PRESS RELEASE

K-REIT Asia Unaudited Results for the Full Year Ended 31 December 2011

17 January 2012

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 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 Distributable Income Grew 31.9% Year-on-Year

- ***Distributable income for the year ended 31 December 2011 ("FY2011") rose by 31.9% year-on-year to approximately $113 million due mainly to an increase in the share of results from BFC Development Pte Ltd ("BFCDPL") and One Raffles Quay Pte Ltd ("ORQPL"), as well as higher interest income.***
- ***Distribution Per Unit ("DPU") was 7.08 cents, 11.1% higher than the DPU for the year ended 31 December 2010 ("FY2010").***
- ***The income-accretive acquisition of an approximate 87.5% interest in Ocean Financial Centre was completed on 14 December 2011.***
- ***Committed occupancy of the Singapore Portfolio stood at 93.9%, higher than Singapore Core Central Business District ("CBD") occupancy of 91.2% as at 31 December 2011.***

Summary of Results

($'000)	FY 2011	FY 2010	% Change	4Q 2011	4Q 2010	% Change
Property Income	77,968	84,559	(7.8)	22,620	21,360	5.9
Net Property Income	61,654	67,305	(8.4)	17,755	17,505	1.4
Share of Results of Associates	37,393	9,695	285.7	11,978	3,283	264.8
Distributable Income to Unitholders[1]	112,965	85,631	31.9	35,729	23,155	54.3
Distribution Per Unit (cents)	7.08	6.37	11.1	5.55[2]	6.78[2]	(18.1)
Distribution Yield (%)	8.5[3]	4.5[4]	88.9	6.7[3]	4.8[4]	39.6

[1] The distribution to Unitholders for 4Q 2011 is based on 100% of the income available for distribution.
[2] Quarterly DPU annualised.
[3] Based on the market closing price of $0.83 per unit as at 30 December 2011.
[4] Based on the market closing price of $1.41 per unit as at 31 December 2010.

Distributable Income Growth

K-REIT Asia's distributable income increased by 31.9% year-on-year ("y-o-y") to approximately $113.0 million for FY2011 as a result of higher share of profits from BFCDPL and ORQPL, which own Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, and One Raffles Quay respectively, as well as higher interest income. The share of profits from ORQPL and BFCDPL grew by 285.7% to approximately $37.4 million while interest income increased by 91.2% to $23.0 million.

Net property income ("NPI") declined 8.4% from $67.3 million for FY2010 to $61.7 million for FY2011 due mainly to the divestment of Keppel Towers and GE Tower in December 2010 which was offset by the NPI contributions from acquisition of properties in 2010 and 2011. In 2010, K-REIT Asia acquired a 50% interest in 275 George Street in Brisbane and the office tower at 77 King Street in Sydney in March and December respectively. This was followed by the acquisition of the four additional levels of strata office at Prudential Tower and an approximate 87.5% interest in Ocean Financial Centre in May 2011 and December 2011 respectively.

The DPU for FY2011 stood at 7.08 cents. This is 11.1% higher than the DPU of 6.37 cents achieved in FY2010 and 6.0% higher than the 6.68 cents DPU forecast published in the Circular to Unitholders on 8 November 2010. K-REIT Asia will distribute to its unitholders a DPU of 2.45 cents for 2H2011 on 24 February 2012.

Acquisition of an Approximate 87.5% Interest in Ocean Financial Centre

K-REIT Asia successfully completed the acquisition of an approximate 87.5% interest in Ocean Financial Centre on 14 December 2011. Completed in April 2011, Ocean Financial Centre is a landmark 43-storey office tower located in the heart of Singapore's CBD. The premium Grade A office building which boasts large floor plates and environmentally sustainable features will significantly enhance K-REIT Asia's property fundamentals. Since completion of the acquisition, the Manager has successfully leased out an additional 5.0% of the building's net lettable area ("NLA") and raised the occupancy to nearly 85%.

Stable Portfolio Operations

As at 31 December 2011, K-REIT Asia's portfolio occupancy remained healthy at approximately 94.1%. The Singapore portfolio occupancy was 93.9% compared with the core CBD occupancy rate of 91.2%. Approximately 57,600 sf or 2.2% of K-REIT Asia's total portfolio NLA will be due for rent review and renewal in 2012. The weighted average lease term to expiry ("WALE") for the portfolio and the top ten tenants stood at 6.7 years and 8.2 years respectively.

On 16 December 2011, K-REIT Asia signed on the first anchor tenant, Corrs Chambers Westgarth for 8 Chifley Square in Sydney, Australia. The leading Australian law firm pre-leased approximately 87,000 sf or 40% of the building's NLA, ahead of its completion in the third quarter of 2013. Given the building's prime location and premium quality, the Manager anticipates continued healthy demand for the remaining space as 8 Chifley Square.

Prudent Capital Management

K-REIT Asia had an aggregate leverage level of 41.6% based on its borrowings of approximately $2.5 billion as at end-2011. The borrowings are diversified across 12 lenders and carried an all-in average interest rate of 2.35% for 4Q 2011. The Manager plans to refinance $535 million which is due at the end of 2012 and extend the debt weighted average term to maturity from 3.1 years as at end-2011 to 4.0 years.

Singapore Office Market

According to the Ministry of Trade and Industry, the Singapore economy grew 4.8% in 2011, in line with its earlier estimates of around 5.0%. In 4Q 2011, the economy expanded 3.6% y-o-y. Growth in the fourth quarter was driven mainly by the manufacturing and services sectors which grew 6.5% and 3.2% respectively.

According to CB Richard Ellis ("CBRE"), the average monthly rental for Grade A office spaces remained consistent at $11.00 psf in 4Q 2011 while average office occupancy dipped slightly to 91.2% in 4Q 2011. Looking ahead, CBRE anticipates office occupancy to come under pressure given the 1.4 million sf of new supply which will be completed in 2012.

Nonetheless, real estate consultants are optimistic that net office demand will remain positive in 2012 due to the influx of businesses setting up shop in Singapore. These are mainly from business sectors such as energy and natural resources, as well as those providing legal services.

Australian Office Market

The Reserve Bank of Australia ("RBA") estimates Australia's GDP growth at 2.75% in 2011 and forecasts GDP growth of between 3.0% and 3.5% in 2012. Against the uncertain debt conditions in Europe and Australia's rising inflation, the RBA reduced interest rate to 4.25% in the second half of 2011.

According to the Property Council of Australia, employment growth in the mining and government sectors will likely drive net positive absorption of office space and increase occupancy rates in Brisbane's CBD. However, growth in occupancy rates and rentals in Brisbane will be tempered by new supply of office space coming on line in 2012. CBRE reported that the average gross rents for prime office space increased slightly to A$755psm p.a. in 4Q 2011.

In Sydney, the average gross rent for prime office space rose stood at A$790 psm p.a. CBRE estimates that the average occupancy for prime office will be stable at around 90.7%. However, with almost no new supply of prime office spaces over the next 18 months, occupancy is expected to improve given the sustained growth in white-collared employment.

Looking Ahead

K-REIT Asia's healthy portfolio occupancy, well-staggered lease profile as well as prudent capital management put it in a good stead to weather the economic uncertainties in the year ahead. Its long portfolio WALE of 6.7 years and limited 2.2% of NLA due for rent review and renewal will mitigate K-REIT Asia's down side risks in a potential market downtrend in 2012.

Looking ahead, the Manager will focus on attracting new tenants, retaining its existing tenants, and managing K-REIT Asia's lease profile while improving operational and capital efficiencies within its existing portfolio. It will continue to exercise prudent interest rate and foreign exchange hedging policies so as to manage financial risks. The Manager will also selectively pursue opportunities for strategic acquisitions so as to deliver long term growth 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 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 December 2011, K-REIT Asia has an asset size of approximately $6.0 billion comprising eight quality commercial properties. In Singapore, K-REIT Asia owns Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, an approximate 87.5% interest in Ocean Financial Centre, a one-third interest in One Raffles Quay and 92.8% of the strata area in Prudential Tower.

In Australia, K-REIT Asia owns a 50% interest in 275 George Street in Brisbane, and the office tower at 77 King Street and a 50% interest in 8 Chifley Square, both in Sydney.

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

Important Notice