PRESS RELEASE

K-REIT Asia Unaudited Results for the Period 1 January 2010 to 30 September 2010

18 October 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 period ended 30 September 2010.

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

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K-REIT Asia's Financial Highlights
For the Period 1 January to 30 September 2010

K-REIT Asia's Distributable Income Grew by 22.2% Year-on-Year

- ***Distributable income rose 22.2% year-on-year to $62.5 million due mainly to higher net property income (NPI) and lower interest expense.***
- ***NPI increased 40.5% year-on-year to $49.8 million due mainly to income contribution from the 50% interest in 275 George Street and additional 29% interest in Prudential Tower.***
- ***Distribution Per Unit (DPU) for January to September 2010 amounted to 4.65 cents.***
- ***Singapore property portfolio committed occupancy of 99.1% as at 30 September 2010 is higher than Singapore core CBD occupancy of 95.2%.***

Summary of Results

($'millions)	YTD Sep 2010	YTD Sep 2009	% Change	3Q 2010	3Q 2009	% Change
Property Income	63.2	45.8	38.0	21.8	15.7	39.0
Net Property Income	49.8	35.4	40.5	17.5	12.3	42.4
Distributable Income to Unitholders[1]	62.5	51.1	22.2	22.7	18.0	26.3
Distribution Per Unit (cents)	4.65	3.83[2]	21.4	1.69	1.35[2]	25.2
Annualised Distribution Per Unit (cents)	6.22	5.12[2]	21.5	6.70	5.36[2]	25.0
Distribution Yield	4.8[3]	4.3[4]	11.6	5.2[3]	4.5[4]	15.6

[1] The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders.
[2] Adjusted for the effect of the 1-for-1 rights issue completed in November 2009.
[3] Based on market closing price per unit of $1.29 as at 30 September 2010.
[4] Based on market closing price per unit of $1.18 as at 30 September 2009.

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 $62.5 million for the period from 1 January 2010 to 30 September 2010 ("YTD Sep 2010"), a 22.2% increase from that for the same period in 2009. This was due mainly to lower interest expense and higher NPI from the 29% additional interest in Prudential Tower and the 50% interest in 275 George Street. NPI rose 40.5% year-on-year to $49.8 million for YTD Sep 2010.

The DPUs for 3Q 2010 and YTD Sep 2010 were 1.69 cents and 4.65 cents respectively. The YTD Sep 2010 DPU of 4.65 cents increased 21.4% year-on-year and the annualised YTD Sep 2010 DPU of 6.22 cents rose 21.5% year-on-year.

Portfolio Operations

K-REIT Asia's portfolio occupancy rate rose 1.3% to 99.2% as at the end of 3Q 2010 compared with 97.9% as at end 2Q 2010. Excluding 275 George Street in Brisbane, the Singapore property portfolio occupancy rate rose 1.5% to 99.1% as at the end of 3Q 2010 compared with 2Q 2010 and is higher than the core CBD occupancy rate of 95.2%.

The portfolio weighted average lease term to expiry ("WALE") stands at 5.5 years as long lease terms extending 5 years or more account for 36% of the portfolio by net lettable area ("NLA"). The WALE for the top ten tenants that account for 51% of the portfolio NLA stands at 7.1 years as at the end of 3Q 2010.

Prudent Capital Management

As at 30 September 2010, K-REIT Asia aggregate leverage level was 15.1%. After refinancing the $161 million revolving term loan which will expire in December 2012, K-REIT Asia will have no immediate financing needs until May 2011. The all-in cost of borrowing has been reduced to 3.4% as at the end of 3Q 2010, from 3.54% as at the end of 2Q 2010. The lowered cost of borrowing coupled with the healthy balance sheet provides K-REIT Asia the financial flexibility to capitalise on selective acquisition opportunities.

Proposed acquisition of a one-third interest in MBFC Phase 1 and divestment of KTGE

On 11 October 2010, K-REIT Asia announced the proposed acquisition of a one-third interest in Marina Bay Financial Centre (MBFC) Phase 1 at an agreed value of $1,426.8 million and the divestment of Keppel Towers and GE Tower (KTGE) at an agreed value of $573 million (the "Transaction"). The agreed values for the acquisition and divestment are supported by two independent valuations each.

The Transaction including the acquisition of the 77 King Street office tower is expected to increase K-REIT Asia's forecast DPU for financial year 2011 to 6.68 cents from 6.06 cents. The Transaction, when approved by minority Unitholders at an Extraordinary General Meeting to be convened, will improve cashflow resilience and generate greater returns for Unitholders. It will enable K-REIT Asia to acquire a prime asset in the heart of the Marina Bay precinct without raising any additional equity. The Transaction will upgrade and expand K-REIT Asia's property portfolio in the Raffles Place and Marina Bay precincts from the current 60% to 90%. K-REIT Asia's portfolio asset size will increase to $3.4 billion from the current $2.3 billion.

MBFC office Towers 1 and 2 are fully let to leading international corporations on long-term leases while Marina Bay Link Mall is currently about 87% tenanted. The stable of blue-chip tenants at MBFC Phase 1 will diversify K-REIT Asia's tenant base and extend the portfolio WALE to 7.8 years.

Economic growth powers recovery in office sector

Demand in the office market is expected to grow in line with Singapore's economy. In 3Q 2010, the economy expanded 10.3% and is on track to achieve the overall growth forecast of 13% to 15% for the whole of 2010 according to advance estimates by the Ministry of Trade and Industry.

Occupancy in the core CBD rose to 95.2% in 3Q 2010, up from 93.3% in 2Q 2010 and 91.9% in 1Q 2010. Likewise, rental values have increased steadily since the beginning of the year to $9.00 psf pm and $7.40psf pm for Grade A and prime office space respectively in 3Q 2010, a 6.5% and 7.2% from $8.45psf pm and $6.90psf pm in 2Q 2010 (Source: CB Richard Ellis).

Concerns over the large supply of new office space have largely abated as new prime Grade A office buildings in the Marina Bay and Raffles Place areas register healthy pre-commitment levels because occupiers of prime office space are eager to secure long leases quickly. The increase in leasing activity is driven by demand from the financial services and insurance sectors, legal and professional services, as well as oil and gas industry. Leasing agents attribute the demand to both pre-existing occupiers wanting to expand as well as new companies that have set up offices in Singapore hoping to tap into Asian growth economies.

Office rentals in Singapore remain competitive vis-à-vis key cities in the region despite the steady pace of recovery. According to CBRE's Global Office Occupancy Cost Survey, Singapore's occupancy costs ranked 37th most expensive place globally, down from 15th a year ago, with an average rent of US$57.49 psf p.a, behind other Asian cities such as Hong Kong, Tokyo and Mumbai.

With its portfolio of well-located quality assets and diversified stable of tenants, K-REIT Asia is well-positioned to align itself with the improvement of the office sector riding on the overall economic recovery. K-REIT Asia remains focused on active asset management, retaining existing tenants and attracting new creditworthy corporations, improving operational and capital efficiencies, and selectively pursuing strategic acquisitions to deliver stable and growing returns to Unitholders.

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 returns for Unitholders by investing in income-producing commercial properties and real estate-related assets in Singapore and pan-Asia.

As at 30 September 2010, K-REIT Asia's portfolio asset size of $2.3 billion comprise six assets, namely Bugis Junction Towers, Keppel Towers and GE Tower, Prudential Tower (73.4% interest) and One Raffles Quay Pte Ltd (33.3% interest) in Singapore and a 50% interest in 275 George Street, Brisbane, Australia. In July 2010, K-REIT Asia announced the acquisition of the office tower of 77 King Street in Sydney, Australia that is expected to be completed in the fourth quarter of 2010.

In October 2010, K-REIT Asia announced the acquisition of a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall from Keppel Land Properties Limited, and the divestment of Keppel Towers and GE Tower Mansfield Developments Pte Ltd. The acquisition and divestment will upgrade K-REIT Asia's property portfolio without having additional equity from Unitholders and is in line with its strategy to continuously renew and optimise its property portfolio.

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.