acquisition of MBFC Interest, partly offset by repayment of the revolving loan facility from Kephinance and the term loan facility from Blossom Assets Limited of S$581.1 million, distribution to the Unitholders of S$76.8 million and interest paid for borrowings of S$25.0 million. The main cash outflows from investing activities were the acquisitions of 275 George Street Property and 77 King Street Property of S$377.4 million, the acquisition of the MBFC Interest of S$1,380.2 million, partly offset by proceeds from divestment of Keppel Towers and GE Tower of S$570.5 million and partial loan repayment from ORQPL of S$300.0 million.

Interim Financial Period 2011: Period from 1 January 2011 to 30 September 2011

The cash balance of K-REIT was S$40.2 million as at 30 September 2011 as compared to S$73.7 million as at 30 September 2010.

The main cash inflows from financing activities were loans drawdown of S$161.0 million for the Prudential Tower 19.4% Interest Acquisition and the acquisition of 8 Chifley Square Interest, partly offset by distribution to Unitholders of S$96.5 million and interest paid on borrowings of S$14.9 million. The main cash outflows from investment activities were the Prudential Tower 19.4% Interest Acquisition and the investment in 8 Chifley Square Interest, totalling S$163.8 million. This was partly offset by the interest income, dividend income and rental support received of S$75.0 million.

FINANCIAL REVIEW: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial year ended 31 December 2008

On 8 May 2008, K-REIT completed the 2008 Rights Issue and issued 396.9 million Units to raise gross proceeds of approximately S$551.7 million.

For FY2008, K-REIT reported a DPU of 8.91 cents. K-REIT achieved a net property income of S$39.7 million, 40.3% higher than in FY2007. The improvement was due mainly to higher rental rates achieved for new and renewed leases. Net income increase of S$6.6 million, from S$12.7 million in FY2007 to S$19.3 million in FY2008, was due mainly to the contribution from the ORQ Interest. The contribution from the ORQ Interest was partly offset by additional borrowing costs incurred on the loan drawn down to finance the acquisition of the ORQ Interest and higher amounts of management fees paid to the Manager. As at 31 December 2008, the NAV per Unit was S$2.28.

Financial year ended 31 December 2009

On 2 November 2009, K-REIT completed the Prudential Tower 29.0% Interest Acquisition for a total acquisition cost of S$107.7 million. This was funded by a bridging loan from Kephinance. Upon completion, K-REIT's interest in Prudential Tower increased to approximately 73.4%.

On 20 November 2009, K-REIT completed the 2009 Rights Issue and issued approximately 666.7 million Units to raise gross proceeds of approximately S$620.0 million, of which approximately S$99.7 million was utilised to repay the bridging loan for the acquisition of the Prudential Tower 29.0% Interest Acquisition.

For FY2009, K-REIT reported a DPU of 5.28 cents after taking into account the effect of the rights issue completed on 20 November 2009. K-REIT achieved a net property income of S$48.9 million, 23.3% higher than in FY2008. The improvement was due mainly to higher rental rates achieved for new and renewed leases. Net income increase of S$8.3 million, from S$19.3 million in FY2008 to S$27.6 million in FY2009, was due mainly to higher net property income, partly offset by higher borrowing costs. As at 31 December 2009, the NAV per Unit was S$1.50.

Financial Year ended 31 December 2010

On 1 March 2010, K-REIT completed the acquisition of the 275 George Street Property for a total acquisition cost of S$222.8 million. This was funded by the proceeds raised from the 2009 Rights Issue.

On 15 December 2010, K-REIT completed the Asset Swap whereby K-REIT acquired the MBFC Interest for a total acquisition cost of S$1,380.2 million and divested Keppel Towers and GE Tower for S$570.5 million. The acquisition of MBFC Interest was funded by a combination of proceeds from the divestment of Keppel Towers and GE Tower, proceeds raised from the 2009 Rights Issue and debt financing.

On 21 December 2010, K-REIT completed the acquisition of the 77 King Street Property for a total acquisition cost of S$154.6 million. This was funded by a combination of proceeds raised from the 2009 Rights Issue and debt financing.

For FY2010, K-REIT reported a DPU of 6.37 cents. K-REIT achieved a net property income of S$67.3 million, 37.7% higher than in FY2009. The improvement was due mainly to contributions from the Prudential Tower 29.0% Interest Acquisition and the 275 George Street Property. A net income increase of S$27.1 million was due mainly to higher net property income, higher rental support, higher share of results from associated companies and lower borrowing costs, partly offset by higher trust expenses. As at 31 December 2010, the NAV per Unit was S$1.52.

Period from 1 January 2011 to 30 September 2011

On 3 May 2011, K-REIT completed the Prudential Tower 19.4% Interest Acquisition for a total acquisition cost of S$126.5 million, increasing its stake in Prudential Tower to approximately 92.8%. The acquisition was funded by debt.

On 28 July 2011, K-REIT completed the acquisition of 8 Chifley Square Interest with an aggregate consideration ranging from S$203.0 million to S$223.3 million. The 8 Chifley Square Property is currently under development and is scheduled for completion in the third quarter of 2013. The consideration is payable to the vendor over nine progressive payments. The acquisition is funded by debt.

On 17 October 2011, K-REIT announced the proposed Acquisition and Rights Issue. On 10 November 2011, the approvals for the Acquisition and Rights Issue were obtained at the EGM.

For 9M2011, K-REIT reported an annualised DPU of 7.59 cents. K-REIT achieved a total return before tax of S$51.4 million, 27.4% higher than the corresponding period in the previous year. The improvement was due mainly to higher contributions from associated companies, higher interest income and rental support, partly offset by lower net property income due to the divestment of Keppel Towers and GE Tower, higher amortisation expenses, borrowing costs and management fee expenses. As at 30 September 2011, the NAV per Unit was S$1.46.

BUSINESS PROSPECTS AND TREND INFORMATION

The Ministry of Trade and Industry, Singapore[9] ("**MTI**") estimates the Singapore economy to grow between 5.0% and 6.0% in 2011. According to Knight Frank[10], the average rentals for Grade A plus office space grew 2.0% quarter-on-quarter to S$13.49 per square foot per month. According to CB Richard Ellis[11] ("**CBRE**"), the average rentals for Grade A office space grew 4.3% quarter-on-quarter to S$11.06 per square foot per month in the third quarter of 2011. The slowing economy may affect sentiment, however, consolidations and "flight-to-quality" will remain the key trends in the commercial property sector.

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9 Source: Press releases titled "MTI Revises 2011 Growth Forecast to 5.0 to 6.0 Per Cent" dated 10 August 2011 and "MTI Revises 2011 Growth Forecast to 5.0 to 7.0 Per Cent" dated 19 May 2011 which are all available on the website of the MTI at www.mti.gov.sg. The MTI has not provided its consent, for purposes of Section 249 (read with Section 305B(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305B(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

10 Source: Press release titled "Interest towards upcoming decentralized commercial hubs" dated 25 October 2011 which is available on the website of Knight Frank at www.knightfrank.com. Knight Frank has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Knight Frank is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

11 Source: CBRE's report titled "MarketView, Singapore Q3 2011" which is available on the website of CBRE at www.cbre.com.sg. CBRE has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by CBRE is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Consistent with the policy to achieve sustainable growth and moderate inflation over time, the Reserve Bank of Australia[12] has on 1 November 2011, lowered the benchmark interest rate by 25 basis points to 4.5%. According to the Property Council of Australia[13], Grade A vacancy rates within the CBD of Brisbane has dropped to 4.1%, well below the national average of 7.3% for Grade A properties. According to CBRE[14], the average vacancy rate of CBD offices in Sydney is 9.3% and is expected to fall in the second half of 2011 till 2013 due to the tight supply.

According to the Independent Market Consultant, the Singapore office market is expected to be relatively resilient and there is more room for rental growth in the CBD in Singapore. Uncertain economic conditions in the U.S. and Europe and inflationary pressures have affected economic growth in many economies, including Singapore. In the event that global economic growth slows, Singapore's economy and the demand for office space may be impacted. The Independent Market Consultant noted that there have been some concerns that rental reversions in the office sector will be negative over the next few quarters. However, this is not expected to impact the rentals for premium offices, as the potential supply of premium offices is relatively limited and a large proportion of premium office space completing in 2012 has been pre-committed. In addition, majority of the new completions in 2013 are in non-CBD areas.

According to the Independent Market Consultant, the analyses do not take into account recent developments in the US and Europe, the impact of which were too early to establish, as at 10 August 2011. See "Independent Market Overview Report" in Appendix E of this Offer Information Statement for more information.

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12 Source: Media release titled "Statement by Glenn Stevens, Governor: Monetary Policy Decision" dated 1 November 2011, which is available on the website of the Reserve Bank of Australia at www.rba.gov.au. The Reserve Bank of Australia has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by The Reserve Bank of Australia is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

13 Source: Press release titled "Strong demand pushes Brisbane CBD, Fringe office vacancies down" dated 3 August 2011, which is available on the website of the Property Council of Australia at www.propertyoz.com.au. The Property Council of Australia has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by The Property Council of Australia is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information

14 Source: CBRE's report titled "MarketView Australian CBD Office Third Quarter 2011" which is available on the website of CBRE at www.cbre.com.au. CBRE has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by CBRE is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Looking ahead, K-REIT's high portfolio occupancy, long WALE, staggered lease profile as well as prudent capital position puts it in good stead for the future. The Manager remains focused on active asset management, retaining existing good tenants, attracting new creditworthy tenants and improving operational and capital efficiencies within its existing portfolio. It will continue to exercise prudent interest rate and foreign exchange hedging policies to mitigate financial risks. It will also selectively pursue opportunities for strategic acquisitions so as to deliver sustainable returns to Unitholders.

CERTAIN FORECAST FINANCIAL INFORMATION RELATING TO THE ACQUISITION AND THE RIGHTS ISSUE

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in Appendix B of this Offer Information Statement and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast. The following tables should be read together with K-REIT's Profit Forecast in Appendix B of this Offer Information Statement and the Independent Reporting Accountants' Report on the Profit Forecast in Appendix C of this Offer Information Statement. This Profit Forecast assumes that K-REIT proceeds with and completes the Acquisition and the Rights Issue, among other important assumptions, such as the success of K-REIT's business strategy. If K-REIT does not proceed with the Acquisition or if its business strategy is unsuccessful, actual results may differ from the information as shown in the tables below and in the Profit Forecast in Appendix B of this Offer Information Statement.

Your attention is drawn to the developments and uncertainties affecting K-REIT's business that are discussed throughout this document. In addition, your attention is drawn to the assumptions set forth in Appendix B of this Offer Information Statement for a discussion of the various assumptions on which the Profit Forecast are based and the section titled "Risk Factors" of this Offer Information Statement for a discussion of various factors that could materially affect K-REIT's financial condition, results of operations, business and prospects. In particular, please see the risk factor "The assumptions set forth in the Profit Forecast are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties" under the section titled "Risk Factors" of this Offer Information Statement.

None of the Manager, the Joint Managers and Underwriters or the Trustee guarantees the performance of K-REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast DPU stated in this section is calculated based on (a) the assumed Rights Issue Price of S$0.85 per Rights Unit and (b) the assumption that the issue date of the Rights Units is 13 December 2011. Such forecast DPU may vary accordingly if the issue date of the Rights Units is after 13 December 2011 and in relation to investors who purchase Units in the secondary market at a market price that differs from the assumed Rights Issue Price of S$0.85 per Rights Unit.

Forecast Consolidated Statement of Total Return and Distributable Income

S$'000	Forecast[1] Year 2012 (Financial year ending 31 December 2012) Existing Properties[2]	Enlarged Portfolio[3]
Gross rental income	73,783	152,123
Car park income	1,107	1,107
Other income[4]	137	1,197
Property income	**75,027**	**154,427**
Property tax	(4,807)	(11,763)
Other property expenses	(7,942)	(19,596)
Property management fee	(1,607)	(3,989)
Maintenance and sinking fund contributions	(2,718)	(2,718)
Property expenses	**(17,074)**	**(38,066)**
Net property income	**57,953**	**116,361**
Rental support[5]	9,705	76,915
Share of results of associated/joint venture companies[6]	43,683	43,683
Interest income	27,060	27,060
Amortisation expenses	(6,792)	(62,057)
Borrowing costs	(30,513)	(51,707)
Manager's management fees	(24,056)	(37,533)
Trust expenses	(3,449)	(3,787)
Total return before tax	**73,591**	**108,935**
Income tax expense	(1,716)	(13,142)
Total return after tax	**71,875**	**95,793**
Non-controlling interest	—	(6,142)
Total return after tax and non-controlling interest	**71,875**	**89,651**
Distribution Statement		
Total return after tax and non-controlling interest	**71,875**	**89,651**
Net tax adjustments[7]	24,058	93,648
Income available for distribution	**95,933**	**183,299**
Distribution to Unitholders[8]	**95,933**	**183,299**
Average Units in issue ('000)	**1,370,471[9]**	**2,560,042[10]**
DPU for the period (cents)[11]	**7.00**	**7.16**

Notes:

(1) Based on the assumptions as set out in Appendix B of this Offer Information Statement.

(2) Existing Properties refer to the seven commercial office properties located in Singapore and Australia. In Singapore, these refer to Bugis Junction Towers, the MBFC Interest, the ORQ Interest, and the Prudential Tower Property. In Australia, these refer to the 275 George Street Property in Brisbane, the 77 King Street Property and the 8 Chifley Square Interest, both in Sydney. For the Profit Forecast, it is assumed that the 8 Chifley Square Property will be under development in the Forecast Year 2012 and K-REIT will receive net contribution, mainly from the interest income earned from the convertible notes.

(3) Enlarged Portfolio comprises the Existing Properties and the Property.

(4) Other income relates to revenue from licence fees and other miscellaneous income.

(5) Rental support relates to the rental support payments received by K-REIT for the Prudential Tower Property, the 275 George Street Property, the 77 King Street Property, the MBFC Interest and the Property.

(6) Share of results of associated/joint venture companies refers to the one-third share of ORQPL's, one-third share of BFCDPL's and 50.0% share of M8CT's net profit/(loss) after tax presented as follows:

S$'000	One-third share of ORQPL's results	One-third share of BFCDPL's results	50% share of M8CT's results	Forecast Year 2012 Total
Share of property income	42,833	66,021	—	108,854
Share of property expenses	(10,943)	(15,050)	—	(25,993)
Share of net profit before interest and tax	31,890	50,971	—	82,861
Share of trust expenses	—	—	(20)	(20)
Share of interest expenses	(9,411)	(20,810)	—	(30,221)
Share of net profit/(loss) before tax	22,479	30,161	(20)	52,620
Share of income tax expense	(3,825)	(5,112)	—	(8,937)
Share of net profit/(loss) after tax	18,654	25,049	(20)	43,683

(7) Net tax adjustments relate to non-taxable/deductible (income)/expenses relating to the portion of the Manager's management fees which are payable in the form of Units, straight-lining of rental escalation, amortisation expenses, Trustee fees and other expenses, and adjustments to include dividend income received from ORQPL and BFCDPL.

(8) Distribution to Unitholders is based on 100% of the total income available for distribution.

(9) Includes the Manager's forecast number of Units to be issued as payment for estimated Manager's management fees in Units payable in relation to 4Q2011 and the Forecast Year 2012.

(10) Includes the Manager's forecast number of Units to be issued as payment for the (a) acquisition fees to the Manager, and (b) estimated Manager's management fees in Units payable in relation to 4Q2011 and the Forecast Year 2012, as well as approximately 1,160 million Rights Units.

(11) DPU for the period is computed using Distribution to Unitholders over the average number of Units in issue.

PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION AND THE RIGHTS ISSUE

Pro Forma Financial Effects of the Acquisition and the Rights Issue

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition and the Rights Issue on the NAV per Unit and the DPU presented below are strictly for illustrative purposes and were prepared based on the 2010 Audited Financial Statements as well as the following assumptions:

(a) net proceeds of approximately S$980.9 million from the issue of 1,159,694,000 Rights Units to Eligible Unitholders in relation to the Rights Issue, adjusted for the issuance of Units in payment of management fees to the Manager on 28 October 2011;

(b) Debt Financing of approximately S$600.7 million taken to finance the Acquisition; and

(c) approximately S$20.1 million of Acquisition Fee, payable to the Manager fully in Units.

Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition and the Rights Issue on the NAV per Unit as at 31 December 2010, as if the Acquisition and the Rights Issue were completed on 31 December 2010, are as follows:

	Effects of the Acquisition and the Rights Issue	
	Before the Acquisition and the Rights Issue	**After the Acquisition and the Rights Issue**
NAV (S$'000)	2,009,672(1)	3,010,724
Issued Units ('000)	1,355,904(2)	2,529,875(3)
NAV per Unit (S$)	1.48	1.19

Notes:

(1) Adjusted for the distribution paid on 25 February 2011 for the period from 1 July 2010 to 31 December 2010.

(2) Number of Units issued as at 31 December 2010.

(3) Includes (a) 1,159,694,000 Rights Units and (b) approximately 14,277,000 new Units (based on an issue price of S$1.41 per Unit, which is K-REIT's historical closing price on 31 December 2010) issuable as payment of the Acquisition Fee.

Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition and the Rights Issue on K-REIT's DPU for FY2010, as if K-REIT had completed the Acquisition and the Rights Issue on 1 January 2010, and held the OFC Interest through to 31 December 2010, are as follows:

	Effects of the Acquisition and the Rights Issue	
	Before the Acquisition and the Rights Issue	**After the Acquisition and the Rights Issue**
Net profits before tax (S$'000)	112,730	201,682(1)
Distributable Income (S$'000)	85,631	170,796
Issued Units ('000)	1,355,904(2)	2,542,139(3)
DPU (cents)	6.37	6.72

Notes:

(1) Based on OPPL's profits before tax based on its audited financial statements for FY2010, after including Rental Support payment of approximately S$119.4 million for FY2010 and deducting the additional borrowing costs associated with the Debt Financing, the Manager's management fees, amortisation and trust expenses in connection with the Acquisition.

(2) Number of Units issued as at 31 December 2010.

(3) Includes (a) 1,159,694,000 Rights Units, (b) approximately 17,974,000 new Units (based on an issue price of S$1.12 per Unit, which is K-REIT's historical closing price on 4 January 2010, the first market day in FY2010) issuable as payment of the Acquisition Fee and (c) approximately 8,567,000 new Units issuable to the Manager as management fees in relation to the Property.

Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The following table sets forth the *pro forma* capitalisation of K-REIT as at 31 December 2010, as if K-REIT had completed the Acquisition and the Rights Issue on 31 December 2010.

	Before the Acquisition and the Rights Issue (S$'000)	**Adjusted for the Acquisition and the Rights Issue (S$'000)**
Short-term debt	—	—
Long-term debt		
Secured debt	422,263	745,648
Unsecured debt	567,669	1,165,626
Total long-term debt	989,932	1,911,274
Total debt	**989,932**	**1,911,274**
Unitholders' funds	**2,009,672**(1)	**3,010,724**
Total capitalisation	**2,999,604**	**4,921,998**

Note:

(1) Adjusted for the distribution paid on 25 February 2011 for the period from 1 July 2010 to 31 December 2010.

RISK FACTORS

The risks described below should be carefully considered before making an investment decision in relation to the "nil-paid" rights, the Rights Units or the Units. The risks described below are not the only ones relevant to K-REIT, the Manager, the Trustee, the "nil-paid" rights, the Rights Units or the Units. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of K-REIT. The business, financial condition or results of operations of K-REIT could be materially and adversely affected by any of these risks.

RISKS ASSOCIATED WITH THE ACQUISITION

The Property may be adversely affected by delay in completion in respect of OFC Phase 2

Pursuant to the SPA, the Vendor shall assume the Vendor's Shareholding Proportion of the project development costs, including OFC Phase 2. OFC Phase 2 is targeted for completion by end-2012 and revenue contribution from the corresponding lettable area is expected to commence thereafter. Notwithstanding that K-REIT is not responsible for any cost overruns in relation to OFC Phase 2 and the estimated costs to complete OFC Phase 2 has already been fully provided in OPPL's accounts, a delay in the completion beyond end-2012 may result in potential revenue loss for K-REIT. Furthermore, should the Vendor breach its contractual obligations in relation to the assumption of the Vendor's Shareholding Proportion of the project development costs, K-REIT may be required to bear any cost overruns. Such delay in completion and costs overruns may in turn adversely affect the financial condition and results of operations of K-REIT, reducing the ability of K-REIT to make distributions to Unitholders.

K-REIT's acquisition of the Property may be subject to risks associated with the acquisition of properties

While the Manager believes that reasonable due diligence investigations have been conducted with respect to the Property, there can be no assurance that the Property will not have defects or deficiencies including latent defects, requiring significant capital expenditure, or payment or other obligations to third parties. The experts' reports and the seller's statutory or contractual representations, warranties and indemnities that the Manager has relied upon in relation to the Property as part of its due diligence investigations may contain inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain where such defects are latent or due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, laws and regulations (including those in relation to real estate) may have been breached and certain regulatory requirements in relation to the Property may not have been complied with, which the Manager's due diligence investigations did not uncover. As a result, K-REIT may incur financial or other obligations in relation to such breaches or non-compliance.

Income from the Property may fall in the event of a breach by the Vendor, or upon expiry of the Rental Support or non-payment of rent or other sums by tenants

Pursuant to the SPA, the Vendor will provide Rental Support to K-REIT for a period from the Completion Date to 31 December 2016. See the section titled "Information Relating to the Acquisition, the Existing Properties and the Enlarged Portfolio — Details of the SPA" of this Offer Information Statement for further details. Should the Vendor and the Guarantor breach their contractual obligations in relation to the Rental Support, this may have an adverse impact on K-REIT's financial condition and results of operations.

In addition, upon the expiry of the Rental Support, income from the Property may fall to the extent that the revised rental income pursuant to rental revisions of leases which are up for rent review is lower than the Guaranteed Income Amount. As such, this may also result in an adverse impact to K-REIT's financial condition and results of operations.

Any non-payment of rent by the lessees or failure to pay and satisfy outstanding sums due to K-REIT by such lessees may result in a high amount of Rental Support Top-Up Payment. In the event that such sums exceed the maximum aggregate of the Rental Support of S$170.0 million within the Rental Support period from Completion Date to 31 December 2016, K-REIT would not be able to make further drawdowns under the Rental Support and this would adversely affect the ability of K-REIT to make distributions to Unitholders.

The advanced tax ruling issued by IRAS to the Manager may be withdrawn

The Manager has received an advanced tax ruling from IRAS to confirm that:

- the Conversion will not result in an income tax liability for OPPL with respect to the transfer and vesting of the Property in OPLLP;
- an election under Section 24 of the Income Tax Act can be made for qualifying plant and machinery that OPPL will transfer to and vest in OPLLP as a result of the Conversion; and
- K-REIT, being a REIT as defined in the Income Tax Act, will be entitled to tax transparency treatment under Section 43(2) and Section 43(2A) of the Income Tax Act on its share in the taxable income of OPLLP.

The advanced tax ruling may at any time be withdrawn by IRAS or be affected should there be a change in any of the tax laws and/or their interpretation. Any such change in tax laws will result in the non-applicability of the advanced tax ruling as of the date of the change in tax laws. If the advanced tax ruling is withdrawn, OPPL and K-REIT will be subject to tax and this could, among others, affect K-REIT's ability to make distributions to Unitholders.

RISKS ASSOCIATED WITH K-REIT'S BUSINESS AND OPERATION OF THE PROPERTIES HELD BY K-REIT

Uncertainties and instability in global market conditions could adversely affect the business, financial condition and results of operations of K-REIT

The performance of K-REIT may be adversely affected by local real estate market conditions, and global economic conditions, including:

- the ability of the tenants of K-REIT to pay their rents in a timely manner or continuing their leases. In particular, as at 30 September 2011, approximately 48.7% of the NLA for the Existing Properties were occupied by tenants in the banking, insurance and financial services sector. Any significant downturn in the business of these tenants may have an adverse impact on K-REIT's results of operations;
- an increase in counterparty risk; and
- an increased likelihood that one or more of K-REIT's banking syndicate or insurers may be unable to honour their commitments to K-REIT.

There is also uncertainty as to the scale of the downturn in the U.S. or the global economy, the decrease in consumer demand and the impact of the global downturn on the Singapore economy. As such, this may result in an adverse effect on businesses worldwide, including K-REIT, resulting in the reduced ability of K-REIT to make distributions to Unitholders.

The assumptions set forth in the Profit Forecast are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties

The Profit Forecast shows a forecast of K-REIT's operating results and distributions for the Forecast Year 2012. K-REIT's financial forecast is subject to a number of assumptions which are set forth in the Profit Forecast in Appendix B of this Offer Information Statement. Although the forecast has been prepared after due and careful deliberation by the Manager, the assumptions underlying the forecast and projections are subject to significant business, economic, regulatory and competitive risks, uncertainties and contingencies, many of which are outside K-REIT's control. In addition, K-REIT's revenue is dependent on a number of factors, including the financial stability of K-REIT's tenants and general economic conditions, and may decrease for a number of reasons. This may adversely affect K-REIT's ability to achieve the forecast as some or all of the events and circumstances assumed may not occur as expected, or events and circumstances that are not currently anticipated may arise. If K-REIT does not achieve the forecast results, K-REIT may not be able to make the expected Unitholder distributions.

Income from the Existing Properties may fall in the event of a breach of the terms of, or upon expiry of rental support due to K-REIT

In addition to the Rental Support provided in relation to the Property, K-REIT receives rental support for certain periods of time in the form of rental support top-up payments in relation to One Raffles Quay, MBFC, the Prudential Tower Property, the 77 King Street Property and the 275 George Street Property in respect to the acquisition of interests in each of these properties respectively.

Upon the expiration of the rental support due to K-REIT under the Existing Properties, income from the aforementioned properties may fall to the extent that the revised rental income pursuant to rental reversions is lower than the guaranteed amounts, having an impact on K-REIT's financial condition and results of operations.

In addition, should the parties providing rental support breach their contractual obligations, this may also have an impact on K-REIT's financial condition and results of operations.

K-REIT faces foreign currency exchange rate risk

The Existing Properties are located in Singapore and Australia. Accordingly, due to the location of K-REIT's portfolio of Existing Properties in these jurisdictions, K-REIT receives income in Australian dollar at the then applicable rate. Such fluctuations may cause fluctuations in K-REIT's results of operations and could have an adverse effect on K-REIT's reported financial results. A weakening of the Australian dollar against the Singapore dollar may also result in an increase in K-REIT's Aggregate Leverage due to the reduced asset value and a decline in K-REIT's NAV.

The amount K-REIT may borrow is limited, and the borrowing limit may be exceeded or K-REIT may be required to repay its loans if there is a downward revaluation of assets, which may affect the operations of K-REIT

The Property Funds Appendix provides that the Aggregate Leverage of a REIT may reach a maximum of 60.0% of the value of its Deposited Property provided that a credit rating of the REIT from Fitch Inc., Moody's or Standard & Poor's is obtained and disclosed to the public. In addition, such credit rating should be maintained and disclosed so long as the Aggregate Leverage of the REIT exceeds 35.0% of the value of its Deposited Property. K-REIT is currently assigned a corporate family rating of "Baa3" with a positive outlook by Moody's[15] and a "BBB" long-term corporate credit rating with a stable outlook by Standard & Poor's[16], and is currently permitted to borrow up to a maximum of 60.0% of the value of its Deposited Property. K-REIT's aggregate leverage ratio after the Completion Date will be approximately 41.6%. However, a decline in the value of K-REIT's Deposited Property may affect K-REIT's ability to borrow further. While it should be noted that under the Property Funds Appendix, the aggregate leverage limit is not considered to be breached if, due to circumstances beyond the control of the Manager, the following occurs: (a) a depreciation in the asset value of the property fund or (b) any redemption of units or payments made from the property fund. In the event the aggregate leverage limit is exceeded as a result of (a) or (b) above, K-REIT, through the Trustee, should not incur further indebtedness. In such circumstances, while K-REIT may not be required to dispose of its assets to reduce its indebtedness, the inability to incur further indebtedness may constrain its operational flexibility. Adverse business consequences of this limitation on borrowings may include an inability to fund capital expenditure requirements in relation to K-REIT's properties.

In addition, a material and adverse decline in the value of the Deposited Property may affect certain financial covenants in K-REIT's loans. K-REIT may be required to reduce its indebtedness to meet these financial covenants, which may affect the operations of K-REIT.

K-REIT's business is concentrated in Singapore, which may result in a higher level of risk compared to some other REITs that have properties spread over diverse locations

As at the Latest Practicable Date, properties held by K-REIT are principally located in Singapore. A high concentration in Singapore may entail a higher level of risk as compared to some other REITs which have properties spread over different countries or have a more diverse range of investments. A substantial portion of K-REIT's earnings depends on the continued strength of Singapore's office property market, which is in turn affected by general economic and business conditions. This exposes K-REIT to the risk of a downturn in economic and real estate conditions in Singapore. The value of K-REIT's properties and the rental revenue collected may also be adversely affected by local real estate conditions.

The income tax exemption under Section 13(12) of the Income Tax Act may not be extended

In addition, the Singapore Minister for Finance announced in the 2010 Budget that a sunset clause of 31 March 2015 has been imposed for the foreign-sourced income exemption for listed REITs and wholly-owned Singapore subsidiary companies of listed REITs. This sunset clause means that the income tax exemption granted or to be granted under Section 13(12) of the Income Tax Act to listed

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15 Source: Press release from Moody's dated 19 October 2011. Moody's has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant press release published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Moody's is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Manager and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

16 Source: Press release from Standard & Poor's dated 20 October 2011. Standard & Poor's has not provided its consent, for purposes of Section 249 (read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, to the inclusion of the information extracted from the relevant press release published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 305(B)(4)) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Standard & Poor's is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

REITs or wholly-owned Singapore subsidiary companies of listed REITs will only apply to qualifying foreign-sourced income that is received in Singapore on or before 31 March 2015. Unless the tax exemption is subsequently extended, the foreign-sourced income received in Singapore by K-REIT after 31 March 2015 may be subject to Singapore income tax at the prevailing corporate rate of tax, currently 17.0%. Such taxation will have an adverse impact on the amount of distributions made by K-REIT.

There is no assurance that the other joint venture partners of the existing property holding companies/trusts will cooperate on matters concerning these companies/trust

Several of the existing property holding companies/trust, such as BFC Development Pte. Ltd. in relation to the MBFC Interest, One Raffles Quay Pte Ltd in relation to the ORQ Interest, Mirvac 8 Chifley Trust in relation to the 8 Chifley Square Interest, are not wholly-owned by K-REIT. Accordingly, the Trustee does not have sole discretion to manage these properties through the property holding companies.

Under the relevant shareholders' agreements or joint venture agreements (as the case may be) relating to the property holding companies/trust that are not wholly-owned by K-REIT, certain matters, such as amending the joint venture agreements, trust deed, changing the business or equity structure, issuing securities, use of funds, borrowings and other credit activities and appointment of key personnel, may require a unanimous or majority shareholders' approval of the relevant property companies.

As K-REIT does not own the entire interests in these property holding companies/trust, there is no assurance that such unanimous or majority approval from the shareholders of the property holding companies or the unitholders of the trust would be obtained. The other shareholders of these property holding companies or unitholders of the trust may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to these properties, such as those relating to the operation of the properties and the level of dividends to be declared by the property holding companies/trust, may not be carried out and this may adversely affect K-REIT's financial condition and results of operations.

The Manager may change K-REIT's investment strategy

K-REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager, subject to applicable laws and regulations. The Manager has stated its intention to restrict investments to income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia. The Trust Deed grants the Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions.

The Manager may not be able to implement its investment strategy

The Manager's investment strategy includes expanding K-REIT's portfolio of commercial properties and providing regular and stable distributions to Unitholders. There can be no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand K-REIT's portfolio further, or at any specified rate or to any specified size. The Manager may not be able to make investments or acquisitions on favourable terms or within a desired time frame.

K-REIT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all, particularly in light of current global market conditions mentioned above. Even if K-REIT were able to successfully make additional property investments, there can be no assurance that K-REIT will achieve its intended return on such investments. Since the amount of debt that K-REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on K-REIT's ability to raise equity capital, which may result in a dilution of Unitholders' holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including commercial property development companies, private investment funds and other REITs whose investment policy is also to invest in commercial properties. There can be no assurance that K-REIT will be able to compete effectively against such entities.

The Manager may not be able to implement its asset enhancement strategy

One of the Manager's strategies for growth is to increase total returns through asset enhancement initiatives. Any plans for asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to any of such asset enhancement initiatives and/or their outcomes being materially different from the original projections or plans. There can be no assurance that the Manager will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiative will enhance the value of the relevant property. The proposed asset enhancement initiatives are subject to K-REIT obtaining the approvals of the relevant authorities. Furthermore, the Manager may not be able to carry out the proposed asset enhancement initiatives within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiatives may be reduced or lost. Even if the asset enhancement initiatives are successfully carried out, there can be no assurance that K-REIT will achieve its intended return or benefit on such asset enhancement initiatives.

K-REIT depends on certain key personnel and the loss of any key personnel may adversely affect its financial condition and results of operations

K-REIT's success depends, in part, upon the continued service and performance of members of the senior management team of the Manager. These key personnel may leave the Manager in the future and compete with the Manager and K-REIT. The loss of any of these key individuals, or of one or more of the Manager's other key employees, may have an adverse effect on the business, financial condition and results of operations of K-REIT.

KLL and KCL are controlling Unitholders of K-REIT and will be able to exercise influence over certain activities of K-REIT

KLL and its subsidiaries, related corporations and associates are engaged in the investment in, and the development and management of, among others, real estate in Singapore. As at the Latest Practicable Date, KLL owns, through its wholly-owned subsidiaries, an indirect interest of approximately 46.5% of the total number of issued Units. Furthermore, KLL's controlling shareholder, KCL owns, through its wholly-owned subsidiary, an additional 29.9% of the total number of issued Units. Together, KLL and KCL have an interest in 76.4% of the total number of Units in issue and as KLL and KCL are entitled to act in their own interests, which may not be aligned to minority Unitholders' interests, they may thus exercise significant influence in matters which require the approval of Unitholders.

K-REIT may be involved in legal and other proceedings from time to time

K-REIT may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause K-REIT to suffer additional costs and delays that result in financial losses and delay the construction or completion of its projects.

K-REIT has not registered, and will not register, as an investment company under the U.S. Investment Company Act of 1940

K-REIT has not registered, will not register, and intends to continue to conduct its operations so as not to become regulated, as an investment company under the U.S. Investment Company Act of 1940. However, if K-REIT fails to maintain such exemption, the Manager could, among others, be required either to (a) change the manner in which K-REIT's operations are conducted to avoid being required to register as an investment company, (b) effect sales of our assets in a manner that, or at a time when, the Manager would not otherwise choose to do so, or (c) register as an investment company, any of which may have an adverse impact on K-REIT's financial condition and results of operations.

There is a significant risk if K-REIT is classified as a passive foreign investment company, which could result in materially adverse consequences to U.S. investors

There is a significant risk if K-REIT is classified as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. A non-U.S. corporation is a PFIC in any taxable year in which, after taking into account certain look-through rules, either (a) at least 75.0% of its gross income is passive income or (b) at least 50.0% of the average value (determined on a quarterly basis) of its assets is attributable to assets that produce or are held to produce passive income. Subject to certain exceptions, passive income generally includes, among others, rents and capital gains from the sale of real property. There is a significant risk that a large percentage of K-REIT's income and assets will be passive for these purposes. If K-REIT is classified as a PFIC at any time during the holding period of a U.S. taxable investor, the U.S. investor could be subject to materially greater amounts of tax and would be subject to additional U.S. tax form filing requirements.

If K-REIT is classified as a PFIC for any taxable year during which a U.S. investor owns the Units, the PFIC rules impose additional taxes on gains from the sale or other disposition of, and "excess distributions" with respect to, shares of a PFIC owned directly (or deemed to be owned directly or indirectly under certain attribution rules) by a U.S. investor. In general, an excess distribution is any distribution to the U.S. investor that is greater than 125.0% of the average annual distributions received by the U.S. investor (including return of capital distributions) during the three preceding taxable years or, if shorter, the U.S. investor's holding period for the Units. If K-REIT were a PFIC in any year in which a U.S. investor held the Units (a) the gain or excess distribution would be allocated ratably over the U.S. investor's holding period for the Units, (b) the amount allocated to the taxable year in which the gain or excess distribution was realised and any before K-REIT became a PFIC would be taxable as ordinary income, (c) the amount allocated to each other prior year would be subject to tax at the highest rate in effect for that year and (d) the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax allocated to each such year. For these purposes, a U.S. investor who uses the Units as collateral for a loan would be treated as having disposed of such Units. Similar rules apply to a U.S. investor's indirect interest in any of K-REIT's subsidiaries or any company which K-REIT invests in that is a PFIC. Distributions that are not excess distributions and losses on the sale of the Units would be subject to the normal U.S. federal income tax rules for an investment in a non-U.S. company.

Under certain circumstances, a U.S. investor may make an election under the PFIC rules to adopt "mark-to-market" accounting with respect to the Units. However, even if a valid mark-to-market election is made with respect to the Units, the potential benefit of making this election would be limited because the "mark-to-market" election will likely not apply to a U.S. investor's indirect interest in any of K-REIT's subsidiaries or any of K-REIT's investments in companies that are PFICs. Thus, distributions from, and dispositions of interests in, such subsidiaries or companies generally will likely be treated as a distribution or disposition, subject to the discussion above regarding excess distributions. A U.S. investor will have additional tax filing requirements if it owns Units during any year in which K-REIT is classified as a PFIC. U.S. investors should consult their own tax advisers about the possibility that K-REIT would be classified as a PFIC, the rules that would apply if K-REIT were classified as such and the impact of these rules on U.S. investors, including any additional tax reporting or filing requirements they may have as a result of acquiring, owning, or disposing of the Units.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of K-REIT

In 2003, Hong Kong, Taiwan, China, Singapore, Malaysia and other places experienced an outbreak of Severe Acute Respiratory Syndrome, which adversely affected the Asian economies, including Singapore. Property was one of the sectors that experienced poor performance during the Severe Acute Respiratory Syndrome outbreak.

The outbreak of an infectious disease in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact businesses worldwide, including K-REIT. There can be no assurance that any precautionary measures taken against infectious diseases would be able to entirely prevent an outbreak.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of K-REIT

Terrorist attacks, recent unrest in Middle Eastern countries and military activities of the U.S. and its allies in Afghanistan and Iraq, have resulted in substantial and continuing economic volatility and social unrest. Any additional significant military or other response by the U.S. and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and the Singapore economy which may in turn adversely affect the operations, revenues and profitability of K-REIT.

The market value of the properties held by K-REIT may differ from the valuations determined by the Independent Valuers and may be revalued downwards

Property valuations (including the appraisals conducted by Savills and Knight Frank in connection with the Acquisition) generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

General property prices, including that of commercial property, are subject to the volatilities of the property market and there can be no assurance that there will not be downward revaluation of the properties held by K-REIT in the future. Any fall in the gross revenue or net property income earned from K-REIT's properties may result in downward revaluation of the properties held by K-REIT.

In addition, K-REIT is required to measure investment properties at fair value at each balance sheet date. The changes in fair value may have an adverse effect on K-REIT's financial results in the financial years where there is a significant decrease in the valuation of K-REIT's investment properties which will result in revaluation losses that will be charged to its statements of total return and comprehensive income. However, this should not have an impact on income available for distributions to Unitholders.

The properties held by K-REIT may face competition from other properties

There are many commercial spaces and properties that compete with K-REIT's properties in attracting tenants. The properties held by K-REIT may also compete with properties that may be developed in the future. Increased competition may reduce demand for K-REIT properties and there can be no assurance that K-REIT will be able to compete effectively and this may result in an adverse effect on K-REIT's financial condition and results of operations.

K-REIT may be unable to renew tenancies, lease vacant space or re-lease space as tenancies expire at the same or higher rents or at all

K-REIT's financial condition, results of operations, ability to lease properties and/or make distributions and the value of its property portfolio may be adversely affected by the bankruptcy, insolvency or downturn in the business of tenants, resulting in their inability to make rental payments.

Upon the expiry of leases, K-REIT may not be able to secure replacement tenants at rental rates equal to or higher than those of the expiring tenancies, may not be able to secure replacement tenants in time so as to minimise periods in between tenancies and may not be able to obtain rental rates equal to or above the current rental rates for tenancies subject to rent review. If the rental rates for the Existing Properties decrease, K-REIT's existing tenants do not renew their tenancies or K-REIT does not or is unable to re-lease a significant portion of its vacant space and space for which tenancies are scheduled to expire, K-REIT's financial condition, results of operations, cash flows, per Unit trading price, and ability to satisfy its debt service obligations could be materially adversely affected.

K-REIT is exposed to the risk of having all of its Singapore properties in the same general location

K-REIT's Singapore properties are located in Singapore's central area, with a majority located in the city's downtown core area. This concentration may entail a higher level of risk as compared to some other REITs that have properties spread over several different locations. Any circumstance which adversely affects the operations or business of any of K-REIT's Singapore properties or their attractiveness to tenants, may in effect affect all of K-REIT's Singapore properties. Should this happen, K-REIT may not have sufficient income from K-REIT's other properties (or interests in other properties) to mitigate any ensuing loss of income arising from such circumstance.

K-REIT is exposed to risks associated with changes to laws and policies in Singapore and Australia, which may affect K-REIT and its investments and in particular, K-REIT's properties or a part of them may be subject to compulsory acquisition by the Government of Singapore or Australia

K-REIT's portfolio consists of real estate located in Singapore and Australia and it will therefore be subject to real estate laws, securities laws, tax laws and any other applicable laws and policies and any unexpected changes to the same in Singapore and/or Australia.

The Land Acquisition Act, Chapter 152 of Singapore, gives the Government of Singapore the power to, among others, acquire any land in Singapore. The Land Act 1994 and the Land Act 1967 gives the State of Queensland the power to acquire land, and the Land Acquisition (Just Terms Compensation) Act 1991 gives the State of New South Wales the power to acquire land.

Accordingly, if the market value of a property or part thereof which is compulsorily acquired is greater than the compensation which may be received by K-REIT as a result of such compulsory acquisition, this would have an adverse effect on the financial condition and results of operations of K-REIT.

K-REIT may suffer an uninsured loss

K-REIT maintains insurance policies in line with general business practices in the real estate and commercial properties industries. Risks insured against include property damage, terrorism and public liability. There are, however, certain types of losses (such as from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, K-REIT could be required to pay compensation, suffer loss of capital invested in the relevant property, or anticipated future revenue from that property. K-REIT would also remain liable for any debt that is with recourse to K-REIT and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the results of operations and financial condition of K-REIT.

RISKS ASSOCIATED WITH INVESTING IN REAL ESTATE

K-REIT may be adversely affected by the illiquidity of real estate investments

K-REIT invests primarily in real estate investments, particularly investments in high value properties and properties in which K-REIT has invested in and/or intends to invest in, are relatively illiquid. K-REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on K-REIT's financial condition and results of operations.

The gross revenue earned from, and the value of, the properties in K-REIT's portfolio may be adversely affected by a number of factors

The gross revenue earned from, and the value of, K-REIT's properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce K-REIT's gross revenue and its ability to recover certain operating costs through service charges;
- granting of rental rebates due to the impact of the current economic downturn on the tenants' ability to make rental payments;
- granting of waiver of interest on late payment of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, or delays in the termination of the tenant's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;
- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial and retail space, changes in market rental rates and operating expenses for K-REIT's properties);
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Manager.

The properties held by K-REIT may be subject to increases in property expenses

K-REIT's ability to make distributions to Unitholders could be adversely affected if property expenses, such as maintenance charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include any:

- increase in the amount of maintenance charges for any affected properties held by K-REIT;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in utility charges;
- increase in sub-contracted service costs;
- increase in insurance premiums; and
- damage or defect affecting any properties held by K-REIT which needs to be rectified, leading to unforeseen capital expenditure.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE

The "nil-paid" rights may be subject to price volatility

A trading period for the "nil-paid" rights has been fixed from 21 November 2011 to 29 November 2011. If an active market develops, the trading price of the "nil-paid" rights, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the "nil-paid" rights on behalf of Ineligible Unitholders, the sales may give pressure to the trading price of the "nil-paid" rights.

Unitholders who do not or are not able to accept their provisional allotments of Rights Units will experience a dilution in their interest in K-REIT

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in K-REIT will be reduced. Even if a Unitholder sells his "nil-paid" rights, or such "nil-paid" rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in K-REIT as a result of the Rights Issue.

Resale of "nil-paid" rights and the Rights Units in the U.S. are subject to restrictions

The offering and delivery of the "nil-paid" rights and the Rights Units in the U.S. to certain Eligible QIBs is being made in reliance on the exemption from the registration requirements of the Securities Act in Section 4(2) thereof. None of the "nil-paid" rights or the Rights Units has been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S.. Accordingly, investors acquiring the "nil-paid" rights or the Rights Units in the Rights Issue should note that the "nil-paid" rights and the Rights Units may only be resold or transferred in the U.S. pursuant to an exemption from the registration requirements of the Securities Act.

The Management and Underwriting Agreement may be terminated by the Joint Managers and Underwriters

The Rights Issue is underwritten by the Joint Managers and Underwriters in equal proportions, severally and not jointly, on the terms and subject to the conditions of the Management and Underwriting Agreement.

The Joint Managers and Underwriters may, under the terms of the Management and Underwriting Agreement, terminate the agreement on account of, among others, the occurrence of certain *force majeure* events, but the Joint Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which "ex-rights" trading commenced, in compliance with Rule 818 of the Listing Manual. In addition, the obligations of the Joint Managers and Underwriters are conditional upon, among others, there being no breach of, among others, the Keppel Irrevocable Undertakings. In the event that the Management and Underwriting Agreement is terminated or the conditions under the Management and Underwriting Agreement are not fulfilled, the Joint Managers and Underwriters will cease to be liable to underwrite the Rights Issue and the Manager may proceed with the Rights Issue without underwriting (subject to the approval of the SGX-ST and the Authority, as relevant).

RISKS ASSOCIATED WITH AN INVESTMENT IN THE UNITS

The trading price of the Units has been, and may continue to be, volatile

The trading price of the Units has been, and may continue to be, subject to large fluctuations. The trading price of the Units may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;
- the operating and stock price performance of companies in the real estate industry and other REITs;
- valuations of the properties held by K-REIT;
- changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs; and
- other events or factors described in this Offer Information Statement.

This volatility may adversely affect the trading price of the Units regardless of K-REIT's operating performance.

K-REIT may not be able to make distributions or the level of distributions may fall

The income which K-REIT earns from its real estate investments depends on, among others, its debt-servicing requirements, the amount of rental income received, and the level of property expenses and operating expenses incurred. If the properties held by K-REIT do not generate sufficient income, its cash flow and ability to make distributions will be adversely affected. There can be no assurance that the level of distributions will increase over time, that there will be contractual increases in rent under some of the leases of the properties held by K-REIT or that the receipt of rental revenue in connection with any enhancement of the properties held by K-REIT or future acquisitions of properties will increase K-REIT's income available for distribution to Unitholders.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions

The SFA and the Singapore Code on Take-overs and Mergers which contains certain provisions that may delay, deter or prevent a future take-over or change in control of K-REIT. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in:

(a) 30.0% or more of the total Units; or

(b) when holding not less than 30.0% but not more than 50.0% of the total Units, more than 1.0% of the total Units in any six-month period, will be required to make a general offer for the remaining Units. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of K-REIT. Some of the Unitholders may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Units at a price above the prevailing market price.

There is no assurance that there will be a liquid market for the Units

As mentioned above, KCL and KLL have an aggregate interest in 76.4% of the total number of Units in issue as at the Latest Practicable Date. Upon the subscription of the Keppel Proportionate Rights Units by KREI and the KLL Subsidiaries pursuant to the KCL Irrevocable Undertaking and the KLL Irrevocable Undertaking respectively, and assuming that KCL and KLL does not apply for and receive Excess Rights Units, KCL and KLL's aggregate interest in K-REIT will remain unchanged at 76.4%, with the public holding the remaining 23.6% of the total number of Units in issue. Although the Rights Issue will increase the market capitalisation of K-REIT, and will increase the number of Units held by the public from 322.4 million to 596.4 million, there is no assurance that there will be an improvement in the trading liquidity of the Units, or that there will be a liquid market for the Units on the Main Board of the SGX-ST.

GENERAL INFORMATION

Legal and Arbitration Proceedings

(1) To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgment of this Offer Information Statement, a material effect on the financial position or results of K-REIT.

Material Contracts

(2) There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in K-REIT's ordinary course of business, for the period of two years ending on the day before the date of lodgment of this Offer Information Statement, save for:

- the constitution deed dated 28 January 2010 entered into by the Trustee, through Permanent Investment Management Limited, in its capacity as trustee of K-REIT Asia (Australia) Trust, which is wholly-owned by K-REIT, for the establishment of K-REIT Asia (Australia) Trust;

- the contract dated 30 January 2010 entered into between the Trustee, through Permanent Investment Management Limited, in its capacity as trustee of K-REIT Asia (Australia) Trust, which is wholly-owned by K-REIT and Trust Company Fiduciary Services Limited in its capacity as trustee of Northbank Trust, for the acquisition of the 275 George Street Property for a consideration of A$166.0 million (S$208.6 million);

- the nomination agreement dated 30 January 2010 entered into between the Trustee, through Permanent Investment Management Limited, in its capacity as trustee of K-REIT Asia (Australia) Trust, which is wholly-owned by K-REIT and Ann St Pty Ltd in conjunction with the acquisition of the 275 George Street Property;

- the constitution deed dated 16 July 2010 entered into by the Trustee, through The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 1, which is wholly-owned by K-REIT, for the establishment of K-REIT (Australia) Sub-Trust 1;

- the recharge deed dated 16 July 2010 entered into between The Trust Company (RE Services) Limited, in its capacity as trustee of K-REIT Asia (Australia) Trust, and The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 1, in relation with the establishment of K-REIT (Australia) Sub-Trust 1;

- the contract dated 19 July 2010 entered into between the Trustee, through The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 1, which is wholly-owned by K-REIT and Kingvest Pty Limited, for the acquisition of the 77 King Street Property for a consideration of A$120.0 million (S$145.0 million);

- the share purchase agreement dated 11 October 2010 entered into between the Trustee, Bayfront Development Pte. Ltd. and Keppel Land Properties Pte Ltd for the acquisition of the MBFC Interest for a consideration of S$1,380.2 million;

- the sale and purchase agreement dated 11 October 2010 entered into between the Trustee and Mansfield Developments Pte. Ltd. for the divestment of Keppel Towers and GE Tower for a consideration of S$573.0 million;

- the deed of waiver undertaking dated 11 October 2010 entered into by the Trustee, Bayfront Development Pte. Ltd., Keppel Land Properties Pte Ltd, Sageland Private Limited and

Hongkong Land International Holdings Limited in favour of Choicewide Group Limited, Hutchison Whampoa Properties Limited, Cavell Limited and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) in relation with the acquisition of the MBFC Interest;

- the undertaking deed dated 15 December 2010 entered into between the Trustee, Bayfront Development Pte. Ltd. and Keppel Land Properties Pte Ltd in relation with the acquisition of the MBFC Interest;

- the restated shareholder agreement dated 15 December 2010 entered into between the Trustee, Sageland Private Limited, HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Suntec real estate investment trust, Hong Kong Land International Holdings Limited, and BFC Development Pte. Ltd. in relation with the acquisition of the MBFC Interest;

- the deed of assignment dated 15 December 2010 between the Trustee, Bayfront Development Pte. Ltd. and BFC Development Pte. Ltd. in relation with the acquisition of the MBFC Interest;

- the supplemental agreement to the property management agreement dated 15 December 2010 between the Trustee, K-REIT Asia Property Management Pte Ltd and K-REIT Asia Management Limited in relation to the acquisition of the MBFC Interest;

- the deed of variation of contract dated 21 December 2010 entered into between the Trustee, through The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 1, which is wholly-owned by K-REIT and Kingvest Pty Limited in relation to the acquisition of the 77 King Street Property;

- the sale and purchase agreement dated 21 March 2011 entered into between the Trustee, Innisvale Investments Pte Ltd, Maraha Pte Ltd, Lima Bintang Holdings Pte Ltd, and Mirabeau Gardens Pte Ltd for the Prudential Tower 19.4% Interest Acquisition for a consideration of approximately S$125.1 million;

- the deed of rental support dated 3 May 2011 entered into between the Trustee, Innisvale Investments Pte Ltd, Maraha Pte Ltd, Lima Bintang Holdings Pte Ltd and Mirabeau Gardens Pte Ltd in relation to the Prudential Tower 19.4% Interest Acquisition;

- the deed of assignment relating to occupation agreement dated 3 May 2011 between the Trustee and Innisvale Investments Pte Ltd in relation to the Prudential Tower 19.4% Interest Acquisition;

- the deed of assignment relating to occupation agreement dated 3 May 2011 between the Trustee and Maraha Pte Ltd in relation to the the Prudential Tower 19.4% Interest Acquisition;

- the deed of assignment relating to occupation agreement dated 3 May 2011 between the Trustee and Lima Bintang Holdings Pte Ltd in relation to the Prudential Tower 19.4% Interest Acquisition;

- the constitution deed dated 13 July 2011 entered into by the Trustee, through The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 2, which is wholly-owned by K-REIT, for the establishment of K-REIT (Australia) Sub-Trust 2;

- the recharge deed dated 13 July 2011 entered into between The Trust Company (RE Services) Limited, in its capacity as trustee of K-REIT Asia (Australia) Trust, and The Trust Company (Australia) Limited, in its capacity as trustee of K-REIT (Australia) Sub-Trust 2, in relation to the establishment of K-REIT (Australia) Sub-Trust 2;

- the sale agreement dated 18 July 2011 entered into between K-REIT (Australia) Sub-Trust 2 and Mirvac Property Trust for the acquisition of 8 Chifley Square Interest for a consideration ranging from A$154.4 million (S$203.0 million) to A$169.8 million (S$223.3 million) depending on the committed rental rates of the leases when 8 Chifley Square is completed;

- the agreement for the subscription of units and convertible notes dated 18 July 2011 between the Trustee, through K-REIT (Australia) Sub-Trust 2, Mirvac Funds Limited as responsible entity of Mirvac Property Trust and Mirvac 8 Chifley Pty Limited as trustee of Mirvac 8 Chifley Trust in conjunction with the acquisition of the 8 Chifley Square Interest;

- the members agreement dated 18 July 2011 between the Trustee, through K-REIT (Australia) Sub-Trust 2, Mirvac Funds Limited as responsible entity of the Mirvac Property Trust, Mirvac 8 Chifley Pty Limited as trustee of Mirvac 8 Chifley Trust and Mirvac Funds Limited in relation to the acquisition of the 8 Chifley Square Interest;

- the KCL Irrevocable Undertaking dated 17 October 2011 provided by KCL to the Manager in connection with the Rights Issue for a consideration of S$1.00;

- the KLL Irrevocable Undertaking dated 17 October 2011 provided by KLL to the Manager in connection with the Rights Issue for a consideration of S$1.00;

- the deed of consent dated 17 October 2011 entered into between AIPL and the Trustee pursuant to which AIPL gave its consent for the conversion of OPPL into a limited liability partnership and other ancillary matters;

- the SPA dated 17 October 2011 entered into between the Trustee, the Vendor and the Guarantor for the Acquisition at the estimated purchase consideration as at 31 July 2011 is S$1,571.3 million; and

- the Management and Underwriting Agreement dated 17 October 2011, and as supplemented on 11 November 2011, entered into between the Manager and the Joint Managers and Underwriters in connection with the Rights Issue.

Breach of Terms and Conditions or Covenants of Credit Arrangement or Bank Loan

(3) To the best of the Manager's knowledge and belief, K-REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect K-REIT's financial position and results or business operations, or the investments by Unitholders.

Significant Changes

(4) Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 September 2011, being the last day of the period covered by the 9M2011 Unaudited Financial Statements to the Latest Practicable Date, which may have a material effect on the financial position and results of K-REIT.

Trading of Units

(5) The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

(6) The Manager believes that the Units are regularly traded on the SGX-ST.

Statement by Experts

(7) The Independent Reporting Accountants' Report on the Profit Forecast dated 17 November 2011 in Appendix C of this Offer Information Statement was prepared by Ernst & Young LLP for the purpose of incorporation in this Offer Information Statement. Ernst & Young LLP, the Independent Reporting Accountants, has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of the Independent Reporting Accountants' Report on the Profit Forecast, its name and all references thereto, in the form and context in which it is included in this Offer Information Statement.

(8) The valuation certificates dated 10 October 2011 and 15 September 2011 in Appendix D of this Offer Information Statement were prepared by Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank Pte Ltd respectively as the Independent Valuers for the purpose of incorporation in this Offer Information Statement. Each of the Independent Valuers has given and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion its valuation certificate, its name and all references thereto, in the form and context in which they are included in this Offer Information Statement.

(9) The Independent Market Overview Report dated 10 August 2011 in Appendix E of this Offer Information Statement was prepared by DTZ Debenham Tie Leung (SEA) Pte Ltd for the purpose of incorporation in this Offer Information Statement. DTZ Debenham Tie Leung (SEA) Pte Ltd has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of the Independent Market Overview Report, its name and all references thereto, in the form and context in which it is included in this Offer Information Statement.

Consent from Issue Managers and Underwriters

(10) Each of DBS Bank Ltd. and United Overseas Bank Limited has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Manager and Underwriter to the Rights Issue.

Authority to issue Rights Units

(11) The Rights Issue is being carried out pursuant to approval granted by Unitholders by way of an Ordinary Resolution at the EGM held on 10 November 2011.

Miscellaneous

(12) K-REIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at www.mas.gov.sg.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, Unitholders or the operations or financial position or results of K-REIT.

Statements contained in this Offer Information Statement which are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast. See the section titled "Risk Factors" of this Offer Information Statement for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

(13) Other than the "nil-paid" rights under the Rights Issue, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the sections titled "Eligibility of Unitholders to Participate in the Rights Issue", "For Investors in the United States" and "For Investors outside the United States" in this Offer Information Statement for further information.

Dated 17 November 2011

Directors of K-REIT Asia Management Limited
(as manager of K-REIT Asia)

Professor Tsui Kai Chong	Mr Kevin Wong Kingcheung
Ms Ng Hsueh Ling	Dr. Chin Wei-Li, Audrey Marie
Mrs Lee Ai Ming	Mr Tan Chin Hwee

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

2008 Audited Financial Statements	:	The audited financial statements of K-REIT for FY2008
2008 Rights Issue	:	The renounceable rights issue announced by the Manager on 12 March 2008
2009 Audited Financial Statements	:	The audited financial statements of K-REIT for FY2009
2009 Rights Issue	:	The renounceable rights issue announced by the Manager on 30 September 2009
2010 Audited Financial Statements	:	The audited financial statements of K-REIT for FY2010
275 George Street Property	:	K-REIT's 50.0% interest (as a tenant-in-common) in 275 George Street, Brisbane, Australia
4Q2011	:	The fourth quarter of the financial year ending 31 December 2011
77 King Street Property	:	K-REIT's 100.0% interest in Lots 1, 3, 4 and 5, 77 King Street, Sydney, Australia
8 Chifley Square Interest	:	K-REIT's 50.0% interest in 8 Chifley Square Property through a 50.0% interest in the issued units of M8CT
8 Chifley Square Property	:	The commercial office building to be erected on the land comprised in folio identifier 10/752057 at 8–12 Chifley Square, Sydney, Australia
9M2011	:	The nine-month period ended 30 September 2011
9M2011 Unaudited Financial Statements	:	The unaudited financial statements of K-REIT for 9M2011
Acquisition	:	The acquisition of approximately 87.51% equity interest in OPPL for 99 years from the Completion Date
Acquisition Fee	:	The acquisition fee which the Manager will be entitled to receive from K-REIT upon completion of the Acquisition which is payable fully in Units
Actual OFC Net Property Income	:	All income accruing or resulting from the operation of the Property in accordance to the SPA less all costs and expenses incurred in the maintenance, management and operation of the Property in accordance with the SPA for the First Period or the Quarterly Period (as the case may be)
Adjusted NTA	:	The adjusted NTA value of OPPL

Aggregate Leverage	:	The ratio of the value of borrowings and deferred payments (if any) to the value of the Deposited Property of K-REIT
Agreed Value	:	The agreed value of approximately 87.51% interest in the Property of S$2,013.1 million
AIPL	:	Avan Investments Pte Ltd, an unrelated third party and an existing shareholder which owns approximately 12.49% equity interest in OPPL
ARE	:	The application form for the Rights Units and Excess Rights Units to be issued to Eligible Depositors
ARS	:	The application form for Rights Units to be issued to purchasers of the "nil-paid" rights
Asset Swap	:	The asset swap carried out by the Trustee through the conditional share purchase agreement with Bayfront Development Pte. Ltd., a wholly-owned subsidiary of KLL, for the acquisition of a one-third interest in phase one of Marina Bay Financial Centre at an agreed value of approximately S$1,426.8 million (inclusive of rental support), and the conditional sale and purchase agreement with Mansfield Developments Pte Ltd, a wholly-owned subsidiary of KLL, for the divestment of Keppel Towers and GE Tower at an agreed value of S$573.0 million
ATM	:	Automated teller machine
Audit Committee	:	The audit committee of the Manager
Authority	:	The Monetary Authority of Singapore
Balance Rights Units	:	The total number of Rights Units less the Keppel Proportionate Rights Units, up to a maximum of 273,999,540 Rights Units
BFCDPL	:	BFC Development Pte. Ltd.
Bugis Junction Towers	:	K-REIT's 100.0% interest in the whole of Strata Lot U1433K TS 13 together with the building comprised in Subsidiary Strata Certificate of Title Volume 487 Folio 183 and known as 230 Victoria Street, Singapore 188024
Call Option	:	The call option granted by the Trustee on Completion Date to the Vendor pursuant to which the Vendor shall have the right to acquire approximately 87.51% equity interest in OPPL, or OPLLP (as the case may be), or equivalent, after 99 years from the Completion Date
CBD	:	Central business district
CDP	:	The Central Depository (Pte) Limited
Circular	:	The circular to Unitholders dated 19 October 2011

Closing Date	:	Refers to: (a) 5 December 2011 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and/or excess application and payment for the Rights Units under the Rights Issue through CDP; or (b) 5 December 2011 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and/or excess application and payment for the Rights Units under the Rights Issue through an ATM of a Participating Bank
Completion Date	:	The date the Acquisition will be completed
Conversion	:	The conversion of OPPL into a limited liability partnership constituted under the laws of Singapore pursuant to the Limited Liability Partnerships Act, Chapter 163A of Singapore
Convertible Securities	:	Convertible securities which may be converted into Units
CPF	:	Central Provident Fund
CPFIS	:	CPF Investment Scheme
CPFIS-OA	:	CPFIS — Ordinary Account
CSC	:	Certificate of Statutory Completion issued by the Building and Construction Authority under the Building Control Act, Chapter 29 of Singapore
Debt Financing	:	The debt financing of approximately S$600.7 million from financial institutions at an average cost of borrowing of approximately 2.28% per annum
Deposited Property	:	The gross assets of K-REIT, including all its authorised investments held or deemed to be held upon the trust, under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders held on 10 November 2011 at 3.00 p.m. at Marina Bay Sands Expo and Convention Centre, Level 3, Hibiscus Main Ballroom (3601A to 3703), 10 Bayfront Avenue, Singapore 018956
Electronic Application	:	Acceptance of the Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement

Eligible Depositors	:	Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of K-REIT, and the Joint Managers and Underwriters agree, including Eligible QIBs, may be offered Rights Units without breaching applicable securities laws
Eligible Scripholders	:	Unitholders whose Units are not deposited with CDP and who have tendered to the Unit Registrar valid transfers of their Units and/or the documentary evidence evidencing their title in relation thereto for registration up to the Rights Issue Books Closure Date and whose registered addresses with the Unit Registrar are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided the Unit Registrar with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of K-REIT, and the Joint Managers and Underwriters agree, including Eligible QIBs, may be offered Rights Units without breaching applicable securities laws
Eligible QIBs	:	Beneficial holders of Units whose identities have been agreed between the Manager and the Joint Managers and Underwriters, who are each a QIB, who have delivered to the Manager and the Joint Managers and Underwriters a signed investor representation letter in the form set out in Appendix J of this Offer Information Statement which is accepted by the Manager and the Joint Managers and Underwriters, and who are also Eligible Unitholders
Eligible Unitholders	:	Eligible Depositors and Eligible Scripholders
Enlarged Portfolio	:	Comprises the Existing Properties and the Property
Excess Rights Units	:	The Rights Units represented by the provisional allotments (a) of (i) Eligible Unitholders who reject, do not accept, and elect not to renounce or sell their provisional allotments of Rights Units under the Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the "nil-paid" rights trading period or (b) that have not been validly taken up by the original allottees, renouncees of the provisional allotments or the purchasers of the "nil-paid" rights
Existing Properties	:	Comprising Bugis Junction Towers, the MBFC Interest, the ORQ Interest, the Prudential Tower Property, the 275 George Street Property, the 77 King Street Property and the 8 Chifley Square Interest
Financial Statements	:	The 2008 Audited Financial Statements, the 2009 Audited Financial Statements, the 2010 Audited Financial Statements and the 9M2011 Unaudited Financial Statements

Forecast Year 2012	:	The financial year from 1 January 2012 to 31 December 2012
Foreign Purchaser	:	Persons whose registered addresses with CDP are outside Singapore and who purchase the provisional allotments of Rights Units through the book-entry (scripless) settlement system
FY2008	:	Financial year ended 31 December 2008
FY2009	:	Financial year ended 31 December 2009
FY2010	:	Financial year ended 31 December 2010
Gross Rent	:	Comprises base rental income (after rent rebates, rent-free periods, and adjustments where applicable) and tenant service charge, if any
Gross Rental Income	:	Comprises base rental income (after rent rebates, rent free periods and adjustments where applicable), service charges (Singapore)/recoverable outgoings (Australia), and turnover rent (if applicable)
Guarantor	:	Keppel Land Properties Pte Ltd, a wholly-owned subsidiary of KLL, as the guarantor for the Acquisition
Independent Market Consultant	:	DTZ Debenham Tie Leung (SEA) Pte Ltd
Independent Reporting Accountants	:	Ernst & Young LLP
Independent Valuers	:	Savills and Knight Frank
Ineligible Unitholders	:	Unitholders other than Eligible Unitholders
IRAS	:	Inland Revenue Authority of Singapore
Joint Managers and Underwriters	:	DBS Bank Ltd. and United Overseas Bank Limited
K-REIT	:	K-REIT Asia
KCL	:	Keppel Corporation Limited
KCL Irrevocable Undertaking	:	The irrevocable undertaking provided by KCL to the Manager dated 17 October 2011
Kephinance	:	Kephinance Investment Pte Ltd
Keppel Irrevocable Undertakings	:	The KCL Irrevocable Undertaking and the KLL Irrevocable Undertaking
Keppel Proportionate Rights Units	:	The Rights Units in respect of which KCL and KLL have undertaken to subscribe pursuant to the Keppel Irrevocable Undertakings
KLL	:	Keppel Land Limited

KLL Irrevocable Undertaking	:	The irrevocable undertaking provided by KLL to the Manager dated 17 October 2011
KLL Subsidiaries	:	KRAI and the Manager
Knight Frank	:	Knight Frank Pte Ltd
KRAI	:	K-REIT Asia Investment Pte. Ltd.
KREI	:	Keppel Real Estate Investment Pte. Ltd.
Last Traded Price	:	The last traded price of S$1.03 per Unit as at 17 October 2011, prior to the announcement of the Acquisition and the Rights Issue on 17 October 2011
Latest Practicable Date	:	11 November 2011, being the latest practicable date prior to the lodgment of this Offer Information Statement
LEED Award	:	Leadership in Energy and Environmental Design Award for CS (core and shell) pre-certification
Limited Liability Partnership Agreement	:	The limited liability partnership agreement to be entered into between the Trustee and AIPL
Listing Manual	:	The Listing Manual of the SGX-ST
LLP	:	Limited Liability Partnership pursuant to the Limited Liability Partnerships Act, Chapter 163A of Singapore
M8CT	:	Mirvac 8 Chifley Trust
Management and Underwriting Agreement	:	The management and underwriting agreement entered into between the Manager and the Joint Managers and Underwriters on 17 October 2011, as supplemented on 11 November 2011
Manager	:	K-REIT Asia Management Limited, as manager of K-REIT
Market Day	:	A day on which the SGX-ST is open for trading in securities
MBFC	:	Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall on Lots 289N, 80006L, 80007C, 80008M, 80009W and 80011M of Town Subdivision 30
MBFC Interest	:	K-REIT's one-third interest in MBFC through a one-third interest in the issued share capital of BFCDPL, excluding the interests in Marina Bay Residences Pte. Ltd.
Moody's	:	Moody's Investor Services, Inc
MRT	:	Mass rapid transit
MTN Programme	:	A S$1.0 billion multicurrency medium term note programme established by the Manager in January 2009
NAV	:	Net asset value
NTA	:	Net tangible assets
Net Property Income	:	Means the property income less property expenses

NLA	:	Net lettable area
"nil-paid" rights	:	The provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
Offer Information Statement	:	This offer information statement dated 17 November 2011
OFC Interest	:	Approximately 87.51% interest in the Property through the approximately 87.51% of the issued share capital of OPPL
OFC Phase 1	:	The office tower of the Property which received temporary occupation permits on 14 March 2011 and 29 April 2011
OFC Phase 2	:	The car park and retail podium of the Property which is currently under development and expected to be completed by end-2012
One Raffles Quay	:	The building known as One Raffles Quay erected on the whole of Lot 175C of Town Subdivision 30 (excluding the subterranean space below it known as Lot 80002A of Town Subdivision 30), and the whole of the subterranean space below Lot 175C of Town Subdivision 30 known as Lot 80002A of Town Subdivision 30 for a term of 99 years commencing from 13 June 2001
OPLLP	:	Ocean Properties LLP
OPPL	:	Ocean Properties Pte. Limited
Option Interest	:	The approximate 87.51% equity interest in OPPL, or equivalent, which the Option Holder has the right to acquire for S$1.00 pursuant to the Option Deed
Option Deed	:	The option deed to be executed on the Completion Date by the Trustee granting the Vendor the Call Option
Option Holder	:	The Vendor, in its capacity as option holder of the Option Deed
ORQ Interest	:	K-REIT's one-third interest in One Raffles Quay through a one-third interest in the issued share capital of ORQPL and the assignment to K-REIT of Boulevard Development Pte Ltd's rights, title and interest in a shareholder's loan to ORQPL
ORQPL	:	One Raffles Quay Pte Ltd
PAL	:	The application form for Rights Units and Excess Rights Units to be issued to Eligible Scripholders
Participating Banks	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
PFIC	:	Passive foreign investment company
Profit Forecast	:	The forecast of (a) the Existing Properties and (b) the Enlarged Portfolio together with the accompanying key assumptions and sensitivity analysis as set out in Appendix B of this Offer Information Statement

Project Management Agreement	:	The project management agreement entered into between OPPL and Keppel Land International Limited dated 22 November 2007
Project Manager	:	Keppel Land International Limited
Property or **OFC**	:	The whole of Lot 340P of Town Subdivision 1 comprising a leasehold title held under the Property State Lease and comprised in the Certificate of Title Volume 99 Folio 42, together with the building(s) erected thereon and known as "Ocean Financial Centre", located at 10 Collyer Quay Singapore 049315 and including all plant and equipment located thereat
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the Authority
Property Income	:	Comprises Gross Rental Income, car park income and other income
Property Management Agreement	:	The property management agreement entered into between OPPL and Keppel Land International Limited dated 29 September 2011 which will be novated to the Property Manager on the Completion Date
Property Manager	:	K-REIT Asia Property Management Pte Ltd
Property Tax	:	Property tax shall refer to property tax payable in Singapore and land tax payable in Australia
Prudential Tower	:	The Prudential Tower building situated at 30 Cecil Street, Singapore 049712
Prudential Tower Property	:	K-REIT's approximately 92.8% of the strata area of Prudential Tower comprised in the whole of Strata Lots U403C TS 1, U405W TS 1, U404M TS 1, U414N TS 1, U406V TS 1, U415X TS 1, U407P TS 1, U416L TS 1, U408T TS 1, U417C TS 1, U409A TS 1, U418M TS 1, U410P TS 1, U419W TS 1, U420C TS 1, U412A TS 1, U421M TS 1, U413K TS 1, U423V TS 1, U422W TS 1, U424P TS 1, U425T TS1, U426A TS1, U427K TS1, U428N TS1, U429X TS1, U430K TS 1, U431N TS 1, U432X TS 1 and U433L TS 1 comprising SSCT Vol. 589 Fol. 161 to 168 and Fol. 170 to 191
Prudential Tower 19.4% Interest Acquisition	:	The acquisition of four strata floors (levels 26 to 29) at Prudential Tower which was announced by the Manager on 21 March 2011 and completed on 3 May 2011
Prudential Tower 29.0% Interest Acquisition	:	The acquisition of six strata floors (levels 20 to 25) at Prudential Tower which was announced by the Manager on 1 September 2009 and completed on 2 November 2009
Purchase Consideration	:	The purchase consideration for the Acquisition which shall be equal to approximately 87.51% of the Adjusted NTA, taking into account the Agreed Value

QIBs	:	"Qualified Institutional Buyers" within the meaning of Rule 144A of the Securities Act
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust
Relevant Period	:	A period of 99 years after the Completion Date
Rental Support	:	The rental support provided by the Vendor to K-REIT
Reversionary Interest	:	The remaining tenure of the Property less the 99 years (from the Completion Date) which shall be transferred to the Vendor in the event of any specified event as set out in this Offer Information Statement
Rights Issue	:	The issue of new Units on an underwritten and renounceable basis to Eligible Unitholders in the manner set out in this Offer Information Statement
Rights Issue Books Closure Date	:	5.00 p.m. on 16 November 2011
Rights Issue Price	:	S$0.85 being the issue price per Rights Unit
Rights Ratio	:	The ratio of 17 Rights Units to be issued for every 20 existing Units (fractional entitlements to be disregarded) held as at the Rights Issue Books Closure Date
Rights Units	:	The new Units to be issued by way of the Rights Issue
Savills	:	Savills Valuation and Professional Services (S) Pte Ltd
Securities Account	:	Unitholders' securities accounts with the CDP
Securities Act	:	U.S. Securities Act of 1933, as amended
SFA	:	Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	:	Singapore Exchange Securities Trading Limited
SPA	:	The conditional sale and purchase agreement entered into between the Trustee, the Vendor and the Guarantor on 17 October 2011
Specified Period	:	A period of six months after the date of request by the Option Holder to create the Reversionary Interest
sqm	:	Square metre
SRS	:	Supplementary Retirement Scheme
Standard & Poor's	:	Standard & Poor's Ratings Services
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all outstanding Units

TERP	:	The theoretical ex-rights price which is calculated as follows: $$\text{TERP} = \frac{\text{Market capitalisation of K-REIT based on the Last Traded Price + gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}}$$
Top-Up Payment	:	Shall have the meaning as defined in "Information Relating to the Acquisition, the Existing Properties and the Enlarged Portfolio - The Acquisition - Details of the SPA" of this Offer Information Statement
Total Acquisition Cost	:	The aggregate of the Purchase Consideration, the estimated stamp duty, professional and other fees and expenses incurred by K-REIT in connection with the Acquisition and the Acquisition Fee
Trust Deed	:	The trust deed dated 28 November 2005 constituting K-REIT, as supplemented by a first supplemental deed dated 2 February 2006, a second supplement deed dated 17 March 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 17 October 2007, a fifth supplemental deed dated 19 January 2009, a sixth supplemental deed dated 16 April 2009 and a first amending and restating deed dated 19 April 2010, all entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	:	RBC Dexia Trust Services Singapore Limited, as trustee of K-REIT
Unit	:	A unit representing an undivided interest in K-REIT
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
U.S. or **United States**	:	United States of America
Vendor	:	Straits Property Investments Pte Ltd, a wholly-owned subsidiary of KLL
Vendor's Shareholding Proportion	:	Shall mean $\frac{62682000}{71630170}$, being the fraction representing the number of ordinary shares held by the Vendor in OPPL
WALE	:	Weighted average lease expiry
A$	:	Australian dollars
S$ and **cents**	:	Singapore dollars and cents
%	:	Per centum or percentage

The terms "Depositor" and "Depository Agent" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded off.

The information contained in the website of K-REIT does not constitute part of this Offer Information Statement.

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APPENDIX A — CERTAIN FINANCIAL INFORMATION RELATING TO K-REIT

Selected financial data from the Financial Statements including the line items in the statement of total return, comprehensive income, and the distribution statement, balance sheet and the statement of cash flows of K-REIT, is set out in this Appendix. Financial data relating to (a) DPU, (b) *pro forma* DPU, (c) earnings per Unit, (d) earnings per Unit after any adjustment to reflect the Acquisition and the issue of Rights Units, (e) NAV per Unit and (f) NAV per Unit after any adjustment to reflect the Acquisition and the issue of Rights Units are also set out below.

Such selected financial data should be read together with the relevant notes of the Financial Statements, which are available on the website of K-REIT at www.kreitasia.com and are also available for inspection during normal business hours at the registered office of the Manager[17] at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement.

The information contained on the website of K-REIT does not constitute part of this Offer Information Statement.

[17] Prior appointment with the Manager will be appreciated.

Statements of Total Return, Comprehensive Income and Distribution

	9M2011 S$'000	FY2010 S$'000	FY2009 S$'000	FY2008 S$'000
Property income	55,348	84,559	62,811	52,646
Property expenses	(11,449)	(17,254)	(13,931)	(12,987)
Net property income	**43,899**	**67,305**	**48,880**	**39,659**
Rental support	28,423	26,366	23,011	24,799
Share of results of associated companies	25,415	9,695	8,208	10,687
Interest income	17,086	12,052	12,845	9,069
Amortisation expense	(22,687)	(22,502)	(26,634)	(27,050)
Trust expenses	(19,035)	(20,943)	(13,902)	(14,295)
Borrowing costs	(20,939)	(16,821)	(24,792)	(23,580)
Changes in fair value of derivatives	(791)	(452)	—	—
Net income	**51,371**	**54,700**	**27,616**	**19,289**
Net change in fair value of investment properties	—	31,591	(71,759)	11,089
Divestment gain on disposal of investment property	—	26,439	—	—
Total return before tax	**51,371**	**112,730**	**(44,143)**	**30,378**
Income tax expense	(3,532)	(3,494)	(1,776)	(2,910)
Total return after tax	**47,839**	**109,236**	**(45,919)**	**27,468**
Other comprehensive income:				
Net change in fair value of cash flow hedges	(30,417)	(4,606)	—	—
Share of net change in fair value of cash flow hedges of an associated company	(3,710)	—	—	—
Foreign currency translation	925	(1,310)	—	—
Other comprehensive income, net of tax	**(33,202)**	**(5,916)**	**—**	**—**
Total comprehensive income	**14,637**	**103,320**	**(45,919)**	**27,468**
<u>Distribution Statement</u>				
Net Income	**51,371**	**54,700**	**27,616**	**19,289**
Net tax adjustments	29,397	34,425	44,679	41,803
Income tax expense	(3,532)	(3,494)	(1,776)	(2,910)
Income available for distribution to Unitholders	**77,236**	**85,631**	**70,519**	**58,182**
Distribution per Unit (cents)	5.68	6.37	5.28	8.91
Pro forma distribution per Unit (cents)(1)	5.74	6.72	N/A(3)	N/A(3)
Earnings/(loss) per Unit	3.52	8.14	(5.66)	4.77
Adjusted earnings/(loss) per Unit (cents)(2)	3.24	7.49	(5.20)	4.38

Notes:

(1) Adjusted for the *pro forma* financial effects of the Rights Issue and the Acquisition, as if the Rights Issue and the Acquisition were completed on 1 January 2010.

(2) Adjusted earnings per Unit after the Rights Issue were computed based on the weighted average number of Units in issue during the financial year/period, adjusted for the bonus element of the Rights Issue in accordance with FRS 33 — Earnings per Share. The adjustment factor was calculated based on the Last Traded Price divided by the TERP.

(3) Not applicable.

Balance Sheets

	As at 30 September 2011 S$'000	As at 31 December 2010 S$'000
Non-current assets		
Investment properties	1,147,619	1,025,634
Investment in associated companies	1,977,172	1,981,045
Investment in joint venture company	36,151	—
Other non-current receivables	4,951	—
Intangible asset	21,949	37,242
Derivative financial instruments	1,434	—
Total non-current assets	**3,189,276**	**3,043,921**
Current assets		
Trade and other receivables	22,248	21,144
Prepaid expenses	1,028	998
Cash and cash equivalents	40,161	49,860
Derivative financial instruments	1,414	—
Total current assets	**64,851**	**72,002**
Total assets	**3,254,127**	**3,115,923**
Current liabilities		
Trade and other payables	50,517	44,000
Income received in advance	5,219	5,225
Current portion of security deposits	1,644	2,400
Derivative financial instruments	150	452
Provision for taxation	2,933	3,261
Total current liabilities	**60,463**	**55,338**
Non-current liabilities		
Long term borrowings	1,151,461	989,932
Other non-current payables	14,680	4,310
Derivative financial instruments	38,174	4,606
Non-current portion of security deposits	8,027	6,186
Total non-current liabilities	**1,212,342**	**1,005,034**
Total liabilities	**1,272,805**	**1,060,372**
Net assets	**1,981,322**	**2,055,551**
Represented by:		
Unitholders' funds	**1,981,322**	**2,055,551**
Units in issue ('000)	**1,361,615**	**1,355,904**
Units in issue and to be issued ('000)	**2,541,340**(1)	**2,529,875**(2)
Net asset value per Unit (S$)	**1.46**	**1.52**
***Pro forma* net asset value per Unit (S$)**	**1.16**(3)	**1.19**(4)

Notes:

(1) Includes (a) 1,159,694,000 Rights Units and (b) approximately 20,031,000 new Units (based on an issue price of S$1.005 per Unit, which is K-REIT's historical closing price on 30 September 2011) issuable as payment of the Acquisition Fee.

(2) Includes (a) 1,159,694,000 Rights Units and (b) approximately 14,277,000 new Units (based on an issue price of S$1.41 per Unit, which is K-REIT's historical closing price on 31 December 2010) issuable as payment of the Acquisition Fee.

(3) Adjusted for the *pro forma* financial effects of the Rights Issue and the Acquisition, as if the Rights Issue and the Acquisition were completed on 30 September 2011.

(4) Adjusted for the *pro forma* financial effects of the Rights Issue and the Acquisition, as if the Rights Issue and the Acquisition were completed on 31 December 2010.

Cash Flow Statements

	9M2011 S$'000	FY2010 S$'000
Cash flows from operating activities		
Total return before tax	51,371	112,730
Adjustments for:		
Interest income	(17,086)	(12,052)
Amortisation expense	22,687	22,502
Share of results of associated companies	(25,415)	(9,695)
Borrowing costs	20,939	16,821
Management fees payable in Units	8,374	7,537
Net change in fair value of investment properties	—	(31,591)
Gain on divestment of investment property	—	(26,439)
Changes in fair value of unrealised derivative financial instruments	—	452
Translation differences	342	(3,321)
Operating cash flows before changes in working capital	**61,212**	**76,944**
Increase in receivables	(25,456)	(35,995)
(Decrease)/Increase in payables	(2,424)	7,422
Increase/(Decrease) in security deposits	1,085	(7,852)
Income taxes paid	(3,853)	(5,087)
Net cash flows from operating activities	**30,564**	**35,432**
Cash flows from investing activities		
Purchase of investment properties	(119,195)	(377,373)
Proceeds from sale of investment property	—	570,501
Improvements in investment properties	(1,074)	(546)
Interest received	16,731	12,266
Rental support received	41,000	24,392
Investment in joint venture company	(37,285)	—
Dividend income received from associated companies	17,263	9,911
Investment in associated company	—	(1,380,152)
Increase in intangible asset	(7,351)	(27,151)
Repayment of loan from associated company	—	300,000
Net cash flows used in investing activities	**(89,911)**	**(868,152)**
Cash flows from financing activities		
Loans drawdown	160,955	993,490
Repayment of loans	—	(581,085)
Upfront debt arrangement costs	—	(3,593)
Distribution to Unitholders	(96,450)	(76,827)
Interest paid	(14,857)	(24,954)
Net cash flows generated from financing activities	**49,648**	**307,031**
Net decrease in cash and cash equivalents	**(9,699)**	**(525,689)**
Cash and cash equivalents at beginning of the period/year	**49,860**	**575,549**
Cash and cash equivalents at end of the period/year	**40,161**	**49,860**

APPENDIX B — PROFIT FORECAST

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person nor that these results will be achieved or are likely to be achieved.

The following tables set out the forecast consolidated statements of total return and distributable income for the Forecast Year 2012.

The Profit Forecast has been examined by the Independent Reporting Accountants and should be read together with their report contained in Appendix C of this Offer Information Statement as well as the assumptions and sensitivity analysis set out below.

None of the Manager, the Joint Managers and Underwriters or the Trustee guarantees the performance of K-REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast DPU stated in this Appendix is calculated based on (a) the assumed Rights Issue Price of S$0.85 per Rights Unit and (b) the assumption that the issue date of the Rights Units is 13 December 2011. Such forecast DPU may vary accordingly if the issue date of the Rights Units is after 13 December 2011 and in relation to investors who purchase Units in the secondary market at a market price that differs from the assumed Rights Issue Price of S$0.85 per Rights Unit.

Forecast Consolidated Statement of Total Return and Distributable Income

S$'000	Forecast[1] Year 2012 (Financial year ending 31 December 2012) Existing Properties[2]	Forecast[1] Year 2012 (Financial year ending 31 December 2012) Enlarged Portfolio[3]
Gross rental income	73,783	152,123
Car park income	1,107	1,107
Other income[4]	137	1,197
Property income	**75,027**	**154,427**
Property tax	(4,807)	(11,763)
Other property expenses	(7,942)	(19,596)
Property management fee	(1,607)	(3,989)
Maintenance and sinking fund contributions	(2,718)	(2,718)
Property expenses	**(17,074)**	**(38,066)**
Net property income	**57,953**	**116,361**
Rental support[5]	9,705	76,915
Share of results of associated/joint venture companies[6]	43,683	43,683
Interest income	27,060	27,060
Amortisation expenses	(6,792)	(62,057)
Borrowing costs	(30,513)	(51,707)
Manager's management fees	(24,056)	(37,533)
Trust expenses	(3,449)	(3,787)
Total return before tax	**73,591**	**108,935**
Income tax expense	(1,716)	(13,142)
Total return after tax	**71,875**	**95,793**
Non-controlling interest	—	(6,142)
Total return after tax and non-controlling interest	**71,875**	**89,651**
Distribution Statement		
Total return after tax and non-controlling interest	**71,875**	**89,651**
Net tax adjustments[7]	24,058	93,648
Income available for distribution	**95,933**	**183,299**
Distribution to Unitholders[8]	**95,933**	**183,299**
Average Units in issue ('000)	**1,370,471[9]**	**2,560,042[10]**
DPU for the period (cents)[11]	**7.00**	**7.16**

Notes:

(1) Based on the assumptions as set out in this Appendix B.

(2) Existing Properties refer to the seven commercial office properties located in Singapore and Australia. In Singapore, these refer to Bugis Junction Towers, the MBFC Interest, the ORQ Interest, and the Prudential Tower Property. In Australia, these refer to the 275 George Street Property in Brisbane, the 77 King Street Property and the 8 Chifley Square Interest, both in Sydney. For the Profit Forecast, it is assumed that the 8 Chifley Square Property will be under development in the Forecast Year 2012 and K-REIT will receive net contribution, mainly from the interest income earned from the convertible notes.

(3) Enlarged Portfolio comprises the Existing Properties and the Property.

(4) Other income relates to revenue from licence fees and other miscellaneous income.

(5) Rental support relates to the rental support payments received by K-REIT for the Prudential Tower Property, the 275 George Street Property, the 77 King Street Property, the MBFC Interest and the Property.

(6) Share of results of associated/joint venture companies refers to the one-third share of ORQPL's, one-third share of BFCDPL's and 50.0% share of M8CT's net profit/(loss) after tax presented as follows:

S$'000	One-third share of ORQPL's results	One-third share of BFCDPL's results	50% share of M8CT's results	Forecast Year 2012 Total
Share of property income	42,833	66,021	—	108,854
Share of property expenses	(10,943)	(15,050)	—	(25,993)
Share of net profit before interest and tax	31,890	50,971	—	82,861
Share of trust expenses	—	—	(20)	(20)
Share of interest expenses	(9,411)	(20,810)	—	(30,221)
Share of net profit/(loss) before tax	22,479	30,161	(20)	52,620
Share of income tax expense	(3,825)	(5,112)	—	(8,937)
Share of net profit/(loss) after tax	18,654	25,049	(20)	43,683

(7) Net tax adjustments relate to non-taxable/deductible (income)/expenses relating to the portion of the Manager's management fees which are payable in the form of Units, straight-lining of rental escalation, amortisation expenses, Trustee fees and other expenses, and adjustments to include dividend income received from ORQPL and BFCDPL.

(8) Distribution to Unitholders is based on 100% of the total income available for distribution.

(9) Includes the Manager's forecast number of Units to be issued as payment for estimated Manager's management fees in Units payable in relation to 4Q2011 and the Forecast Year 2012.

(10) Includes the Manager's forecast number of Units to be issued as payment for the (a) acquisition fees to the Manager, and (b) estimated Manager's management fees in Units payable in relation to 4Q2011 and the Forecast Year 2012, as well as approximately 1,160 million Rights Units.

(11) DPU for the period is computed using Distribution to Unitholders over the average number of Units in issue.

1. Section A: Assumptions - Existing Properties

The major assumptions made in preparing the Profit Forecast of the Existing Properties are set out below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Offer Information Statement.

1.1 Property Income for the Existing Properties

Property Income comprises (a) gross rental income; (b) car park income; and (c) other income earned from the Existing Properties. A summary of the assumptions which have been used in calculating the Property Income is set out below:

(a) Gross Rental Income

Gross rental income comprises base rental income (after rent rebates, rent free periods, and adjustments where applicable), turnover rent, and service charge (Singapore)/ recoverable outgoings (Australia), which is a contribution paid by tenants towards the property expenses of the Existing Properties.

In order to forecast the gross rental income, the Manager has assumed rent payable under the committed leases.

For spaces that are vacant and leases that are expiring in Forecast Year 2012, the Manager has assumed the following to forecast the gross rental income for the period:

- The rental rates committed for the new leases and renewals in Forecast Year 2012 are at levels which the Manager believes could be achieved if each lease was negotiated as at 30 September 2011 vis-à-vis rental rates for similar leases that have been achieved at comparable properties, average market rental rates, rate of inflation and market conditions.

- As at 1 January 2012, approximately 2,048 sqm or 1.2% of the Existing Properties' NLA are assumed to be vacant. The Manager has assessed the likelihood of leasing out the vacant spaces and has assumed that these spaces will be leased out progressively in Forecast Year 2012.

- The Manager has assessed each of the expiring leases and the likelihood of renewals. During this period, leases amounting to approximately 8,682 sqm or 5.0% of the Existing Properties' total NLA will be due for renewal. It has been assumed that leases of 7,346 sqm or 4.2% of the Existing Properties' total NLA that are due for renewal will be renewed. The amount of space renewed takes into account tenants who have expressed an intention to renew their leases and expiring leases that have an option to renew.

- For the remaining leases of 1,336 sqm or 0.8% of the Existing Properties' total NLA due for renewal, the Manager has assumed that none of the leases will be renewed. Instead, the Manager has assumed that these spaces will be committed to new leases. For each of these new leases, a vacancy allowance of between three to nine months has been assumed based on the size and location of the individual premise.

- The 275 George Street Property and 77 King Street Property have a fixed rental escalation of between 4.0% and 5.0% annually. There are no leases expiring for these two properties in the Forecast Year 2012.

(b) Car Park Income

Car park income includes income accruing from or resulting from the operation of the car parking facilities at 275 George Street Property and 77 King Street Property. Car parking facilities at Bugis Junction Towers and the Prudential Tower Property are owned by the respective management corporations.

For the 275 George Street Property and 77 King Street Property, the forecast car park income is based on the actual car park income committed in the lease agreements.

(c) Other Income

Other income includes licence fees and other miscellaneous income which are attributable to Bugis Junction Towers, 275 George Street Property and 77 King Street Property.

1.2 Property Expenses for the Existing Properties

Property expenses consist of (a) Property Tax; (b) other property expenses; (c) property management fees; and (d) maintenance and sinking fund contributions. A summary of the assumptions which have been used in calculating the property expenses is set out below:

(a) Property Tax

For properties in Singapore, the property tax is assumed at 10.0% of base rent.

The property tax for the 275 George Street Property and the 77 King Street Property for the Forecast Year 2012 is up to 2.0% of the average taxable value of the properties.

(b) Other Property Expenses

Other property expenses comprise reimbursement of staff salaries and related costs; utilities expenses; marketing expenses which include advertising and promotional expenses, lease commission payable to third party agents or the property manager; landlord's fitting out expenses; repairs and maintenance expenses; insurance; property related professional fees; and general and administrative expenses relating to the Existing Properties.

The Manager has individually assessed the historical operating costs of the Existing Properties and each of the committed service contracts as at 30 September 2011 to estimate other operating expenses for the Existing Properties for the Forecast Year 2012. Included in other property expenses for the Forecast Year 2012 are (i) provisions of S$3.3 million for repairs and maintenance and fitting out expenses; (ii) utilities expenses of S$2.2 million; (iii) reimbursement of salaries and related expense of S$0.7 million; (iv) marketing expenses of S$1.1 million; and (v) general and administrative expenses of S$0.6 million.

(c) Property Management Fee

The property management fee for the Existing Properties ranges from 0.9% to 3.0% per annum of the property income for the Existing Properties.

(d) Maintenance and Sinking Fund Contributions

K-REIT undertakes the maintenance and sinking fund contributions for its respective interests in the strata-titled Bugis Junction Towers and the Prudential Tower Property.

The maintenance and sinking fund contributions go towards the repair, maintenance and operation, as well as the capital expenditure and improvement works relating to the common area of these properties.

Based on its assessment, the Manager has assumed that the maintenance and sinking fund contributions payable for Bugis Junction Towers in the Forecast Year 2012 will be in line with that incurred for the period ended 30 September 2011. The Manager has assumed that the maintenance and sinking fund contributions payable for the Prudential Tower Property will increase by approximately 7.8% in the Forecast Year 2012.

1.3 Borrowing Costs

As at 30 September 2011, K-REIT has put in place the following facilities, totalling S$1,262.0 million:

(a) 5-year mortgage term loan facilities of S$425.0 million;

(b) 5-year term loan facilities of S$100.0 million;

(c) 4-year term loan facilities of S$160.0 million;

(d) 3-year term loan facilities of S$227.0 million; and

(e) 3.5-year revolving credit line of S$350.0 million.

As security for the 5-year mortgage term loan facilities of S$425.0 million, K-REIT mortgaged its Bugis Junction Towers and its 73.4% interest in the Prudential Tower Property. In addition, on 17 March 2011, K-REIT granted in favour of the lender the following:

(i) an assignment of the rights, title and interest of the trust and to the insurances effected over Bugis Junction Towers;

(ii) an assignment of all the rights, benefits, title and interest of the trust in and to the property sale agreement and tenancy agreements relating to Bugis Junction Towers; and

(iii) a debenture creating fixed and floating charges over all assets of the trust relating to Bugis Junction Towers.

As at 30 September 2011, K-REIT had utilised approximately S$1,154.4 million and has an unutilised S$107.6 million of facilities available to meet its future obligations.

For the Profit Forecast, it has been assumed that the total outstanding amount of borrowings of K-REIT is approximately S$1,285.2 million, with a weighted average interest rate of 2.37% per annum.

1.4 Manager's Management Fees for the Existing Properties

The Manager is entitled to a base fee of 0.5% per annum on the value of the Deposited Property and an annual performance fee of 3.0% per annum of the Net Property Income of the Existing Properties before the Manager's management fees, gains and losses arising from disposal and revaluation of properties, and non-operating income and expenses. Both the base fee and performance fee are payable quarterly in arrears.

The progressive subscription of units and convertible notes via the forward purchase arrangement in respect of the 8 Chifley Square Interest will contribute to the Manager's base fee entitlement and the performance fee will be based on the net contribution, mainly from the interest income earned from the convertible notes.

To arrive at the forecast distribution, it is assumed that the Manager's management fees will be payable 50.0% in Units and 50.0% in cash.

1.5 Trust Expenses

Trust expenses comprise recurring operating expenses such as the Trustee fee, annual listing fees, registry fees, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses relating to K-REIT and K-REIT Asia (Australia) Trust.

The Trustee fee is currently charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property and K-REIT Asia (Australia) Trust's trustee fee is charged on a scaled basis of up to 0.045% per annum on its gross assets. The total trustee fee for the Forecast Year 2012 is approximately S$0.9 million, payable quarterly in arrears in accordance with the Trust Deed and the constitution of K-REIT Asia (Australia) Trust.

1.6 Rental support top-up payments for the 29.0% of the total strata area of Prudential Tower, the 275 George Street Property, the MBFC Interest, the 77 King Street Property and 19.4% of the total strata area of Prudential Tower

On 1 September 2009, the Trustee entered into a sale and purchase agreement for the Prudential Tower 29.0% Interest Acquisition. Under such sale and purchase agreement, the vendor of levels 20 to 25 of the Prudential Tower property will provide K-REIT with rental support of up to S$5.0 million from 2 November 2009 till 1 November 2014. Rental support will be paid on the difference between the actual net property income and the guaranteed net property income. Included in the Forecast Year 2012 is rental support of S$0.9 million.

On 1 March 2010, K-REIT Asia (Australia) Trust, a wholly-owned subsidiary of K-REIT, completed the acquisition of the 275 George Street Property. Under the sale and purchase agreement, the vendor agreed to provide rental support of up to A$2.2 million from 1 March 2010 till 30 June 2012. Rental support will be paid on the difference between the actual net cash flow from operations and the guaranteed net cash flow. Included in the Forecast Year 2012 is rental support of S$0.1 million.

On 15 December 2010, K-REIT completed the acquisition of the MBFC Interest. Under the share purchase agreement, the vendor agreed to provide rental support of up to S$29.0 million from 15 December 2010 till 31 December 2014. Rental support will be paid on the difference between the actual gross rental income and the guaranteed rental income. Included in the Forecast Year 2012 is rental support of S$4.7 million.

On 21 December 2010, K-REIT completed the acquisition of 77 King Street Property. Under the sale and purchase agreement, the vendor has agreed to provide rental support of up to A$4.0 million from 1 January 2011 till 31 December 2016. Rental support will be paid on the difference between the actual net property income and the guaranteed net property income for each of the calendar quarters. Included in the Forecast Year 2012 is rental support of S$1.4 million.

On 3 May 2011, K-REIT completed the Prudential Tower 19.4% Interest Acquisition, increasing its stake by 19.4%. Under the sale and purchase agreement, the vendors have agreed to provide rental support of up to S$8.1 million from 3 May 2011 till 31 March 2015. Rental support will be paid on the difference between the actual net property income and the guaranteed net property income. Included in the Forecast Year 2012 is rental support of S$2.6 million.

1.7 Interest Income

The Manager has assumed an average shareholder's loan of S$565.6 million at an average interest rate of 3.6% per annum to BFCDPL during the Forecast Year 2012.

The Manager has assumed an average shareholder's loan of S$44.9 million at an average interest rate of 3.3% per annum to ORQPL during the Forecast Year 2012.

For the 8 Chifley Square Interest, K-REIT will receive interest income of 9.5% coupon interest payments from the progressive subscription of the convertible notes for Forecast Year 2012.

1.8 Capital Expenditure

A provision of S$7.0 million for the forecast capital expenditure of the Existing Properties has been included in the Profit Forecast. This is based on the Manager's budget for asset enhancement works.

Capital expenditure incurred is capitalised as part of the value of the relevant Deposited Property and has no impact on the distributable income other than the interest incurred on borrowings and capital allowances claimed (if any).

1.9 Investment Properties

The carrying amount of the Existing Properties, excluding the 8 Chifley Square Interest as at 1 October 2011 is S$3,873.9 million. This amount is based on the latest valuations carried out by Cushman & Wakefield VHS Pte. Ltd, Knight Frank Pte Ltd, Knight Frank Valuations Queensland, Savills Valuation and Professional Services (S) Pte Ltd and m3property Pty. Ltd. As at 1 October 2011, the carrying amount of the 8 Chifley Square Interest is S$35.6 million based on K-REIT's investment cost in M8CT.

1.10 Accounting Standards

A summary of the significant accounting policies of K-REIT may be found in K-REIT Audited Financial Statements. The Manager has assumed that there is no significant change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast distributable income of K-REIT.

1.11 Other Assumptions

The Manager has made the following additional assumptions in preparing the Profit Forecast for the Existing Properties:

(a) Other than the Acquisition, the property portfolio remains unchanged throughout the Forecast Year 2012.

(b) There will be no material change to the taxation legislation or other legislations.

(c) All leases and licences are enforceable and will be performed in accordance with their terms.

(d) 100.0% of distributable income will be distributed.

(e) The exchange rate for Singapore Dollar to Australia Dollar is assumed to be S$1.194: A$1.00.

2. Section B: Assumptions - the Acquisition

2.1 The Acquisition

The income contribution received by K-REIT comprises (a) 100.0% of OPLLP's total net profits less approximately 12.49% of total net profits attributable to AIPL (the "**Partnership Income**"); and (b) Rental Support from the Vendor in accordance with the terms set out in the SPA. The major assumptions made in preparing the forecast Total OFC Property Revenue, Actual OFC Net Property Income, Rental Support and other associated expenses are set out below.

(a) Total OFC Property Revenue

Total OFC Property Revenue is the aggregate of gross rental income earned from (a) leasing of offices in the Property (the "**Office Gross Rental Income**") and (b) other income earned from the Property. As the car park and the retail podium are estimated to be completed at the end of year 2012, no income is assumed to be earned from the car park and the retail podium for the Forecast Year 2012.

The assumptions used in calculating the Total OFC Property Revenue are set out below:

(i) Office Gross Rental Income

The Office Gross Rental Income consists of effective base rent income (which takes into account rent-free) and service charge.

In forecasting the Office Gross Rental Income, the Manager has considered the committed leases as at 15 September 2011.

For the spaces that are vacant as at 15 September 2011, the Manager has assumed the following to forecast the gross rental income for the period:

- The Manager has assessed the market rent for each lettable area as at 15 September 2011. The market rent is the rent which the Manager believes could be achieved if each lease were negotiated as at 15 September 2011 and is estimated with reference to gross rent payable pursuant to comparable leases for tenancies that have recently been negotiated, the effect of competing properties, assumed tenant retention rates on lease expiry, likely market conditions, inflation levels and tenant demand.

- As at 15 September 2011, 16,025 sqm or 19.7% of the total office NLA of 81,471 sqm are vacant spaces. The Manager has assessed the likelihood of leasing out the vacant spaces and has assumed that these spaces will be leased out progressively from 15 September 2011 to 1 June 2013.

(ii) Other Income

Other income is attributable to licences and signage rights. The other income is forecast based on the existing licence agreements.

(b) Property Operating Expenses

(i) Property Tax

The property tax assumptions for the Forecast Year 2012 are set out in the table below:

Income Source	**Property Tax Assumptions**
Office Gross Rental Income	10.0% of Office Gross Rental Income after deducting property maintenance expenses relating to the office space
Other Income	10.0% of signage income

(ii) Other Property Operating Expenses

Other property operating expenses comprise reimbursement of staff salaries and related costs, utilities expenses, marketing expenses including advertising and promotional expenses as well as lease commission payable to third party agents or the Property Manager, expenses for the upkeep of properties, repairs and maintenance expenses, insurance, property related professional fee, reimbursable expenses to the Property Manager, administration overheads as well as other miscellaneous expenses relating to the Property.

As the Property has limited historical operating costs, the Manager has made comparison with the historical operating costs of other properties of similar quality, tenant profile and building size that are under the Manager's management.

The Manager has made an individual assessment of these expenses and included in the Forecast Year 2012 are (A) provisions of S$2.6 million for the upkeep of the properties, repairs and maintenance and fitting out expenses, (B) utilities expenses of S$4.8 million, (C) reimbursement of salaries and related expense of S$1.8 million and (D) marketing expense of S$1.9 million and (E) general and administrative expenses of S$0.6 million.

The property management fee is based on 3.0% per annum of the Total OFC Property Revenue.

(iii) Rental Support

As the Property is a recently completed development, the Vendor will provide Rental Support to K-REIT for a period from the Completion Date to 31 December 2016 for vacant spaces, fitting-out periods where rents and maintenance charges will not be received, as well as for leases which are at lower-than-market rental rates as these leases were contracted during the recovery phase of the global financial crisis. These leases are expected to be revised to prevailing market rates when they expire or at the next rent review date.

Pursuant to the terms of the Rental Support, in the event the Actual OFC Net Property Income of the First Period and each Quarterly Period, whichever is applicable, falls below the relevant Guaranteed Income Amount, the Vendor will pay to the Trustee the Top-Up Payment, provided that the aggregate of all Top-Up Payments shall not in any event exceed S$170.0 million.

The aggregate amount of Top-Up Payments (excluding any goods and services tax payable) for the Forecast Year 2012 is expected to be approximately S$67.2 million.

(iv) Agreed Value

The carrying value for approximately 87.51% of the Property is assumed at the Agreed Value of S$2,013.1 million. This assumption is used when estimating the value of the Deposited Property for the purpose of forecasting the base fee component of the Manager's management fees and the Trustee fees.

(v) Other Assumptions

The following additional assumptions have been made in preparing the Profit Forecast for the Property:

(i) It is assumed that OPLLP adopts significant accounting policies that are consistent with K-REIT. See Paragraph 1.10 for K-REIT's accounting policies.

(ii) There has been no significant change in applicable accounting policies or other financial reporting requirements that may have a material effect on the forecast partnership income for the OFC Interest.

(iii) There will be no material change to the taxation legislation or other legislations.

(iv) There will be no material change to the tax rulings obtained.

(v) All leases and licences are enforceable and will be performed in accordance with their terms.

(vi) 100.0% of the distributable income derived from the Property will be distributed.

2.2 Borrowing Costs

K-REIT will fund the Total Acquisition Cost from the net proceeds of the Rights Issue and debt borrowings.

For the Profit Forecast, the Manager has assumed that the interest rates for the debt borrowings to be between 1.90% to 2.60% per annum. Upfront fees incurred in relation to the debt borrowings is assumed to be amortised over the terms of the loan facilities and has been included as part of the borrowing costs.

2.3 Rights Issue

The Profit Forecast has been prepared based on a Rights Issue Price of S$0.85 per Rights Unit, and on the assumption that the net proceeds from the Rights Issue will be used to partially fund the Acquisition.

The costs associated with the Rights Issue are expected to be approximately S$4.8 million and will be paid for by K-REIT. These costs will be charged against Unitholders' funds in K-REIT's balance sheet and have no impact on net income or distributable income.

2.4 Manager's Management Fees

For the Property, the Manager is entitled to a base fee of 0.5% per annum of the value of the Deposited Property. In addition, there is an annual performance fee of 3.0% of Partnership Income and Rental Support after deducting all applicable taxes payable for receiving such income. For the Forecast Year 2012, it is assumed that the Manager's management fees will be paid fully in Units.

2.5 Trust Expenses

Trust expenses comprise recurring operating expenses such as the Trustee fee, annual listing fees, registry fees, audit and tax advisory fees, valuation fees, investor communication costs and other miscellaneous expenses.

2.6 Income Tax

The Manager has assumed that Rental Support for the OFC Interest is subjected to Singapore income tax at 17.0%. The Manager has also assumed that upon conversion of OPPL to OPLLP, the Partnership Income will be accorded the tax transparency status.

3. Section C: Sensitivity Analysis for the Enlarged Portfolio

The Profit Forecast is based on a number of key assumptions that have been outlined earlier in this Offer Information Statement.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this Offer Information Statement are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Profit Forecast, the sensitivity of DPU to changes in the key assumptions are set out below.

The sensitivity analysis below is intended as a guide only, and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

The sensitivity analysis has been prepared using the same assumptions as those set out earlier in this Appendix.

3.1 Gross Rent

Changes in the gross rent of uncommitted leases of the Existing Properties will impact the gross rental income and the Net Property Income of K-REIT. This will impact the distributable income and the DPU of K-REIT. The assumptions for gross rent have been set out earlier in this Appendix. The effect of variations in the gross rent on the DPU is set out below:

Impact on DPU pursuant to changes in Gross Rent

	DPU
	Forecast Year 2012
10.0% below base case	7.13
Base case(1)	7.16
10.0% above base case	7.19

Note:

(1) DPU as shown in the Profit Forecast.

3.2 Other Property Expenses

Changes in the other property expenses (excluding property tax, property management fee and marketing expenses) of the Existing Properties, will impact the Net Property Income of K-REIT. This will impact the distributable income and the DPU of K-REIT. The assumptions for other property expenses have been set out earlier in this Appendix. The effect of variations in the other property expenses on the DPU is set out below:

Impact on DPU pursuant to changes in Other Property Expenses

	DPU
	Forecast Year 2012
5.0% below base case	7.17
Base case(1)	7.16
5.0% above base case	7.15

Note:

(1) DPU as shown in the Profit Forecast.

3.3 Borrowing Costs

Changes in the interest rates on new borrowings and existing borrowings with floating interest rate, will impact the distributable income and DPU of K-REIT. The interest rate assumptions have been set out earlier in this Appendix. The effect of variations in the borrowing costs on the DPU is set out below:

Impact on DPU pursuant to changes in Borrowing Costs

	DPU
	Forecast Year 2012
Actual interest rate is 50 basis points below base case	7.45
Base case[(1)]	7.16
Actual interest rate is 50 basis points above base case	6.87

Note:

(1) DPU as shown in the Profit Forecast.

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17 November 2011

The Board of Directors
K-REIT Asia Management Limited
(in its capacity as Manager of K-REIT Asia)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

RBC Dexia Trust Services Singapore Limited
(in its capacity as Trustee of K-REIT Asia)
20 Cecil Street
#28-01 Equity Plaza
Singapore 049705

Dear Sirs:

Letter from the Independent Reporting Accountants on the Profit Forecast for the Year Ending 31 December 2012

This letter has been prepared for inclusion in the offer information statement dated 17 November 2011 to unitholders (the "**Offer Information Statement**") of K-REIT Asia in connection with the proposed acquisition of approximately 87.51% of the issued share capital of Ocean Properties Pte. Limited.

The directors of K-REIT Asia Management Limited (the "**Directors**") are responsible for the preparation and presentation of the Forecast Consolidated Statement of Total Return and Distributable Income for the year ending 31 December 2012 (the "**Profit Forecast**") as set out on pages B-1 to B-3 of the Offer Information Statement, which have been prepared on the basis of their assumptions as set out on pages B-3 to B-11 of the Offer Information Statement (the "**Assumptions**").

We have examined the Profit Forecast of K-REIT Asia for the year ending 31 December 2012 as set out on pages B-1 to B-3 of the Offer Information Statement in accordance with the Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information and confirmed that we have reviewed the bases and assumptions, accounting policies and calculations for the Profit Forecast as set out on pages B-3 to B-11 of the Offer Information Statement.

The Directors are solely responsible for the Profit Forecast including the Assumptions on which the Profit Forecast is based.

Based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that the Assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, is:

(a) properly prepared on the basis of the Assumptions;

(b) consistent with the accounting policies normally adopted by K-REIT Asia Management Limited in respect of K-REIT Asia; and

(c) presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (but not all the required disclosures), which is the framework adopted by K-REIT Asia Management Limited in the preparation of K-REIT Asia's financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under hypothetical assumptions described above occur, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from the Profit Forecast. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

Attention is drawn, in particular, to the sensitivity analysis of the Director's Profit Forecast as set out on pages B-11 to B-13 of the Offer Information Statement.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner-in-charge: Tham Chee Soon

Our Ref: MKT/2011/C-KRAM/DE/0635

10 October 2011

Savills Valuation and
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

K-REIT Asia Management Limited
230 Victoria Street #15-03
Bugis Junction Towers
Singapore 188024

Dear Sirs

VALUATION OF 10 COLLYER QUAY, OCEAN FINANCIAL CENTRE SINGAPORE 049315 ("the Property")

In accordance with the instructions from K-REIT Asia Management Limited ("K-REIT Manager"), confirmed in writing on 20 July 2011, we have inspected the Property on 25 July 2011. We have made relevant enquiries in order to provide our opinion of the Market Value (as defined below), as at 15 September 2011 (the "Valuation Date") of 87.50781968% of a 99-year interest in the Property, subject to existing and proposed tenancies, including rental support.

We have prepared this valuation for purposes of acquisition and confirm that this report may be relied upon by K-REIT Manager, K-REIT, RBC Dexia Trust Services Singapore Limited ("K-REIT Trustee") and the financial institution(s) providing the financing facilities to K-REIT. A valuation certificate is hereby enclosed for the purpose of inclusion in a circular to the unitholders.

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."

In addition, "Market Value" assumes:

(a) a willing seller;

(b) that, prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;

(d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and

(e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

In arriving at our opinion of market value, we have adopted the Income Capitalisation Approach and Discounted Cash Flow Analysis and our calculations are cross-checked by utilizing the Market Comparison Method, having considered the relevant general and economic factors as well as recent sales and lease transactions of comparable properties.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy status, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us and are therefore only approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing, on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

Neither the whole nor any part of this letter nor any reference thereto may be included in any documents, circular or statement without our written approval of the form and context in which it will appear.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services (S) Pte Ltd

Jessie Yeo MSISV
Appraiser's Licence No : AD041-2002061K
Executive Director

Encl.

VALUATION CERTIFICATE

Address of Property	10 Collyer Quay OCEAN FINANCIAL CENTRE Singapore 049315
Interest Valued	87.50781968% of a 99-year interest in the Property
Legal Description	Lot 340P Town Subdivision 1
Location	The Property is located at the doorstep of the Raffles Place Mass Rapid Transit ("MRT") interchange station. It is strategically situated between Raffles Place, the traditional financial hub of Singapore and Marina Bay, the new office downtown area. It is sited prominently at the major traffic intersections of Collyer Quay, Raffles Quay, Marina Boulevard/ Finlayson Green and Robinson Road/ Cecil Street, within the Central Business District ("CBD") of Singapore.
Brief Description	The Property comprises a new 43-storey office tower and an adjacent proposed 7-storey car park block with 3 basement levels. The recently completed international grade A office tower offers column-free office space from level 3 to level 43. Phase 2 comprising the 7-storey car park block and 3 basement levels of retail/ F&B space is targeted to be completed by the end of 2012. When completed it will provide 222 car parking lots, retail/food & beverage outlets and underground links to the Raffles Place MRT Interchange, the future Downtown MRT Station, One Raffles Quay and Marina Bay Financial Centre.
Site Area	6,109.0 sq metres
Gross Floor Area	95,992.3 sq metres

savills
第一太平戴維斯

Net Lettable Area ("NLA")

82,215.2 sq metres (884,957 sq feet), excluding licensed outdoor refreshment areas and roof gardens with a combined area of approximately 1,650 sq metres (17,761 sq feet)

The NLA breakdown by level and usage is as follows:

Level	NLA (sq metres)	Approved Use
B1 & Level 1	744.2	Retail/ F&B
Levels 3 to 43	81,471.0	Office
Total	**82,215.2**	

Occupancy

Based on the tenancy schedule as at 31 July 2011, the Property enjoys an overall occupancy rate of about 79.6% including pre-committed tenancies. We are given to understand that this tenancy schedule is still valid as at 15 September 2011.

We understand that there is a rental support of up to S$170,000,000/- from the date of completion to 31 December 2016 for the Property. This rental support has been granted by the vendor from the date of completion of K-REIT's purchase of the Property.

Gross Income Estimate

S$135,952,514/- per annum assuming fully leased at market rental rates

Capitalisation Rate

4.25% p.a.

Terminal Yield

4.50% p.a.

Discount Rate

7.75% p.a.

Market Value as at 15 September 2011

S$2,054,000,000
(SINGAPORE DOLLARS TWO BILLION AND FIFTY-FOUR MILLION ONLY) SUBJECT TO SATISFACTORY COMPLETION OF THE PROPOSED 7-STOREY CAR PARK BLOCK WITH 3 BASEMENTS & BASED ON 87.50781968% OF A 99-YEAR INTEREST IN THE PROPERTY AND INCLUDING RENTAL SUPPORT

Please see Limiting Conditions

Savills Valuation and Professional Services (S) Pte Ltd

LIMITING CONDITIONS

Valuation

The opinion expressed in this report applies strictly on the terms of and for the purpose expressed in this Valuation. Hence, the value shall never be quoted out of context in connection with any other assessment.

The Valuer accepts no liability if his opinion is quoted without regard to the full background of the reason why this Report is written.

No allowance has been made in our valuation for any mortgages, charges or amounts owing on the property or for any taxation or other expenses, which would be incurred in effecting a sale.

As we have not had an opportunity of inspecting the Title Deeds of the property, our valuation assumes that there are no adversely restrictive covenants, easements, rights of way or other factors of which we have not been informed.

Valuation Data

Where it is stated in the Report that information or data has been made known to the Valuer by another party, this information is believed to be reliable and he disclaims all responsibility if this should later prove not to be so.

Where information is given without reference to another party in this Report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge.

Processed date inferences therefrom shall be taken as the Valuer's opinion and shall not be freely quoted without acknowledgement.

Structural Defects

While due care is exercised in the course of inspection to note building defects, no structural survey is carried out and no guarantee shall be given in respect of termite or pest infestation, rot and/or any other hidden defects, unless specific instructions are given to the Valuer to include a thorough structural survey of the property.

We do not normally carry out investigations on site in order to ascertain the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

Liability of The Valuer

The Valuer shall only be responsible to the Client to whom this Report is addressed. He is not liable to any other party except the Client in connection with this valuation as the advice contained herein is limited to the scope of the instruction received. He is not required to give testimony to appear in court by reason of this Report unless prior arrangement has been made therefore.

Neither the whole nor any part of this Valuation and Report nor any reference to it may be included in any published document, circular to statement nor publishing in any way without the Valuer's prior written approval of the form and context in which it may appear.

The Client will not be liable for our negligence. In the event that we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

Knight Frank

VALUATION CERTIFICATE

Property	:	10 Collyer Quay "Ocean Financial Centre" Singapore 049315
Client	:	RBC Dexia Trust Services Singapore Limited (as Trustee of K-REIT Asia)
Purpose	:	For acquisition and corporate financing purposes
Legal Description	:	Lot No. : 340P Town Subdivision : 1
Interest Valued	:	99 years interest in the Property from the date of legal completion of Sale & Purchase
Basis Of Valuation	:	Market value subject to existing tenancies and occupational arrangements
Registered Owner	:	Ocean Properties Pte. Limited
Site Area	:	6,109.0 sm
Master Plan 2008	:	"Commercial" with a gross plot ratio of 12.6+
Brief Description	:	Ocean Financial Centre is strategically located at the junction of Collyer Quay and Church Street, within the heart of the financial and commercial district of Singapore, commonly known as Raffles Place. The subject property will be completed in two phases. Phase I comprises a 43-storey office building with 3 basement levels. It is the first office development in Singapore awarded the Platinum Green Mark Award issued by the Building and Construction Authority of Singapore. The Temporary Occupation Permits for Phase I were issued on 14 March 2011 and 29 April 2011. Phase II will, upon completion, comprise the reconstruction of a 7-storey car park with 1st storey retail/F&B units and addition/alteration works to existing three basement levels with new underground pedestrian/shopping mall. We understand that Phase II will be completed by end of 2012.
Rental Support	:	Up to about $170 million (including taxes) by the Vendor for the period from the date of legal completion of Sale & Purchase to 31 December 2016, payable quarterly in arrears.
Gross Floor Area (GFA)	:	95,992.28 sm (including GFA from lighting incentive scheme of 1,776.84 sm and GFA from art incentive scheme of 1,847.36 sm).
Lettable Floor Area	:	Phase I 81,471.0 sm Phase II 744.2 sm Total : 82,215.2 sm
Valuation Approaches	:	Investment and Discounted Cash Flow Methods. The Comparable Sales Method is used as a reference
Date Of Valuation	:	15 September 2011
Open Market Value	:	$2,050,000,000/- (Dollars Two Billion And Fifty Million Only) (87.50781968% INTEREST WITHIN OCEAN FINANCIAL CENTRE WITH RENTAL SUPPORT)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the limiting conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By	:	Knight Frank Pte Ltd

Low Kin Hon B.Sc.(Estate Management) Hons.,MSISV Managing Director Valuation Appraiser's Licence No. AD 041-2003752I	Woo Ai Lian MBA, B.Sc.(Estate Management) Hons.,MSISV Director Valuation Appraiser's Licence No. AD 041-2004048B

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Knight Frank Shopping Centre Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167

Newmark Knight Frank Global

LIMITING CONDITIONS

This property Valuation and Report is subject to the following limiting conditions:-

(1) The Valuer's responsibility in connection with this report is limited to the client to whom the report is addressed. The valuer disclaims all responsibility and will accept no liability to any other party.

(2) Reproduction of this report in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer's prior written approval of the form and context in which may appear is prohibited.

(3) The opinion expressed in this Valuation Report is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

(4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

(5) The Valuer does not warrant to the client to whom the report is addressed and any other person the title or the rights of any person with regard to the property.

(6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this report that information has been supplied to the valuer by another party, this information is believed to be reliable and the valuer shall not be held responsible or liable if this should prove not to be so.

(7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.

(8) The Valuer is not obliged to give testimony or to appear in Court with regard to this report, with reference to the property unless specific arrangement has been made therefor.

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Independent Review of the Office Property Market for the Central Business District

Prepared on behalf of

K-REIT Asia Management Limited

10 August 2011

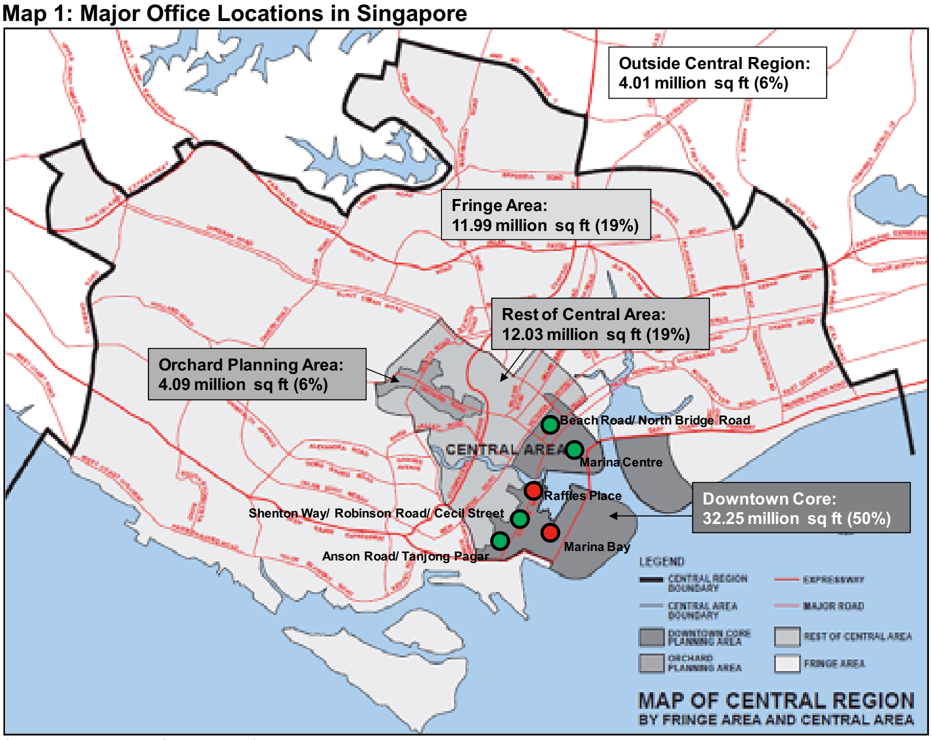
PRIVATE & CONFIDENTIAL
www.dtz.com

Contents

Executive Summary

DTZ was commissioned by K-REIT Asia Management Limited ("K-REIT Asia") to conduct an independent review of the office property market for Singapore's Central Business District ("CBD") for the proposed acquisition of Ocean Financial Centre ("OFC") located at 10 Collyer Quay. The report focuses on the private office market, particularly Raffles Place and Marina Bay in Downtown Core, where the subject property is located. The Downtown Core is an urban planning area in the south of Singapore where premium offices are situated (Map 1).

Map 1: Major Office Locations in Singapore



Source: URA, DTZ Consulting & Research, August 2011

Strong Economic Recovery in Asia

Most Asian economies enjoyed broad-based recovery in 2010, outpacing other advanced economies. Asia's growth was underpinned by strong export performance, buoyant private domestic demand and in some cases, rapid credit growth. Average real Gross Domestic Product ("GDP") growth in Asia was 8.2% in 2010. Notwithstanding, signs of overheating in some major economies are starting to materialise, fuelled by asset and consumer price inflation.

Singapore's Economy

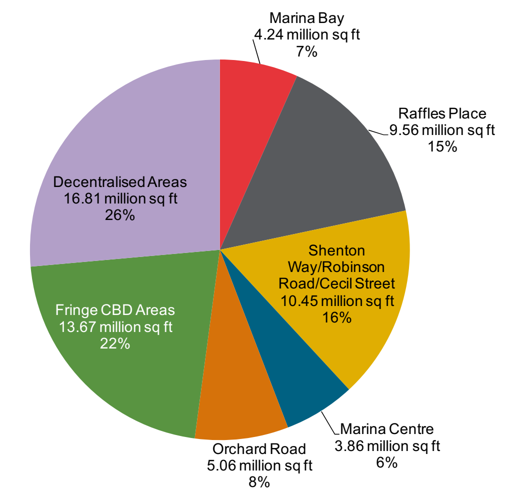
Following the 14.5% GDP growth in 2010, Singapore's economy grew by 9.3% YOY in Q1 2011 and 0.9% YOY in Q2 2011. The moderation in growth in Q2 2011 was due to a pullback in the biomedical and electronic manufacturing sectors. Inflationary pressures persist, with inflation reaching 5.2% in Q2 2011. As at July 2011, Oxford Economics forecasted annual GDP growth between 2011 and 2014 to be 4.6% to 5.0%, while inflation is expected to be 4.3% in 2011 and below 2% thereafter. Singapore's economy is expected to continue to grow, despite global economic uncertainty resulting from the sovereign debt crisis in the US and Europe as well as the recent downgrade of US long-term sovereign debt rating. According to the revised estimate by the Ministry of Trade and Industry ("MTI")[1] on 10 August 2011, GDP growth is expected to reach 5.0% to 6.0% in 2011.

[1] Source: Press Release on 10 August 2011 – "MTI Revises 2011 Growth Forecast to 5.0 to 6.0 Per Cent".

Evolving Central Business District

Compared with the past decade, there was significant new supply between 2009 and H1 2011, particularly in Downtown Core, as the supply from the large parcels of white sites in Marina Bay launched by the government in 2007 materialised. As at end Q2 2011, about 22% (13.80 million sq ft) of office space in Singapore was located in Raffles Place and Marina Bay, of which 40% (5.49 million sq ft) was premium office stock (Figure 1). Premium office stock was only found in Marina Bay since 2006. It was only till H1 2011 that new completions of OFC and OUE Bayfront added new premium office supply to Raffles Place.

Figure 1: Office Stock by Location



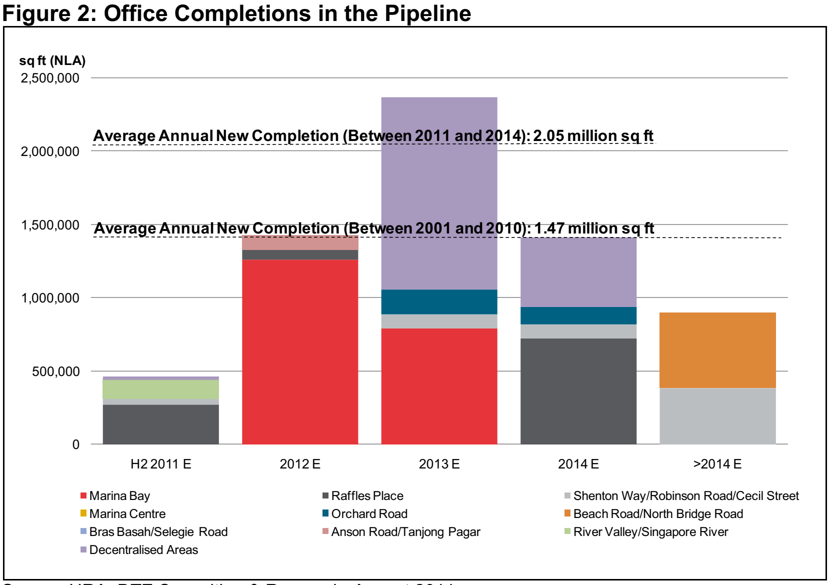
Source: URA, DTZ Consulting & Research, August 2011

The development of Marina Bay as an extension of the CBD, which incorporates lifestyle elements and a live-work-play environment, as well as the completion of new premium offices in Raffles Place have significantly enhanced the profile of the areas.

Significant Office Potential Supply, Especially in 2013

According to DTZ Research, about 6.57 million sq ft (Net Lettable Area ("NLA")) of new office space is anticipated to complete from H2 2011 onwards. Most of the potential new completions are from Marina Bay (31%, 2.05 million sq ft) and Raffles Place (16%, 1.06 million sq ft), of which 77% are completing from H2 2011 to 2013 (Figure 2). With the exception of 2013 (36% of island-wide potential supply, 2.37 million sq ft), annual new completions from 2012 onwards are expected to be in line with or lower than the average annual new completions over the past decade.

Figure 2: Office Completions in the Pipeline



Source: URA, DTZ Consulting & Research, August 2011

Of the potential supply in Raffles Place and Marina Bay between H2 2011 and 2014 (3.10 million sq ft), 89% (2.77 million sq ft) are premium offices which are only expected to enter the market in 2013 and 2014 (Table 1).

Table 1: Major Potential Supply (Premium Offices)

Estimated Date of Completion	Development	Area	Estimated Office NLA (sq ft)
2012	Marina Bay Financial Centre Tower 3	Marina Bay	1,258,500
2013	Asia Square Tower 2	Marina Bay	788,600
2014	Office Development at Market Street	Raffles Place	720,200

Source: DTZ Consulting & Research, August 2011

The government continued making land available under the H2 2011 Government Land Sales ("GLS") Programme, which included a white site at Marina Bay under the Reserve List. Another potential source of office new supply is expected to originate from the Marina South and Ophir/Rochor Road land parcels, which were part of the landmark Singapore-Malaysia land swap deal for the Malayan Railway land in Tanjong Pagar, Kranji and Woodlands. Together with the potential office supply from unsold sites in the GLS Programme, it is estimated that there is more than 3 million sq ft (NLA) of office space that can be yielded from these sites.

Office Potential Supply is Not a Major Concern

Notwithstanding, the office potential supply is not a major concern as:

- With the exception of 2013, annual new completions from 2012 onwards are expected to be in line with or lower than the average annual new completions as well as annual net demand[2] over the past decade;
- Pre-commitment rates for office developments completing in 2012 and 2013 are about 31%; and
- There is an expected demolition of about 1.17 million sq ft of office space island-wide in 2011 and 2012, with majority (88%) in the CBD. Taking into account redevelopment projects which have not confirmed their demolitions, overall office demolitions may add up to 2.20 million sq ft.

[2] According to DTZ Research, the average annual net demand over the past decade was about 1.11 million sq ft.

Assuming that the overall office demolitions materialise between H2 2011 and 2014, the net potential supply over the period is estimated at about 3.47 million sq ft, which translates into an average annual net supply of some 1.50 million sq ft over the next three years.

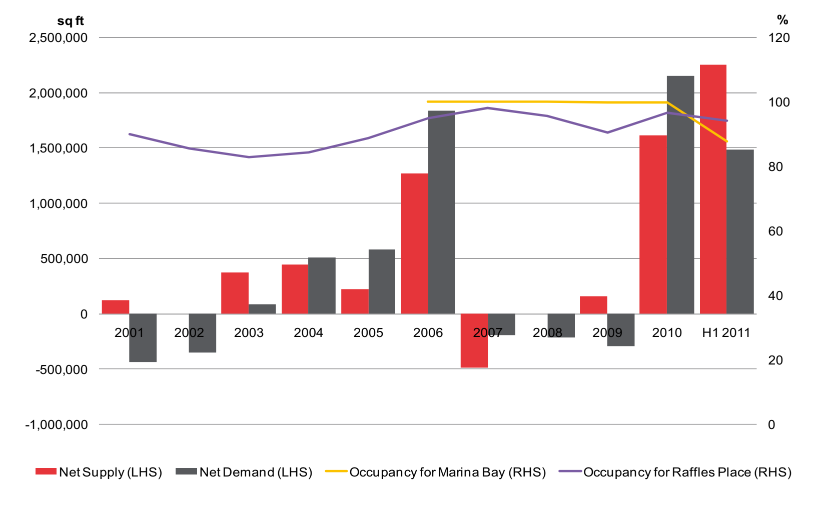
In particular, the impact of the island-wide potential supply on premium office developments in Marina Bay and Raffles Place is relatively limited, given that potential premium office developments are only expected to complete in 2012 and 2013, with limited supply in 2014 and 2015. In addition, majority (56%) of the new completions in 2013 are in non-CBD areas. Meanwhile, a large proportion of premium office space completing in 2012 (67%) has been pre-committed.

Healthy Demand for Office Space

With the exception of the economic downturns in 2002/03 and 2008/09, annual demand for island-wide office space in Singapore, particularly the Downtown Core Planning Area, has often matched up to or even exceeded that for supply over the past decade, reflecting Singapore's status as a global financial centre and Asia hub as well as its open economy.

The strong economic turnaround and increased hiring by financial institutions and Multi-National Corporations ("MNCs") resulted in annual demand for office space in Raffles Place/Marina Bay (2.15 million sq ft) exceeding the significant new supply (1.62 million sq ft) in 2010. The demand for office space in Raffles Place/Marina Bay remained relatively robust at about 1.48 million sq ft in H1 2011, amid the completion of several premium offices (Figure 3).

Figure 3: Supply, Demand and Occupancy (Raffles Place/Marina Bay)



Source: URA, DTZ Consulting & Research, August 2011

More foreign companies, especially those in the financial and business services sectors, are expected to establish their presence in Asia Pacific. As a result, newly completed premium offices, with strong tenant profiles are likely to experience higher take-up, as the high-profile tenants attract similar tenants. Premium offices which were completed in H1 2011 are about 60% to 80% occupied, while those completing in 2012 are almost 70% pre-committed (Table 2).

Table 2: Occupancy and Major Tenants (Premium Offices)

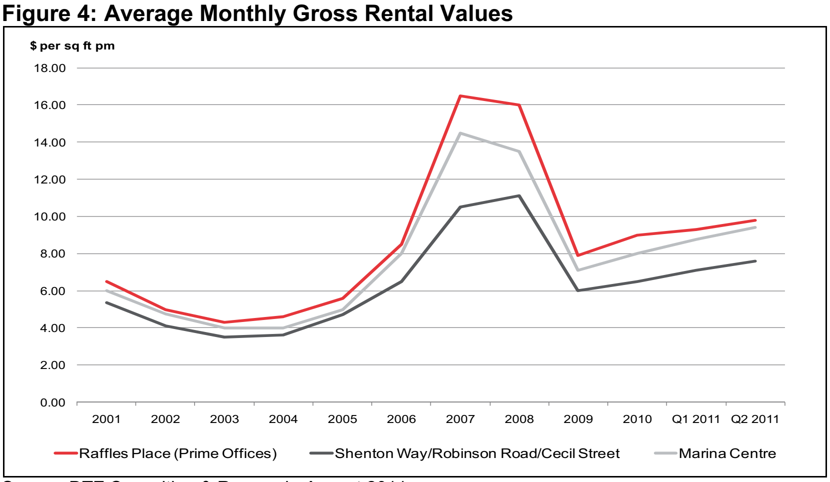
Development	Location	Estimated Occupancy (as at end H1 2011)	Major Tenants
One Raffles Quay (North and South Towers)	Marina Bay	100%	• Bank of Nova Scotia Asia • Credit Suisse • Deutsche Bank AG • Ernst & Young Corporate Finance • Societe Generale Bank & Trust • The Royal Bank of Scotland • UBS AG
MBFC Tower 1	Marina Bay	100%	• American Express Bank • Barclays Bank PLC • BHP Billiton Marketing Asia • Macquarie Capital Securities • Standard Chartered Bank
MBFC Tower 2	Marina Bay	96%	
OFC	Raffles Place	80.3%[3]	• ANZ • BNP Paribas • Drew & Napier LLC • Stamford Law Corporation • The Executive Centre
OUE Bayfront	Raffles Place	77%	• Allen & Overy • Hogan Lovells International • Merrill Lynch International Bank Limited (Merchant Bank) • SEB (Singapore Branch)
Asia Square Tower 1	Marina Bay	62%	• Bank Sarasin • Citi Singapore • Julius Baer • Lloyd's of London • Regus Serviced Offices

Source: DTZ Consulting & Research, August 2011

Promising Office Rental Trends, Albeit Some Uneven Growth

Office rentals have trended upwards since the economic downturn in 2003. The supply crunch in 2006/07 led to an escalation of rentals, especially in the Central Area. Since the trough in Q4 2009, office rentals in both the Central Area and Fringe Area have recovered steadily. Overall leasing conditions remained relatively positive in H1 2011, with average monthly gross rentals for Raffles Place growing by 3.3% from $9.00 per sq ft[4] in Q4 2010 to $9.30 per sq ft in Q1 2011 and subsequently, by 5.4% to $9.80 per sq ft in Q2 2011 (Figure 4).

Figure 4: Average Monthly Gross Rental Values



Source: DTZ Consulting & Research, August 2011

[3] As at 4 August 2011. Based on office NLA only.

[4] All currencies are in SGD, unless otherwise stated.

Due to their attractive locational attributes and building specifications, premium office developments such as OFC and Marina Bay Financial Centre Towers 1 and 2 are fetching rental premiums of around 15% to 20% over prime office developments, as at Q2 2011. Average monthly gross rentals in Raffles Place in Q2 2011 are about 48% below the previous peak of $19.00 per sq ft in Q2 2008.

Continuing Interest in the Office Investment Market

Office prices began recovering in Q4 2009, as a prelude to the recovery in rentals in Q1 2010. Coupled with the low interest rate environment, the total value of office sales transactions increased more than four times from about $0.65 billion in 2009 to $2.66 billion in 2010, a new high since the global financial crisis in 2008. This reflected the significant flow of capital into the office property market in 2010. Some Real Estate Investment Trusts ("REITs") and institutional investors also acquired new office assets, reflecting their market confidence.

Average office capital values increased in Q2 2011 despite mixed business sentiments. Positive rental prospects, particularly for premium offices, have helped support the underlying investor demand for office assets. Average freehold capital values for Raffles Place rose by 6.3% from about $2,400 per sq ft in Q1 2011 to $2,550 per sq ft in Q2 2011, which were about 23% below the previous peak of $3,300 per sq ft in Q3 2008.

Ocean Financial Centre as a Premium Office Development

OFC is located in the heart of Raffles Place, the prime financial and business hub in Singapore. It is also within walking distance to Marina Bay, an extension of Singapore's CBD featuring a live-work-play environment. Being one of the newest and largest premium office buildings in the CBD, OFC incorporates premium building specifications, amenities as well as state-of-the-art green building features. Table 3 summarises the Strengths, Weaknesses, Opportunities and Threat ("SWOT") Analysis for OFC.

Table 3: SWOT Analysis for Ocean Financial Centre

Strengths	Opportunities
• Strategically located in the heart of the traditional CBD (Raffles Place), while being near the "New Downtown" at Marina Bay • High accessibility – adjacent to Raffles Place MRT interchange station, which is connected to an underground network of air-conditioned walkways spanning to Marina Bay; served by many public buses • Served by a wide myriad of developments including residential and hotels as well as retail amenities and services • One of the newest and tallest premium office buildings in Singapore, designed by world renowned architectural firm, Pelli Clarke Pelli, in association with Architects 61 • Unblocked, panoramic view of the CBD, Marina Bay and major tourist attractions in the city centre e.g., Marina Bay Sands and the Singapore Flyer • Excellent building specifications e.g.,: - Large, regularly-shaped and column-free floor plates of up to 23,000 sq ft, featuring high space efficiency and flexibility; - Generous floor-to-ceiling height, creating a sense of spaciousness; - Raised floor with potential for inter-floor accessibility; and - Dual power and telecom feeds, suitable for tenants which require uninterrupted utilities e.g., bank and trading operations. • Comprehensive green features with various accompanying green awards/accolades: - Solar Pioneer Award under the $20 million Solar Capability Scheme (2010); - Best Green Development (Future) Award at the Cityscape Asia Real Estate Awards (2009); - First in South East Asia to achieve Platinum Level LEED-CS pre-certification (2009); and • First office development in Singapore to attain the BCA Green Mark Platinum status (2008). Green plot ratio exceeds industry's best practice • Attractive facade with prominent street frontage along Collyer Quay as well as Marina Bay • High-profile tenants e.g., ANZ Banking Group Limited, BNP Paribas, Drew & Napier LLC and Stamford Law Corporation • Presence of service-related tenants e.g., dental clinic and yoga/fitness centre to cater to tenants' lifestyle requirements	• Materialisation of the government's objectives to entrench Singapore as a high-value manufacturing hub and a global-Asia hub for financial and business services over the long-term will further bolster demand • Ongoing commitment from the government and developers to continuously enhance Marina Bay; synergistic benefits e.g., branding and infrastructure • High-profile tenants will act as magnets in attracting other similar tenants • Opportunities to achieve premium rental due to green features and attract MNCs with high environmental awareness as part of the social corporate responsibilities • The building's prominent frontage as well as excellent architecture will establish OFC as a landmark in both Raffles Place and Marina Bay
Weaknesses	**Threats**
• Short-term car parking issue as car park podium will only be completed in 2012 • No direct sheltered access to Raffles Place MRT interchange station for the short-term (link to the underground pedestrian link of Raffles Place MRT station will be completed in 2012)	• Competition from future prime/ premium office buildings in Raffles Place and Marina Bay

Source: DTZ Consulting & Research, August 2011

Outlook

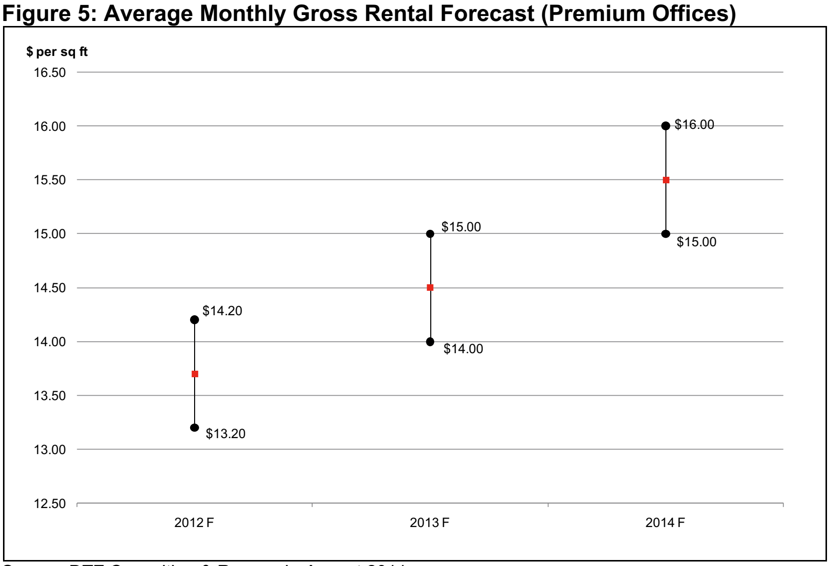
The office property market in Singapore, particularly for premium offices, will continue to grow:

- *Asia's growth story* – Financial institutions and global companies are expanding their businesses to Asia, which has the fastest growth of high-net-worth individuals. With Singapore positioning itself as a global financial centre and Asia hub for financial and business services, it is well-positioned to realise this opportunity. The overall economic growth benefits from Asia are expected to mitigate downside economic growth risks in the US and Europe. This will translate into demand for office space in Singapore;
- *Increased attractiveness of Raffles Place* – The development of a "New Downtown" at Marina Bay, provision of comprehensive and state-of-the-art infrastructure in the CBD e.g., the Circle and Downtown Lines and the rejuvenation of the CBD will significantly enhance the profile of Raffles Place*;*
- *Office potential supply remains in tandem with demand* – With the exception of 2013, annual new completions from 2012 onwards are expected to be in line with or lower than the average annual new completions as well as demand over the past decade. Meanwhile, the potential supply for premium office developments is relatively limited; and
- *Expected office demolitions* – There is also an expected demolition of about 1.17 million sq ft of office space island-wide in 2011 and 2012, with majority (88%) in the CBD. Taking into account redevelopment projects which have not confirmed their demolitions, overall office demolitions may add up to 2.20 million sq ft. Furthermore, pre-commitment rates for office developments completing in 2012 and 2013 are about 31%.

As such, rental prospects for the premium office market remain relatively positive, supported by economic growth. Notwithstanding, uncertain economic conditions in the US and Europe as well as inflationary pressures have affected economic growth in many economies, including Singapore. In the event that global economic growth slows, Singapore's economy and the demand for office space will be impacted.

Figure 5 highlights the rental forecast for premium office developments from 2012 to 2014. It does not take into account recent developments in the US and Europe, the impact of which are too early to establish.

Figure 5: Average Monthly Gross Rental Forecast (Premium Offices)



Source: DTZ Consulting & Research, August 2011

Terms of Reference

DTZ was commissioned by K-REIT Asia Management Limited ("K-REIT Asia") to conduct an independent review of the office property market for Singapore's Central Business District. This report is part of the due diligence by K-REIT Asia for the proposed acquisition of Ocean Financial Centre, a premium office development, located at 10 Collyer Quay.

Our report covers the following:

- Economic overview;
- Office property market review;
- Site and locational analysis for Ocean Financial Centre;
- Micro-market analysis, comprising the Raffles Place, Marina Bay, Shenton Way/Cecil Street/ Robinson Road and Marina Centre areas;
- SWOT analysis; and
- Rental forecasts for premium office developments in the micro-market.

1 Overview of the Economy and Office Market

1.1 The Economy

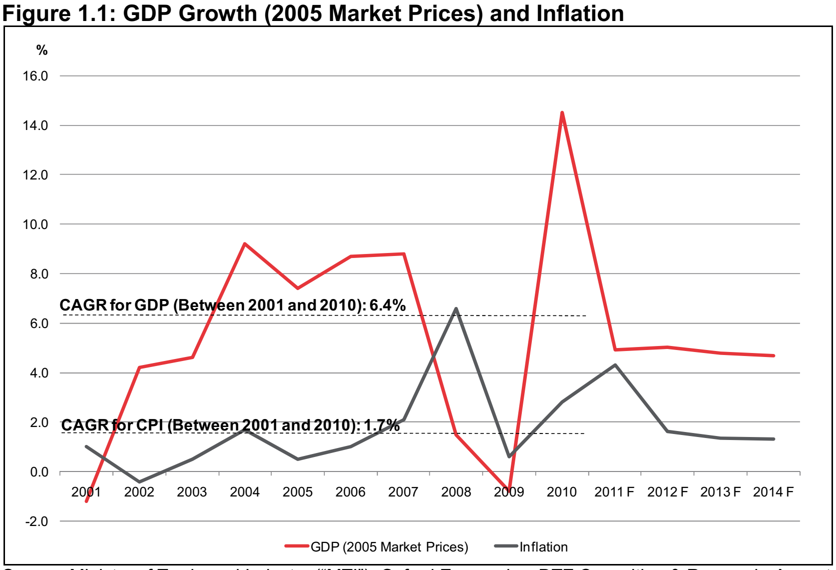
Following the global economic slowdown in 2009, Asia continued to outpace other regions in terms of growth. In 2010, most Asian economies enjoyed broad-based recovery, supported by strong export performance, buoyant private domestic demand and in some cases, rapid credit growth.

According to the International Monetary Fund in April 2011, the average real Gross Domestic Product ("GDP") growth in Asia was 8.2%[1] in 2010. Most Asian economies are expected to continue to expand in 2011 and 2012, with overall growth expected to be 6.7% in 2011 and 6.8% in 2012. Export growth is expected to moderate but will remain robust, as gains in market share and increased intra-regional trade partially offset the weakness in final demand from advanced economies. Capital flows to Asia are likely to continue, driven by cyclical and structural factors.

1.1.1 Gross Domestic Product and Inflation

After the slight GDP retraction of 0.8% in 2009, Singapore experienced an economic growth of 14.5% in 2010 (Figure 1.1), supported by strong growth in Manufacturing (29.7%), Wholesale and Retail industries (15.1%), Other Services (14.3%) and Financial Services (12.2%). Manufacturing, Wholesale and Retail Industries as well as Financial and Business Services were collectively the largest contributor to GDP (66%) (Figure 1.2).

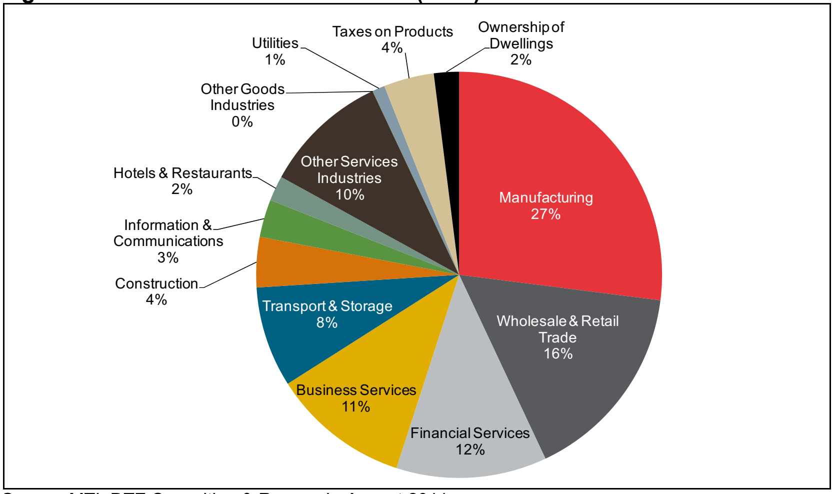
Figure 1.1: GDP Growth (2005 Market Prices) and Inflation



Source: Ministry of Trade and Industry ("MTI"), Oxford Economics, DTZ Consulting & Research, August 2011

[1] Source: World Economic Outlook, April 2011 – "World Economic Outlook: Tensions from the Two-Speed Recovery".

Figure 1.2: GDP Sectoral Contribution (2010)



Source: MTI, DTZ Consulting & Research, August 2011

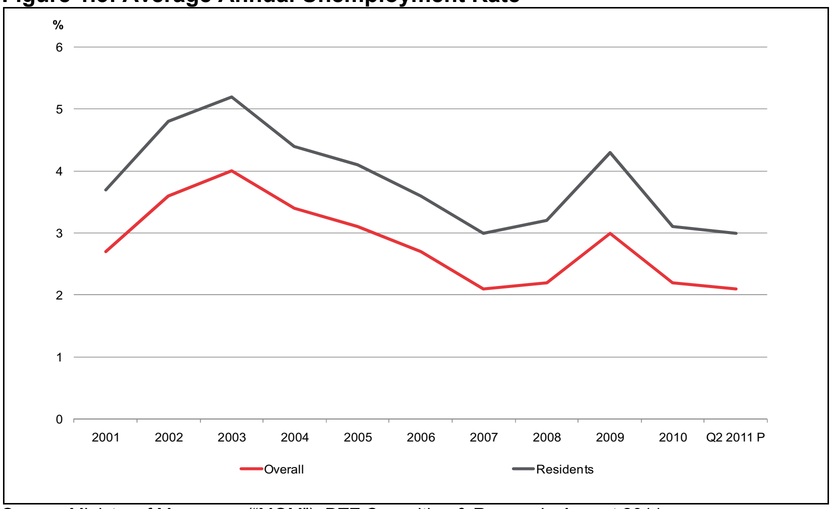
The economy grew by 9.3% YOY in Q1 2011 and slowed to 0.5% YOY in Q2 2011. There was a fall in productivity by 5.5% YOY in the manufacturing sector in Q2 2011, led by decline in the biomedical manufacturing and electronics clusters. Consumer confidence also eased in Q2 2011.

Inflation declined to 0.6% in 2009, after peaking at 6.6% in 2008. However, with the spike in food prices, inflation in 2010 rose to 2.8%. Inflation continued to increase in 2011 and was at 5.2% in Q2 2011.

1.1.2 Employment

Singapore has one of the lowest unemployment rates in Asia. Following an increase of 1%-point in 2009, the overall unemployment rate recovered to 2008 level at 2.2% in 2010 while that for residents was slightly higher at 3.1% (Figure 1.3). The unemployment rate declined marginally to 2.1% for overall unemployment and 3.0% for residents in Q2 2011.

Figure 1.3: Average Annual Unemployment Rate[2]



Source: Ministry of Manpower ("MOM"), DTZ Consulting & Research, August 2011

[2] Unemployment rate for Q2 2011 is seasonally adjusted as at June 2011. It is also a preliminary figure and is subject to further change.

In 2010, 78% of the employed residents were in the services sector. This included 6% in the financial and insurance services sector. The largest employment sectors in 2010 were Manufacturing (15%) and Public Administration and Education (14%).

The top five growing employment sectors since 2007 were Construction, Wholesale and Retail Trade, Hotels and Restaurants, Financial Services and Business Services, which collectively constituted 67% of the total employment growth between 2007 and 2010.

1.1.3 Government Policies

In line with Singapore's vision to be a regional financial hub, and incorporating the recommendations from the latest Economic Strategies Committee, a number of policies have been implemented to boost the financial and business services sectors in the 2011 Budget (Table 1.1). These policies and fiscal incentives are likely to augment the demand for office space.

Table 1.1: Key Fiscal Incentives in Budget 2011

• To help banks access more diversified funding sources for their lending businesses, from 1 April 2011, withholding tax was exempted from all interest payments made by banks and similar financial institutions to non-residents for the purpose of their trade or businesses.
• To make Singapore's economy more competitive globally, there is a 20% corporate income tax rebate, capped at $10,000[3] for Year of Assessment 2011.
• The government has set aside $2.5 billion under the Economic Development Assistance Scheme (EDAS) to enable EDB to continue its efforts to strengthen Singapore's value proposition for corporate head-quarters and other high-value activities. This will support new efforts, such as developing a pool of professionals and executives with a strong understanding of Asian markets and businesses, as well as attracting mid-sized global enterprises to set up their first Asian base in Singapore.

Source: Ministry of Finance, DTZ Consulting & Research, August 2011

1.1.4 Outlook

As at July 2011, Oxford Economics forecasted annual GDP growth rate between 2011 and 2014 at 4.6% to 5.0%. The continuing global economic uncertainty resulting from the sovereign debt crisis in the US and Europe as well as the downgrade of US long-term sovereign debt rating on 5 August 2011 will weigh down on market sentiments. The Ministry of Trade and Industry ("MTI")[4] revised its estimate for Singapore's economic growth in 2011 to between 5.0% and 6.0% on 10 August 2011. Meanwhile, unemployment rates are expected to remain low at around 2.2% for 2011 and 2012.

The Singapore office market continues to be supported by Asia's growth story, with more Multi-National Corporations ("MNCs") renewing their focus in Asia. Consequently, the positive long-term economic prospects for Asian economies, especially Singapore, a key global financial centre and Asia hub for high value-add sectors, are likely to support growth in the office market.

Underpinning the positive growth prospects of the office market, especially in the Central Business District ("CBD") are factors such as the:

- Development of a "New Downtown" at Marina Bay, incorporating lifestyle elements as well as a live-work-play environment;
- Provision of comprehensive and state-of-the-art infrastructure in the CBD e.g., the Circle and Downtown Lines;
- Rejuvenation of the CBD e.g., Raffles Place, Shenton Way/Robinson Road/Cecil Street and Anson Road/Tanjong Pagar; and
- Emergence of city fringe and suburban commercial clusters e.g., the Southern Corridor, Jurong East and Paya Lebar areas.

[3] All currencies are in SGD, unless otherwise stated.
[4] Source: Press release on 10 August 2011 – "MTI Revises 2011 Growth Forecast to 5.0 to 6.0 Per Cent".

Particularly, the recent completion of premium office buildings in the CBD, which feature excellent building specifications, has led to new benchmarks of prime office developments.

1.2 Major Office Locations

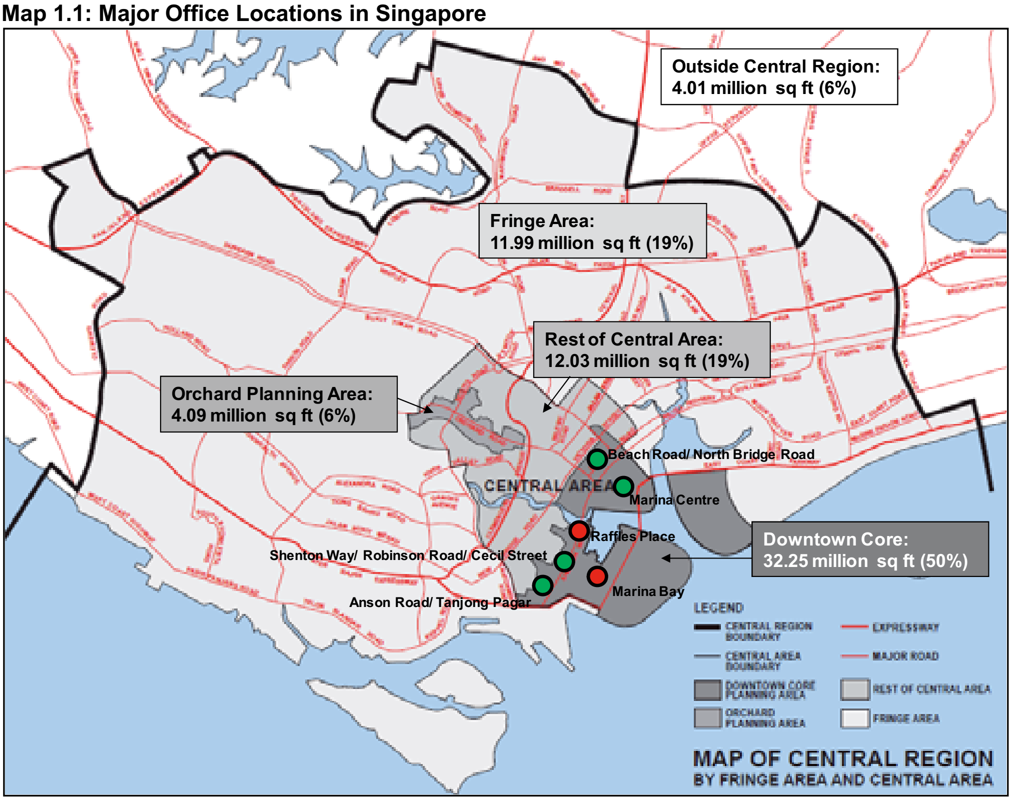
According to the Urban Redevelopment Authority ("URA"), major office locations in Singapore are broadly classified into the following areas (Table 1.2 and Map 1.1):

Table 1.2: Area Classification for Office Locations in Singapore

URA Area Classification		Key Office Locations
Central Area	**Downtown Core**	• Raffles Place • Marina Bay/Shenton Way/Robinson Road/Cecil Street • Anson Road/Tanjong Pagar • Marina Centre • Part of Beach Road/North Bridge Road
	Rest of Central Area	• Part of Beach Road/North Bridge Road • River Valley/Singapore River • Bras Brasah/Selegie Road
Orchard Planning Area		• Orchard Road
Fringe Area		• Alexandra Belt • HarbourFront Belt • Novena Belt
Outside Central Region		• Tampines Regional Centre • Other Decentralised Areas

Source: URA, DTZ Consulting & Research, August 2011

Map 1.1: Major Office Locations in Singapore



Source: URA, DTZ Consulting & Research, August 2011

This report focuses on the private office market, in particular, in the Downtown Core Planning area, notably Raffles Place (where the subject property is located) and Marina Bay. The development of the "New Downtown" as well as the redevelopment of several office buildings in Raffles Place has resulted in the emergence of a "premium office" tier. Table 1.3 highlights the typical attributes of premium and prime office developments. The subject property, Ocean Financial Centre ("OFC"), which is strategically located in the heart of the Raffles Place financial hub and features excellent building specifications e.g., Building and Construction Authority ("BCA") Green Mark Platinum Award, is classified as a premium office development.

Table 1.3: Typical Attributes of Premium and Prime Office Developments in Singapore

Category	Premium	Prime
Location	• Raffles Place and Marina Bay • Near Mass Rapid Transit ("MRT") station • Accessible • Prominent frontage • Proximity to supporting facilities and amenities e.g. F&B and recreational	• Raffles Place • Near MRT station • Accessible • Proximity to supporting facilities and amenities e.g. F&B and recreational
Building Specifications	• Attractive façade • Excellent and unblocked view • Sense of arrival at lobby/drop-off points • Large column-free floor plates: 18,000 sq ft and above • Raised flooring • Floor-to-ceiling height of 2.7 m and above • Dual power supply and back-up power provisions • Intelligent/ automated building management system • Comprehensive security measures e.g., turnstiles, controlled lift access and CCTV	• Relatively attractive facade • Sense of arrival at lobby/drop-off points • Column-free floor plates: 10,000 sq ft and above • Raised flooring • Floor-to-ceiling height of 2.7 m and above • Dual power supply and back-up power provisions • Intelligent/ automated building management system • Presence of security measures
Others	• BCA Green Mark Certification: Gold rating and higher	-

Source: DTZ Consulting & Research, August 2011

Secondary office locations in the CBD are more diverse, with Shenton Way/ Robinson Road/ Cecil Street and Anson Road/Tanjong Pagar predominantly serving as supporting nodes to the established companies in the prime office locations. Tenants in these areas are mostly Small and Medium Enterprises ("SMEs"), ranging from shipping and trading to insurance and professional services.

Marina Centre is a self-contained business precinct, comprising office, retail, entertainment, convention and hotel uses. There is also a significant presence of financial institutions, MNCs, professional and business services firms. Part of Beach Road/North Bridge Road falls within the Downtown Core Area. It is a unique office location as it comprises several major conservation areas. Office developments in this location are relatively old, catering mainly to professional and business services as well as niche sectors such as the creative industries.

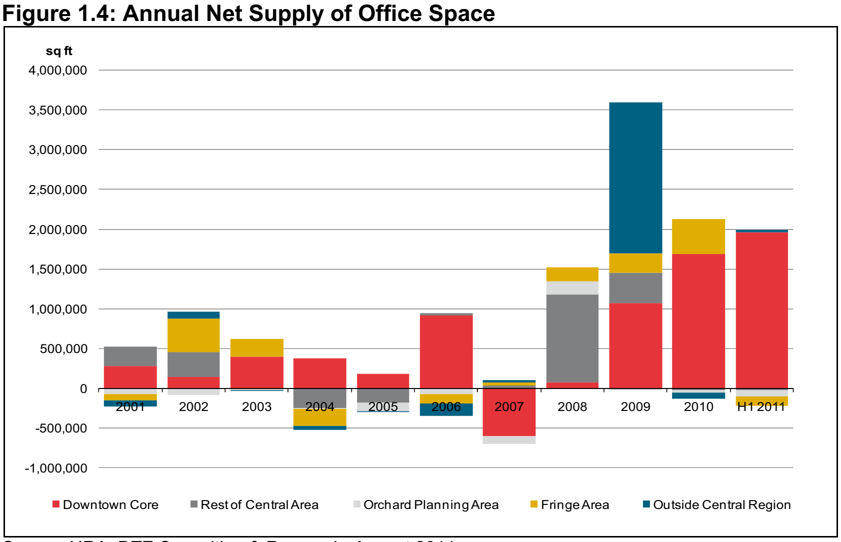
1.3 Existing Supply

The economic downturns since the Asian Financial Crisis in 1997, notably the 9/11 terrorist attack in 2001 and the SARS outbreak in 2003 have led to many developers suspending or delaying their development plans. Particularly, the annual supply of island-wide office space between 2001 and 2007 has generally been below the average over the past decade.

The limited supply of office between 2003 and 2007 as well as significant demolition of office space during the period culminated in a supply crunch in 2007, especially in the Downtown Core. Consequently, this led to the government releasing more land for office development via the Government Land Sales ("GLS") Programme. Large parcels of white sites in Marina Bay were launched to cushion escalating office rentals in 2007. Developers also acquired older office buildings in Raffles Place and Shenton Way/Cecil Street/Robinson Road for redevelopment to take advantage of the limited supply as well as to remain competitive, amid the extension of the CBD to Marina Bay.

With most office development activities in 2007/08 scheduled to complete over the subsequent three to five years, office supply in Downtown Core has increased significantly since 2009 (Figure 1.4). Annual supply in 2009 was some 3.57 million sq ft[5], of which 30% (1.08 million sq ft[6]) was primarily from secondary locations in the CBD, although majority (53%, 1.89 million sq ft) was from Outside Central Region.

Figure 1.4: Annual Net Supply of Office Space



Source: URA, DTZ Consulting & Research, August 2011

Secondary locations also saw relatively more office demolitions in 2009. Rising interest in the residential market in H2 2009, coupled by a low interest rate environment, resulted in more redevelopment activity as some developers opted for a change of use from office to residential to capitalise on the market. Majority of the new office completions in 2010 and H1 2011 were in Raffles Place and Marina Bay (Table 1.4):

Table 1.4: Major Office Completions in Downtown Core (2010 to H1 2011)

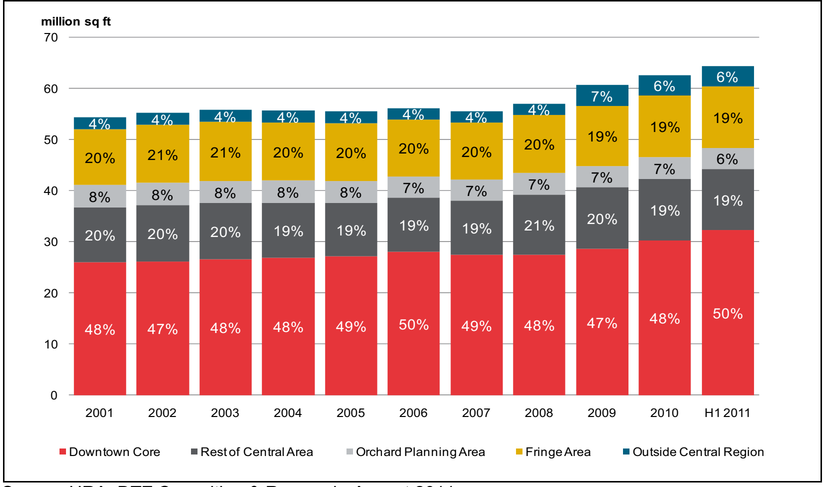
Development	Location	Estimated NLA (sq ft)
2010		
Marina Bay Financial Centre Tower 1	Marina Bay	630,800
Marina Bay Financial Centre Tower 2	Marina Bay	1,035,500
Tokio Marine Centre	Shenton Way/Robinson Road/Cecil Street	109,800
H1 2011		
Ocean Financial Centre	Raffles Place	876,947
OUE Bayfront	Raffles Place	389,700
Asia Square Tower 1	Marina Bay	1,229,200

Source: URA, DTZ Consulting & Research, August 2011

[5] All existing supply and demand figures are in terms of Net Lettable Area ("NLA"), unless otherwise stated.
[6] Figures in this report may not add up due to rounding off.

Due to the office completions over the past two years, island-wide office stock rose by 6% from 60.60 million sq ft in 2009 to 64.4 million sq ft in Q2 2011. As at Q2 2011, about 50% (32.25 million sq ft) of island-wide office stock was located in Downtown Core, 19% (12.03 million sq ft) in the Rest of Central Area and another 19% (11.99 million sq ft) in the Fringe Area (Figure 1.5). While office stock in Downtown Core has grown significantly over the past decade, there has also been increased decentralisation of office space to the Outside Central Region, in line with the government's decentralisation plan.

Figure 1.5: Island-wide Office Stock



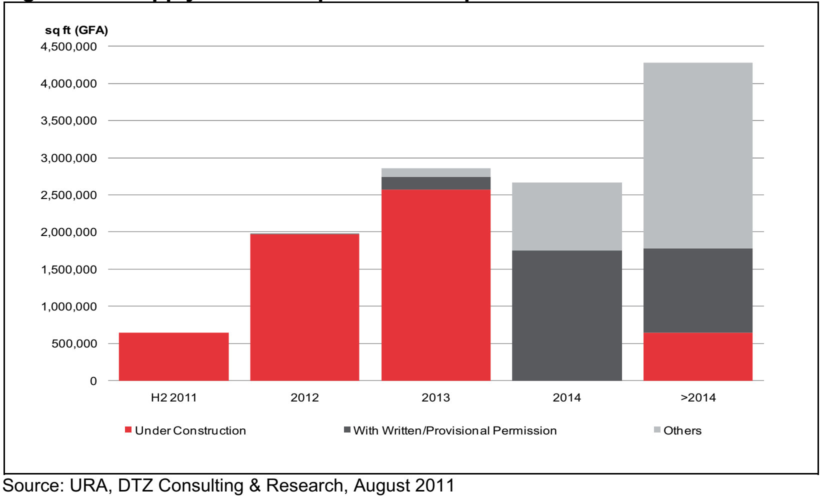
Source: URA, DTZ Consulting & Research, August 2011

1.4 Potential Supply

1.4.1 With Approvals for Development

According to the URA, about 8.90 million sq ft of office space (Gross Floor Area ("GFA")) is expected to complete from H2 2011 onwards. About 66% (5.83 million sq ft) is under construction, while 34% (3.07 million sq ft) have obtained Provisional/ Written Permission ("PP/ WP") (Figure 1.6). As at H1 2011, there is about 3.52 million sq ft of office space that have not obtained approvals for development.

Figure 1.6: Supply of Office Space in the Pipeline

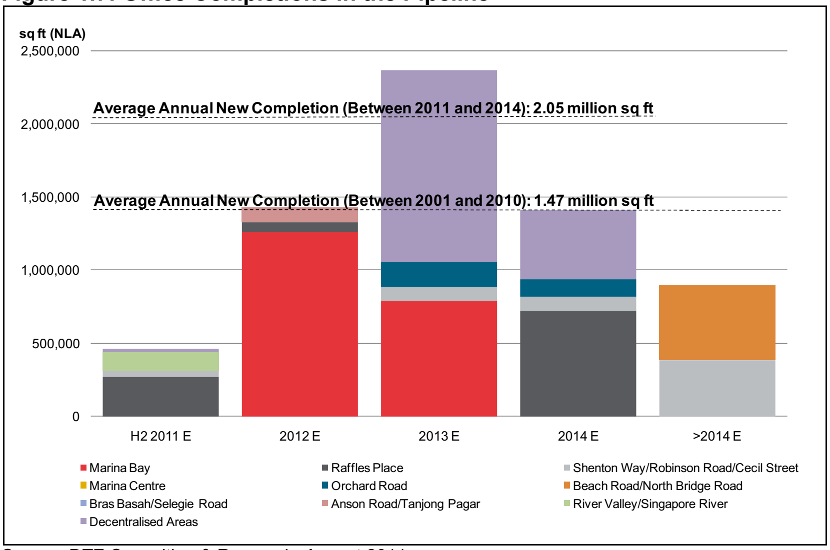


Source: URA, DTZ Consulting & Research, August 2011

According to DTZ Research, about 6.57 million sq ft of new office space (Net Lettable Area ("NLA")) is anticipated to complete from H2 2011 onwards. 36% (2.37 million sq ft) of the island-wide potential supply is expected to complete in 2013, while new completions in 2012 (22%) and 2014 (21%) are expected to amount to 1.43 million sq ft and 1.41 million sq ft respectively.

About 47% (3.10 million sq ft) of the potential office supply originate from Raffles Place (1.06 million sq ft) and Marina Bay (2.05 million sq ft), of which 77% are completing from H2 2011 to 2013. There is also a significant proportion of the island-wide office potential supply in the Decentralised Areas (28%, 1.81 million sq ft), although most of it is completing from 2013 onwards (Figure 1.7).

Figure 1.7: Office Completions in the Pipeline[7]



Source: DTZ Consulting & Research, August 2011

The average annual new completions between 2011 and 2014 (2.05 million sq ft) is expected to exceed the average annual completions over the past decade (1.47 million sq ft) due to significant new completions pipeline, particularly in 2013. Notwithstanding, this is not a concern as:

- With the exception of 2013, annual new completions from 2012 onwards are expected to be in line with or lower than the average annual new completions as well as annual demand[8] over the past decade;
- Pre-commitment rates for office developments completing in 2012 and 2013 are about 31%; and
- There is an expected demolition of about 1.17 million sq ft of office space island-wide in 2011 and 2012, with majority (88%) in the CBD. Taking into account redevelopment projects which have not confirmed their demolitions, overall office demolitions may add up to 2.20 million sq ft. Assuming that the overall office demolitions materialise between H2 2011 and 2014, the net potential supply over the period is estimated at about 3.47 million sq ft, which translates into an average annual net supply of some 1.50 million sq ft over the next three years.

In particular, the impact of the island-wide potential supply on premium office developments in Marina Bay and Raffles Place is limited, given that potential premium office developments are only expected to complete in 2012 and 2013, with limited supply in 2014 and 2015. In addition, majority (56%) of the new completions in 2013 are in non-CBD areas. Meanwhile, a high proportion of premium office space entering the market in 2012 has been pre-committed (67%).

[7] The office completions in the pipeline in Figure 1.7 are based on a survey done by DTZ and are in terms of NLA.

[8] According to DTZ Research, the average annual demand over the past decade was about 1.11 million sq ft.

Table 1.5 highlights major potential office developments completing from H2 2011 to 2015.

Table 1.5: Major Potential Office Developments[9]

Development	Area	Location	Estimated NLA (sq ft)
H2 2011			
137 Market Street (Additions and Alterations ("A&A"))	Downtown Core	Shenton Way/ Robinson Road/ Cecil Street	43,000
Office Development at Mohamed Sultan Road	Rest of Central Area	River Valley/ Singapore River	79,700
One Raffles Place (A&A to former OUB Centre)	Downtown Core	Raffles Place	267,400
2012			
Pickering Operations Complex and City Exchange (A&A)	Downtown Core	Raffles Place	67,700
MBFC Tower 3	Downtown Core	Marina Bay	1,258,500
Hotel/ Office Development at Upper Pickering Street	Downtown Core	Anson Road/ Tanjong Pagar	102,700
2013			
Asia Square Tower 2	Downtown Core	Marina Bay	788,600
63 Robinson Road (Redevelopment of Afro Asia Building)	Downtown Core	Robinson Road	96,700
Office Development at Orchard Road	Orchard Planning Area	Orchard Road	128,900
The Metropolis	Outside Central Region	Decentralised Areas	1,000,000
Mixed-use Development at Jurong Gateway	Outside Central Region	Decentralised Areas	315,400
2014			
Office Development at Market Street	Downtown Core	Raffles Place	720,200
EON Shenton	Downtown Core	Shenton Way/ Robinson Road/ Cecil Street	97,400
Office Development at Scotts Road (Redevelopment of Thong Teck Building)	Orchard Planning Area	Orchard Road	118,500
Mapletree Lighthouse	Fringe Area	HarbourFront Belt	290,600
2015			
South Beach	Downtown Core	Beach Road/ North Bridge Road	515,900
Office Development at Shenton Way (Redevelopment of UIC Building)	Downtown Core	Shenton Way/ Robinson Road/ Cecil Street	276,700

Source: URA, DTZ Consulting & Research, August 2011

1.4.2 Without Provisional/Written Permission

Table 1.6 highlights projects in the potential supply which have not obtained PP/WP. They are white sites sold in H2 2010 via the GLS Programme. These potential developments are expected to complete in 2014 and 2015 and are not expected to impact significantly on premium office developments in Raffles Place and Marina Bay.

[9] Date of Completion and NLA are estimated by DTZ. Figures have been rounded off.

Table 1.6: Potential Office Developments Without PP/WP[10]

Estimated Date of Completion	Development	Area	Location	Estimated NLA (sq ft)
2014	Office/retail development at Boon Lay Way	Outside Central Region	Decentralised Areas	300,000
2015	Mixed-use development at Peck Seah Street/ Choon Guan Street	Downtown Core	Anson Road/ Tanjong Pagar	815,000

Source: URA, DTZ Consulting & Research, August 2011

1.4.3 Government Land Sales Programme

As part of the efforts to ensure a sustainable property market in Singapore, the government continued to make land available under the H2 2011 GLS Programme. Particularly, the government has released a variety of commercial sites ranging from a white site at Marina Bay to a commercial site at Sims Avenue/Tanjong Katong. This was to ensure a steady supply of office space to support the growth of the financial and business services sector in Singapore. This will make the office market to be more cost competitive, compared with other major economies in Asia Pacific.

Table 1.7 highlights the available office space from commercial and white sites in the GLS Programme for H2 2011, of which some e.g., the commercial site at Robinson Road/Cecil Street in the CBD have been carried over from H1 2011. While the office supply from the GLS Programme can potentially add about 1.24 million sq ft (almost 20% of the potential supply from Q3 2011 to 2014) to the office supply pipeline, they are likely to enter the market from 2014/15 onwards. Thus, the GLS Programme is not expected to impact the office market in the short-term. While the white site at Marina View/Union Street will add to the premium office potential supply, it is under the Reserve List, indicating that it will take a relatively longer period of time to enter the market.

Table 1.7: Available Office Supply from H2 2011 Government Land Sales Programme

Location	Planning Area	Type	Site Area (hectares)	Gross Plot Ratio	Estimated Office GFA (sq ft)	Remarks
Confirmed List[11]						
Robinson Road/ Cecil Street	Downtown Core	Commercial	0.29	11.2	282,800	• Available; tender closing in September 2011
Sims Avenue/ Tanjong Katong	Fringe Area	Commercial	2.07	4.2	374,200	• Available; tender closing in October 2011
Reserve List[12]						
Mountbatten Road	Fringe Area	Commercial	1.17	1.0	126,400	• Available
Marina View/ Union Street	Downtown Core	White	0.78	13.0	436,600	• To be available in October 2011
Thomson Road/ Irrawaddy Road	Fringe Area	White	0.66	4.2	20,900	• To be available in October 2011

Source: URA, DTZ Consulting & Research, August 2011

[10] Date of Completion and NLA are estimated by DTZ. Figures have been rounded off.
[11] Confirmed List sites are launched for tender on a predetermined date announced upfront at the start of each 6-monthly GLS Programme. No application from developers is required to trigger sites for tender under the Confirmed List.
[12] GLS sites under the Reserve List are not released for tender immediately but are instead made available for application. If a developer is interested in tendering for a reserve list site, he/ she would have to submit an application to the land sales agent and indicate the minimum price he is prepared for bid. If the minimum price satisfies the government's reserve price, the applicant will be invited to sign an agreement to bid for the site at a price no lower than the minimum price. Upon signing, a public tender for the site will be called.

1.4.4 Others

A potential source of office new supply is expected to originate from the Marina South and Ophir/Rochor Road land parcels, which were part of Singapore's offer to Malaysia in a landmark land swap deal for the Malayan Railway land in Tanjong Pagar, Kranji and Woodlands. In particular, the four land parcels at Marina South, with a total site area of 2.62 hectares, is likely to be developed as a mixed-use development including premium offices.

Together with the potential office supply from unsold sites in the GLS Programme, it is estimated that more than 3 million sq ft (NLA) of office space can be yielded from these sites. Notwithstanding, the proposed office developments on these land parcels are likely to complete in 2014/15 and beyond.

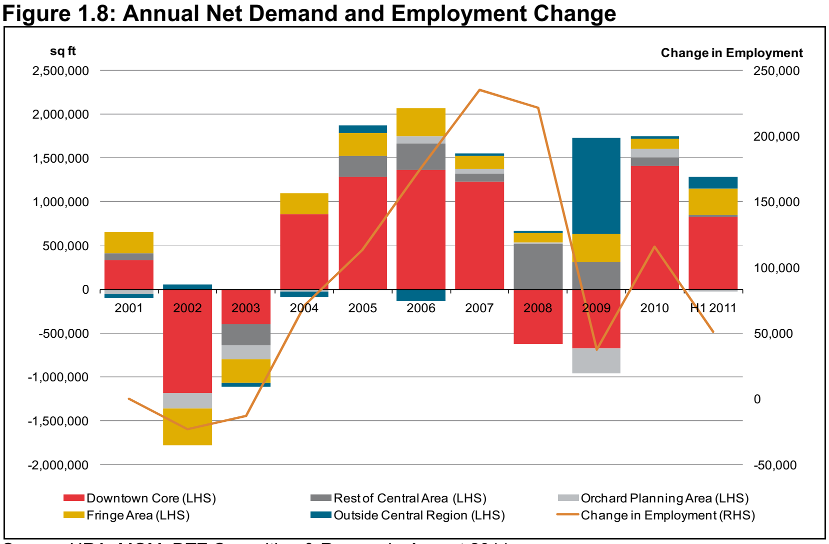
1.5 Demand and Occupancy

1.5.1 Demand

The demand for office space, particularly in Downtown Core, is largely driven by employment growth. For instance, the decline in employment growth in 2008 and 2009 saw an accompanying decline in demand for office space in Downtown Core.

Annual demand peaked in 2006, in line with robust business activities, particularly in the financial and business services sectors. While the increase in employment in Singapore was the highest in 2007, this did not fully materialise into office demand due to the supply shortage situation resulting from significant demolitions in the CBD. Owing to the global financial crisis in 2008/09, employment growth moderated significantly from 221,600 in 2008 to 37,600 in 2009, albeit remaining positive due to government measures which supported continued hiring amid the economic recession. While demand for office space in Outside Central Region and the Fringe Area in 2009 was positive as some companies relocated to lower-cost office locations, the demand for office space in Downtown Core contracted (Figure 1.8).

Figure 1.8: Annual Net Demand and Employment Change



Source: URA, MOM, DTZ Consulting & Research, August 2011

The strong economic recovery in 2010 saw annual demand rising from 775,000 sq ft in 2009 to 1.74 million sq ft. In particular, the increase in demand mainly originated from Marina Bay in Downtown Core, which saw several highly pre-committed premium office developments e.g., Marina Bay Financial Centre ("MBFC") Towers 1 and 2 completing in 2010. Notably, increased hiring by established financial institutions, MNCs and business services such as Barclays Capital, BHP Billiton, Citigroup, Standard Chartered Bank and The Macquarie Group underpinned the robust take-up of office space.

Demand for office space remained relatively robust at about 1.26 million sq ft in H1 2011, of which some 66% (828,800 sq ft) was from Downtown Core. In addition, the net demand in H1 2011 had almost matched the annual demand for the whole of 2010 (1.74 million sq ft) and significantly exceeded the annual average demand over the past decade. The completion of pre-committed space in office developments in H1 2011 primarily contributed to this increase in demand.

Demand for office space has also been partially driven by supply. The completion of two premium office developments in Q1 2011 i.e., OFC (884,957 sq ft[13]) and OUE Bayfront (389,700 sq ft), which have been leased by high-profile tenants such as Australia and New Zealand Banking Group Limited ("ANZ"), BNP Paribas, Drew & Napier LLC, Merrill Lynch International Bank Limited (Merchant Bank), Stamford Law Corporation and SEB, further enhanced the profile of the Raffles Place financial hub, bolstering office demand in H1 2011.

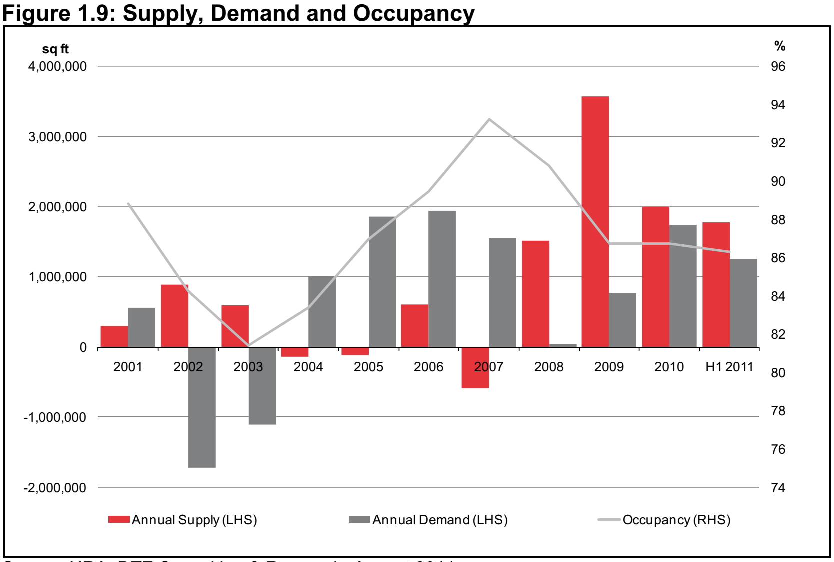
1.5.2 Occupancy

With the exception of the economic downturns in 2002/03 and 2008/09, annual demand for island-wide office space in Singapore has often matched up to or even exceeded that for supply over the past decade, reflecting Singapore's status as a global financial centre and Asia hub as well as its open economy. Notwithstanding, annual supply between 2001 and 2007 has been relatively low, compared with the average annual demand over the past decade.

There was significant supply between 2009 and H1 2011, mainly from Raffles Place and Marina Bay as well as Shenton Way/Robinson Road/Cecil Street and Anson Road/Tanjong Pagar. While the economic recession in 2009 contributed to the lacklustre demand, the pick-up in demand between 2010 and H1 2011 was significant. This is partially attributed to the phased relocation of large occupiers e.g., Standard Chartered Bank.

With supply nearly matching demand in 2010, average occupancy of island-wide office space remained at 86.7%, despite improved economic fundamentals. As businesses grew more cautious in H1 2011, net demand moderated, leading to a slight decline in island-wide occupancy. As at Q2 2011, the average occupancy for office space was 86.3%, 0.4%-points lower than that in 2010 (Figure 1.9).

Figure 1.9: Supply, Demand and Occupancy

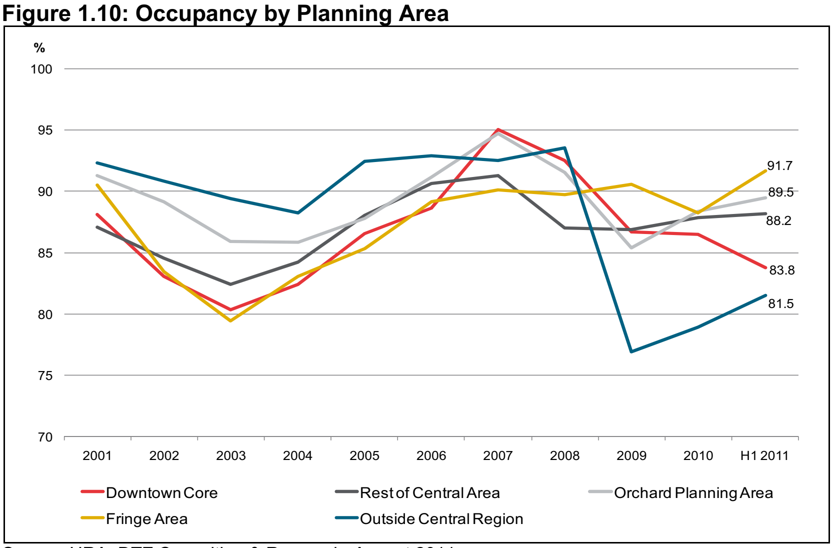


Source: URA, DTZ Consulting & Research, August 2011

13 Comprises both office and ancillary space.

In terms of location, Downtown Core experienced a decline in office occupancy in Q2 2011, as majority of the supply in 2010 and H1 2011 was in Downtown Core. The occupancy in Downtown Core declined slightly by 0.7%-points from 86.5% in Q4 2010 to 85.8% in Q1 2011, followed by a further 2.0%-points to 83.8% in Q2 2011 (Figure 1.10). Comparatively, the occupancy rates for premium offices have been healthy, with some (including those that were completed in 2010) near full occupancy.

Figure 1.10: Occupancy by Planning Area



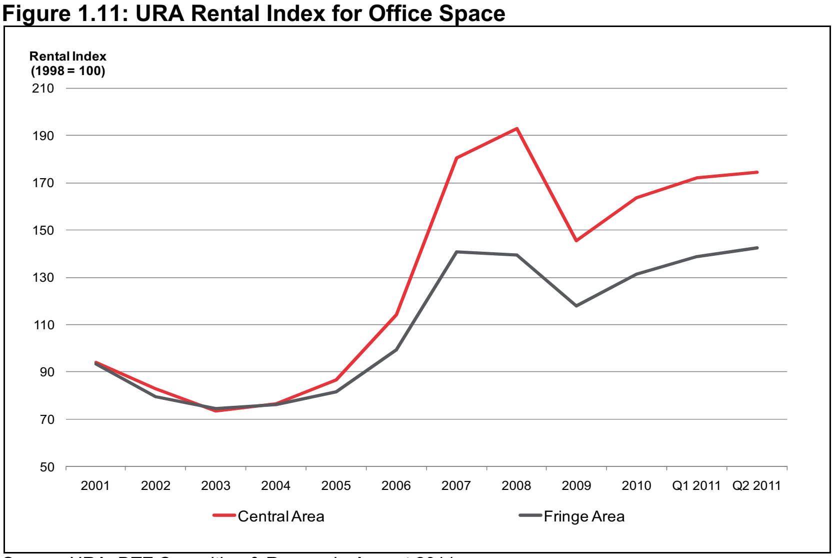
Source: URA, DTZ Consulting & Research, August 2011

1.6 Rental Trend

Office rentals have been trending up since 2003. The supply crunch in 2006/07 led to an escalation of rentals, especially in the Central Area. Notably, the URA index for office space in the Central Area peaked at 207.1 in Q2 2008, while that for the Fringe Area peaked at 151.7 in the same period.

The global financial crisis in 2008/09, followed by turmoil in Europe saw market sentiments and business expectations plummet. This resulted in significant office rental declines, owing to Singapore being an open economy. The URA rental index for the Central Area and Fringe Area declined over six consecutive quarters, by 30% and 22% to 145.5 and 117.8 respectively in Q4 2009 (Figure 1.11).

Figure 1.11: URA Rental Index for Office Space



Source: URA, DTZ Consulting & Research, August 2011

The URA rental index for office space stabilised in Q1 2010, as the remarkable economic growth in H1 2010 led to increased leasing activity as companies locked in rents in the low rental environment. Since the trough in Q4 2009, office rentals in both the Central Area and Fringe Area have recovered steadily. Overall leasing conditions continued to remain relatively positive in H1 2011, with QOQ rental growth in the Central Area, at 5% in Q1 2011 and 1% in Q2 2011, reflecting continued rental recovery since Q4 2009.

As at the end of H1 2011, the URA rental index for office space in the Central Area was 174.4, about 16% from its previous peak in Q2 2008, while that for the Fringe Area was 142.6 (about 6% from its previous peak in Q2 2008). Although this reflected a more resilient rental trend for the Fringe Area, it also highlighted that there is more room for rental growth in the Central Area.

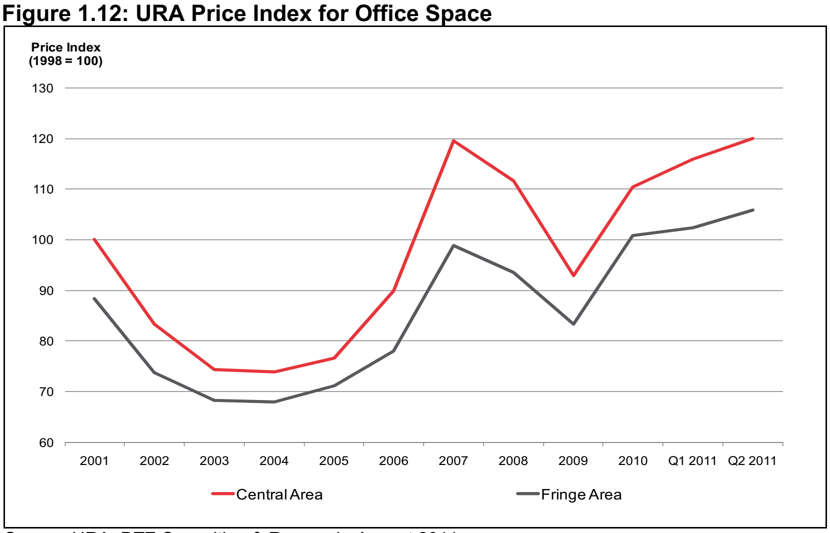
There have been some concerns that rental reversions in the office sector will be negative over the next few quarters. Notwithstanding, this is not expected to impact the rentals for premium offices, as majority were completed recently.

1.7 Price Trend

Office prices began recovering in Q4 2009, as a prelude to the recovery in rentals in Q1 2010. Underpinned by more positive investor sentiments and activity, the URA price index for office space in the Central Area rose more extensively than rentals, by 19% from 92.9 in 2009 to 110.5 in 2010. The shift of investor interest from the residential market, owing to the government measures to ensure a sustainable property market, also partially drove office prices, particularly in secondary office locations in the CBD.

Price growth for office space for the Central Area, has sustained at about 5% to 6% since Q3 2010, although it moderated marginally to 4% in Q2 2011. As at Q2 2011, the URA price index for office space in the Central Area was 120.0, which was 2% lower than its previous peak in Q2 2008 (Figure 1.12). The price index for the Fringe Area in Q2 2011 (105.9) has already exceeded its previous peak of 101.8 in Q2 2008, indicating relatively strong investor interest in the office market.

Figure 1.12: URA Price Index for Office Space

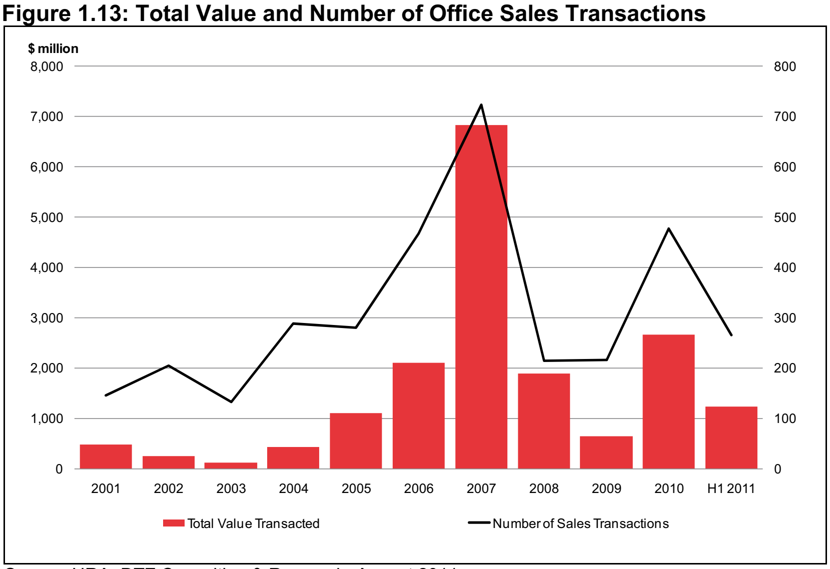


Source: URA, DTZ Consulting & Research, August 2011

1.8 Investment Transactions

Singapore's investment market is one of the most active in the region, due to its established legal system, market transparency as well as conducive business climate. Coupled with the low interest rate environment, there has been increased asset allocation to the Singapore office market since 2010, following a lukewarm investment market in 2009, where transactions were generally below $100 million. In particular, the total value of office sales transactions increased more than four times from about $0.65 billion in 2009 to $2.66 billion in 2010, a new high since the global financial crisis in 2008, outpacing the increase in the number of office sales transactions, which more than doubled from 216 to 477 over the same period. This reflected the significant flow of capital into the office property market (Figure 1.13).

Figure 1.13: Total Value and Number of Office Sales Transactions



Source: URA, DTZ Consulting & Research, August 2011

Office investment sales between 2010 and Q2 2011 were mainly in the CBD (Table 1.8). Residential developers have contributed considerably to the investment activity in the office market, as some have acquired older office buildings, particularly in Shenton Way/Robinson Road/Cecil Street to redevelop into residential. More recently, Real Estate Investment Trusts ("REITs") and other institutional investors have been acquiring office assets, reflecting their confidence in the market.

Table 1.8: Major Investment Transactions of Office Buildings

Period	Development	Area	Tenure	NLA (sq ft)	Price[14] ($ million)	Price ($ per sq ft - NLA)
2010						
Q1	Robinson Point	Shenton Way/ Cecil Street/ Robinson Road	Freehold	133,100	203	1,527
Q1	One Finlayson Green	Raffles Place	999 years	89,000	145	1,629
Q3	DBS Towers 1 and 2	Shenton Way/Cecil Street/ Robinson Road	99 years	880,000	871	989
Q3	Four floors of Samsung Hub	Raffles Place	Freehold	52,400	111	2,125
Q3	Starhub Centre	Orchard Road	99 years	280,100	380	1,357
Q4	Chevron House	Raffles Place	99 years	262,700	547	2,083
Q4	The Corporate Office	Shenton Way/Cecil Street/ Robinson Road	Freehold	109,900	215	1,956
Q4	Keppel Towers/ GE Towers	Anson Road/ Tanjong Pagar	Freehold/ 999 years	481,600 (GFA)	573	1,190 (GFA)
Q4	MBFC Phase One[15] (One-third interest)	Marina Bay	99 years	582,400 (per one-third interest)	1,427	2,450
Q4	MBFC Phase One (One-third interest)	Marina Bay			1,496	2,568
Q4	IOI Plaza	Bras Brasah/ Selegie Road	99 years	100,600	139	1,381
Q4	112 Robinson Road	Shenton Way/Cecil Street/ Robinson Road	Freehold	92,200	168	1,822
H1 2011						
Q1	Singapore Technologies Building	Anson Road/ Tanjong Pagar Road	Freehold	98,900	146	1,476
Q1	Capital Square	Raffles Place	99 years	386,500	889	2,300
Q1	One Finlayson Green	Raffles Place	Freehold	89,000	227	2,550
Q2	Four floors of Prudential Tower	Raffles Place	99 years	48,200	117	2,430
Q2	AIG Building	River Valley/ Singapore River	Freehold	31,600	63	1,993

Source: DTZ Consulting & Research, August 2011

For H1 2011, the total value of office sales transactions was about $1.24 billion, about 46% of that for the whole of 2010, reflecting sustained investment activity in the office sales market.

[14] Figures have been rounded off.
[15] MBFC Phase 1 comprises Towers 1 and 2.

1.9 Outlook

The rental prospects for the office market, particularly premium offices, remain relatively positive. Rental growth will generally be in tandem with the economic growth expected over the next few years.

Building on the higher investment activity for the office property market in 2010, coupled with the continued flow of capital into Singapore as well as the positive rental prospects, office prices are also expected to be relatively robust. However, investors are likely to be more selective.

Notwithstanding, uncertain economic conditions in the US and Europe and inflationary pressures have affected economic growth in many economies, including Singapore. In the event that global economic growth slows, Singapore's economy and the demand for office space will be impacted.

2 Site and SWOT Analyses

2.1 Location and Accessibility

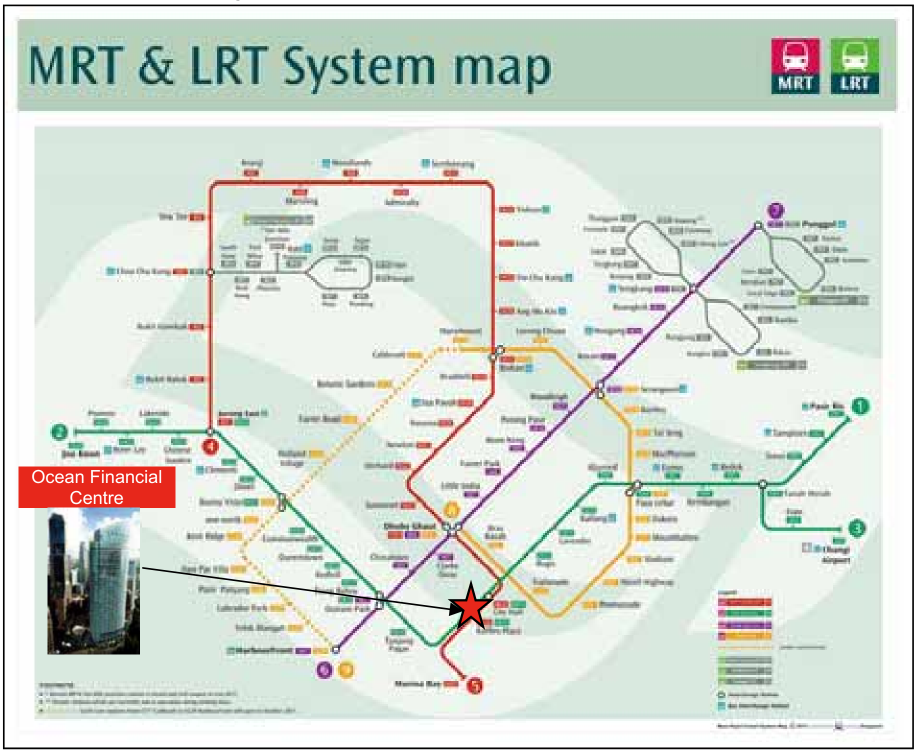
Located at 10 Collyer Quay, Ocean Financial Centre (“OFC”) is in the heart of Raffles Place, the prime business district in Singapore. It enjoys a panoramic view of Marina Bay (Photos 2.1).

Photos 2.1: Views from Ocean Financial Centre

Source: DTZ Consulting & Research, August 2011

OFC enjoys convenient public transport accessibility with Raffles Place MRT interchange station less than five minutes walk from the site and numerous public bus services serving the area. Raffles Place MRT interchange station is one of the three interchange stations linking the North-South and East-West lines (Map 2.1).

Map 2.1: MRT & LRT System Map



Source: SMRT, DTZ Consulting & Research, August 2011

In addition, OFC is across future Water Taxi Stops at Marina Bay (Map 2.2).

Map 2.2: Location Map for Ocean Financial Centre

Source: URA, DTZ Consulting & Research, August 2011
*Remarks: Locations of the water taxi stops are currently being finalised by URA

2.2 Surrounding Developments

OFC is located in Raffles Place, where most prime office buildings are located. It is also within walking distance to Marina Bay, the new extension of Singapore's CBD. Apart from office buildings in Raffles Place, URA has introduced city living by allowing the conversion of office buildings into residential developments. Residential developments have also been introduced on white sites at Marina Bay. Marina Bay is envisaged to be "*a 24/7, thriving and energetic place where people live, work and play. It will be a place for people from all walks of life to explore, exchange and entertain*".

As a result, more residential, hotel and retail developments have been developed in Raffles Place and Marina Bay. Figure 2.1 highlights the locations of selected developments near OFC.

Figure 2.1: Locations of Selected Developments near Ocean Financial Centre

Source: DTZ Consulting & Research, August 2011

2.2.1 Office

While Raffles Place continues to be an important business district in Singapore, recently completed office buildings are mainly in Marina Bay. The new buildings are well-specified, incorporating green and other unique features. Office buildings in Marina Bay also enjoy the comprehensive underground Common Services Tunnel which houses telecommunication and utilities networks in a "plug-and-play" format with 100% emergency backup services and capacity for expansion.

The three newest buildings completed in the area from Q1 2011 to July 2011 were 137 Market Street (43,000 sq ft), Asia Square Tower 1 (1.3 million sq ft) and OUE Bayfront (389,700 sq ft). More office developments near OFC are expected to be completed in the next two years. These are One Raffles Place (267,400 sq ft), Marina Bay Financial Centre ("MBFC") Tower 3 (1.26 million sq ft) and Asia Square Tower 2 (788,600 sq ft).

2.2.2 Retail

To serve the growing residential population in Raffles Place and Marina Bay, the URA has allocated some space in these areas for retail. This includes Marina Bay Link Mall (93,000 sq ft), which connects the Raffles Place MRT interchange station to One Raffles Quay, MBFC and eventually Marina Bay Downtown Line station. To date, more than 1 million sq ft of retail space is located in Raffles Place and Marina Bay. With the exception of The Shoppes at Marina Bay Sands (800,000 sq ft), the rest of the retail spaces are mainly ancillary (from 4,000 to 28,000 sq ft) located in office podiums, hotels and underground pedestrian links at MRT stations.

2.2.3 Hotel

There are a number of hotels in the vicinity of OFC. These include one of Singapore's top hotels: The Fullerton Hotel (400 rooms), Ascott Raffles Place Singapore (146 rooms), a hotel cum serviced apartments and the latest addition, the Fullerton Bay Hotel (100 rooms). Notably, the Marina Bay Sands integrated resort offers 2,561 rooms. A future hotel near OFC is the 280-room W Hotel at Asia Square Tower 2, its first hotel in Singapore. W Hotel is expected to open in 2013.

2.2.4 Residential

In addition to The Sail @ Marina Bay (1,111 units), which was completed in 2008, new residential developments near OFC include high-end developments Marina Bay Residences (428 units) and One Shenton (341 units). Another high-end development, the 221-unit Marina Bay Suites, is expected to be completed by 2014.

2.3 Property Particulars

OFC, designed by world renowned architectural firm, Pelli Clarke Pelli, in association with Architects 61, obtained its Temporary Occupation Permit ("TOP") from March to April 2011[1]. Being one of the newest and largest premium office buildings in the CBD, OFC features premium building specifications, fittings and finishes as well as state-of-the-art green building features.

Among many advantages of green features e.g., energy- and cost-savings and sustaining the environment, studies have shown that green features increase the buildings' attractiveness to occupiers, achieving higher rental. It also helps to increase Net Operating Income ("NOI"). For instance, the US Environmental Protection Agency ("EPA") estimated that a 30% reduction in energy use equates to a 5% increase in NOI and asset value[2].

While the incorporation of these green features has increased the construction costs for OFC by about 3% to 5%, the long-term benefits translate to a payback period of about seven to nine years, based on the energy and water savings achieved (a total of about $1.9 million annually[3]). Other intangible benefits include better indoor air quality and environment, contributing to improved employee productivity and wellness.

Table 2.1 summarises the planning and building particulars for OFC.

[1] Different levels of OFC received TOPs intermittently from March to April 2011.
[2] Source: Energy Design Resource e-news June 2009.
[3] Source: Keppel Land Sustainability Report 2010.

Table 2.1: Planning and Building Particulars for Ocean Financial Centre

Planning Parameters	
Planning Area	Downtown Core
2008 Master Plan Zoning	Commercial
Master Plan Plot Ratio	12.6+
Building Particulars	
Net Lettable Area ("NLA")[4]	• Total: 884,957 sq ft (excluding roof gardens and Outdoor Refreshment Areas) • Office: 876,947 sq ft (including 3,929 sq ft of M&E) • Retail: 8,010 sq ft (to be ready in 2012)
TOP	March/April 2011
Number of Storeys/Floors	• 43 storeys • Office Floors: Levels 3 to 43 • Mechanical floors : Levels 2 and 17 • Trading floors: Levels 16, 30 and 31
Typical Floor Area	• Typical Low Zone (Levels 3 to 16): 20,000 sq ft • Typical Mid Zone (Levels 18 to 30): 22,000 sq ft • Typical High Zone (Levels 31 to 43): 23,000 sq ft
Finished Floor to Ceiling Heights	• 2.8 m for general floor • 3.2 m for trading floor
Raised Floor	• Maximum 150 mm clear for general office floor • Maximum 300 mm clear for trading floor
Number of Car Parking Lots	222 lots in the 7-storey car park podium, on the site of the former Ocean Towers, to be completed by end 2012
Others	Basement linkage to the underground pedestrian link that connects to Raffles Place MRT interchange station and adjacent office developments is expected to be completed in 2012
Awards and Accolades	
• *Solar Pioneer Award (2010)* – Awarded by the Singapore Business Federation, Sustainable Energy Association of Singapore, Economic Development Board and Energy Market Authority • *Best Green Development (Future) Award at the Cityscape Asia Real Estate Awards (2009)* • *Platinum Level LEED[5]-CS pre-certification (2009)* – First high-rise office building in South East Asia to achieve this certification • *Building and Construction Authority ("BCA") Green Mark Platinum Award (2008)* - First office development in Singapore to be presented with this award	
Major Tenants	
• ANZ Banking Group Limited • BNP Paribas • Drew & Napier LLC • DMG & Partners Securities Pte Ltd • Stamford Law Corporation • Verizon Communications Singapore Pte Ltd	

Source: Keppel Land, DTZ Consulting & Research, August 2011

2.4 SWOT Analysis

Table 2.2 summarises the Strengths, Weaknesses, Opportunities and Threat ("SWOT") Analysis for OFC.

[4] As at 4 August 2011. All areas are subject to final survey.

[5] LEED is the internationally recognised benchmark for the design, construction and operation of high performance green buildings. To achieve a LEED Platinum rating, the building must address the following criteria: site sustainability, efficiency with water, energy, atmosphere, materials, resources, indoor environmental quality, design innovation and regional priority.

Table 2.2: SWOT Analysis for Ocean Financial Centre

Strengths	Opportunities
• Strategically located in the heart of the traditional CBD (Raffles Place), while being near the “New Downtown” at Marina Bay • High accessibility – adjacent to Raffles Place MRT interchange station, which is connected to an underground network of air-conditioned walkways spanning to Marina Bay; served by many public buses • Served by a wide myriad of developments including residential and hotels as well as retail amenities and services • One of the newest and tallest premium office buildings in Singapore, designed by world renowned architectural firm, Pelli Clarke Pelli, in association with Architects 61 • Unblocked, panoramic view of the CBD, Marina Bay and major tourist attractions in the city centre e.g., Marina Bay Sands and the Singapore Flyer • Excellent building specifications e.g.,: - Large, regularly-shaped and column-free floor plates of up to 23,000 sq ft, featuring high space efficiency and flexibility; - Generous floor-to-ceiling height, creating a sense of spaciousness; - Raised floor with potential for inter-floor accessibility; and - Dual power and telecom feeds, suitable for tenants which require uninterrupted utilities e.g., bank and trading operations. • Comprehensive green features with various accompanying green awards/accolades: - Solar Pioneer Award under the $20 million Solar Capability Scheme (2010); - Best Green Development (Future) Award at the Cityscape Asia Real Estate Awards (2009); - First in South East Asia to achieve Platinum Level LEED-CS pre-certification (2009); and - First office development in Singapore to attain the BCA Green Mark Platinum status (2008). Green plot ratio exceeds industry’s best practice. • Attractive facade with prominent street frontage along Collyer Quay as well as Marina Bay • High-profile tenants e.g., ANZ Banking Group Limited, BNP Paribas, Drew & Napier LLC and Stamford Law Corporation • Presence of service-related tenants e.g., dental clinic and yoga/fitness centre to cater to tenants’ lifestyle requirements	• Materialisation of the government’s objectives to entrench Singapore as a high-value manufacturing hub and a global-Asia hub for financial and business services over the long-term will further bolster demand • Ongoing commitment from the government and developers to continuously enhance Marina Bay; synergistic benefits e.g., branding and infrastructure • High-profile tenants will act as magnets in attracting other similar tenants • Opportunities to achieve premium rental due to green features and attract MNCs with high environmental awareness as part of the social corporate responsibilities • The building’s prominent frontage as well as excellent architecture will establish OFC as a landmark in both Raffles Place and Marina Bay
Weaknesses	**Threats**
• Short-term car parking issue as car park podium will only be completed in 2012 • No direct sheltered access to Raffles Place MRT interchange station for the short-term (link to the underground pedestrian link of Raffles Place MRT station will be completed in 2012)	• Competition from future prime/ premium office buildings in Raffles Place and Marina Bay

Source: DTZ Consulting & Research, August 2011

3 Micro-market Analysis

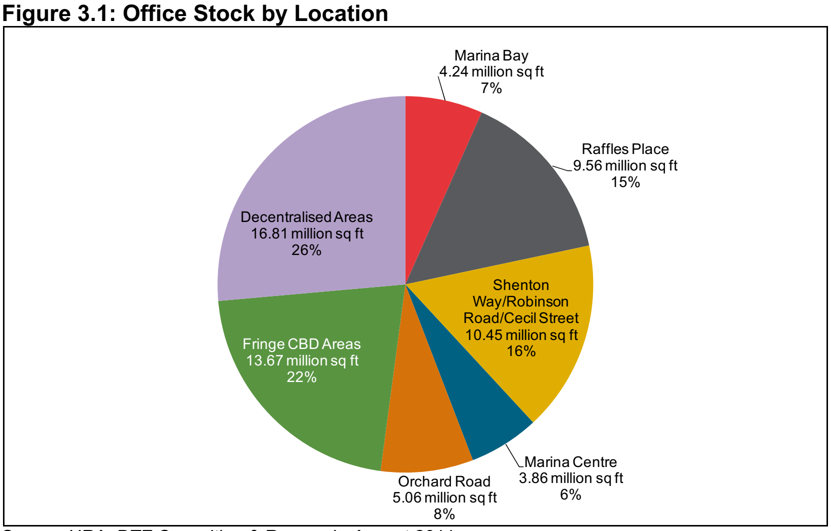
3.1 Definition of Micro-market

OFC is located in Raffles Place, the financial and business hub of the CBD. For the purpose of this report, Marina Bay will also be defined as part of the micro-market for OFC, as the premium office developments in Marina Bay are comparable to OFC.

3.2 Existing Stock

As at end Q2 2011, about 22% (13.80 million sq ft) of office space in Singapore was located in Raffles Place and Marina Bay, of which 40% (5.49 million sq ft) was premium office stock (Figure 3.1). Meanwhile, Shenton Way/Robinson Road/Cecil Street and Marina Centre accounted for 16% (10.45 million sq ft) and 6% (3.86 million sq ft) respectively. Premium office stock had fully been concentrated in Marina Bay since 2006. It was only in H1 2011 that new completions of OFC and OUE Bayfront added new premium office supply to Raffles Place (Table 3.1).

Figure 3.1: Office Stock by Location



Source: URA, DTZ Consulting & Research, August 2011

Table 3.1: Premium Office Stock (Raffles Place/Marina Bay)

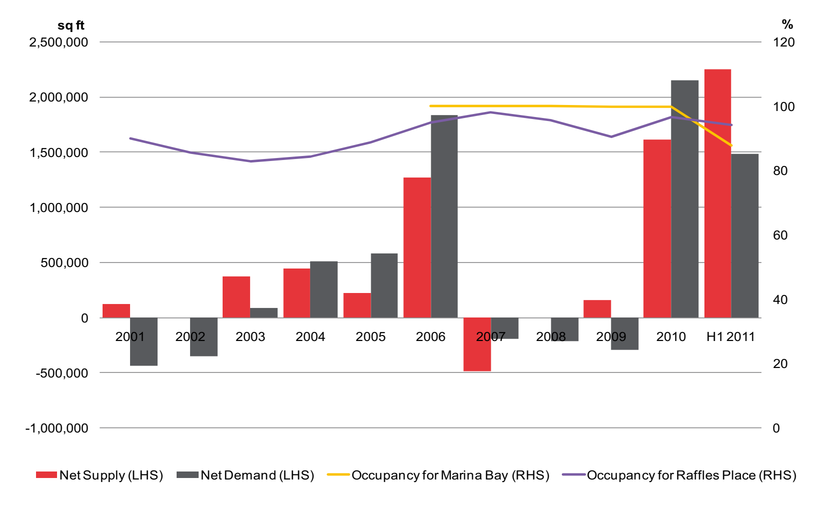
Period of Completion	Development	Location	Typical Floor Plates (sq ft)	Estimated NLA (sq ft)
Q2 2006	One Raffles Quay South Tower	Marina Bay	30,000	566,000
Q4 2006	One Raffles Quay North Tower	Marina Bay	18,000	776,000
Q1 2010	MBFC Tower 1	Marina Bay	20,990	630,800
Q3 2010	MBFC Tower 2	Marina Bay	24,760	1,035,500
Q1 2011	OUE Bayfront	Raffles Place	26,000 to 30,000	389,700
March/April 2011	Ocean Financial Centre	Raffles Place	20,000 to 23,000	884,957
Q2 2011	Asia Square Tower 1	Marina Bay	32,350 to 35,000	1,229,200

Source: URA, DTZ Consulting & Research, August 2011

3.3 Supply, Demand and Occupancy

With net office supply in Raffles Place/Marina Bay (2.25 million sq ft) exceeding net demand (1.48 million sq ft) in H1 2011, occupancy in the micro-market fell. Notably, the completion of Asia Square Tower 1 in Marina Bay resulted in occupancy in Marina Bay falling from 99.8% in Q4 2010 to 87.9% in H1 2011 (Figure 3.2). Meanwhile, occupancy in Raffles Place declined less extensively, from 96.7% to 94.3%.

Figure 3.2: Supply, Demand and Occupancy (Raffles Place/Marina Bay)



Source: URA, DTZ Consulting & Research, August 2011

Notwithstanding, some premium offices in Raffles Place and Marina Bay are fully leased (Table 3.2). Major tenants range from established MNCs and global financial institutions to professional services e.g., management consultants and legal firms.

Table 3.2: Occupancy and Major Tenants (Premium Office Developments)

Development	Location	Estimated Occupancy (as at end H1 2011)	Major Tenants
One Raffles Quay (North and South Towers)	Marina Bay	100%	• Bank of Nova Scotia Asia • Credit Suisse • Deutsche Bank AG • Ernst & Young Corporate Finance • Societe Generale Bank & Trust • The Royal Bank of Scotland • UBS AG
MBFC Tower 1	Marina Bay	100%	• American Express Bank • Barclays Bank PLC • BHP Billiton Marketing Asia • Macquarie Capital Securities • Standard Chartered Bank
MBFC Tower 2	Marina Bay	96%	
OFC	Raffles Place	80.3%[1]	• ANZ • BNP Paribas • Drew & Napier LLC • Stamford Law Corporation • The Executive Centre
OUE Bayfront	Raffles Place	77%	• Allen & Overy • Hogan Lovells International • Merrill Lynch International Bank Limited (Merchant Bank) • SEB (Singapore Branch)
Asia Square Tower 1	Marina Bay	62%	• Bank Sarasin • Citi Singapore • Julius Baer • Lloyd's of London • Regus Serviced Offices

Source: DTZ Consulting & Research, August 2011

[1] As at 4 August 2011. Based on office NLA only.

Coupled with an expected influx of foreign companies into Asia, especially those in the financial and business services sector, it is likely that the strong existing tenant profiles of newly completed buildings will see higher take-up over the year, as the high-profile tenants attract similar tenants.

3.4 Potential Supply

About 3.10 million sq ft of private office space is expected to complete in Raffles Place and Marina Bay, by end 2014. Majority (89%, 2.77 million sq ft) are premium office space, which is only expected to complete from 2012 onwards. Premium office potential supply is estimated to be about 9% of the existing stock in Downtown Core.

While there seems to be a significant supply of premium office stock in 2012 originating from MBFC Tower 3, about 67% of the development has been pre-committed (Table 3.3). As such, the impact of the supply pipeline on premium offices is expected to be relatively limited.

Table 3.3: Major Potential Supply[2] (Premium Offices)

Development	Area	Estimated Office NLA (sq ft)	% of Island-wide Potential Supply (H2 2011 to 2014)
2012			
MBFC Tower 3	Marina Bay	1,258,500	22%
2013			
Asia Square Tower 2	Marina Bay	788,600	14%
2014			
Office Development at Market Street	Raffles Place	720,200	13%
	Total	**2.77 million sq ft**	**49% (of 5.67 million sq ft)**

Source: DTZ Consulting & Research, August 2011

3.5 Rental Values

Average monthly gross rentals in Raffles Place continued to rise in Q1 2011, albeit at a moderate pace. Average monthly gross rentals for Raffles Place grew by 3.3% from $9.00 per sq ft in Q4 2010 to $9.30 per sq ft in Q1 2011, a slowdown from the 6% to 7% quarterly growth over the past two quarters.

On the other hand, secondary office locations in the CBD such as Shenton Way/Robinson Road/Cecil Street and Marina Centre continued to experience strong rental growth of 9.2% and 9.4% respectively in Q1 2011, as these locations garnered continued leasing support from companies which are looking to expand or relocate.

Going into Q2 2011, rental growth in Raffles Place continued to stay moderate. Average monthly gross rentals in Raffles Place rose by 5.4% to $9.80 per sq ft, while those at Shenton Way/Robinson Road/Cecil Street and Marina Centre rose by about 7.0% to 7.4% to $7.60 per sq ft and $9.40 per sq ft respectively (Figure 3.3).

[2] Date of Completion and NLA are estimated by DTZ. Figures have been rounded off.

Figure 3.3: Average Monthly Gross Rental Values

Source: DTZ Consulting & Research, August 2011

Due to their attractive locational attributes and superior building specifications, premium office developments such as OFC, MBFC Towers 1 and 2 as well as Asia Square Tower 1 are achieving rental premiums of around 15% to 20% over prime office developments in Raffles Place, as at Q2 2011.

In addition, despite the impending potential supply in Raffles Place and Marina Bay, rentals are expected to be relatively resilient. Rentals in Raffles Place as at Q2 2011 are about 48% below the previous peak of $19.00 in Q2 2008.

The expected growth in 2011 is likely to moderate from that in 2010. Notwithstanding this, the rental premium fetched by premium office developments is expected to sustain, as the amount of office space offering quality building specifications as well as attractive locational characteristics remain relatively limited.

3.6 Capital Values

Average freehold capital values for offices in the CBD rose in Q4 2010 after remaining stagnant between Q2 2009 and Q3 2010, as rental recovery spurred investor interest. Investment activity in H1 2010 was mainly in Anson Road/Tanjong Pagar as well as Marina Centre, which has a large proportion of strata offices.

While growth of freehold capital values for Raffles Place and Shenton Way/Robinson Road/Cecil Street was gradual in Q4 2010 at 2.2% and 2.9% as well as in Q1 2011 at 2.1% and 2.0% respectively, those for Marina Centre was significantly higher at 7.9% in Q4 2010 and 3.9% in Q1 2011 (Figure 3.4).

Figure 3.4: Average Freehold Capital Values

Source: DTZ Consulting & Research, August 2011

Average capital value growth in the micro-market increased pace in Q2 2011, despite mixed business sentiments regarding the global economy, reflecting underlying investor demand. Average freehold capital values for Raffles Place rose by 6.3% from about $2,400 per sq ft in Q1 2011 to $2,550 per sq ft in Q2 2011, while the increase for leasehold offices in Marina Centre was 12.7% in Q2 2011. Notably, average leasehold capital values for Marina Centre was $2,400 as at Q2 2011, closing in with freehold capital values in Raffles Place.

Average freehold capital values in Raffles Place, as at Q2 2011, are about 23% below the previous peak of $3,300 per sq ft in Q3 2008, while leasehold capital values for Marina Centre are closing in on the previous peak of $2,550 per sq ft in Q2 2008.

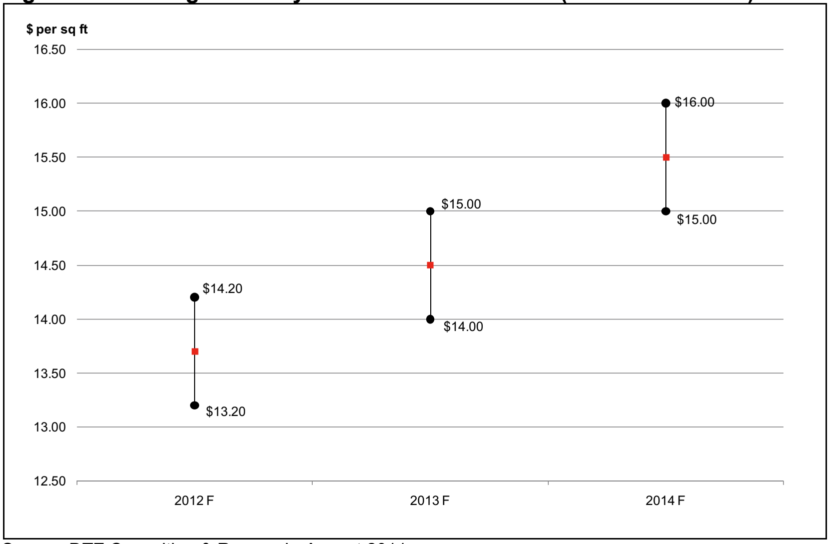
3.7 Outlook

Prospects for the office micro-market remain relatively positive, despite the potential supply and moderating business sentiments. The rejuvenation of older buildings in Raffles Place and Shenton Way/Robinson Road/Cecil Street as well as the development of Marina Bay are expected to improve the profile of the micro-market significantly. Notwithstanding, the micro-market will be affected if Singapore's economy deteriorates further.

However, the supply of premium office buildings, featuring excellent building features and technical specifications remain relatively limited. This is especially so for 2012, as about 67% of premium office supply completing in the year has already been pre-committed.

Our analyses of the economy, macro- and micro-office property markets support rental growth for premium office developments. Figure 3.5 highlights the rental forecast for premium office developments from 2012 to 2014. It does not take into account recent developments in the US and Europe, the impact of which are too early to establish.

Figure 3.5: Average Monthly Gross Rental Forecast (Premium Offices)



Source: DTZ Consulting & Research, August 2011

Limiting Conditions

Where it is stated in the report that information has been supplied to us in the preparation of this report by the sources listed, this information is believed to be reliable and we will accept no responsibility if this should be otherwise. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

The forward statements in this report are based on our expectations and forecasts for the future. These statements should be regarded as our assessment of the future, based on certain assumptions on variables which are subject to changing conditions. Changes in any of these variables may significantly affect our forecasts.

Utmost care and due diligence has been taken in the preparation of this report. We believe that the contents are accurate and our professional opinion and advice are based on prevailing market conditions as at the date of the report. As market conditions do change, we reserve the right to update our opinion and forecasts based on the latest market conditions.

DTZ gives no assurance that the forecasts and forward statements in this report will be achieved and undue reliance should not be placed on them.

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APPENDIX F — TAX CONSIDERATIONS

The following summary of certain Singapore tax considerations in relation to the Acquisition is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). This summary is not a tax advice and does not purport to be a comprehensive description of all of the considerations that may be relevant to a decision to purchase, own or dispose of Units and does not purport to apply to all categories of Unitholders, some of whom may be subject to special rule. Unitholders should consult their own tax advisers concerning the application of Singapore tax laws to their particular situations as well as any consequences of their purchase, ownership and disposition of Units under the laws of any other tax jurisdiction.

The Conversion

In relation to the Conversion, the IRAS has issued the following income tax rulings:

(a) that the Conversion will not result in an income tax liability for OPPL with respect to the transfer and vesting of the Property in OPLLP;

(b) that an election under Section 24 of the Income Tax Act can be made for qualifying plant and machinery that OPPL will transfer to and vest in OPLLP as a result of the Conversion; and

(c) that K-REIT, being a REIT as defined in the Income Tax Act, will be entitled to tax transparency treatment under Section 43(2) and Section 43(2A) of the Income Tax Act on its share in the taxable income of OPLLP.

The income tax rulings are based on the current interpretation and application of the existing tax laws and the facts presented to the IRAS. Where there is any change in the interpretation of the existing tax laws or the facts presented to the IRAS which affect the rulings given, the IRAS may at any time withdraw the rulings by notifying K-REIT in writing.

It was announced in the Singapore Budget 2011 that stamp duty relief would be given for transfer of chargeable assets pursuant to the conversion of an existing company to a limited liability partnership on or after 19 February 2011, subject to conditions. In this respect, the Manager has obtained confirmation from the Commissioner of Stamp Duties on 11 November 2011 that the notice of registration upon conversion of OPPL to OPLLP may be given in-principle approval for Section 74 remission under the Stamp Duties Act.

Income or receipts from the Acquisition

In the event that the Conversion occurs on a date subsequent to the Completion Date, K-REIT will receive its proportionate share of the rental income and other related income from the Property for the period prior to the Conversion in the form of dividends from OPPL, subject to the amount of dividends that OPPL can distribute. As OPPL is resident in Singapore, for Singapore tax purposes, such dividend income will be exempt from tax in the hands of K-REIT.

Upon the Conversion, OPPL will cease to exist and OPLLP will be formed. Notwithstanding that OPLLP is a separate legal entity, it will not be treated as a person for income tax purposes. Accordingly, OPLLP will not be chargeable with tax on the rental income and other related income and receipts from the Property. Instead, each partner of OPLLP will be chargeable with tax on its proportionate share of such income. In the case of K-REIT, as confirmed in the rulings made by the IRAS, K-REIT will be entitled to tax transparency treatment on its share in the income of OPLLP where such income is rental income or income from the management or holding of the Property (but not including gains from the disposal of the Property) or income that is ancillary to the management or holding of the Property. Therefore, subject to meeting the conditions for tax transparency treatment, K-REIT will not be assessed to tax on its share in the taxable income derived by OPLLP, to the extent of the amount distributed to Unitholders.

Instead, tax will be imposed on distributions made out of such income to Unitholders, by way of tax deduction at source or direct assessment of tax on the Unitholders. Any amount not distributed to Unitholders will be subject to Singapore income tax at the prevailing corporate tax rate, currently 17%.

The Top-Up Payment that K-REIT will receive directly from the Vendor will be subject to Singapore income tax at the prevailing corporate tax rate.

Distributions to Unitholders (out of income or receipts from the Acquisition)

Distribution to Unitholders may comprise a combination of the following forms:

(a) Distribution of taxable income (income granted tax transparency treatment);

(b) Distribution of taxed income (income subject to tax in the hands of the Trustee);

(c) Distribution of tax-exempt income; and

(d) Capital distributions.

Distribution of taxable income

Tax will be imposed on the distributions made by K-REIT out its share in the taxable income of OPLLP ("**Taxable Income Distributions**") to Unitholders, by way of tax deduction at source or direct assessment of tax on Unitholders.

Individuals and Qualifying Unitholders will receive their Taxable Income Distributions without deduction of tax. Tax will be deducted at source at the prevailing corporate tax rate or at the reduced rate of 10% from such distributions made to all other Unitholders.

A "Qualifying Unitholder" refers to:

(i) a company incorporated and tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership, constituted or registered in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or

(iii) a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from K-REIT.

The reduced rate of 10% applies to Taxable Income Distributions made by K-REIT to "Qualifying Foreign non-individual Unitholders" on or before 31 March 2015. A "Qualifying Foreign non-individual Unitholder" is a person (other than an individual) who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire Units are not obtained from that operation.

To receive Taxable Income Distributions without tax deduction at source or net of tax deduction at the reduced rate of 10%, Qualifying Unitholders and Qualifying Foreign non-individual Unitholders are required to make certain declarations in a prescribed form that will be provided by the Manager prior to each distribution.

Individuals, irrespective of their nationality and tax residence status, are exempt from tax on the gross amount of the Taxable Income Distributions received from K-REIT. This tax exemption does not apply to individuals who derive such distributions through a partnership in Singapore or from the carrying on of a trade, business or profession. These individuals are liable to tax on the gross amount of Taxable Income Distributions received at their own applicable income tax rates.

Qualifying Unitholders and other non-individual Unitholders are liable to tax on the gross amount of Taxable Income Distributions received at their own applicable income tax rates. Any tax deducted at source at the prevailing corporate tax rate is not a final tax and may be used as a set-off against the Singapore income tax liability of Unitholders. The reduced rate of 10% imposed on Taxable Income Distributions made to Qualifying Foreign non-individual Unitholders is a final tax.

Distribution of taxed income

Distributions made out of income that has been subject to tax in the hands of the Trustee (such as the Top-Up Payment where tax transparency is not granted) are treated as capital in nature and will not be subject to Singapore income tax in the hands of all Unitholders. Tax will not be deducted at source from such distributions.

Distribution of tax-exempt income

Distributions made out of tax-exempt income (such as any dividend received from OPPL) will be exempt from Singapore income tax in the hands of all Unitholders. Tax will not be deducted at source from such distributions.

Capital distributions

K-REIT's share of the taxable income of OPLLP will be after deduction of capital allowance (i.e. tax depreciation) claimed on qualifying machinery and plant. Any distribution made out of income that has been excluded from taxable income as a result of such capital allowance claims will be treated as a return of capital for Singapore income tax purposes. Unitholders will not be subject to tax on such distribution. The amount of such distribution will be applied to reduce the cost base of the Units. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from the disposal of Units, the reduced cost base will be used to calculate the amount of gains that they derive from the disposal of Units. If the amount of such distribution exceeds the cost of Units, the excess will be subject to tax as trading income of such Unitholders.

Gains on disposal of Units

Singapore does not impose tax on capital gains. In the event that the gains arising from the disposal of Units are considered as trading gains, such gains will be subject to Singapore income tax. Such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered gains or profits of an income nature, even if they do not arise from an activity in the ordinary course of trade or business, or an ordinary incident of some other business activity, if Units were acquired with the intention or purpose of making a profit by sale and not with the intention to be held for long-term investment purposes.

As the precise tax status of one holder will vary from another, Unitholders are advised to consult their own tax advisors on the Singapore tax consequences that may apply to their own circumstances.

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APPENDIX G — PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND EXCESS APPLICATION BY ELIGIBLE DEPOSITORS

1. INTRODUCTION

1.1 Eligible Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Eligible Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.

1.2 The provisional allotments of Rights Units are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions in the ARE.

The number of Rights Units provisionally allotted to each Eligible Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Eligible Depositors have been credited by CDP with the provisional allotments of Rights Units as indicated in the ARE. Eligible Depositors may accept their provisional allotments of Rights Units in full or in part and are eligible to apply for Excess Rights Units. Full instructions for the acceptance of the provisional allotments of Rights Units and (if applicable) payment for Excess Rights Units are set out in the Offer Information Statement as well as the ARE.

1.3 If an Eligible Depositor wishes to accept his provisional allotment of Rights Units specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Eligible Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Units and (if applicable) application for Excess Rights Units may be rejected.

For and on behalf of the Manager, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of an Eligible Depositor's Securities Account is not credited with, or is credited with less than the relevant number of Rights Units accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ELIGIBLE DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS UNITS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS UNITS EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ELIGIBLE DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Units and/or Excess Rights Units in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Units and/or Excess Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Units, and (if applicable), application for Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Units.

1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Eligible Depositors or their renouncees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Units provisionally allotted and (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix I of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ELIGIBLE DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ELIGIBLE DEPOSITOR WHO HAS ACCEPTED THE RIGHTS UNITS PROVISIONALLY ALLOTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND (IF APPLICABLE) HAS APPLIED FOR EXCESS RIGHTS UNITS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE MANAGER AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE MANAGER AND/OR CDP MAY, IN THEIR/ITS ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Eligible Depositor wishes to accept the provisional allotment of Rights Units and (if applicable) apply for Excess Rights Units through CDP, he must:

(a) complete and sign the ARE. In particular, he must state in Part A of Section II of the ARE the number of Rights Units provisionally allotted to him which he wishes to accept, in Part (B) of Section II of the ARE the number of Excess Rights Units applied for and in Section II of the ARE the respective and total amounts to be made payable to "**CDP — K-REIT ASIA RIGHTS ISSUE ACCOUNT**"; and

(b) deliver the duly completed and originally signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for:

   (i) by hand to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**; or

   (ii) by post, **AT THE SENDER'S OWN RISK,** in the self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

   in each case so as to arrive not later than **5.00 P.M. ON 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Rights Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — K-REIT ASIA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Eligible Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Units and (if applicable) apply for Excess Rights Units through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Manager to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been duly completed, signed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Units accepted by the Eligible Depositor and (if applicable) the Excess Rights Units applied for by the Eligible Depositor; the attention of the Eligible Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix G which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf whether under the ARE, the ARS or any other application form for Rights Units in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Units and Trading of Provisional Allotments of Rights Units

An Eligible Depositor may choose to accept his provisional allotment of Rights Units specified in the ARE in full or in part. If an Eligible Depositor wishes to accept part of his provisional allotment of Rights Units and trade the balance of his provisional allotment of Rights Units on the SGX-ST, he should:

(a) complete and sign the ARE for the number of Rights Units provisionally allotted which he wishes to accept and submit the duly completed and originally signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or

(b) accept and subscribe for that part of his provisional allotment of Rights Units by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 above.

The balance of his provisional allotment of Rights Units may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Depositors who wish to trade all or part of their provisional allotments of Rights Units on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Units will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Units, or any other board lot size which the SGX-ST may require. As the Rights Ratio is on a 17 for 20 basis, approval has been obtained from the SGX-ST for a temporary counter to be set up to allow Eligible Depositors to trade in board lot of 50 "nil-paid" rights for the duration of the "nil-paid" rights trading period. Such Eligible Depositors may start trading in their provisional allotments of Rights Units as soon as dealings therein commence on the SGX-ST. Eligible Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Units

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Units ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Units may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Unit Registrar, for the period up to **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of Rights Units credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS UNITS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS UNITS REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS UNITS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS UNITS ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Units

Eligible Depositors who wish to renounce in full or in part their provisional allotments of Rights Units in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Units which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three Market Days to effect such renunciation, Eligible Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renouncee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renouncee to accept his provisional allotments of Rights Units. The last time and date for acceptance of the provisional allotments of Rights Units and payment for the Rights Units by the renouncee is **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

2.8 Acceptance/Application using CPF Funds

Unitholders participating in the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their provisional allotments of Rights Units and (if applicable) application for Excess Rights Units, if they have previously bought their Units using CPF funds.

Such Unitholders who wish to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units using CPF funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to subscribe for their provisional allotments of Rights Units and/or to make applications for Excess Rights Units. CPF funds may not, however, be used for the purchase of the provisional allotments of Rights Units directly from the market.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS TO CDP OR THROUGH ATMS WILL BE REJECTED.

2.9 Acceptance/Application using SRS Funds

Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their provisional allotments of Rights Units and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units using SRS monies, will need to instruct the relevant banks in which they hold their SRS accounts to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks to enable them to subscribe for their provisional allotments of Rights Units and/or to make applications for Excess Rights Units. SRS monies may not, however, be used for the purchase of the provisional allotments of Rights Units directly from the market.

ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED.

2.10 Acceptance/Application via Finance Company and/or Depository Agent

Unitholders who hold units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their provisional allotments of Rights Units and (if applicable) apply for excess Rights Units on their behalf in accordance with this Offer Information Statement.

ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED.

3. COMBINATION APPLICATION

In the event that the Eligible Depositor or the Purchaser accepts his provisional allotments of Rights Units by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Depositor or the Purchaser shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Units provisionally allotted to him and/or application for Excess Rights Units (including an Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF SEVENTEEN (17) RIGHTS UNITS FOR EVERY TWENTY (20) EXISTING UNITS AT THE RIGHTS ISSUE PRICE OF S$0.85 PER RIGHTS UNIT)

As an illustration, if an Eligible Depositor has 10,000 Units standing to the credit of his Securities Account as at the Rights Issue Books Closure Date, the Eligible Depositor will be provisionally allotted 8,500 Rights Units as set out in his ARE. The Eligible Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	**Procedures to be taken**
(a) Accept his entire provisional allotment of 8,500 Rights Units and (if applicable) apply for Excess Rights Units.	**By way of Electronic Application** (1) Accept his entire provisional allotment of 8,500 Rights Units and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or **Through CDP** (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 8,500 Rights Units and (if applicable) the number of Excess Rights Units applied for and

Alternatives	Procedures to be taken
	forward the originally signed ARE together with a single remittance for S$7,225.00 (or, if applicable, such higher amount in respect of the total number of Rights Units accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP — K-REIT ASIA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE**, **A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post, at his own risk, in the self-addressed envelope provided to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m**. **on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) and with the name and Securities Account number of the Eligible Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
(b) Accept a portion of his provisional allotment of Rights Units, for example 4,500 provisionally allotted Rights Units, not apply for Excess Rights Units and trade the balance on the SGX-ST.	**By way of Electronic Application** (1) Accept his provisional allotment of 4,500 Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Alternatives	Procedures to be taken
	Through CDP (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 4,500 Rights Units, and forward the originally signed ARE, together with a single remittance for S$3,825.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). The balance of the provisional allotment of 4,000 Rights Units which is not accepted by the Eligible Depositor may be traded on the SGX-ST during the trading period for the provisional allotment of Rights Units. Eligible Depositors should note that the provisional allotments of Rights Units would be tradable in the ready market, each board lot comprising provisional allotments size of 1,000 Rights Units or any other board lot size which the SGX-ST may require. As the Rights Ratio is on a 17 for 20 basis, approval has been obtained from the SGX-ST for a temporary counter to be set up to allow Eligible Depositors to trade in board lot of 50 “nil-paid” rights for the duration of the “nil-paid” rights trading period.
(c) Accept a portion of his provisional allotment of Rights Units, for example 4,500 provisionally allotted Rights Units, and reject the balance.	**By way of Electronic Application** (1) Accept his provisional allotment of 4,500 Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or **Through CDP** (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 4,500 Rights Units and forward the originally signed ARE, together with a single remittance for S$3,825.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

Alternatives	Procedures to be taken
	The balance of the provisional allotment of 4,000 Rights Units which is not accepted by the Eligible Depositor will automatically lapse and cease to be available for acceptance by that Eligible Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or if an acceptance is not made through CDP by **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS UNITS IN RELATION TO THE RIGHTS ISSUE IS:

(A) 9.30 P.M. ON 5 DECEMBER 2011 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS UNITS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.

(B) 5.00 P.M. ON 5 DECEMBER 2011 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS UNITS IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND

If acceptance and payment for the Rights Units in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through CDP by **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Eligible Depositor or Purchaser, the provisional allotments of Rights Units shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Manager to the Eligible Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ELIGIBLE DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ELIGIBLE DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix G, an Eligible Depositor should note that:

(a) by accepting his provisional allotment of Rights Units and (if applicable) applying for Excess Right Units, he acknowledges that, in the case where:

(i) the amount of remittance payable to the Manager in respect of his acceptance of the Rights Units provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Units and/or Excess Rights Units in relation to the Rights Issue differs from the amount actually received by CDP, or

(ii) the amounts as stated in Parts (A) and (if applicable) (B) of Section II in the ARE, Section II in the ARS and/or in any other application form for Rights Units and/or Excess Rights Units in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Units provisionally allotted to him and (if applicable) in respect of his application for the Excess Rights Units,

the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Units provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. The determination and appropriation by the Manager and CDP shall be conclusive and binding;

(b) if the Eligible Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Manager and CDP, in applying the amounts payable for his acceptance of the Rights Units and (if applicable) his application for Excess Rights Units, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units in relation to the Rights Issue made through CDP; and

(c) in the event that the Eligible Depositor accepts the Rights Units provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Depositor shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Units (including Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. Applications for Excess Rights Units will, at the Manager's absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Units together with the aggregated fractional entitlements to the Rights Units, any unsold "nil-paid" provisional allotment of Rights Units (if any) of Ineligible Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Manager may, in its absolute discretion, deem fit in the interests of K-REIT Asia. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE MANAGER MAY MAKE**. In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, and the Manager, Directors and Substantial Unitholders who have control or influence over K-REIT in connection with the day-to-day affairs of K-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority for the rounding of odd lots and in the allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Units allotted to an Eligible Depositor is less than the number of Excess Rights Units applied for, the Eligible Depositor shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Eligible Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Manager and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Units through CDP).

5.4 Deadlines

It should be particularly noted that unless:

(a) acceptance of the provisional allotment of Rights Units is made by the Eligible Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

(b) the duly completed and originally signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — K-REIT ASIA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Eligible Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED,** at **4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD**

POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

(c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Units is effected by **5.00 p.m. on 5 DECEMBER 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the provisional allotment of Rights Units will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance

All moneys received in connection therewith will be returned to the Eligible Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ELIGIBLE DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The Rights Units and Excess Rights Units will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Units and Excess Rights Units, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Units and Excess Rights Units credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Units provisionally allotted and credited to your Securities Account. You can verify the number of Rights Units provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number +65 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Units provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and originally signed. The Manager and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Manager accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS UNITS AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS UNITS IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Units and (if applicable) your application for Excess Rights Units through the CDP Automated Phone Services Hotline number +65 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial +65 6535-7511

2. Press ‘1’ for English; Press ‘2’ Mandarin

3. Press ‘3’ for ‘Corporate Actions Announcement and Transactions’

4. Press ‘2’ for your rights application status

5. Enter your 12 digit CDP securities account number

6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

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APPENDIX H — PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ELIGIBLE SCRIPHOLDERS

1. INTRODUCTION

1.1 Eligible Scripholders (other than Eligible QIBs) are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Units Application Form	Form E

1.2 The provisional allotment of the Rights Units and (if applicable) application for Excess Rights Units are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the PAL. The number of Rights Units provisionally allotted to Eligible Scripholders is indicated in the PAL. Eligible Scripholders may accept their provisional allotments of Rights Units, in full or in part, and are eligible to apply for Excess Rights Units.

1.3 Full instructions for the acceptance of and payment for the Rights Units provisionally allotted to Eligible Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

1.4 Where an acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the PAL and/or any other application form for Rights Units and/or Excess Rights Units, or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or the Unit Registrar may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

1.5 The Manager and/or the Unit Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Units and (if applicable) application for Excess Rights Units and the payment received in relation thereto, pursuant to such application, by an Eligible Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of the provisional allotment of Rights Units and (if applicable) application for Excess Rights Units.

1.6 **Eligible Scripholders who intend to trade any part of their provisional allotments of Rights Units on the SGX-ST should note that all dealings in, and transactions of, the provisional allotments of Rights Units through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL will not be valid for delivery pursuant to trades done on the SGX-ST.**

1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to the Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of

Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 An Eligible Scripholder who wishes to accept his entire provisional allotment of Rights Units or to accept any part of it and decline the balance should:

(a) complete the Form of Acceptance (Form A) for the number of Rights Units which he wishes to accept; and

(b) return the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance by post at his own risk in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to reach the Unit Registrar not later than **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

2.2 Insufficient Payment

The attention of the Eligible Scripholder is also drawn to paragraph 2.3 of this Appendix H which sets out the circumstances and manner in which the Manager and/or the Unit Registrar shall be entitled to determine the number of Rights Units which the Eligible Scripholder has given instructions to accept.

2.3 Appropriation

An Eligible Scripholder should note that by accepting his provisional allotment of Rights Units, he acknowledges that the Manager and/or the Unit Registrar, in determining the number of Rights Units which the Eligible Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Units, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B), FORM OF RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

3.1 Eligible Scripholders who wish to accept only part and renounce the balance of their provisional allotments of Rights Units, or who wish to renounce all or part of their provisional allotments of Rights Units in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Units under the PAL split into separate PALs (the "**Split Letters**") according to their requirements. The duly completed and signed Form B, together with the PAL in its entirety, should then be returned by post AT THEIR OWN RISK, in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, as soon as possible and in any case to reach the Unit Registrar not later than **5.00 p.m. on 29 November 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). Split Letters will then be issued to Eligible Scripholders in accordance with their request. No Split Letters will be issued to Eligible Scripholders if Form B (together with the PAL in its entirety) is received after **5.00 p.m. on 29 November 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

3.2 The Split Letters representing the number of Rights Units which Eligible Scripholders intend to renounce may be renounced by completing the Form for Renunciation (Form C) before delivery to the renouncee. Eligible Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Units they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment in the prescribed manner should be returned by post AT THEIR OWN RISK in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to reach the Unit Registrar not later than **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

3.3 Eligible Scripholders who wish to renounce their entire provisional allotments of Rights Units in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Units which they wish to renounce and deliver the PAL in its entirety to the renouncees.

3.4 The renouncee(s) should complete and sign the Form of Nomination (Form D) and forward Form D, together with the PAL in its entirety and the remittance for the payment in the prescribed manner by post AT HIS/THEIR OWN RISK, in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to reach the Unit Registrar not later than **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager)**.**

3.5 Each Eligible Scripholder may consolidate the Rights Units provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them.

A renouncee who is not an Eligible Scripholder and who wishes to consolidate the provisional allotments of Rights Units comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).

4. PAYMENT

4.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "RBC DTS — TRUSTEE OF K-REIT ASIA" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Eligible Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.** The completed PAL and remittance should be forwarded, by post AT THE SENDER'S OWN RISK, in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to reach the Unit Registrar not later than **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

4.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in the Offer Information Statement and the PAL is not received by **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), the provisional allotments of Rights Units will be deemed to have been declined and will forthwith lapse and become void and cease to be capable of acceptance, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interests of K-REIT. The Manager will return or refund all unsuccessful acceptance and (if applicable) application monies received in connection therewith by ordinary post at the risk of the Eligible Scripholders or their renouncee(s), as the case may be, without interest or any share of revenue or benefit arising therefrom, within 14 days after the Closing Date.

5. EXCESS RIGHTS UNITS APPLICATION FORM (FORM E)

5.1 Eligible Scripholders who wish to apply for Excess Rights Units in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Units Application Form (Form E) and forwarding it together with the PAL and a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Units applied for in the form and manner set out in paragraph 4 above, by post AT THEIR OWN RISK, in the enclosed self-addressed envelope provided, to **K-REIT ASIA MANAGEMENT LIMITED, AS MANAGER OF K-REIT ASIA C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to reach the Unit Registrar not later than **5.00 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED**.

5.2 The Excess Rights Units available for application are subject to the terms and conditions contained in the PAL, Form E, and this Offer Information Statement. Applications for Excess Rights Units will, at the Manager's absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders or their respective renouncee(s) or purchaser(s) of the provisional allotments of Rights Units, together with any unsold "nil-paid" provisional allotment of Rights Units of Ineligible Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, (if applicable) the Trust Deed, the instructions contained in the PAL and/or any other application form for Rights Units. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Manager may, in its absolute discretion, deem fit in the interests of K-REIT. The Manager reserves the right to reject, in whole or in part, any application for Excess Rights Units without assigning any reason whatsoever.

5.3 If no Excess Rights Units are allotted to an Eligible Scripholder, his remittance submitted on application for Excess Rights Units will be returned or refunded to him. If the number of Excess Rights Units allotted to an Eligible Scripholder is less than that applied for, the surplus application monies will be refunded to him. These amounts will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date. All monies and documents to be sent to the Eligible Scripholder shall be sent by ordinary post and AT HIS OWN RISK.

6. GENERAL

6.1 No acknowledgement or receipt will be issued for any acceptance, application or payment received.

6.2 Eligible Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

6.3 Upon listing and quotation on the Official List of the SGX-ST, any trading of Rights Units on the SGX-ST will be via the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Units effected through the SGX-ST and/or CDP shall be in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and "Terms And Conditions for The Central Depository (Pte) Limited to Act as Depository for The Rights Units" as the same may be amended from time to time, copies of which are available from CDP.

6.4 Eligible Scripholders and their renouncees who wish to accept the Rights Units provisionally allotted to them and (if applicable) apply for Excess Rights Units, and who wish to trade the Rights Units issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Units or applying for any Excess Rights Units, in order for the Rights Units and, if applicable, the Excess Rights Units that may be allotted to them to be credited by CDP into their Securities Accounts. Eligible Scripholders and their renouncees who wish to accept and (if applicable) apply for the Excess Rights Units and have their Rights Units and (if applicable) Excess Rights Units credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Eligible Scripholders and their renouncees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts maintained with CDP will be issued letters of entitlement in their own names for the Rights Units and (if applicable) the Excess Rights Units allotted to them. Such letters of entitlement, if issued, will be forwarded to them by ordinary post AT THEIR OWN RISK and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title.

6.5 If the Eligible Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP.

6.6 A holder of letter(s) of entitlement, or an Eligible Scripholder who wishes to deposit his Rights Units and (if applicable) the Excess Rights Units allotted to him with CDP to trade on the SGX-ST, must present his letter(s) of entitlement to the Unit Registrar for the purpose of verification after which, the Unit Registrar will provide a deed of transfer to be completed by the holder of such letter(s) of entitlement or Eligible Scripholder in order to effect the deposit of his Rights Units and (if applicable) Excess Rights Units allotted to him with CDP. The holder of such letter(s) of entitlement or the Eligible Scripholder will need to provide to the Unit Registrar, the details of his securities account or sub-account for his Rights Units and (if applicable) excess rights units allotted to him to be deposited with the CDP. He will also need to present a cheque for the amount of S$10.70 (which amount may be revised subsequently at CDP's discretion) in favour of "**THE CENTRAL DEPOSITORY (PTE) LIMITED**" as payment of CDP's deposition fee. Thereafter, the Unit Registrar will make the necessary arrangements with CDP for the deposit of his Rights Units or Units. After the Rights Units or Units have been credited into his securities account or sub-account with CDP, the holder of such letter(s) of entitlement or Eligible Scripholder will receive notification of the same from CDP, through the post, within seven Market Days.

6.7 THE FINAL TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) APPLICATIONS AND PAYMENT FOR THE RIGHTS UNITS AND (IF APPLICABLE) EXCESS RIGHTS UNITS IS 5.00 P.M. ON 5 DECEMBER 2011 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER).

APPENDIX I — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the "**Steps**"). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the "**Applicant**" in the terms and conditions for Electronic Applications and the Steps shall mean the Eligible Depositor or the purchaser of the provisional allotments of Rights Units ("**Purchaser**") who accepts the provisional allotments of Rights Units and (if applicable) applies for the Excess Rights Units through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the "**Transaction Record**"), confirming the details of his Electronic Application. The ATM transaction slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

For CPFIS investors, SRS investors and investors who hold Units through finance companies or Depository Agents, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units must be done through the relevant approved banks in which they hold their CPF Investment Accounts, SRS accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective approved banks in which they hold their CPF Investment Accounts, SRS accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application by such investors made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Trustee-Manager will be rejected.

For renouncees of Eligible Depositors or Purchasers whose provisional allotments of Rights Units are settled through finance companies or Depository Agents, acceptances of the Rights Units represented by the provisional allotments of Rights Units must be done through the respective finance companies or Depository Agents. Such renouncees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptances of the Rights Units by such renouncees or Purchasers made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his provisional allotment of Rights Units and (if applicable) application for Excess Rights Units liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

(1) In connection with his Electronic Application for the Rights Units, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:

(a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his provisional allotment of Rights Units and/or (as the case may be) application for Excess Rights Units under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and

(b) that he authorises CDP to give, provide, divulge, disclose or reveal any information pertaining to his Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account(s), the number of Rights Units provisionally allotted to him, his acceptance of his provisional allotment of Rights Units and (if applicable) application for Excess Rights Units and any other information (the "Relevant Particulars") to the Manager, the Joint Managers and Underwriters and any other relevant parties (the "Relevant Parties") as CDP may deem fit for the purpose of the Rights Issue and his acceptance of his provisional allotment of Rights Units and (if applicable) application for Excess Rights Units.

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

(2) An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Units using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.

(3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Units provisionally allotted and Excess Rights Units applied for as stated on the Transaction Record or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.

(4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of provisional allotments of Rights Units accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of provisional allotments of Rights Units accepted and/or Excess Rights Units applied for that may be allotted to him.

(5) In the event that the Applicant accepts the Rights Units both by way of the ARE and/or the ARS (as the case may be) and by way of Electronic Application(s) through an ATM of a Participating

Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Manager and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Units which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Units which are standing to the credit of the "Free Balance" of the Applicant's Securities Account as at the close of the Rights Issue and the aggregate number of Rights Units which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM. The Manager and/or CDP, in determining the number of Rights Units which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Units, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS (as the case may be), or by way of the acceptance through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's acceptance.

(6) If applicable, in the event that the Applicant applies for Excess Rights Units both by way of the ARE and by way of Electronic Application(s) through an ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Manager and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has given valid instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Manager and/or CDP, in determining the number of excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Units, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.

(7) The Applicant irrevocably requests and authorises the Manager to:

(a) register, or to procure the registration of, the Rights Units and (if applicable) the Excess Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account;

(b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application to accept his provisional allotment of Rights Units and (if applicable) to apply for Excess Rights Units not be accepted by the Manager for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Units be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.

(8) **By making an Electronic Application, the Applicant confirms that he is not accepting the provisional allotments of Rights Units and (if applicable) applying for Excess Rights Units as nominee of any other person.**

(9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of K-REIT, the Manager, CDP, the Joint Managers and Underwriters and/or the Participating Banks) and any events whatsoever beyond the control of K-REIT, the Manager, CDP, the Joint Managers and Underwriters and/or the Participating Banks and if, in any such event, K-REIT, the Manager, CDP, the Joint Managers and Underwriters and/or the Participating Banks do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against K-REIT, the Manager, CDP, the Joint Managers and Underwriters and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.

(10) Electronic Applications may only be made through the ATMs of the Participating Banks from Mondays to Saturdays between **7.00 a.m. to 9.30 p.m.** (excluding public holidays).

(11) Electronic Applications shall close at **9.30 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

(12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.

(13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through an ATM of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

(14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be returned or refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.

(15) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 5 December 2011** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and by making and completing an Electronic Application, the Applicant agrees that:

(a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);

(b) his Electronic Application, the acceptance by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;

(c) none of K-REIT, the Manager, CDP, the Joint Managers and Underwriters nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;

(d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the provisionally allotted Rights Units and (if applicable) acceptance of his application for Excess Rights Units;

(e) in respect of the Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and

(f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

(16) The Applicant should ensure that his personal particulars as recorded with both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.

(17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.

(18) In the event that the Applicant accepts the provisionally allotted Rights Units and (if applicable) applies for Excess Rights Units, by way of the ARE and the ARS, and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Units and (if applicable) Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance/application monies, as the case may be, will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:

(a) by means of a crossed cheque drawn on a bank in Singapore sent BY ORDINARY POST AT HIS OWN RISK to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom if he accepts and (if applicable) applies through CDP; and

(b) by crediting the Applicant's bank account with the relevant Participating Bank AT HIS OWN RISK if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder.

(19) The Applicant hereby acknowledges that, in determining the total number of Rights Units represented by the provisional allotment of Rights Units which he can validly accept, the Manager and/or CDP are entitled, and the Applicant hereby authorises the Manager and/or CDP, to take into consideration:

(a) the total number of Rights Units represented by the provisional allotment of Rights Units which the Applicant has validly accepted, whether under the ARE, the ARS and/or any other application form for the Rights Units and/or Excess Rights Units;

(b) the total number of Rights Units represented by the provisional allotment of Rights Units standing to the credit of the "Free Balance" of the Applicant's Securities Account with CDP which is available for acceptance; and

(c) the total number of Rights Units represented by the provisional allotment of Rights Units which has been disposed of by the Applicant.

The Applicant hereby acknowledges that the Manager's and/or CDP's determination shall be conclusive and binding on him.

(20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Units accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for.

(21) Where any acceptance and/or application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Units and/or Excess Rights Units, or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is not credited with or is credited with less than the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for as at the last date and time for acceptance of, application for and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

(22) The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Units, and where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Depositor, on its own, without regard to any other application and payment that may be submitted by the same Eligible Depositor. For avoidance of doubt, insufficient payment for an application may render the application invalid, and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application for the acceptance of the Rights Units and (if applicable) application for Excess Rights Units.

APPENDIX J — FORM OF INVESTOR REPRESENTATION LETTER

Important Note to QIBs: Please return a duly signed investor representation letter to the Manager (as defined below), DBS (as defined below) and UOB (as defined below), by mail, fax or e-mail to the Manager so as to reach each of them on or before 5 December 2011, 5.00 p.m. Singapore time (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). In order to participate in the Rights Issue, please forward a copy of the signed investor representation letter to your depository agent, financial intermediary, custodian or nominee. You should note that if you do not return a duly signed investor representation letter in a timely manner, you may not be eligible to participate in the Rights Issue.

___________________, 2011

To : K-REIT Asia Management Limited ("**Manager**")
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Facsimile No.: +65 6835 7747
Attention: Ng Hsueh Ling/Chua Hsien Yang

: DBS Bank Ltd. ("**DBS**")
6 Shenton Way
#35-00, DBS Building Tower One
Singapore 068809
Facsimile No.: +65 6225 6783
Attention: Eng-Kwok Seat Moey/Joyce Foo

United Overseas Bank Limited ("**UOB**")
80 Raffles Place
UOB Plaza
Singapore 048624
Facsimile No.: +65 6534 2232
Attention: Khong Choun Mun/Jack Kang

Ladies and Gentlemen:

This letter is delivered in connection with our exercise of subscription rights to subscribe for units (the "**Units**") in K-REIT Asia ("**K-REIT**" or the "**Issuer**") in connection with the rights issue (the "**Rights Issue**") pursuant to exemptions from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), of 1,159,694,000 new Units (the "**Rights Units**"), including the "nil-paid" rights to subscribe for such new Units, on the basis of 17 Rights Units for every 20 existing Units (fractional entitlements to be disregarded) held by us or standing to the credit of our securities account as at 5.00 p.m. 16 November 2011. DBS and UOB (together with their affiliates, the "**Joint Managers and Underwriters**") are acting as the joint managers and underwriters in connection with the Rights Issue.

We understand that if we determine to purchase the Rights Units and/or the "nil-paid" rights, we will be deemed to have acknowledged, represented, warranted and agreed with each of K-REIT, the Manager and the Joint Managers and Underwriters as follows with the same force and effect as we had executed this letter agreement:

(a) we are the beneficial holder of (or acting on account of unitholders beneficially holding) Units as at the date hereof and we are duly incorporated and validly existing under the laws of our jurisdiction of incorporation and have the power, approvals and authorisations to enter into and perform our obligations under this letter and to carry out the transactions contemplated by this letter;

(b) we are a "qualified institutional buyer" as defined in Rule 144A ("**QIB**") under the Securities Act and as such, we are a sophisticated investor with such knowledge and experience in financial and business matters that we are capable of evaluating the merits, risks and suitability of investing in the Rights Units and/or the "nil-paid" rights, and we are able to bear the economic risks of an investment in the Rights Units and/or the "nil-paid" rights, including an entire loss of such investment and we will not seek to recover from any of K-REIT, the Manager or the Joint Managers and Underwriters or any of their respective affiliates, or their officers, directors, employees or agents all or part of any such loss or losses we may suffer;

(c) K-REIT, the Manager or the Joint Managers and Underwriters (i) have not provided us with any information with respect to K-REIT, the Rights Units and/or the "nil-paid" rights or the Rights Issue and (ii) do not make any representation as to the credit quality of K-REIT or the merits of an investment in the Rights Units and/or the "nil-paid" rights;

(d) K-REIT, the Manager or the Joint Managers and Underwriters have not provided us with any legal, business, tax or other advice in connection with the Rights Issue or our possible purchase of the Rights Units and/or the "nil-paid" rights;

(e) we acknowledge that the Units are listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") and that K-REIT is therefore required to publish certain business and financial information in accordance with the rules and practices of the SGX-ST (the "**Information**") and that we are able to obtain or access such information without undue difficulty; we further acknowledge that the Joint Managers and Underwriters do not make any representation or warranty with respect to the accuracy or completeness of the Information;

(f) we are in compliance with all relevant laws and regulations in connection with the subscription of the Rights Units and we undertake to provide, or cause or procure to be provided, to the SGX-ST and/or any other regulators (together, the "**Regulators**") all information (including, without limitation, identity information of the ultimate beneficial owner, if any, of the Rights Units and/or the "nil-paid" rights and/or the person ultimately responsible for the giving of the instruction relating to the subscription) within the time and as requested by any such Regulators and we authorise the Joint Managers and Underwriters to disclose to such Regulators all information relating to the transaction hereunder as such Regulators may request or to produce this letter, pursuant to, in connection with, or as may be required by, any applicable law or regulation, administrative, legal or arbitration proceeding, requirements or requests of any regulatory authority, potential dispute or official enquiry with respect to the matters set forth therein;

(g) we acknowledge that we (i) have completed our own diligence investigation of K-REIT, the Rights Units and/or the "nil-paid" rights, as the case may be; (ii) have had sufficient access to the agreements, documents, records, officers and directors of K-REIT to make our investment decision related to the Rights Units and/or the "nil-paid" rights; (iii) have received all information that we believe is necessary or appropriate in connection with our purchase of the Rights Units and/or the "nil-paid" rights; and (iv) have consulted our own independent advisers or otherwise have satisfied ourselves concerning, without limitation, the tax, legal, currency and other economic considerations related to the investment in the Rights Units and/or the "nil-paid" rights, and have only relied on the advice of, or have only consulted with, such independent advisers. We are aware that the transferability of the Rights Units and/or the "nil-paid" rights, as the case may be, is restricted and that the value of the Rights Units and/or the "nil-paid" rights, as the case may be, may decline, and agree that none of the Joint Managers and Underwriters and their respective affiliates shall have any obligation to purchase or acquire all or any of the Rights Units and/or the "nil-paid" rights acquired by it or to support any losses directly or indirectly sustained or incurred by us for any reason whatsoever in connection with the purchase of the Rights Units and/or the "nil-paid" rights;

(h) we have not relied on any disclosures or offering document that has been prepared by the Manager in connection with the Rights Issue and we will not hold the Joint Managers and Underwriters responsible for any misstatements in or omissions from any publicly available information concerning K-REIT; and we may not rely, and agree that we have not relied, on any investigation or due diligence that the Joint Managers and Underwriters, or any person acting on their behalf, may have conducted with respect to the Units, the Rights Units and/or the "nil-paid" rights, and/or the business and properties of K-REIT, and none of such persons has made any representation to us, express or implied, with respect to the Units, the Rights Units and/or the "nil-paid" rights, the business and properties of K-REIT and the accuracy, completeness or adequacy of any publicly available information;

(i) we acknowledge that the issue of the Rights Units and the "nil-paid" rights is conditional upon the satisfaction of certain conditions set out in the management and underwriting agreement dated 17 October 2011 between the Manager and the Joint Managers and Underwriters, as supplemented on 11 November 2011 (the "**Management and Underwriting Agreement**"), and the Management and Underwriting Agreement not having been terminated prior to the closing of the Rights Issue; if such conditions are not fulfilled, the subscription or application monies in respect of the Rights Units and the "nil-paid" rights will be returned to us without interest or any share of revenue or other benefit arising therefrom, and without any right of claim against any of the Issuer, the Manager, the Joint Managers and Underwriters or any of their affiliates or any person acting on their behalf;

(j) the Joint Managers and Underwriters do not make and have not made any warranty, representation or recommendation as to the merits of the Rights Units or the "nil-paid" rights, the purchase or offer thereof, as to the condition, financial or otherwise, of K-REIT or as to any other matter relating thereto or in connection therewith or the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Rights Units or the "nil-paid" rights; nothing herein shall be construed as a recommendation to us to purchase the Rights Units or the "nil-paid" rights; no information has been supplied by the Joint Managers and Underwriters, the Manager or K-REIT and we have relied upon our own investigations and resources in deciding to invest in the Rights Units and/or the "nil-paid" rights;

(k) the Joint Managers and Underwriters may currently or in the future own securities issued by, or have business relationships (including, among others, lending, depository, risk management, advisory and banking relationships) with K-REIT and its respective affiliates, and the Joint Managers and Underwriters will manage such security positions and business relationships as they determine to be in their respective best interests, without regard to the interests of the holders of the Rights Units and/or the "nil-paid" rights;

(l) we are acquiring the Rights Units and/or the "nil-paid" rights for our own account or for one or more accounts (each of which is a QIB) as to each of which we exercise sole and full investment discretion; we, subject to the disposition of our property being at all times within our control, are not acquiring the Rights Units or the "nil-paid" rights with a view to any distribution of the Rights Units and/or the "nil-paid" rights; we confirm that, to the extent we are purchasing the Rights Units and/or the "nil-paid" rights for the account of one or more other persons, (i) we have been duly authorised to make the representations, warranties, acknowledgements and agreements set forth herein on their behalf and (ii) the provisions of this letter constitute legal, valid and binding obligations of ours and any other person for whose account we are acting;

(m) we understand that the financial information of K-REIT has not been prepared or presented in compliance with Regulation S-X of the United States Securities and Exchange Commission; as such, we have not placed any reliance on such financial information; furthermore, we understand that the preparation of such financial information has not been carried out in accordance with auditing standards generally accepted in the United States and accordingly should not be relied upon as if it has been carried out in accordance with those standards;

(n) we shall not deposit or cause to be deposited the Rights Units and/or the "nil-paid" rights acquired by us into any unrestricted depositary facility established or maintained by a depositary bank in respect of the Rights Units and the "nil-paid" rights for so long as such Rights Units are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act;

(o) we have consulted with a tax adviser regarding the U.S. tax consequences of participation in the Rights Issue and the ownership of the Rights Units and/or the "nil-paid" rights, as the case may be, the application of the U.S. tax rules to any non-U.S. taxes imposed on distributions made to, or dispositions from the disposition of, the Rights Units and/or the "nil-paid" rights, as the case may be, and any U.S. tax filing requirements that might apply to an investment in the Rights Units and/or the "nil-paid" rights, as the case may be; we are aware that no analysis has been undertaken to determine if K-REIT is a "passive foreign investment company" within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986; we understand that if K-REIT is a passive foreign investment company, a U.S. investor in the Rights Units, the "nil-paid" rights and/or any additional securities of the Rights Issue could be subject to materially adverse tax consequences including being subject to US tax at greater rates than would otherwise apply with respect to the investment and being subject to additional tax filing and reporting requirements;

(p) we have not offered or sold and will not offer or sell any of the Rights Units and/or the "nil-paid" rights which may be acquired by us in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation; we will only make such offer, sale or invitation under circumstances that will result in compliance with any applicable laws and/or regulations;

(q) we became aware of the Rights Issue, and the Rights Units and/or the "nil-paid" rights, as the case may be were offered to us, solely by direct contact between us and K-REIT, the Manager or the Joint Managers and Underwriters, and not by any other means, including, by any form of general solicitation (within the meaning of Rule 502(c) of Regulation D of the Securities Act), advertising or publication in the United States through any form of media, including, without limitation, paper publications, audio or video broadcasts and the internet; neither we nor any of our affiliates have conducted any form of general solicitation (within the meaning of Rule 502(c) of Regulation D of the Securities Act, advertising or publication in the United States through any form of media, including, without limitation, paper publications, audio or video broadcasts and the internet; we will not seek to offer or sell any Rights Units or the "nil-paid" rights by making any general solicitation or general advertising as defined in Rule 502(c) under the Securities Act;

(r) we understand (and each beneficial owner of the Rights Units and/or the "nil-paid" rights, as the case may be, has been advised and understands) that the Rights Units and the "nil-paid" rights are being offered and sold to us in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the offer and sale of the Rights Units and the "nil-paid" rights to us has not been and will not be registered under the Securities Act and that K-REIT, the Manager and the Joint Managers and Underwriters make no representation as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Rights Units or the "nil-paid" rights; we understand that the Rights Units and/or the "nil-paid" rights purchased by us in this offer and sale are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act; we agree, on our own behalf and on behalf of any accounts for which we are acting, that for so long as the Rights Units and the "nil-paid" rights are restricted securities, we (and they) will not deposit the Rights Units and/or the "nil-paid" rights acquired by it (and them) in any unrestricted American depositary receipt facility and we (and they) will offer, sell, pledge or otherwise transfer such Rights Units and/or the "nil-paid" rights, as the case may be, only in accordance with any applicable securities laws and pursuant to an exemption under the Securities Act; and

(s) we shall be deemed to have repeated the written representations and warranties given by us herein on and as of the closing and/or the settlement date for the subscription of the Rights Units.

Promptly upon receipt by us of a demand therefore supported by reasonable evidence thereof, we shall indemnify each of K-REIT, the Manager and the Joint Managers and Underwriters and any of their respective directors, officers, partners and employees against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) that they may incur or that may be made against them arising out of, or in relation to, or in connection with, a breach or alleged breach of one or more of the representations, warranties and agreements made by us in this letter.

This letter will be governed by and construed in accordance with the laws of the State of New York.

We understand that K-REIT, the Manager and the Joint Managers and Underwriters will rely upon this letter agreement in acting in connection with the Rights Issue and may produce this letter pursuant to or as may be required by a legal, arbitration or administrative proceeding or dispute. We agree to notify each of K-REIT, the Manager and the Joint Managers and Underwriters promptly in writing if any of our representations, acknowledgements or agreements herein cease to be accurate and complete. We irrevocably authorise K-REIT, the Manager and the Joint Managers and Underwriters to produce this letter to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters set forth herein.

We also understand that each of you, your respective affiliates and others are relying on this letter in order to comply with United States and other securities laws. We irrevocably authorise any depositary, which includes any nominee, custodian or other financial intermediary through which we hold Rights Units and/or the “nil-paid” rights, to provide each of you with a copy of this letter and such information regarding our identity and unitholding (including pertinent account information and details of our identity and contact information) as is necessary or appropriate to facilitate our participation in the Rights Issue. We irrevocably authorise each of you to produce this letter to any interested party in any administrative, arbitration or legal proceeding or official enquiry with respect to the matters set forth herein.

All references in this letter to “we” or “ours”, or derivatives thereof, shall include the owner of such account). The provisions of this letter constitutes our legal, valid and binding obligations, and those of any other person for whose account we are acting, enforceable against us, and any other person for whose account we are acting.

We understand that this is not a confirmation of transaction in relation to the Rights Units and/or the “nil-paid” rights or the terms thereof. Such confirmation, if any, will be sent to us separately.

Very truly yours,

By Institution:

Signature:

Name:

Title:

Institution's Address:

Daytime Telephone Number:

If signing on behalf of another person, please indicate the capacity in which signed:

Number of Units held:

Name, address and contact details of the depository agent, financial intermediary or custodian through which Units are held:

Please note that this Investor Representation Letter does not represent an order to purchase the Rights Units and/or the "nil-paid" rights.

APPENDIX K — LIST OF PARTICIPATING BANKS

- DBS Bank Ltd. (including POSB);
- Oversea-Chinese Banking Corporation Limited; and
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited.

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