PRESS RELEASE

K-REIT Asia Unaudited Results for the Full Year Ended 31 December 2010

20 January 2011

The Directors of K-REIT Asia Management Limited, as manager of K-REIT Asia, announce the unaudited results of K-REIT Asia for the full year ended 31 December 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 Year Ended 31 December 2010

K-REIT Asia's Distributable Income Grew by 21.4% Year-on-Year

- ***Distributable income for the year ended 31 December 2010 (FY2010) rose 21.4% year-on-year to $85.6 million on account of higher net property income (NPI) and share of results from associated companies.***
- ***NPI increased 37.7% year-on-year to $67.3 million due mainly to income contribution from three newly acquired assets.***
- ***Distribution Per Unit (DPU) increased 20.6% to 6.37 cents.***
- ***Singapore property portfolio committed occupancy of 98.7% as at 31 December 2010 is higher than Singapore core CBD occupancy of 95.3%.***

Summary of Results

($'millions)	FY 2010	FY 2009	Change[1]	4Q 2010	4Q 2009	Change[1]
Property Income	$84.6m	$62.8m	34.6%	$21.4m	$17.0m	25.5%
Net Property Income	$67.3	$48.9m	37.7%	$17.5m	$13.4m	30.2%
Share of Results of Associated Companies	$9.7m	$8.2m	18.1%	$3.3m	$1.3m	153.9%
Distributable Income to Unitholders[2]	$85.6m	$70.5m	21.4%	$23.3m	$19.4m	19.4%
Distribution Per Unit (cents)	6.37cts	5.28cts	20.6%	6.78cts[3]	5.72cts	18.0%
Distribution Yield	4.5[4]	4.8[5]	-6.3%	4.8[4]	5.2[5]	-8.3%

[1] Percentages subject to rounding.
[2] The distributable income to Unitholders based on 100% of the income available for distribution to Unitholders.
[3] Quarterly DPU annualised.
[4] Based on market closing price per unit of $1.41 as at 31 December 2010.
[5] Based on market closing price per unit of $1.10 as at 31 December 2009.

Healthy Financial Performance

K-REIT Asia achieved a 21.4% increase in distributable income to $85.6 million for FY2010 compared with last year's. This was due mainly to net property income which rose 37.7% to $67.3 million and share of results of associated companies which increased 18.1% to $9.7 million for FY2010.

Net property income expanded as a result of lower property tax expense and income contribution from three acquisitions, namely the 29% additional interest in Prudential Tower completed in November 2009, the 50% interest in 275 George Street completed in March 2010, and the 77 King Street office tower completed in December 2010.

The DPUs for 4Q 2010 and FY2010 were 1.71 cents and 6.37 cents respectively. These translate into an increase of 17.9% and 20.6% over the DPUs for the same periods in 2009. Unitholders can look forward to a DPU of 3.38 cents for 2H 2010 which will be paid on 25 February 2011.

Strategic Portfolio Optimisation

In December 2010, K-REIT Asia completed the acquisition of the office tower at 77 King Street in Sydney Australia and the strategic asset swap that comprised the divestment of Keppel Towers and GE Tower (KTGE) and the acquisition of a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall (MBFC Phase 1). These transactions renewed and upgraded K-REIT Asia's property portfolio without the need for additional equity from Unitholders.

With these transactions, 90% of K-REIT Asia's portfolio in Singapore by asset size, are located in the core business and financial precincts of Raffles Place and Marina Bay.

As the asset swap and acquisition of the 77 King Street office tower were completed towards the end of 2010, the transactions had limited impact on K-REIT Asia's financial performance for FY2010.

Consistent Portfolio Operations

K-REIT Asia's portfolio occupancy rate stood at 97.0% as at end 4Q 2010 compared with 99.2% as at the end of 3Q 2010. The decline in average occupancy was due mainly to the inclusion of 77 King Street office tower and MBFC Phase 1 which were 76.7% and 96.6% occupied respectively as at 31 December 2010. Both assets are newly completed, and are in the process of being leased.

The average occupancy of the Singapore assets stood at 98.7% compared with Singapore's core CBD occupancy of 95.3%. Three of four of the Singapore assets, viz Bugis Junction Towers, Prudential Tower and One Raffles Quay are 100% occupied.

K-REIT Asia's portfolio weighted average lease term to expiry ("WALE") extended to 7.6 years as at end December 2010, compared with 5.5 years as at end September 2010. This is due to MBFC Phase 1's long WALE of 10.2 years. Long lease terms extending 5 years or more accounted for 63% of the portfolio by net lettable area ("NLA"). The WALE for the top ten tenants that accounted for 55% of the portfolio NLA stood at 8.8 years as at the end of December 2010.

Active Capital Management

To finance the recent acquisition of MBFC Phase 1, the Manager raised total borrowings to $1.3 billion as at 31 December 2010 or an aggregate leverage of 37.0%. These borrowings carry an all-in interest rate of 2.75% as at 31 December 2010, a reduction of 65 basis points from the all-in interest rate as at 30 September 2010.

As at end-2010, 81.0% of K-REIT Asia's property portfolio was unencumbered, up from the 55.2% as at 30 September 2010. K-REIT Asia's debt expiry profile is well-staggered with a debt weighted term to maturity of 4.2 years to minimise concentration risks. The prudent financing arrangements put in place by the Manager mitigate refinancing risks and strengthen K-REIT Asia's capital position.

Economic Growth Powers Recovery in Office Sector

According to advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 14.7% for full year 2010. In 4Q 2010, Singapore GDP grew expanded 12.5% on a year-on-year basis led by a strong recovery in the manufacturing and services sectors which expanded 28.2% and 8.8% respectively.

In tandem with the economy, the financial services sector recovered strongly as ample liquidity and investment activity drove revenue growth in the core banking and insurance industries. The increase in listing activity as well as mergers and acquisitions in the region also boosted the growth for banks, fund management houses, and other financial institutions.

The strong economic recovery saw average rental growth for office space in Singapore turning positive in 2Q2010. Large office occupants in the financial services sector are taking advantage of the adjusted rentals to upgrade and expand their premises. Subsequently, rental values of Grade A and prime offices trended upwards to $9.90 psf pm and $8.30 psf pm in 4Q2010 up by 10.0% and 12.2% respectively from 3Q2010. Occupancy in the core central business district climbed marginally to 95.3% in 4Q2010 from 95.2% in 3Q2010.

Positive growth in demand for Grade A and prime office space in Singapore is expected to continue into 2011 even though there may be an increase in vacancy levels in the CBD in the near term when more new office developments are completed in 2011 and 2012. However, this potential increase in vacancy is expected to be temporary as businesses expand and occupants seek to consolidate operations in contiguous space. Property consultants observed that in most re-locations, occupiers lease more space in their new premises than they vacate at their existing locations. This coupled with the limited supply of office space available in 2013 and 2014 provides rental stability in the longer term.

K-REIT Asia remains focused on improving operational and capital efficiencies so as to optimise the performance of its assets and deliver stable and growing returns to Unitholders. The Manager will continue to attract new tenants, retain existing good tenants, and manage the rent reviews and renewals that are due in the next 12 months. The Manager will selectively pursue opportunities for strategic acquisitions that will complement K-REIT Asia's existing portfolio and strengthen its position as a leading pan-Asian commercial REIT.

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 K-REIT 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 31 December 2010, K-REIT Asia has an asset size of $3.5 billion, comprising six quality commercial properties, viz Bugis Junction Towers, Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall (one-third interest), One Raffles Quay (one-third interest), Prudential Tower Property (approximately 73.4% of the strata area of the building), all in Singapore, 275 George Street (50% interest) in Brisbane, and 77 King Street office tower in Sydney, Australia.

In December 2010, K-REIT Asia completed the asset swap involving the acquisition of a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, and the divestment of Keppel Towers and GE Tower, as well as the acquisition of the 77 King Street office tower in Sydney, Australia. The transactions upgraded K-REIT Asia's property portfolio without raising additional equity from Unitholders and is in line with K-REIT Asia's strategy to continuously renew, optimise and grow its property portfolio.

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