

**K-REIT ASIA**  
**FULL YEAR 2009 FINANCIAL STATEMENT ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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**SUMMARY OF K-REIT ASIA RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>4Q2009</b> \$'000	<b>FY2009</b> \$'000	<b>FY2008</b> \$'000	<b>+/-</b> %
Property Income	17,015	62,811	52,646	19.3
Net Property Income	13,441	48,880	39,659	23.3
Net Income	7,031	27,616	19,289	43.2
Income Available for Distribution to Unitholders	19,400	70,519	58,182	21.2
Distributable Income to Unitholders <sup>1</sup>	19,400	70,519	58,182	21.2
<b>Distribution per Unit ("DPU") (cents)</b>				
<b>For the Period</b>	<b>1.45</b>	<b>5.28</b>	<b>8.91</b>	(40.7)
<b>Annualised</b>	<b>5.75</b>	<b>5.28</b>	<b>8.91</b>	(40.7)
<b><u>Adjusted for Rights Issue</u></b>				
<b>DPU (cents)</b>				
<b>For the Period</b>	<b>1.45</b>	<b>5.28</b>	<b>4.41<sup>2</sup></b>	19.7
<b>Annualised</b>	<b>5.75</b>	<b>5.28</b>	<b>4.41<sup>2</sup></b>	19.7
Distribution Yield	5.2%	4.8% <sup>3</sup>	6.3% <sup>4</sup>	(23.8)

**Notes:**

- (1) The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders.
- (2) Restated taking into account the effect of the fully underwritten, renounceable 1-for-1 rights issue to raise gross proceeds of S\$620.0 million at an issue price of S\$0.93 per rights units and computed based on the issued units at the end of each period aggregated with 666,703,965 units which were issued on 22 November 2009.
- (3) The yield is based on the market closing price per unit of \$1.10 as at the last trading day, 31 December 2009.
- (4) The yield is based on the market closing price per unit of \$0.70 as at the last trading day, 31 December 2008.

**DISTRIBUTION AND BOOKS CLOSURE DATE**

Distribution	1 July 2009 to 31 December 2009
Distribution Type	(a) Taxable income (b) Tax-exempt income
Distribution Rate	(a) Taxable income distribution – 2.12 cents per unit (b) Tax-exempt income distribution – 0.65 cents per unit
Books Closure Date	28 January 2010
Payment Date	25 February 2010

## INTRODUCTION

K-REIT Asia is a real estate investment trust managed by K-REIT Asia Management Limited, with RBC Dexia Trust Services Singapore Limited as trustee.

K-REIT Asia's objective is to generate steady and sustainable returns for its Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets. K-REIT Asia has a pan-Asian mandate that enables it to invest in quality commercial properties in Singapore and other Asian growth cities. K-REIT Asia aims to maintain a strong balance sheet and also steadily grow its portfolio.

K-REIT Asia was listed on the Singapore Exchange Securities Trading Limited on 28 April 2006 with an initial property portfolio comprising Prudential Tower Property (approximately 44.4% of the strata area of the building), Keppel Towers, GE Tower, and Bugis Junction Towers from its sponsor Keppel Land Limited.

In December 2007, K-REIT Asia completed a significant maiden acquisition of a one-third interest in One Raffles Quay.

In 2009, K-REIT Asia acquired an additional six strata floors of Prudential Tower which increased K-REIT Asia's ownership in Prudential Tower to 73.4% of the total strata area of the building. As at 31 December 2009, K-REIT Asia's portfolio size was \$2.1 billion.

In late 2009, K-REIT Asia completed a rights issue and raised gross proceeds of approximately \$620.0 million, bringing the total number of units in issue to approximately 1.3 billion units. Some \$99.7 million of the rights proceeds has been used to repay a bridging loan facility for the purpose of financing the acquisition of the six strata floors of Prudential Tower. The rights issue has also provided K-REIT Asia with additional funding capacity to pursue acquisition growth.

**1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009**

The Directors of K-REIT Asia Management Limited, as manager of K-REIT Asia, announce the following unaudited results of K-REIT Asia for year ended 31 December 2009:

**1(a) Statement of total return and comprehensive income and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year**
**Statement of Total Return and Comprehensive Income**

<b><u>Group and Trust</u></b>							
		<b>4Q2009</b>	<b>4Q2008</b>	<b>+/(-)</b>	<b>FY2009</b>	<b>FY2008</b>	<b>+/(-)</b>
	<i>Note</i>	\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		16,753	14,047	19.3	61,826	51,632	19.7
Car park income		217	234	(7.3)	882	969	(9.0)
Other income		45	8	Nm	103	45	128.9
<b>Property income</b>		<b>17,015</b>	<b>14,289</b>	<b>19.1</b>	<b>62,811</b>	<b>52,646</b>	<b>19.3</b>
Property tax		(781)	(49)	Nm	(4,649)	(3,355)	38.6
Other property expenses	1	(1,799)	(1,596)	12.7	(5,702)	(6,414)	(11.1)
Property management fee		(509)	(428)	18.9	(1,884)	(1,579)	19.3
Maintenance and sinking fund contributions		(485)	(403)	20.3	(1,696)	(1,639)	3.5
<b>Property expenses</b>		<b>(3,574)</b>	<b>(2,476)</b>	<b>44.3</b>	<b>(13,931)</b>	<b>(12,987)</b>	<b>7.3</b>
<b>Net property income</b>		<b>13,441</b>	<b>11,813</b>	<b>13.8</b>	<b>48,880</b>	<b>39,659</b>	<b>23.3</b>
Income support	2	5,495	6,322	(13.1)	23,011	24,799	(7.2)
Interest income	3	3,323	2,454	35.4	12,845	9,069	41.6
Share of results of associated company	4	1,293	2,609	(50.4)	8,208	10,687	(23.2)
Amortisation expense	5	(6,591)	(6,694)	(1.5)	(26,634)	(27,050)	(1.5)
Borrowing costs	6	(6,306)	(6,163)	2.3	(24,792)	(23,580)	5.1
Manager's management fees	7	(3,357)	(3,317)	1.2	(13,082)	(12,967)	0.9
Trust expenses		(267)	(61)	337.7	(820)	(1,328)	(38.3)
<b>Net income</b>		<b>7,031</b>	<b>6,963</b>	<b>1.0</b>	<b>27,616</b>	<b>19,289</b>	<b>43.2</b>
Net change in fair value of investment properties	8	21,095	11,089	90.2	(71,759)	11,089	Nm
<b>Total return before tax</b>		<b>28,126</b>	<b>18,052</b>	<b>55.8</b>	<b>(44,143)</b>	<b>30,378</b>	<b>Nm</b>
Income tax expense	9	(138)	(340)	(59.4)	(1,776)	(2,910)	(39.0)
<b>Total return after tax</b>		<b>27,988</b>	<b>17,712</b>	<b>58.0</b>	<b>(45,919)</b>	<b>27,468</b>	<b>Nm</b>
<b>Total comprehensive income</b>		<b>27,988</b>	<b>17,712</b>	<b>58.0</b>	<b>(45,919)</b>	<b>27,468</b>	<b>Nm</b>
<b><u>Distribution Statement</u></b>							
<b>Net income</b>		<b>7,031</b>	<b>6,963</b>	<b>1.0</b>	<b>27,616</b>	<b>19,289</b>	<b>43.2</b>
Net tax adjustments	10	12,507	10,787	15.9	44,679	41,803	6.9
Income tax expense		(138)	(340)	(59.4)	(1,776)	(2,910)	(39.0)
<b>Income available for distribution to Unitholders</b>		<b>19,400</b>	<b>17,410</b>	<b>11.4</b>	<b>70,519</b>	<b>58,182</b>	<b>21.2</b>
<b>Distributable income to Unitholders</b>	11	<b>19,400</b>	<b>17,410</b>	<b>11.4</b>	<b>70,519</b>	<b>58,182</b>	<b>21.2</b>
<b>Distribution per unit (cents)</b>							
<b>For the period</b>		<b>1.45</b>	<b>2.67</b>	<b>(45.7)</b>	<b>5.28</b>	<b>8.91</b>	<b>(40.7)</b>
<b>Annualised</b>		<b>5.75</b>	<b>10.62</b>	<b>(45.9)</b>	<b>5.28</b>	<b>8.91</b>	<b>(40.7)</b>

**Notes:**

Nm – Not meaningful

- (1) Included as part of the other property expenses are the following:

	<b><u>Group and Trust</u></b>			
	<b>4Q2009</b>	<b>4Q2008</b>	<b>FY2009</b>	<b>FY2008</b>
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	273	244	807	1,200
Utilities	395	609	1,585	2,030
Repair and maintenance	849	501	2,294	2,096
Property management reimbursements	271	240	983	1,015
Other property expenses	11	2	33	73
	1,799	1,596	5,702	6,414

- (2) This is the income support top-up payment received by K-REIT Asia from Boulevard Development Pte Ltd, the vendor of the one-third interest in One Raffles Quay Pte Ltd ("ORQPL") for the quarterly shortfall in accordance with the terms set out in the Deed of Income Support.

- (3) Interest income comprises the following:

	<b><u>Group and Trust</u></b>			
	<b>4Q2009</b>	<b>4Q2008</b>	<b>FY2009</b>	<b>FY2008</b>
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposit and current accounts	272	90	343	270
Interest income from shareholder's loan to ORQPL	3,051	2,364	12,502	8,799
	3,323	2,454	12,845	9,069

- (4) Share of results of associated company relates to K-REIT Asia's one-third interest in ORQPL's net profit after tax which is represented by the proportionate share of gross revenue less property expenses, interest expense and income tax and excluding the net change in fair value of its investment property.

- (5) Please refer to paragraph 1(b)(i) note 4.

- (6) Borrowing costs comprise the following:

	<b><u>Group and Trust</u></b>			
	<b>4Q2009</b>	<b>4Q2008</b>	<b>FY2009</b>	<b>FY2008</b>
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	1,883	1,882	7,468	7,488
Interest expense on bridge/revolving loan	3,972	3,829	15,520	15,330
Amortisation of transaction costs capitalised	451	452	1,804	762
	6,306	6,163	24,792	23,580

- (7) The Manager's management fees are paid in units.

- (8) The net change in fair value on investment properties is analysed as follows:

	<b><u>Group and Trust</u></b>			
	<b>4Q2009</b>	<b>4Q2008</b>	<b>FY2009</b>	<b>FY2008</b>
	\$'000	\$'000	\$'000	\$'000
Investment properties held directly by the Trust	16,190	7,000	(65,510)	7,000
Investment properties held by associated company *	4,905	4,089	(6,249)	4,089
	21,095	11,089	(71,759)	11,089

\* The net change in fair value of investment property held by associated company is included in share of results of associated company in FY2008.

- (9) Income tax expense comprises tax of 17% (2008: 18%) on the income support received by K-REIT Asia for its interest in ORQPL, net of deductible interest expense.

(10) Included in the net tax adjustments are the following:

	<b><u>Group and Trust</u></b>			
	<b>4Q2009</b>	<b>4Q2008</b>	<b>FY2009</b>	<b>FY2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Management fees payable in units</i>	3,357	3,317	13,082	12,967
<i>Trustee's fees</i>	78	79	309	344
<i>Amortisation of transaction costs</i>	7,042	7,145	28,438	27,811
<i>Non-tax deductible expenses</i>	(176)	95	(131)	600
<i>Share of results of associated company</i>	(1,293)	(2,609)	(8,208)	(10,687)
<i>Dividend income received</i>	3,499	2,760	11,189	10,768
<i>Net tax adjustments</i>	<u>12,507</u>	<u>10,787</u>	<u>44,679</u>	<u>41,803</u>

(11) The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders. K-REIT Asia's distribution policy is to distribute at least 90% of its taxable income available for distribution to Unitholders.

**1(b)(i) Balance sheet, together with a comparative statement of the end of the immediately preceding financial year**

	<i>Note</i>	<u>Group and Trust</u>		<b>+/-</b> %
		<b>31/12/09</b> \$'000	<b>31/12/08</b> \$'000	
<b>Non-current assets</b>				
Investment properties	1	1,162,800	1,117,000	4.1
Investment in subsidiary company	2	-	-	-
Investment in associated company	3	849,239	862,469	(1.5)
Intangible asset	4	32,598	59,232	(45.0)
<b>Total non-current assets</b>		<b>2,044,637</b>	<b>2,038,701</b>	<b>0.3</b>
<b>Current assets</b>				
Cash and cash equivalents	5	575,549	43,968	Nm
Trade and other receivables	6	11,453	9,653	18.6
<b>Total current assets</b>		<b>587,002</b>	<b>53,621</b>	<b>Nm</b>
<b>Total assets</b>		<b>2,631,639</b>	<b>2,092,322</b>	<b>25.8</b>
<b>Current liabilities</b>				
Trade and other payables	7	28,761	12,759	125.4
Current portion of security deposits		4,603	3,602	27.8
Provision for taxation		4,849	3,073	57.8
<b>Total current liabilities</b>		<b>38,213</b>	<b>19,434</b>	<b>96.6</b>
<b>Non-current liabilities</b>				
Long-term borrowings		578,939	577,135	0.3
Non-current portion of security deposits		11,835	10,082	17.4
<b>Total non-current liabilities</b>		<b>590,774</b>	<b>587,217</b>	<b>0.6</b>
<b>Total liabilities</b>		<b>628,987</b>	<b>606,651</b>	<b>3.7</b>
<b>Net assets</b>		<b>2,002,652</b>	<b>1,485,671</b>	<b>34.8</b>
Represented by:				
<b>Unitholders' funds</b>		<b>2,002,652</b>	<b>1,485,671</b>	<b>34.8</b>
Net asset value per unit (\$)		1.50	2.28	
Borrowings / Value of deposited properties (%)	8	27.7	27.6	

**Notes:**

(1) The investment properties were revalued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd on 31 December 2009 as follows:

<u>Property</u>	<u>Tenure</u>	<u>Date of Valuation</u>	<u>Valuation</u> \$'000
<i>Prudential Tower</i>	<i>99 years from 15 January 1996</i>	<i>31 December 2009</i>	<i>325,100</i>
<i>Keppel Towers and GE Tower</i>	<i>Estate in fee simple</i>	<i>31 December 2009</i>	<i>540,700</i>
<i>Bugis Junction Towers</i>	<i>99 years from 10 September 1990</i>	<i>31 December 2009</i>	<i>297,000</i>
			<i>1,162,800</i>

- (2) *This relates to the 100% investment in K-REIT Asia MTN Pte. Ltd. ("KRMTN") of \$1. K-REIT Asia Group results include KRMTN. As there is no activity in KRMTN since its incorporation, the accounts of the Group are the same as those of the Trust.*
- (3) *This relates to the one-third equity interest in associated company ORQPL.*
- (4) *This relates to the probable future income support amount which may be received by K-REIT Asia. Under the Deed of Income Support, Boulevard Development Pte Ltd ("Boulevard") has undertaken to make income support top-up payments for the quarterly shortfall (one-third of the difference between the ORQPL's net property income and the guaranteed income amount for each quarter) in accordance with the terms set out therein. The intangible asset will be amortised over the period from 10 December 2007 to 31 December 2011.*
- (5) *Included in the balances are the remaining rights issue proceeds of \$518.0 million placed on deposits pending utilisation.*
- (6) *Included in the balances are receivables for income support from Boulevard and dividend income from ORQPL as at 31 December 2009 of \$8.8 million (31 December 2008: \$9.1 million).*
- (7) *Included in the balances are accrued interest payable as at 31 December 2009 of \$11.3 million (31 December 2008: \$3.5 million) and the income support received in advance of \$5.0 million in relation to the acquisition of the additional strata floors in Prudential Tower.*
- (8) *This is based on the principal amount of borrowings as stated in paragraph 1(b)(ii) and valuation of \$2.1 billion for the deposited properties (held directly and indirectly by K-REIT Asia) performed by independent valuers as at 31 December 2009.*



**1(b)(ii) Aggregate amount of borrowings and debt securities**

	<b>Group and Trust</b>	
	<b>As at 31/12/09 \$'000</b>	<b>As at 31/12/08 \$'000</b>
<b>Secured borrowing</b>		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	190,085	190,085
Less: Unamortised portion of fees	(321)	(561)
	189,764	189,524
<b>Unsecured borrowing</b>		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	391,000	391,000
Less: Unamortised portion of fees	(1,825)	(3,389)
	389,175	387,611
<b>Total borrowings</b>	<b>578,939</b>	<b>577,135</b>

**Details of borrowings and collaterals**

K-REIT Asia has in place a secured five-year fixed rate term loan facility totalling \$190.1 million, which is funded by the proceeds of commercial mortgage-backed securities notes issued by a special purpose company. As at 31 December 2009, the term loans are fully drawn down and bear interest at a blended rate of 3.9% per annum.

As security for the term loan facility, K-REIT Asia has granted in favour of the lenders the following:

- (i) a mortgage over Prudential Tower Property (44.4% of total strata area), Keppel Towers and GE Tower and Bugis Junction Towers ("Initial Investment Properties");
- (ii) an assignment and charge over the rental collection account relating to the Initial Investment Properties;
- (iii) an assignment of the insurance policies relating to the Initial Investment Properties;
- (iv) an assignment of the agreements relating to the management of the Initial Investment Properties; and a fixed and floating charge over certain assets of K-REIT Asia relating to the Initial Investment Properties.

On 10 September 2008, K-REIT Asia put in place a revolving loan facility of \$391.0 million from Kephinance Investment Pte Ltd for a period of thirty months commencing from 10 September 2008 to 9 March 2011 and thereafter renewable on terms, including a new maturity date to be agreed between the parties.

As at 31 December 2009, the amount outstanding is \$389.2 million.

## 1(c) Statement of cash flows

	<u>Group and Trust</u>			
	4Q2009	4Q2008	FY2009	FY2008
Note	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Total return before tax	28,126	18,052	(44,143)	30,378
Adjustments for:				
Interest income	(3,323)	(2,454)	(12,845)	(9,069)
Amortisation expense	6,591	6,694	26,634	27,050
Share of results of associated company	(1,293)	(2,609)	(8,208)	(10,687)
Borrowing costs	6,306	6,163	24,792	23,580
Management fees payable in units	3,357	3,317	13,082	12,967
Net change in fair value of investment properties	(21,095)	(11,089)	71,759	(11,089)
<b>Operating cash flows before changes in working capital</b>	<b>18,669</b>	<b>18,074</b>	<b>71,071</b>	<b>63,130</b>
Decrease/(Increase) in receivables	6,249	(6,359)	(24,943)	(24,706)
Increase/(Decrease) in payables	5,264	(2,487)	5,802	(2,708)
Security deposits	1,935	816	2,754	3,291
<b>Net cash from operating activities</b>	<b>32,117</b>	<b>10,044</b>	<b>54,684</b>	<b>39,007</b>
<b>Investing activities</b>				
Purchase of investment properties	(107,690)	-	(107,690)	-
Improvements in investment properties	(2,246)	-	(2,246)	-
Interest received	3,087	2,402	12,665	9,720
Income support received	5,399	6,232	24,061	19,556
Dividend income received from associated company	3,645	3,331	10,450	9,008
Repayment of loan from associated company	-	-	4,000	7,000
<b>Net cash flows (used in)/from investing activities</b>	<b>(97,805)</b>	<b>11,965</b>	<b>(58,760)</b>	<b>45,284</b>
<b>Financing activities</b>				
Proceeds from rights issue	620,035	-	620,035	551,726
Issue expenses	(2,982)	(13)	(2,982)	(1,013)
Proceeds from new loan (unsecured)	99,650	-	99,650	-
Repayment of short-term borrowings (unsecured)	(99,650)	-	(99,650)	(551,000)
Upfront debt arrangement costs	-	-	-	(3,910)
Distribution to Unitholders	-	-	(66,191)	(37,872)
1	-	-	-	-
Interest paid	(1,943)	(2,922)	(15,205)	(21,181)
<b>Net cash flows from/(used in) financing activities</b>	<b>615,110</b>	<b>(2,935)</b>	<b>535,657</b>	<b>(63,250)</b>
<b>Net increase in cash and cash equivalents</b>	<b>549,422</b>	<b>19,074</b>	<b>531,581</b>	<b>21,041</b>
Cash and cash equivalents at the beginning of period	26,127	24,894	43,968	22,927
<b>Cash and cash equivalents at the end of period</b>	<b>575,549</b>	<b>43,968</b>	<b>575,549</b>	<b>43,968</b>

**Note:**

(1) Distribution for FY2009 is for the period of 1 July 2008 to 31 December 2008, paid on 23 February 2009; and 1 January 2009 to 30 June 2009, paid on 27 August 2009.  
Distribution for FY2008 is for the period 1 July 2007 to 31 December 2007, paid on 29 February 2008; 1 January 2008 to 7 May 2008, paid on 18 June 2008; and 8 May 2008 to 30 June 2008, paid on 28 August 2008.

1(d)(i) **Statement of movements in Unitholders' funds**

**Statement of movements in Unitholders' funds for the year ended 31 December 2009**

	<b>Group and Trust</b>		
	<b>Issued Equity</b>	<b>Accumulated Profit</b>	<b>Total</b>
<i>Note</i>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net assets at 1 January 2009</b>	<b>1,016,566</b>	<b>469,105</b>	<b>1,485,671</b>
<u>Operations</u>			
Total comprehensive income	-	(45,919)	(45,919)
<b>Net decrease in net assets resulting from operations</b>	-	(45,919)	(45,919)
<u>Unitholders' transactions</u>			
Creation of units			
- Payment of management fees in units	1	13,056	-
- Rights issue	2	620,035	-
Issue expenses	3	(4,000)	-
Distribution to Unitholders	4	-	(66,191)
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>	<b>629,091</b>	<b>(66,191)</b>	<b>562,900</b>
<b>Net assets at 31 December 2009</b>	<b>1,645,657</b>	<b>356,995</b>	<b>2,002,652</b>

**Notes:**

- (1) This represents 16,595,221 units issued as satisfaction of management fees payable in units.
- (2) This relates to the gross proceeds raised from the rights issue for 666.7 million units at the issue price of \$0.93.
- (3) This relates to the issuance expenses in relation to the rights issue as mentioned in note 2 above.
- (4) This relates to the distributable income of \$33.1 million for the period of 1 July 2008 to 31 December 2008 which was paid on 23 February 2009 and \$33.1 million for the period 1 January 2009 to 30 June 2009 which was paid on 27 August 2009.

## Statement of movements in Unitholders' funds for the year ended 31 December 2008

<u>Group and Trust</u>				
	<i>Note</i>	<b>Issued Equity \$'000</b>	<b>Accumulated Profit \$'000</b>	<b>Total \$'000</b>
<b>Net assets at 1 January 2008</b>		<b>454,258</b>	<b>479,509</b>	<b>933,767</b>
<u>Operations</u>				
Total comprehensive income		-	27,468	27,468
<b>Net increase in net assets resulting from operations</b>		<b>-</b>	<b>27,468</b>	<b>27,468</b>
<u>Unitholders' transactions</u>				
Creation of units				
- Payment of management fees in units	1	11,595	-	11,595
- Rights issue	2	551,726	-	551,726
Issue expenses	3	(1,013)	-	(1,013)
Distribution to Unitholders	4	-	(37,872)	(37,872)
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>		<b>562,308</b>	<b>(37,872)</b>	<b>524,436</b>
<b>Net assets at 31 December 2008</b>		<b>1,016,566</b>	<b>469,105</b>	<b>1,485,671</b>

**Notes:**

- (1) This represents 8,615,445 units issued as satisfaction of management fees payable in units.
- (2) This relates to the gross proceeds raised from the rights issue for 396.9 million units at the issue price of \$1.39.
- (3) This relates to the issuance expenses in relation to the rights issue as mentioned in note 2 above.
- (4) This relates to the distributable income of \$12.4 million for the period of 1 July 2007 to 31 December 2007 which was paid on 29 February 2008; \$16.5 million for the period of 1 January 2008 to 7 May 2008 which was paid on 18 June 2008; and \$9.0 million for the period of 8 May 2008 to 30 June 2008 which was paid on 28 August 2008.

**1(d)(ii) Details of changes in the units**

	<b>Group and Trust</b>	
	<b>2009</b>	<b>2008</b>
	Units	Units
<b>Issued units as at 1 January</b>	<b>652,724,165</b>	<b>247,183,528</b>
Issue of new units	13,979,800	5,343,585
- Payment of management fees in Units		
- Rights issue	-	396,925,192
<b>Issued units as at 30 September</b>	<b>666,703,965</b>	<b>649,452,305</b>
Issue of new units	2,615,421	3,271,860
- Payment of management fees in units		
- Rights issue	666,703,965	-
<b>Issued units as at 31 December</b>	<b>1,336,023,351</b>	<b>652,724,165</b>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.**

No treasury units in K-REIT Asia have been issued since the date of listing of K-REIT Asia on 28 April 2006. The total number of issued units in K-REIT Asia as at the end of the current and preceding financial periods are disclosed in 1(d)(ii).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. AUDIT**

The figures have not been audited or reviewed by the auditors.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

Except as disclosed in paragraph 5 below, the Trust has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2008.

## 5. CHANGES IN ACCOUNTING POLICIES

In the current financial period, the Trust adopted the new/revised Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2009. Changes to the Trust’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRSs that are relevant to the Trust:

FRS 1 (Revised)	Presentation of Financial Statements
Amendments to FRS 23	Borrowing Costs
FRS 108	Operating Segments

The adoption of the above FRS did not result in any substantial change to the Trust’s accounting policies or any significant impact on the financial statements.

## 6. EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)

### Group and Trust

	4Q2009	4Q2008	FY2009	FY2008
<b>Earnings per unit</b> (based on the weighted average number of units as at the end of the period)				
based on total return before fair value change on investment properties	0.69 cents	0.91 cents <sup>1</sup>	3.19 cents	2.84 cents <sup>1</sup>
based on total return after fair value change on investment properties	2.81 cents	2.43 cents <sup>1</sup>	(5.66) cents	4.77 cents <sup>1</sup>
- Weighted average number of units as at the end of period	997,520,178	728,722,909 <sup>1</sup>	811,216,571	576,390,003 <sup>1</sup>
<b>Distribution per unit</b> (based on the number of units as at the end of period)	1.45 cents	1.32 cents <sup>2</sup>	5.28 cents	4.41 cents <sup>2</sup>
- Number of units in issue at end of period	1,336,023,151	1,319,428,130 <sup>2</sup>	1,336,023,151	1,319,428,130 <sup>2</sup>

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

#### **Notes:**

(1) The comparative figures for earnings per unit and weighted average number of units in issue have been adjusted to account for the effect of the rights issue as mentioned in paragraph 1(d)(ii) above.

(2) The comparative balances have been restated for effects of the rights issue completed in November 2009.

## 7. NET ASSET VALUE (“NAV”)

	<u>Group and Trust</u>	
	As at 31/12/09	As at 31/12/08
NAV per unit based on issued units at the end of the period (\$)	1.50	2.28
Adjusted NAV per unit based on issued units at the end of the period (excluding the distributable income) (\$)	1.47	2.23

## 8. REVIEW OF PERFORMANCE

### 8(i) Property income contribution of the properties

Property	<u>Group and Trust</u>					
	4Q2009 \$'000	4Q2008 \$'000	+/(-) %	FY2009 \$'000	FY2008 \$'000	+/(-) %
Prudential Tower Property	4,514	2,790	61.8	13,429	10,475	28.2
Keppel Towers and GE Tower	7,445	6,960	7.0	29,506	25,666	15.0
Bugis Junction Towers	5,056	4,539	11.4	19,876	16,505	20.4
<b>Total property income</b>	<b>17,015</b>	<b>14,289</b>	<b>19.1</b>	<b>62,811</b>	<b>52,646</b>	<b>19.3</b>

### 8(ii) Income contribution of the properties

Property	<u>Group and Trust</u>					
	4Q2009 \$'000	4Q2008 \$'000	+/(-) %	FY2009 \$'000	FY2008 \$'000	+/(-) %
Prudential Tower Property	3,809	2,544	49.7	11,013	8,270	33.2
Keppel Towers and GE Tower	5,490	5,399	1.7	22,077	18,942	16.6
Bugis Junction Towers	4,142	3,870	7.0	15,790	12,447	26.9
<b>Total net property income</b>	<b>13,441</b>	<b>11,813</b>	<b>13.8</b>	<b>48,880</b>	<b>39,659</b>	<b>23.3</b>
One-third interest in ORQPL:						
- Income support	5,495	6,322	(13.1)	23,011	24,799	(7.2)
- Interest income	3,051	2,364	29.1	12,502	8,799	42.1
- Dividend income	3,499	2,760	26.8	11,189	10,768	3.9
<b>Total income from one-third interest in ORQPL</b>	<b>12,045</b>	<b>11,446</b>	<b>5.2</b>	<b>46,702</b>	<b>44,366</b>	<b>5.3</b>
<b>Total income contribution</b>	<b>25,486</b>	<b>23,259</b>	<b>9.6</b>	<b>95,582</b>	<b>84,025</b>	<b>13.8</b>

**8. REVIEW OF PERFORMANCE****Review of performance for 4Q2009 vs 4Q2008**

Turnover for 4Q2009 was \$17.0 million, an increase of \$2.7 million or 19.1% over 4Q2008. This improvement was due mainly to positive rental reversions and also contribution from the recently acquired additional strata floors in Prudential Tower

The portfolio attained 95.0% committed occupancy as at end-December 2009. Average gross rental rate for the four investment properties held directly by K-REIT Asia was \$7.67 psf in December 2009 as compared with \$6.08 psf in December 2008. Including K-REIT Asia's one-third interest in ORQPL, the portfolio's average gross rental rate was \$8.16 psf in December 2009 as compared with \$7.61 psf in December 2008.

Property expenses of \$3.6 million were higher than 4Q2008 by \$1.1 million or 44.3% due mainly to higher property tax and maintenance expenses. Property tax expense was lower in 4Q2008 due to a property tax recovery of \$0.9 million.

A net income of \$7.0 million was reported for 4Q2009 which was on par with that for 4Q2008. There was an increase in borrowing costs which was due to interest expense incurred for the bridging loan to fund the acquisition of additional strata floors in Prudential Tower. The bridging loan was subsequent repaid during the period from the proceeds of the rights issue.

Based on the latest revaluation undertaken as at 31 December 2009, a net fair value gain of \$21.1 million was taken up in 4Q2009, mainly arising from the acquisition of the additional strata floors in Prudential Tower.

Distributable income to Unitholders for 4Q2009 increased to \$19.4 million from \$17.4 million in 4Q2008. The increase was the result of higher net property income and income contribution from ORQPL.

For the quarter, the all-in interest rate was 4.17% for 4Q2009 as compared with 4.21% for 4Q2008. The aggregate leverage stood at 27.7% as at 31 December 2009. The weighted average term to expiry of debt is 1.3 years.

**Review of performance for 4Q2009 vs 3Q2009**

Turnover for 4Q2009 was \$17.0 million, an increase of \$1.4 million or 8.7% over 3Q2009. The surge was due mainly to the rental income contributed from the additional floors in Prudential Tower that were recently acquired.

The portfolio attained 95.0% committed occupancy as at end-December 2009. Average gross rental rate for the four investment properties held directly by K-REIT Asia was \$7.67 psf in December 2009 as compared with \$7.14 psf in September 2009. Including K-REIT Asia's one-third interest in ORQPL, the portfolio's average gross rental rate was \$8.16 psf in December 2009 against \$7.91 psf in September 2009. The increase in the portfolio's average gross rental rate was due mainly to positive rental reversion in the current quarter.

Property expenses of \$3.6 million were higher than 3Q2009 by \$0.2 million or 6.7%, attributed mainly to the higher maintenance and marketing expenses, which partly offset the lower property tax in 4Q09 due to lower annual value.

The net income of \$7.0 million for 4Q2009 was marginally lower than that of \$7.3 million for 3Q2009.

Distributable income to Unitholders was \$19.4 million, an increase of \$1.4 million or 8.0% against 3Q2009. The increase was due mainly to higher property income.

For the quarter to quarter comparison, the all-in interest rate was 4.17% for 4Q2009 as compared with 4.25% for 3Q2009. The aggregate leverage stood at 27.7% as at 31 December 2009 against 29.5% as at 30 September 2009 as a result of the revaluation of the investment properties and the ORQ property conducted on 31 December 2009.



**Review of performance for FY2009 vs FY2008**

Turnover for FY2009 was \$62.8 million, an increase of 19.3% or \$10.2 million over FY2008. This improvement was due to positive rental reversions and also contribution from the recently acquired additional floors in Prudential Tower.

The portfolio attained 95.0% committed occupancy as at end December 2009 as compared with 99.0% as at end- December 2008. Average gross rental rate for the four investment properties held directly by K-REIT Asia was \$7.67 psf in December 2009 as compared with \$6.08 psf in December 2008. Including K-REIT Asia's one-third interest in ORQPL, the portfolio's average gross rental rate was \$8.16 psf in December 2009 against \$7.61 psf in December 2008.

Net property income for FY 2009 was \$48.9 million, an increase of \$9.2 million or 23.3% over FY2008 due to higher property income and offset by higher property expenses. Property expenses were \$1.0 million higher than that of FY2008 as a result of lower property tax expense in FY2008 due to property tax recovery recognised in 4Q2008, higher property management fee in FY2009 due to higher net property income, and lower marketing and utilities expenses in FY2009.

Net income for FY2009 increased by 43.2% to \$27.6 million as compared with \$19.3 million for FY2008. This improvement was as a result of higher net property income, after offsetting a higher interest expense in FY2009 due to higher average interest rate.

Total return after tax for FY2009 was a loss of \$45.9 million, which included a net fair value loss of \$71.8 million, representing a 5.3% drop from previous year's valuation. Excluding the net fair value loss, total return after tax for FY2009 would be a profit of \$25.8 million.

Distributable income to Unitholders increased by 21.2% to \$70.5 million for FY2009 from \$58.2 million in FY2008. The increase was the result of higher net property income, income contribution from ORQPL and lower tax expense.

In November 2009, K-REIT Asia successfully completed a one-for-one rights issue and raised gross proceeds of approximately \$620 million. Some \$99.7 million of the rights proceeds has been used to repay a bridging loan facility for the purpose of financing the acquisition of the six strata floors of Prudential Tower.

**9. VARIANCE FROM PROSPECTS STATEMENT**

K-REIT Asia did not make any previous forecast.

**10. PROSPECTS**

Advance GDP estimates by the Ministry of Trade and Industry ("MTI") show that the Singapore economy has expanded by 3.5% in 4Q 2009, compared with 4Q 2008. Overall, Singapore's GDP is estimated to have contracted by 2.1% in 2009. However, the economy has continued to show signs of recovery and MTI expects GDP to grow at a sustainable growth level of between 3% and 5% in 2010.

Office leasing activities continued to remain active in the fourth quarter while the pace of rental decline easing further as economic prospects and business confidence improve. Prime office monthly rents averaged \$6.75 psf in 4Q 2009, reflecting a 10.0% quarter-on-quarter contraction compared with the 12.8% fall in 3Q 2009. Grade A office monthly rents fell 8.0% quarter-on-quarter to \$8.10 psf in 4Q 2009, compared with the 13.3% decline in 3Q 2009 (Source: CB Richard Ellis).

Core Central Business District ("CBD") office occupancy rates remained unchanged from the last quarter at 91.2% in 4Q 2009 (Source: CB Richard Ellis). The committed occupancy of K-REIT Asia's portfolio of 95% as at 31 December 2009 is higher than the core CBD occupancy rate. The improvement in business sentiment increased hiring by financial institutions and tendency of companies to relocate to newer and better-specified buildings as "flight to quality" are some factors supporting the recovery of the office sector.

K-REIT Asia is well-positioned to capitalise on the recovery of the Singapore economy with its high-quality asset portfolio, strong tenancy profile and diverse tenant business mix. The weighted average lease term for K-REIT Asia's portfolio is 5.2 years while that of its top 10 tenants is 6.7 years. These relatively long leases provide stability for K-REIT Asia's rental income.

The acquisition of additional six strata floors of Prudential Tower has raised K-REIT Asia's stake from approximately 44.4% to a majority control of approximately 73.4% of the total strata area of the building. The majority control will put K-REIT Asia in a stronger position to manage the income generated from this asset.

K-REIT Asia has a pan-Asian mandate, and intends to pursue opportunities for strategic acquisitions in Singapore and across Asia. It will also identify potential asset enhancement initiatives for its property portfolio. The cash raised from the rights issue in November 2009 provides K-REIT Asia with additional funding capacity to pursue acquisition growth and potential asset enhancement initiatives. The Manager will continue to place emphasis on tenant retention, attract new tenants and improve operational and cost efficiencies.

As at end-December 2009, K-REIT Asia's portfolio size, including the additional six strata floors at Prudential Tower, is \$2.1 billion.

## 11. RISK FACTORS AND RISK MANAGEMENT

K-REIT Asia ascribes great importance to risk management and constantly takes initiatives to systemically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

### **Interest rate risk**

Interest rate exposures are managed through appropriate term facilities and floating positions. The Manager also monitors the interest rate environment closely to optimise the refinancing higher cost debt where and when appropriate.

### **Liquidity risk**

The Manager monitors and maintains K-REIT Asia's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short term obligations. Steps have been taken to plan early for funding and expenses so as to manage the cash position at any point of time.

### **Credit risk**

Credit risk assessments of tenants are carried out by way of evaluation of information from corporate searches prior to signing of lease agreements. Tenants are required to pay a security deposit as a multiple of monthly rents and maintain sufficient deposits in their accounts. In addition, the Manager also monitors the property portfolio's tenant trade sector mix to assess exposure to any one potentially volatile trade sector.

### **Currency risk**

Presently, K-REIT Asia has no currency risks as all borrowings are in Singapore dollars. Going forward, when K-REIT Asia starts to acquire assets overseas, it is the intention that any debt financing for such acquisitions will be made in the same currency in which the assets are denominated, whenever possible, so as to serve as a natural currency hedge. The Manager will also adopt appropriate hedging strategies when deemed necessary.

### **Operational risk**

Measures have been put in place to promote sustainability of net property income. Some of these measures include steps taken to negotiate for favourable terms/covenants, manage expenses, actively monitor rental payments from tenants, continuously evaluate our counter-parties and maximise property value. In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary.

## 12. DISTRIBUTIONS

### (a) Current financial period reported on

Name of distribution	Distribution for 1 July 2009 to 31 December 2009
Distribution type	(a) Taxable income (b) Tax-exempt income
Distribution rate	(a) Taxable income distribution – 2.12 cents per unit (b) Tax-exempt income distribution – 0.65 cents per unit
Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by K-REIT Asia.</p>

### (b) Corresponding period of the immediately preceding financial year

Name of distribution	Distribution for 1 July 2008 to 31 December 2008
Distribution type	(a) Taxable income (b) Tax-exempt income
Distribution rate	(a) Taxable income distribution – 3.91 cents per unit (b) Tax-exempt income distribution – 1.16 cents per unit
Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 18%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by K-REIT Asia.</p>

**(c) DATE PAYABLE**

25 February 2010

**(d) BOOKS CLOSURE DATE**

28 January 2010

**13. DISTRIBUTION STATEMENT**

Other than as disclosed in paragraph 12(a), no distribution has been declared / recommended during the period.

**14. SEGMENTAL INFORMATION**

	FY2009	FY2008	+/( -)
	\$'000	\$'000	%
<b><u>Property</u></b>			
Prudential Tower Property	11,013	8,270	33.2
Keppel Towers and GE Tower	22,077	18,942	16.6
Bugis Junction Towers	15,790	12,447	26.9
<b>Net property income</b>	<b>48,880</b>	<b>39,659</b>	<b>23.3</b>
One-third interest in ORQPL:			
- Income support	23,011	24,799	(7.2)
- Interest income	12,502	8,799	42.1
- Dividend income	11,189	10,768	3.9
<b>Total income from one-third interest in ORQPL</b>	<b>46,702</b>	<b>44,366</b>	<b>5.3</b>
<b>Total income contribution</b>	<b>95,582</b>	<b>84,025</b>	<b>13.8</b>

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 on the review of performance.

**16. BREAKDOWN OF SALES**

	FY2009	FY2008	+/( -)
	\$'000	\$'000	%
(a) Property income reported for first half year	30,142	24,495	23.1
(b) Total return after tax for first half year	12,163	5,217	133.1
(c) Property income reported for second half year	32,669	28,151	16.0
(d) Total return after tax for second half year <sup>1</sup>	(58,082)	22,251	Nm

**Note:**

(1) The total return after tax for second half year FY2009 and FY2008 included fair value changes of the investment properties amounting to approximately (\$71.8) million and \$11.1 million respectively. Fair value changes are non-tax chargeable item and have no impact on the distributable income to Unitholders.

**17. INTERESTED PERSON TRANSACTIONS**

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)	
	FY2009 \$'000	FY2008 \$'000
Keppel Land Limited and its subsidiaries or associates ("KLL Group")		
- Manager's management fees	13,082	12,967
- Acquisition fee	1,063	-
- Property management fees and reimbursable	2,830	2,597
- Leasing commissions	671	1,116
- Rental and service charge income <sup>1</sup>	-	1,411
- Income support	23,011	24,799
Keppel Corporation Limited and its subsidiaries or associates (excluding KLL Group)		
- Deposits and interest income <sup>2</sup>	571,896	41,109
- Interest on revolving loan <sup>3</sup>	-	38,514
- Rental and service charge income <sup>1</sup>	239	-
RBC Dexia Trust Services Singapore Limited		
- Trustee's fees	309	344

**Notes:**

- (1) The aggregate value of interested person transactions refers to the total contract sum entered into during the respective financial periods.
- (2) Being part of Keppel Corporation Group, K-REIT Asia made use of its Group Treasurer to place deposits with Kepfinance Investment Pte Ltd ("KIPL") at market interest rates. As at 31 December 2009, approximately \$571.6 million was placed as deposits with KIPL at market interest rates ("Placements"). KIPL is a wholly-owned subsidiary of Keppel Corporation Limited (which is a controlling unitholder of K-REIT Asia), and is considered, for the purpose of the Placements, to be an interested person under the Listing Manual of Singapore Exchange Securities Trading Limited. The aggregate value of the interest income was less than 5% of the latest audited net tangible assets of K-REIT Asia as at 31 December 2008 ("2008 NTA") but the aggregate value of the Placements and the interest income exceeded 5% of 2008 NTA, resulting in an inadvertent breach of Rules 905(2) and 906(1) of the Listing Manual of Singapore Exchange Securities Trading Limited. Upon becoming aware of the matter, the Placements were deposited with external financial institutions at market interest rates on 15 January 2010.
- The Audit Committee of the Manager has reviewed the matter and is of the view that in depositing the Placements with KIPL prior to 15 January 2010, K-REIT Asia was no worse off financially than it would have been if it had deposited the Placements with external financial institutions, and is of the view that the matter has been resolved in an expeditious and satisfactory manner.
- (3) The aggregate value of interested person transactions refers to the total estimated interest payable on the revolving loan for the entire loan tenure.

**18. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION**

	FY2009 \$'000	FY2008 \$'000
1 January 2008 to 7 May 2008 (paid)	-	16,465
8 May 2008 to 30 June 2008 (paid)	-	9,027
1 July 2008 to 31 December 2008 (paid)	-	32,690
1 January 2009 to 30 June 2009 (paid)	33,098	-
1 July 2009 to 31 December 2009 (to be paid) <sup>1</sup>	37,421	-
	<u>70,519</u>	<u>58,182</u>

**Note:**

- (1) Please refer to paragraph 12(a) on page 19.

## QUARTERLY BREAKDOWN

### Property contribution by asset (\$'000)

	FY07	1Q08	2Q08	3Q08	4Q08	FY08	1Q09	2Q09	3Q09	4Q09	FY09
<u>Property</u>											
Prudential Tower Property <sup>1</sup>	<b>6,880</b>	2,062	2,753	2,870	2,790	<b>10,475</b>	2,686	3,103	3,126	4,514	<b>13,429</b>
Keppel Towers and GE Tower	<b>20,008</b>	5,955	6,259	6,492	6,960	<b>25,666</b>	7,196	7,337	7,528	7,445	<b>29,506</b>
Bugis Junction Towers	<b>13,181</b>	3,489	3,977	4,500	4,539	<b>16,505</b>	4,903	4,917	5,000	5,056	<b>19,876</b>
<b>Total property income</b>	<b>40,069</b>	11,506	12,989	13,862	14,289	<b>52,646</b>	14,785	15,357	15,654	17,015	<b>62,811</b>

### Income contribution by asset (\$'000)

	FY07	1Q08	2Q08	3Q08	4Q08	FY08	1Q09	2Q09	3Q09	4Q09	FY09
<u>Property</u>											
Prudential Tower Property <sup>1</sup>	<b>5,037</b>	1,832	1,795	2,099	2,544	<b>8,270</b>	1,982	2,638	2,584	3,809	<b>11,013</b>
Keppel Towers and GE Tower	<b>13,741</b>	4,678	4,847	4,018	5,399	<b>18,942</b>	5,247	5,601	5,739	5,490	<b>22,077</b>
Bugis Junction Towers	<b>9,484</b>	2,631	2,532	3,414	3,870	<b>12,447</b>	3,591	4,077	3,980	4,142	<b>15,790</b>
<b>Net property income</b>	<b>28,262</b>	9,141	9,174	9,531	11,813	<b>39,659</b>	10,820	12,316	12,303	13,441	<b>48,880</b>
One-third interest in ORQPL <sup>2</sup> :											
- Income support	<b>1,080</b>	6,145	6,099	6,233	6,322	<b>24,799</b>	6,151	6,188	5,177	5,495	<b>23,011</b>
- Interest income	<b>690</b>	2,845	1,880	1,710	2,364	<b>8,799</b>	1,892	4,345	3,214	3,051	<b>12,502</b>
- Dividend income	<b>1,000</b>	1,898	2,779	3,331	2,760	<b>10,768</b>	3,116	929	3,645	3,499	<b>11,189</b>
<b>Total income from one-third interest in ORQPL</b>	<b>2,770</b>	10,888	10,758	11,274	11,446	<b>44,366</b>	11,159	11,462	12,036	12,045	<b>46,702</b>
<b>Total income contribution</b>	<b>31,032</b>	20,029	19,932	20,805	23,259	<b>84,025</b>	21,979	23,778	24,339	25,486	<b>95,582</b>

#### Notes:

(1) The interest in Prudential Tower Property was increased from 44.4% to 73.4% on 2 November 2009.

(2) The acquisition of one-third interest in ORQPL was completed on 10 December 2007.

**By Order of the Board**  
**K-REIT Asia Management Limited**  
**(Company Registration Number: 200411357K)**  
**As Manager of K-REIT Asia**

CHOO CHIN TECK / JACQUELINE NG  
 Joint Company Secretaries  
 20 January 2010