



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

NOTICE OF BOOKS CLOSURE AND ADVANCED DISTRIBUTION PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT the Transfer Books and Register of Unitholders of K-REIT Asia will be closed at **5.00 p.m.** on **Wednesday, 7 May 2008** (the “**Advanced Distribution Books Closure Date**”) for the purpose of determining the entitlement of holders of units in K-REIT Asia (“**Units**” and holders of Units, “**Unitholders**”) to K-REIT Asia’s distributable income for the period from 1 January 2008 to 7 May 2008 (the “**Advanced Distribution**”). The quantum of distribution per Unit is currently estimated to be between 6.45 cents and 6.50 cents. The actual quantum of the distribution per Unit will be announced after the management accounts of K-REIT Asia for the relevant period have been finalised.

Unitholders whose securities accounts with The Central Depository (Pte) Limited are credited with Units at the Advanced Distribution Books Closure Date will be entitled to the Advanced Distribution, which is currently expected to be paid on or about **18 June 2008**.

UNITHOLDERS DECLARATION FOR SINGAPORE TAX PURPOSES

The Advanced Distribution will comprise two types of distribution - distribution of taxable income (“**Taxable Income Distribution**”) and distribution of tax-exempt income (“**Tax-Exempt Income Distribution**”).

The Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders. No tax will be deducted at source from such distribution.

Tax will be deducted at source from the Taxable Income Distribution in certain circumstances. The following section describes the circumstances in which tax will or will not be deducted from such distribution, which is referred therein as a “distribution”.

The trustee of K-REIT Asia and K-REIT Asia Management Limited (the “**Manager**”) will not deduct tax from distributions made out of K-REIT Asia’s taxable income that is not taxed at the K-REIT Asia level to Qualifying Unitholders. A Qualifying Unitholder refers to:

- (a) an individual;
- (b) a company incorporated and tax resident in Singapore;
- (c) a Singapore branch of a foreign company that has obtained specific approval from the Inland Revenue Authority of Singapore to receive the distribution from K-REIT Asia without deduction of tax;
- (d) non-corporate entities (excluding partnerships) constituted or registered in Singapore, such as:
 - (i) institutions, authorities, persons or funds specified in the First Schedule of the Income Tax Act (Cap. 134);
 - (ii) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
 - (iii) trade unions registered under the Trade Unions Act (Cap. 333);

- (iv) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
- (v) town councils.

Qualifying Unitholders (Individuals)

Unitholders who are individuals and who hold Units in their sole names or jointly with other individuals are not required to complete any forms and will receive a gross distribution. The distribution received by individuals (whether Singapore tax resident or not) is exempt from tax if it is not derived through a partnership in Singapore or from the carrying on of a trade, business or profession.

Qualifying Unitholders (other than individuals)

Qualifying Unitholders (other than individuals) will receive a gross distribution, but will have to pay income tax later at their own applicable tax rates. Such Unitholders must complete a prescribed form (Section A, B or C, whichever is applicable) to declare their Singapore tax residence status - the "Declaration for Singapore Tax Purposes Form" ("**Form A**"). They will receive Form A from K-REIT Asia's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., and will have to complete and return Form A to Boardroom Corporate & Advisory Services Pte. Ltd. If a Qualifying Unitholder (other than individuals) fails to return Form A or fails to properly complete Form A, K-REIT Asia's trustee and the Manager will be obliged to deduct tax at the rate of 18% from the distribution to such Qualifying Unitholder (other than individuals).

CPF/SRS Funds

Unitholders who have purchased their Units using moneys from their Central Provident Fund ("**CPF**") accounts or Supplementary Retirement Scheme ("**SRS**") accounts will receive a gross distribution which is tax-exempt. There is no need for such Unitholders to complete any forms.

Foreign (Non-Individual) Unitholders

For foreign (non-individual) Unitholders who meet certain conditions, they will receive their distribution net of 10% tax. A foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and :-

- (a) who does not have a permanent establishment in Singapore; or
- (b) who carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used to acquire the Units are not obtained from that operation.

Such Unitholders must complete Form A (Section D) to declare their status in relation to these conditions. They will receive Form A from Boardroom Corporate & Advisory Services Pte. Ltd. and will have to complete (Section D) and return Form A to Boardroom Corporate & Advisory Services Pte. Ltd. K-REIT Asia's trustee and the Manager will be obliged to deduct tax at the rate of 18% from the distribution if Form A is not returned within the stipulated time limit or is not properly completed.

Nominee Unitholders

Nominees who hold their Units for the benefit of Qualifying Unitholders will receive a gross distribution. Nominees who hold their Units for the benefit of qualifying foreign (non-individual) investors will receive a distribution net of 10% tax. This is provided that the nominees furnish certain particulars of the beneficiaries to K-REIT Asia's trustee and the Manager. These particulars are to be provided together with a declaration by the nominees on the status of the beneficiaries.

Nominees will receive the Declarations by Depository Agents for Singapore Tax Purposes Form ("**Form B**") from Boardroom Corporate & Advisory Services Pte. Ltd. and will have to complete and return Form B to Boardroom Corporate & Advisory Services Pte. Ltd. K-REIT Asia's trustee and the Manager will be obliged to deduct tax at the rate of 18% from the distribution if the applicable form is not returned within the stipulated time limit or is not properly completed.

Joint Unitholders and All Other Unitholders

Unitholders who hold their Units jointly (other than those held jointly by individuals) will receive their distribution net of 18% tax. These Unitholders do not need to return any forms.

IMPORTANT REMINDER

Last Date and Time for Return of the Forms

Boardroom Corporate & Advisory Services Pte. Ltd. will despatch the relevant forms to Unitholders on or around 9 May 2008. Unitholders must complete and return the applicable form to Boardroom Corporate & Advisory Services Pte. Ltd.'s office by **5.00 p.m. on Friday, 30 May 2008** in order to receive a gross distribution or distribution net of 10% tax, as the case may be.

DECLARATION IN INCOME TAX RETURN

The distribution is considered as income for the year 2008. Beneficial owners of the distribution, other than those who are exempt from tax on the distribution or who are entitled to the reduced tax rate of 10%, are required to declare the gross distribution as taxable income in their income tax return for the year of assessment 2009.

IMPORTANT DATES AND TIMES

7 May 2008 at 5.00 p.m.	Closing of the Transfer Books and Register of Unitholders of K-REIT Asia
By 30 May 2008 at 5.00 p.m.	Unitholders must complete and return Form A or Form B, as applicable
On or about 18 June 2008	Payment of Advanced Distribution

For the avoidance of doubt, the new Units issued pursuant to the Rights Issue will not be entitled to participate in the Advanced Distribution.

**By Order of the Board
K-REIT Asia Management Limited
(Company Registration Number: 200411357K)
as manager of K-REIT Asia**

Choo Chin Teck / Jacqueline Ng
Joint Company Secretaries
21 April 2008

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The circular incorporating an offer information statement (the "**OIS Circular**") issued in relation to the renounceable issue of new Units in K-REIT Asia (the "**Rights Issue**") is available on the web-site of the Manager at <http://www.kreitasia.com> and was despatched to Unitholders on 11 April 2008.

A potential investor should read the OIS Circular before deciding whether to subscribe for or purchase Units under the Rights Issue. The value of 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 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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of K-REIT Asia is not necessarily indicative of the future performance of K-REIT Asia.

Neither this Announcement nor any copy or portion of it may be sent or taken, transmitted or distributed, directly or indirectly, into the United States. It is not an offer of securities for sale in the United States. Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1993 (as amended)), unless they are registered or exempt from registration. There will be no public offer of securities in the United States.