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THIS RELEASE IS NOT AN OFFER FOR SALE OF THE SECURITIES IN THE UNITED STATES. THE RIGHTS UNITS AND "NIL-PAID" RIGHTS MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. NEITHER THE MANAGER NOR ANY SELLER OF SECURITIES INTENDS TO REGISTER ANY PORTION OF ANY OFFERING IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES.



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

USE OF PROCEEDS FROM THE UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as the offer information statement dated 27 October 2009 ("**Offer Information Statement**") in relation to the Rights Issue.*

Further to the announcement dated 1 March 2010 in relation to the use of proceeds from the Rights Issue, the Board of directors of K-REIT Asia Management Limited, as manager of K-REIT Asia (the "**Manager**"), wishes to announce that to-date, out of the net proceeds of approximately S\$616.0 million from the Rights Issue less the utilisation of approximately S\$320.8 million made prior to this announcement:

- (a) S\$230.0 million has been used for the partial repayment of the revolving loan facility from Kepfinance Investment Pte Ltd ("**Revolving Loan**"); and
- (b) S\$4.3 million has been used to finance the remainder of the acquisition-related costs for the acquisition of the 50% interest in 275 George Street, Brisbane, Australia that was completed on 1 March 2010.

The aggregate leverage of K-REIT Asia after this partial repayment of the Revolving Loan is 15.2%.

The Manager will make further announcements via SGXNET as and when the remaining proceeds of the Rights Issue are materially disbursed.

BY ORDER OF THE BOARD
K-REIT Asia Management Limited
(Company Registration No. 200411357K)
as manager of K-REIT Asia

Choo Chin Teck/Jacqueline Ng
Joint Company Secretaries
Singapore

22 April 2010

Important Notice

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

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 of K-REIT Asia may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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