K-REITasia

PRESS RELEASE

K-REIT Asia Unaudited Results for the Quarter Ended 31 March 2010

19 April 2010

The Directors of K-REIT Asia Management Limited, as manager of K-REIT Asia, announce the unaudited results of K-REIT Asia for the quarter ended 31 March 2010.

The press release and presentation materials are also available on *www.kreitasia.com*, *www.keppelland.com.sg* and *www.kepcorp.com*.

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PRESS RELEASE

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K-REIT Asia's Financial Highlights
Financial Results
For the Quarter 1 January to 31 March 2010

K-REIT Asia's Distributable Income Grew by 13.8% Year-on-Year

- ***Net property income increased 28.4% year-on-year to $13.9 million, due mainly to higher rental income.***
- ***Distributable income rose by 13.8% year-on-year due mainly to higher net property income and contribution from One Raffles Quay Pte Ltd.***
- ***Distribution Per Unit ("DPU") for January to March 2010 amounted to 1.33 cents.***
- ***Portfolio committed occupancy of 96.0% as at 31 March 2010 is higher than Core CBD occupancy of 91.9%.***
- ***Aggregate leverage lowered to 25.2% as at 31 March 2010 on enlarged asset base.***
- ***Acquisition of 275 George Street in Brisbane, Australia enlarged portfolio asset size to $2.3 billion and net lettable area to 1.5 million square feet.***

Summary of Results

($'000)	1Q 2010	1Q 2009	Change	% Change
Property Income	18,210	14,785	3,425	23.2
Net Property Income	13,888	10,820	3,068	28.4
Distributable Income to Unitholders[1]	17,825	15,658	2,167	13.8
Distribution Per Unit (cents)	1.33	1.18[2]	0.15	12.7
Annualised Distribution Per Unit (cents)	5.39	4.79[2]	0.6	12.5
Distribution Yield	4.9%[3]	8.1%[4]	(3.2%)[5]	(39.5)[5]

[1] The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders.
[2] The DPU for 1Q2009 has been restated to take into account the effects of the rights issue completed in November 2009.
[3] The yield is based on the market closing price per unit of $1.10 as at 31 March 2010.
[4] The yield is based on the market closing price per unit of $0.595 as at 31 March 2009.
[5] The decline in DPU Yield is due to the improved closing price per unit as at 31 March 2010 from that on 31 March 2009.

Steady 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 $17.8 million for the period from 1 January 2010 to 31 March 2010 ("1Q 2010"), a 13.8% increase from that for the same period in 2009. This was due mainly to the higher net property income and income contribution from One Raffles Quay Pte Ltd ("ORQPL").

Net property income rose 28.4% year-on-year to $13.9 million in 1Q 2010. This was due to higher rental income from the additional six strata floors of Prudential Tower and the one-month income contribution from 275 George Street, Brisbane, Australia. The average gross monthly rent of K-REIT Asia's portfolio in Singapore, including K-REIT Asia's one-third interest in ORQPL, rose to $8.30 psf in March 2010, up from $8.16 in December 2009.

Distribution Per Unit ("DPU") for 1Q 2010 was 1.33 cents. This was 12.7% higher than the 1.18 cents DPU for 1Q 2009, restated to take into account the effects of the rights issue completed in November 2009. This translates into an annualised DPU of 5.39 cents which is 12.5% higher than 4.79 cents for 1Q 2009.

Successful Strategic Acquisition

K-REIT Asia successfully completed the acquisition of a 50.0% stake in 275 George Street on 1 March 2010. The freehold Grade-A 30-storey commercial property, which is 99.4% occupied, is immediately accretive to DPU. The property is majority leased to leading companies Telstra Corporation and Queensland Gas Company on long leases embedded with fixed annual rental escalations. The acquisition will diversify K-REIT Asia's geographical presence, income stream, and tenant base, as well as improve K-REIT Asia's weighted average lease expiry profile to 5.9 years from 5.2 years.

Capital Management

K-REIT Asia maintains a healthy balance sheet with aggregate leverage of 25.2% as at 31 March 2010. It does not have any immediate financing needs as its loans will mature in 2011. In addition to the $1 billion medium-term note programme established in 2009, K-REIT Asia maintains financial flexibility to capitalise on selective acquisitions should opportunities arise.

Office Market Stabilising

The office sector continues to stabilise as rental declines slowed further and absorption improved in 1Q 2010. According to CB Richard Ellis ("CBRE"), prime office monthly rents averaged $6.70 psf in 1Q 2010, reflecting a marginal quarter-on-quarter decline of 0.7%, compared with the 10.0% contraction in 4Q 2009. Grade A office monthly rents eased 1.2% quarter-on-quarter to $8.00 psf in 1Q 2010, compared with the 8.0% decline in 4Q 2009.

The occupancy rate in the core central business district has increased to 91.9% in 1Q 2010, up from 91.2% in 4Q 2009. Leasing activity has picked up significantly as financial institutions and other multinational corporations look to expand again. Phase One of the upcoming Marina Bay Financial Centre has been fully leased with Barclays Capital recently taking up another 250,000 sf of space in addition to the 100,000 sf committed earlier.

The improvement in business sentiments, increased hiring by financial institutions, and tendency of companies to relocate to better located and better-specified buildings in a “flight-to-quality” are some factors supporting the recovery of the office sector. The office market will also benefit from the conversion of office space in the central business district to other uses. CBRE estimates that around 1.2 million sf of existing office space could be removed from the market and converted to mainly residential space up to 2013.

Improved Economic Outlook

The Singapore economy stayed firmly on the path of recovery, buoyed by signs of more robust job creation and economic recovery in the US and within Asia. According to advance estimates by the Ministry of Trade and Industry (“MTI”), Singapore’s GDP expanded 13.1% year-on-year in 1Q 2010, supported by growth in the manufacturing, construction and services sectors. The MTI revised Singapore’s GDP growth forecast for 2010 to between 7.0% and 9.0%, up from an earlier projection of 4.5% to 6.5%.

K-REIT Asia is well-positioned to benefit from the uptick in economic growth and positive spin-offs in the office sector as Singapore transforms into a global city, diversifying beyond a financial hub to establish multi-hubs in various industry sectors.

Looking ahead, K-REIT Asia will remain on track to retain its stable of tenants as well as attract new creditworthy tenants whilst seeking to improve operational efficiencies and cost structures. It will also continue to actively pursue opportunities for strategic acquisitions in Singapore and other growth cities within pan-Asia.

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

Sponsored by Keppel Land Limited, one of the largest listed property companies in Singapore, K-REIT Asia was listed on the Singapore Exchange on 28 April 2006 following a distribution in specie of units in KREIT 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 and real estate-related assets in Singapore and pan-Asia.

K-REIT Asia's portfolio in Singapore comprises five assets, namely Bugis Junction Towers, Keppel Towers, GE Tower, Prudential Tower (73.4% interest) and One Raffles Quay Pte Ltd (33.3% interest). In March 2010, K-REIT Asia made its maiden overseas investment and acquired a 50.0% interest in 275 George Street, Brisbane, Australia. K-REIT Asia's portfolio size was $2.3 billion as at 31 March 2010.

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

Important Notice

The value of units in K-REIT Asia ("Units") and the income 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 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 its future performance. This release 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, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. 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.