<u>PRESS RELEASE</u>

K-REIT Asia Unaudited Results for the First Quarter Ended 31 March 2011

14 April 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 first quarter ended 31 March 2011.

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 Quarter 1 January 2011 to 31 March 2011

K-REIT Asia's Distributable Income Grew by 36.1% Year-on-Year

- ***Annualised 1Q2011 Distribution Per Unit (DPU) increased 34.7% to 7.26 cents.***
- ***Distributable income for 1Q2011 rose 36.1% year-on-year to $24.3 million on account of contributions from newly acquired assets – 50% interest in 275 George Street in Brisbane, the office tower at 77 King Street in Sydney, and the one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall (MBFC Phase One).***
- ***Net property income (NPI) increased 7.6% year-on-year to $$14.9 million as result of contributions from the two Australian assets, offset by the divestment of Keppel Towers & GE Tower.***
- ***Singapore property portfolio committed occupancy rose to 99.0% as at end-March 2011 from 98.7% as at end-December 2010, and is higher than Singapore core CBD occupancy of 94.4%[1].***

Summary of Results

($'000)	1Q 2011	1Q 2010	Change	% Change
Property Income	18,672	18,210	462	2.5
Net Property Income	14,939	13,888	1,051	7.6
Share of Results of Associated Companies	6,151	2,092	4,059	194.0
Distributable Income to Unitholders[2]	24,253	17,825	6,428	36.1
Distribution Per Unit (cents)	1.79	1.33	0.46	34.6
Annualised Distribution Per Unit (cents)	7.26	5.39	1.87	34.7
Distribution Yield	5.6%[3]	4.9%[4]	0.7%	14.3

[1] Source: CB Richard Ellis
[2] The distributable income to Unitholders is based on 100% of the income available for distribution to Unitholders.
[3] The yield is based on the market closing price per unit of $1.29 as at 31 March 2011.
[4] The yield is based on the market closing price per unit of $1.10 as at 31 March 2010.

Positive Financial Performance

K-REIT Asia achieved a 36.1% increase in distributable income to $24.3 million for the period 1 January 2011 to 31 January 2011 (1Q2011) compared with that for the same period last year. This was due mainly to net property income (NPI) which rose 7.6% to $14.9 million and share of results of associated companies which increased 194.0% to $6.1 million for 1Q2011.

The increase in NPI was supported by contributions from the 50% interest in 275 George Street and the office tower at 77 King Street, both in Australia, offset by the divestment of Keppel Towers & GE Tower (KTGE Towers). The Australian assets were acquired in March and December 2010, while KTGE Towers were divested in December 2010.

The significant increase in share of results of associated companies was due to the acquisition of a one-third interest in BFC Development Pte Ltd, the holding company for MBFC Phase One, which was acquired on 15 December 2010.

The DPU for 1Q2011 grew 34.6% year-on-year and 4.7% quarter-on-quarter to 1.79 cents, or 7.26 cents on an annualised basis.

Strategic Acquisition

On 21 March 2011, K-REIT Asia announced the proposed acquisition of four contiguous strata office floors in Prudential Tower. The 19.4% interest of the strata area will increase K-REIT Asia's interest to 92.8% and provide the Manager greater flexibility in managing Prudential Tower. The acquisition which is scheduled for completion in May 2011, is expected to be immediately income accretive to Unitholders.

Consistent Portfolio Operations

K-REIT Asia's assets in Singapore account for 90% of its total asset under management. Of these, more than 90% is located in the Marina Bay and Raffles Place downtown precincts. As at end-March 2011, its Singapore portfolio was close to full occupancy at 99.0%. On a total portfolio basis, the average occupancy rate including its Australian assets, stood at 96.9% as at end-March 2011.

K-REIT Asia continued to maintain a well-balanced lease renewal and rent review profile with no more than 14.3% of the portfolio by net lettable area (NLA) expiring within a year from 2011 to 2015. The weighted average lease term to expiry for the portfolio and top ten tenants stood at 8.7 years and 7.4 years respectively as at end-March 2011. Long lease terms extending five years or more accounted for 61% of the portfolio by NLA.

Prudent Capital Position

K-REIT Asia's gearing as at end-March 2011 increased marginally to 37.4%, from 37.0% as at end-2010. The increase was due to additional borrowings taken to fund the down-payment for the acquisition of the additional 19.4% strata interest in Prudential Tower. The borrowings carried an average all-in interest rate of 2.74% for 1Q2011.

The Manager maintains a prudent approach towards capital management so as to mitigate refinancing risks and strengthen K-REIT Asia's capital position. As at end-March 2011, K-REIT Asia's debt expiry profile is well-staggered with a debt weighted average term to maturity of 3.9 years. 81.0% of K-REIT Asia's property portfolio remains unencumbered.

Office Rentals Continue to Trend Up

The Singapore economy continued to expand in 2011 albeit at a slower pace after achieving double-digit growth in 2010. According to advance estimates by the Ministry of Trade and Industry, Singapore's GDP grew 8.5% during the quarter on a year-on-year-basis, compared with 12.0% in 4Q2010. The growth was supported by the manufacturing, construction and service industries which grew 13.9%, 2.6% and 7.2% year-on-year respectively.

The moderated growth is in line with the government's expectation of a sustainable GDP growth of between 3% and 5% over the next three years. The economic growth and demand for real estate in Singapore will be further reinforced by the government's efforts to establish Singapore as a location-of-choice for businesses serving Asian growth markets, as well as the intention to enlarge the resident population over the medium- to long-term.

Office rentals continued to trend up in 1Q2011 as rentals for Grade A and prime office space climbed 4.0% and 3.6% quarter-on-quarter to $10.30 psf pm and $8.60 psf pm respectively, according to CB Richard Ellis. Demand for the newer and better specified buildings has been strong, especially at developments which have large floor plates in excess of 20,000 sf and better infrastructure that serve the needs of financial institutions and companies offering advisory services such as law firms.

Occupancy in the core central business district remained stable at 94.4%, down marginally from 95.3% in 4Q2010. This is due mainly to the sizeable amounts of space coming on line from the new developments such as Marina Bay Financial Centre, Ocean Financial Centre, OUE Bayfront and Asia Square which have recently received temporary occupation permits. The slight decline in overall occupancy is expected to be short lived as the majority of new office supply made available in 2011 has been pre-committed. Thereafter, supply is expected to tighten as occupancy at new buildings improve and old buildings are taken off the market for redevelopment. Capital values are also expected to remain strong as a result of these redevelopments and positive market sentiments.

Looking forward, K-REIT Asia will focus on retaining its existing tenants, attracting new tenants, and managing leases due for renewal in 2011. The Manager will continue to optimise the performance of its assets, improve operational efficiencies and manage capital in a prudent manner so as to deliver stable and growing returns to its Unitholders. The Manager will also continue to 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 its shareholders.

K-REIT Asia aims to generate steady and sustainable returns for its Unitholders by investing in quality income-producing commercial properties and real estate-related assets in Singapore and key cities pan-Asia.

As at 31 March 2011, K-REIT Asia has an asset size of approximately $3.5 billion, comprising six quality commercial properties, namely 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, Brisbane (50% interest) and the office tower at 77 King Street, Sydney, both in Australia.

On 21 March 2011, K-REIT Asia announced the proposed acquisition of four levels of strata office at Prudential Tower. The income accretive acquisition of the additional 19.4% interest in Prudential Tower will bring K-REIT Asia's interest in Prudential Tower to 92.8%. The acquisition is in line with K-REIT Asia's strategy to continuously optimise and grow its property portfolio and is expected to be completed in May 2011.

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