PRESS RELEASE

K-REIT Asia's Financial Highlights
Financial Results
For the Period from 1 January to 30 June 2009

20 July 2009

K-REIT Asia's First Half 2009 Distribution Per Unit Higher by 26.9% Year-on-Year

- ***Net property income grew 26.3% year-on-year to $23.1 million.***
- ***Distributable income increased by 29.6% year-on-year due to positive rental reversions.***
- ***Distribution Per Unit ("DPU") for 1 January to 30 June 2009 amounted to 5.00 cents.***
- ***Portfolio's committed occupancy was 94.9% in June 2009, higher than core CBD occupancy of 91.5%.***
- ***Aggregate leverage maintained at 27.6% as at 30 June 2009.***

Summary of Results

($'000)	1H 2009	1H 2008	% Chg	2Q 2009	2Q 2008	% Chg
Property Income	30,142	24,495	23.1	15,357	12,989	18.2
Net Property Income	23,136	18,315	26.3	12,316	9,174	34.2
Total Return before Tax	13,308	6,691	98.9	7,591	4,382	73.2
Distributable Income to Unitholders	33,154	25,581	29.6	17,496	14,176	23.4
Distribution Per Unit (Cents)	5.00	3.94	26.9	2.64	2.18	21.1
Annualised Distribution Per Unit (Cents)	10.08	7.90	27.6	10.59	8.74	21.2
Distribution Yield (%)	10.3[1]	5.7[2]	80.7	10.9[1]	6.3[2]	73.0

[1] Based on K-REIT Asia's closing price per unit of $0.975 as at 30 June 2009
[2] Based on K-REIT Asia's closing price per unit of $1.39 as at 30 June 2008

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Improved Financial Performance

K-REIT Asia Management Ltd, the manager of K-REIT Asia, is pleased to announce that K-REIT Asia achieved a distributable income of $33.2 million for the period from 1 January to 30 June 2009 ("1H 2009"), up 29.6% from that for the same period in 2008. This was due mainly to higher rental rates achieved for new and renewed leases.

Net property income of $23.1 million was 26.3% higher than the $18.3 million reported for 1H 2008, due to higher gross rental income from K-REIT Asia's initial properties, namely Keppel Towers, GE Tower, Prudential Tower and Bugis Junction Towers. Gross rental income increased by 23.8% year-on-year to $29.7 million for 1H 2009.

Income contribution from K-REIT Asia's one-third interest in One Raffles Quay Pte Ltd in 1H 2009 amounted to $22.6 million, comprising income support, interest income and dividend income. This was 4.5% higher than the $21.6 million achieved in the corresponding period last year.

1H 2009 DPU of 5.00 cents registered an increase of 26.9% year-on-year while second quarter 2009 ("2Q 2009") DPU of 2.64 cents was 21.1% higher than that in the corresponding period in 2008.

For the period from 1 January to 30 June 2009, K-REIT Asia will pay out 4.99 cents per unit on 27 August 2009 based on 100% of its income available for distribution to Unitholders.

Moderation in Rents Eases

Although office rents declined for the third consecutive quarter, the pace of decrease eased in 2Q 2009. Leasing activities and investment sales have increased as sentiments improved and the economy stabilised.

Occupancy rates for core Central Business District (CBD) office space moderated to 91.5% in 2Q 2009 from 93.1% in the previous quarter. (Source: CB Richard Ellis). The committed occupancy of K-REIT Asia's portfolio was 94.9% as at 30 June 2009, higher than core CBD occupancy of 91.5%.

According to advance estimates by the Ministry of Trade and Industry (MTI), real GDP contracted by 3.7% year-on-year in 2Q 2009, compared to a 9.6% decline in the first quarter. Nonetheless, office space demand is likely to be subdued in 2009. Notwithstanding this, K-REIT Asia is well-positioned with its high-quality asset portfolio, strong tenancy profile and diverse tenant business mix. Based on committed leases as at end-June 2009, K-REIT Asia's gross rental income for FY2009 already exceeds that for FY2008. The weighted average lease term to expiry for K-REIT Asia's portfolio is 5.4 years while that of its top 10 tenants is 7.1 years. This provides stability for K-REIT Asia's rental income.

Going forward, the Manager will continue to place emphasis on tenant retention and seek to improve operational and cost efficiencies. K-REIT Asia will also make selective asset acquisitions should opportunities arise.

About K-REIT Asia (http://www.kreitasia.com)

Sponsored by Keppel Land Limited, one of the largest listed property companies, K-REIT Asia was listed on the Singapore Exchange on 28 April 2006 following a distribution *in specie* of units in K-REIT Asia to shareholders. K-REIT Asia aims to generate stable income and long-term growth in net asset value for Unitholders by investing in income-producing commercial properties in Singapore and Asia.

K-REIT Asia's portfolio comprises five assets, namely Prudential Tower (approximately 44% of the strata area of the building), Keppel Towers, GE Tower, Bugis Junction Towers and a one-third interest in One Raffles Quay Pte Ltd. K-REIT Asia's portfolio size was $2.1 billion as at 30 June 2009.

K-REIT Asia is managed by K-REIT Asia Management Limited, a wholly-owned subsidiary of Keppel Land Limited.