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

(I) **PROPOSED UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE AND RECEIPT OF APPROVAL IN-PRINCIPLE FOR THE LISTING OF NEW UNITS IN K-REIT ASIA**

(II) **BRIDGING LOAN OF UP TO S\$110 MILLION FROM KEPFINANCE INVESTMENT PTE LTD**

1 INTRODUCTION

1.1 The Board of Directors of K-REIT Asia Management Limited, as the manager of K-REIT Asia (the "**Manager**"), is pleased to announce that it proposes to undertake an underwritten¹ and renounceable rights issue (the "**Rights Issue**") comprising an offer of 666,703,965² Rights Units³ on the basis of one Rights Unit for every one existing Unit⁴ ("**Existing Unit**", and the basis of the Rights Issue, the "**Rights Ratio**") held as at the books closure date (the "**Rights Issue Books Closure Date**") to determine the provisional allotments of Rights Units to Eligible Unitholders (as defined herein) in connection with the Rights Issue, at an issue price of S\$0.93 per Rights Unit (the "**Rights Issue Price**"), to raise gross proceeds of approximately S\$620.0 million.

1.2 The Rights Issue is underwritten by BNP Paribas, Singapore Branch (the "**Lead Manager, Underwriter and Financial Adviser**").

2 RATIONALE FOR THE RIGHTS ISSUE

The Manager believes that the Rights Issue will bring the following benefits to holders of Units ("**Unitholders**"):

2.1 Position K-REIT Asia for acquisition growth across Asia

The Rights Issue will help better position K-REIT Asia for acquisition opportunities by providing significant headroom for acquisition growth in the near to mid-term.

1 Keppel Corporation Limited ("**KCL**") and Keppel Land Limited ("**KLL**") have each provided an irrevocable undertaking to the Manager and the Lead Manager, Underwriter and Financial Adviser to subscribe for their and their respective wholly-owned subsidiaries' total provisional allotments of Rights Units (the "**Keppel Proportionate Rights Units**"). The Lead Manager, Underwriter and Financial Adviser is underwriting the **Balance Rights Units**, being the total number of Rights Units less the Keppel Proportionate Rights Units. As at the Latest Practicable Date (as defined herein), 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 75.8% and 24.2% of the total number of Rights Units, respectively.

2 For the purpose of this Announcement, unless otherwise stated, the number of Rights Units to be issued under the Rights Issue has been assumed to be 666,703,965 based on the Rights Ratio and the number of Units in issue as at the Latest Practicable Date. The actual number of Rights Units to be issued under the Rights Issue will be higher if additional Units are issued on or prior to the Rights Issue Books Closure Date.

3 "**Rights Units**" refers to the new units in K-REIT Asia proposed to be issued by way of the Rights Issue.

4 "**Unit**" refers to a unit representing an undivided interest in K-REIT Asia.

The Manager has a successful track record of growing K-REIT Asia's portfolio and distributable income through acquisitions and has demonstrated its ability to source and execute transactions:

- (i) on 10 December 2007, K-REIT Asia completed the acquisition of a one-third interest in One Raffles Quay, a prestigious landmark commercial development located in Singapore's central business district ("**CBD**"). As a result of the acquisition, K-REIT Asia's portfolio increased from S\$815.0 million to S\$1.76 billion. Further, K-REIT Asia's distributable income grew by 166.7% to S\$58.2 million in the financial year ended 31 December 2008 from S\$21.8 million in the financial year ended 31 December 2007 as a result of the acquisition of the ORQ Interest⁵ and overall improvement in the performance of its portfolio; and
- (ii) on 1 September 2009, the Manager announced the proposed acquisition of six strata floors at Prudential Tower (the "**Prudential Tower Strata Acquisition**").

The Manager has recently witnessed an increased number of attractive investment opportunities as a result of the broader stabilisation of the overall real estate market. As such, the Manager is increasingly focused on pursuing a growth oriented strategy, both in Singapore and across Asia.

In addition, KLL's sponsorship of K-REIT Asia is a critical factor to K-REIT Asia's growth. KLL is a leading developer of prime commercial properties in Singapore and has undertaken many projects in Singapore and throughout Asia. KLL's pan-Asian geographical diversification includes its significant presence in China, Vietnam, India and Indonesia. This extensive regional network provides K-REIT Asia with a platform and the potential to become a pan-Asian real estate investment trust ("**REIT**"). The association with KLL also allows K-REIT Asia to access KLL's strong development expertise, tap into its established Asian network and build on its well-established tenant relationships, thereby enhancing K-REIT Asia's growth opportunities.

2.2 **Facilitate diversification of K-REIT Asia's capital structure**

As at 29 September 2009, being the latest practicable date prior to the date of this Announcement (the "**Latest Practicable Date**"), K-REIT Asia's debt capital structure is predominantly funded by its sponsors. KCL, through its wholly-owned subsidiary, Kephinance Investment Pte Ltd ("**Kephinance**"), is the main lender to K-REIT Asia, providing 67.3% of K-REIT Asia's existing outstanding loan facilities⁶ as at the Latest Practicable Date.

The Rights Issue and repayment of the Borrowings (as defined herein) would help open up K-REIT Asia's capital structure, thereby enabling K-REIT Asia to diversify its funding base.

2.3 **Fund asset enhancement initiatives to maximise rental income**

The Manager has identified asset enhancement opportunities for Keppel Towers and GE Tower with a view to improve the quality of the buildings and enhance services, in order to boost rental income. With these asset enhancement initiatives, Keppel Towers and GE Tower will be able to continue to attract creditworthy tenants and improve its bargaining position in negotiating rental rates.

5 "**ORQ Interest**" refers to K-REIT Asia's one-third interest in One Raffles Quay through the acquisition of one-third interest in the issued share capital of One Raffles Quay Pte Ltd and the assignment to K-REIT Asia of Boulevard Development Pte Ltd's rights, title and interest in a shareholder's loan to One Raffles Quay Pte Ltd.

6 This does not include the Bridging Loan (as defined herein) which will be drawn down for the purposes of financing the Prudential Tower Strata Acquisition (including related acquisition costs).

2.4 Consistent with the Manager's long term proactive capital management strategy

The Manager adopts a proactive and conservative capital management strategy. This is demonstrated by the Manager's track record of prudent management of K-REIT Asia's Aggregate Leverage⁷.

In January 2008, the Manager embarked on a rights issue exercise, raising gross proceeds of S\$551.7 million. The proceeds from such rights issue was primarily used to reduce K-REIT Asia's borrowings. Following the repayment of such borrowings, K-REIT Asia's Aggregate Leverage was reduced to 27.6%, compared with 53.9% before the rights issue.

In January 2009, the Manager established a S\$1.0 billion multicurrency medium term note programme to further provide K-REIT Asia with an additional source of funding and greater flexibility to manage capital requirements.

All of K-REIT Asia's existing outstanding loan facilities as at the Latest Practicable Date will mature in the first half of 2011. The Rights Issue and repayment of the Borrowings will improve K-REIT Asia's debt maturity profile, thereby significantly reducing the refinancing risks that K-REIT Asia would be exposed to if all its loans were due to mature within the same period of time.

2.5 Provide K-REIT Asia with greater financial flexibility

The Rights Issue will allow K-REIT Asia to strengthen its balance sheet and have greater financial flexibility.

Upon completion of the Rights Issue, the Aggregate Leverage is expected to reduce from 33.0% after taking into account the completion of the Prudential Tower Strata Acquisition, which is to be funded by the Bridging Loan (see paragraph 14 below for further details on the Bridging Loan), and the Asset Revaluation (see paragraph 3 below for further details on the Asset Revaluation) to 9.1%, assuming the Borrowings are repaid immediately after the completion of the Rights Issue. This will provide additional funding capacity of approximately S\$438.3 million to S\$647.8 million, assuming an Aggregate Leverage of 30.0% to 40.0%. The reduction in Aggregate Leverage would help to optimise K-REIT Asia's capital structure, improve K-REIT Asia's credit profile and thus enhance its ability to secure additional debt facilities at potentially more competitive terms.

	As at 30 June 2009		
	Actual	Pro Forma before the Rights Issue (as adjusted)	Pro Forma after the Rights Issue (as adjusted)
Total Borrowings⁽¹⁾ (S\$' million)	581.1	691.1	190.1
Deposited Property⁽²⁾ (S\$' million)	2,102.0	2,094.7 ⁽³⁾	2,094.7 ⁽³⁾
Aggregate Leverage (%)	27.6	33.0	9.1

Notes:

(1) The total borrowings of K-REIT Asia as at 30 June 2009 comprise (i) a S\$190.1 million term loan facility from Blossom Assets Limited which is maturing in May 2011 and (ii) a S\$391.0 million revolving loan facility from

⁷ "Aggregate Leverage" is defined as the ratio of the value of borrowings and deferred payments (if any) to the value of the Deposited Property (as defined herein) of K-REIT Asia.

Kepfinance which is maturing in March 2011. The term loan from Blossom Assets Limited, a special purpose company, is funded by proceeds from its issuance of commercial mortgage-backed security notes in May 2006.

- (2) **"Deposited Property"** means the gross assets of K-REIT Asia, including all its authorised investments held or deemed to be held upon the trust, under the trust deed dated 28 November 2005 constituting K-REIT Asia, as amended (the **"Trust Deed"**).
- (3) The pro forma value of the Deposited Property as at 30 June 2009, (i) assuming that the Prudential Tower Strata Acquisition was completed on 30 June 2009, and (ii) adjusted for the Asset Revaluation.

2.6 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\$0.93 which is at a discount of 21.2% to the Closing Price⁸ and which also represents a discount of approximately 11.8% to the TERP⁹.

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

2.7 Potential increase in trading liquidity of Units

The Rights Units to be issued pursuant to the Rights Issue will increase the number of Units in issue by approximately 666.7 million Units, which is an increase of 100.0% of the total number of Units in issue as at the Latest Practicable Date. The actual number of Rights Units to be issued under the Rights Issue will be higher if additional Units are issued on or prior to the Rights Issue Books Closure Date.

This 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.

3 VALUATION

In conjunction with the Rights Issue, the Manager has taken the prudent view to update the valuations of the Existing Portfolio¹⁰. The latest valuation of the Existing Portfolio undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (**"Colliers"**) amounts to S\$1,970.2 million as at 29 September 2009 (the **"Asset Revaluation"**), representing a decrease of 6.3% from the last valuation of S\$2,102.0 million as at 31 December 2008, with the individual asset valuations as follows:

8 **"Closing Price"** refers to the closing price of S\$1.18 per Unit on 30 September 2009, being the last trading day of the Units prior to the date of this Announcement.

9 **"TERP"** refers to the theoretical ex-rights price, which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of K-REIT Asia (based on the Closing Price)} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

10 **"Existing Portfolio"** refers to the Prudential Tower Property, Keppel Towers and GE Tower, Bugis Junction Towers (each as defined in the Unitholders' Circular (as defined herein)) and the ORQ Interest.

Property	Tenure	Valuation as at 29 September 2009 (S\$ million)
Prudential Tower Property	Leasehold estate of 99 years commencing 15 January 1996	200.6
Keppel Towers and GE Tower	Estate in fee simple	537.7
Bugis Junction Towers	Leasehold estate of 99 years commencing 10 September 1990	297.0
One Raffles Quay (one-third interest)	Leasehold estate of 99 years commencing 13 June 2001	934.9

The valuation reports are available for inspection at the registered office of the Manager¹¹ during business hours for three months from today.

4 USE OF PROCEEDS

4.1 The Rights Issue will raise gross proceeds of approximately S\$620.0 million and net proceeds of approximately S\$616.0 million.

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

- (i) approximately S\$501.0 million (which is equivalent to 80.8% of the gross proceeds of the Rights Issue) will be used to repay the following borrowings¹²:
 - (a) a S\$391.0 million revolving loan facility from Kephinance which is maturing in March 2011. This loan facility was used for the purpose of refinancing the debt incurred to finance the acquisition of the ORQ Interest; and
 - (b) a bridging loan of up to S\$110.0 million from Kephinance (the “**Bridging Loan**”) which will be drawn down for the purpose of financing the Prudential Tower Strata Acquisition (including related acquisition costs) and is expected to mature in January 2010 (see paragraph 14 below for additional details),

(collectively, the “**Borrowings**”);
- (ii) approximately S\$115.0 million (which is equivalent to 18.5% of the gross proceeds of the Rights Issue) will be used to fund potential acquisitions and asset enhancement initiatives and for general corporate and working capital purposes; and
- (iii) approximately S\$4.0 million (which is equivalent to 0.7% of the gross proceeds of the Rights Issue) will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by K-REIT Asia.

4.3 The amount of debt to be repaid from the net proceeds may differ if additional debt is drawn

¹¹ Prior appointment with the Manager will be appreciated.

¹² K-REIT Asia has the option of repaying the Borrowings prior to their maturity dates.

down prior to the completion of the Rights Issue for the purpose of financing acquisitions and/or asset enhancements if such opportunities are available at the relevant time.

- 4.4 Kephinance is a wholly-owned subsidiary of KCL (which is a controlling unitholder of K-REIT Asia) and is considered as an “interested person” under the Listing Manual.
- 4.5 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.

5 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 2009 to 31 December 2009 as well as all distributions thereafter.

6 UNDERWRITTEN RIGHTS ISSUE

- 6.1 The Manager has arranged for the Lead Manager, Underwriter and Financial Adviser to underwrite the Balance Rights Units, on the terms of and subject to the conditions of a management and underwriting agreement (the “**Management and Underwriting Agreement**”) entered into between the Manager and the Lead Manager, Underwriter and Financial Adviser today, 30 September 2009.
- 6.2 The Lead Manager, Underwriter and Financial Adviser will be entitled to a management and underwriting fee of 1.5% of the Rights Issue Price multiplied by the Balance Rights Units, together with any applicable goods and services tax payable thereon.

7 KEPPEL IRREVOCABLE UNDERTAKINGS

- 7.1 To demonstrate their support for K-REIT Asia and the Rights Issue, KCL and KLL, which together own an aggregate interest of approximately 75.8% of the issued Units through their respective wholly-owned subsidiaries as at the Latest Practicable Date, have each provided an irrevocable undertaking to the Manager and the Lead Manager, Underwriter and Financial Adviser, details of which are set out below.
- 7.2 Pursuant to the irrevocable undertaking provided by KCL (the “**KCL Irrevocable Undertaking**”), which owns an interest of approximately 30.56% of the issued Units as at the date of the KCL Irrevocable Undertaking through its wholly-owned subsidiary, Keppel Real Estate Investment Pte. Ltd. (“**KREI**”), KCL irrevocably undertakes to the Manager and the Lead Manager, Underwriter and Financial Adviser that, among other things:
- (i) it will, directly and/or through one or more of its wholly-owned subsidiaries, subscribe and pay in full for KREI’s total provisional allotment of Rights Units; and
 - (ii) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), it will vote

and/or procure that KREI votes (in respect of all Units beneficially owned by it and/or KREI) in favour of the resolution to approve the Rights Issue.

- 7.3 Pursuant to the irrevocable undertaking provided by KLL (the “**KLL Irrevocable Undertaking**”), which owns an interest of approximately 45.27% of the issued Units as at the date of the KLL Irrevocable Undertaking through its wholly-owned subsidiary, K-REIT Asia Investment Pte. Ltd. (“**KRAI**”), KLL irrevocably undertakes to the Manager and the Lead Manager, Underwriter and Financial Adviser that, among other things:
- (a) it will, directly and/or through one or more of its wholly-owned subsidiaries, subscribe and pay in full for KRAI’s total provisional allotment of Rights Units; and
 - (b) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will vote and/or procure that KRAI votes (in respect of all Units beneficially owned by it and/or KRAI) in favour of the resolution to approve the Rights Issue.
- 7.4 The KCL Irrevocable Undertaking and the KLL Irrevocable Undertaking (together, the “**Keppel Irrevocable Undertakings**”) are subject to, among other things, the approval for the Rights Issue being obtained at an extraordinary general meeting of Unitholders to be convened (the “**EGM**”) and the completion of the Rights Issue by 31 December 2009.
- 7.5 KCL and KLL will not be receiving any sub-underwriting fees for undertaking to subscribe for KREI and KRAI’s total provisional allotments of Rights Units, respectively.

8 MANAGER LOCK-UP

- 8.1 The Manager has, pursuant to the Management and Underwriting Agreement, agreed with the Lead Manager, Underwriter and Financial Adviser that it will not, in its capacity as manager of K-REIT Asia, without the prior written consent of the Lead Manager, Underwriter and Financial Adviser (such consent not to be unreasonably withheld or delayed), directly or indirectly cause K-REIT Asia to:
- (i) offer, issue, sell, 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;
 - (ii) enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; or
 - (iii) 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.
- 8.2 The restrictions set out above in paragraph 8.1 above shall not apply to (a) the Rights Units to be offered under the Rights Issue, (b) 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 and (c) the Units to be issued in connection with or pursuant to a transaction relating to the acquisition or divestment of any investment by K-REIT Asia or any of its subsidiaries.

9 APPROVAL IN-PRINCIPLE

- 9.1 The Manager is pleased to announce that the SGX-ST has given its approval in-principle for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.
- 9.2 The SGX-ST's in-principle approval is not an indication of the merits of the Rights Issue, the Rights Units, the Manager and/or its subsidiaries.

10 ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

- 10.1 Eligible Unitholders comprise Eligible Depositors (as defined herein) and Eligible Scripholders (as defined herein).
- 10.2 Eligible Depositors are Unitholders with Units standing to the credit of their Securities Accounts (as defined herein) and whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days¹³ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, or such Unitholders who the Manager, on behalf of K-REIT Asia, and the Lead Manager, Underwriter and Financial Adviser agree, may be offered Rights Units without breaching applicable securities laws.
- 10.3 Eligible Scripholders are Unitholders whose Units are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd. (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, or such Unitholders who the Manager, on behalf of K-REIT Asia, and the Lead Manager, Underwriter and Financial Adviser agree, may be offered Rights Units without breaching applicable securities laws.
- 10.4 Eligible Unitholders are at liberty to accept in part or in full or decline to accept their provisional allotments of Rights Units, and/or apply for the Excess Rights Units (as defined herein).
- 10.5 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.
- 10.6 In the case of Eligible Depositors only, 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.

11 EXCESS RIGHTS UNITS

- 11.1 The 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 Unitholders¹⁴ which have not been sold during the “nil-paid” rights trading

13 “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

14 “**Ineligible Unitholders**” refers to Unitholders other than Eligible Unitholders.

period or (B) that have not been validly taken up by the original allottees, renounees of the provisional allotments or the purchasers of the “nil-paid” rights (collectively, the “**Excess Rights Units**”) will be issued to satisfy Excess Rights Units applications as the Manager may, in its absolute discretion, deem fit, provided that 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 nor directors of the Manager (“**Directors**”). KCL and KLL and their respective wholly-owned subsidiaries, other Substantial Unitholders and the Directors will rank last in priority in the allotment of Excess Rights Units.

- 11.2 The Rights Issue is conditional upon, *inter alia*, the lodgment of the offer information statement in relation to the Rights issue with the Monetary Authority of Singapore.

12 THE PROPOSED TRUST DEED SUPPLEMENT TO FACILITATE EQUITY FUND RAISINGS

- 12.1 The Manager will also, in the Unitholders’ Circular, seek Unitholders’ approval to supplement the Trust Deed for the purposes of allowing the Manager to (i) fix the issue price for new Units offered by way of a renounceable rights issue at a discount of more than 50.0% of the prevailing market price of the Units, (ii) issue such number of new Units which is permitted under the Listing Manual and any other applicable laws, regulations and measures introduced by the authorities and (iii) obtain Unitholders’ approval for the issue of Units, where such approval is required under the Trust Deed, by way of an Ordinary Resolution¹⁵ instead of an Extraordinary Resolution¹⁶ (the “**Trust Deed Supplement**”).
- 12.2 The current financial situation has affected the ability of REITs to raise funds from financial institutions through the issue of Units and/or debt financing. The Manager believes that the above amendments will facilitate equity fund raisings by K-REIT Asia and are in line with the Listing Manual and the trust deeds of certain other REITs which are recently constituted and REITs which have recently sought and obtained unitholders’ approval at extraordinary general meetings to have their trust deeds amended. These amendments will also bring K-REIT Asia in line with corporations which are listed on the SGX-ST, which are generally not subject to such restrictions. The Manager is of the view that these amendments would enable K-REIT Asia to raise funds in a prompt and efficient manner, so that it can react responsively in relation to its capital requirements.

15 “**Ordinary Resolution**” refers to a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

16 “**Extraordinary Resolution**” refers to a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

13 UNITHOLDERS' CIRCULAR

- 13.1 In connection with the Rights Issue and the Trust Deed Supplement, the Manager will issue a circular to Unitholders (the “**Unitholders' Circular**”) setting out, among other things, the details of, and other relevant information pertaining to the Rights Issue and the Trust Deed Supplement together with a notice of the EGM (the “**Notice of EGM**”) to be held for the purpose of seeking Unitholders' approvals for the Rights Issue and the Trust Deed Supplement. The Notice of EGM will be announced in due course.

14. BRIDGING LOAN OF UP TO S\$110.0 MILLION FROM KEPHINANCE

Further to the announcement made by the Manager on 1 September 2009 in relation to the Prudential Tower Strata Acquisition, the board of Directors of the Manager is pleased to announce that RBC Dexia Trust Services Singapore Limited, in its capacity as the trustee of K-REIT Asia (the “**Trustee**”), has today entered into a bridging loan agreement (the “**Bridging Loan Agreement**”) with Kephinance to obtain a bridging loan facility of up to S\$110.0 million from Kephinance to fund the Prudential Tower Strata Acquisition (and related acquisition costs). It is intended that the Bridging Loan will be repaid from the net proceeds of the Rights Issue.

As mentioned above, Kephinance is considered as an “interested person” under the Listing Manual and accordingly, the entry by K-REIT Asia into the Bridging Loan Agreement is considered an interested person transaction under the Listing Manual. However, the value of this interested person transaction, when aggregated with all other transactions between K-REIT Asia and KCL or its associates for the current financial year, is below 3.0% of K-REIT Asia's latest audited net tangible assets. The term of the Bridging Loan is for an initial period of three months commencing from the date on which the Trustee first draws an advance under the Bridging Loan, and thereafter renewable on terms, including the new maturity date, to be agreed between the parties thereto.

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
30 September 2009

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.