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NEWS RELEASE

CapitaLand sets up first integrated development private equity fund in China

Raffles City China Fund closes at US\$1 billion, its largest to date

Fund to invest in Raffles City developments in China

Singapore, 16 July 2008 – CapitaLand is pleased to announce the establishment of its first integrated development private equity fund in China, namely, the Raffles City China Fund (“RCCF”). The fund was successfully closed at US\$1 billion (about S\$1.4 billion), making it to date the largest fund originated and managed by CapitaLand. RCCF’s principal investment objective is to invest in prime mixed-use commercial properties in key gateway cities in China. Its seed assets are CapitaLand’s four Raffles City-branded integrated developments in China, namely, Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu and Raffles City Hangzhou.

CapitaLand has subscribed for a 50% sponsor stake in the RCCF while the remaining interests were taken up by leading financial institutions and pension funds from Asia, Europe and North America.

The fund intends to acquire CapitaLand’s effective 55.9% stake in the completed Raffles City Shanghai and 100% of the other three Raffles City projects under development in Beijing, Chengdu and Hangzhou. Currently, the assets are valued at a total of about US\$2 billion (about S\$2.7 billion) comprising CapitaLand’s stake in Raffles City Shanghai and the three Raffles City projects on a completed basis. With the successful acquisition of these four assets, the funds raised will be substantially invested.

The RCCF has the option of a final closing by end December 2008, which could potentially increase the fund size to US\$1.3 billion (about S\$1.8 billion). In the event that there is strong investor demand for the option, CapitaLand may reduce its stake in the fund to 45%. The

increase in fund size will enable CapitaLand to seek new and attractive Raffles City-branded investment opportunities in other key gateway cities of China.

Raffles City Shanghai, CapitaLand's first landmark Raffles City development in China, was completed in 2003. The Grade A office building houses leading international and Chinese firms while the mall is a popular shopping destination with leading Singapore, Asian and international retail brands. Raffles City Shanghai is a showcase of CapitaLand's asset and property management skillsets and a successful replication of its Raffles City concept overseas. The brand concept comprises an integration of retail, residential, office or hospitality components. The remaining three Raffles City developments are under various stages of development and will be completed between 2009 and 2012.

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said, "The Raffles City China Fund realises the value and potential of our signature Raffles City developments, a brand originated in Singapore in 1986. We have nurtured and exported the brand to gateway cities in China and the GCC region. The strong investor response to the fund is an endorsement of our expertise and delivery track record in the entire real estate value chain, from development to property management and financial services, across different property types. The successful close of the fund is a boost for our expansion plans for Raffles City to achieve the eventual goal of 10 such iconic developments globally."

Mr Lim Ming Yan, CEO of CapitaLand China Holdings Group and CapitaLand Financial Limited (China Development), said, "Raffles City projects are large scale integrated developments which add to the economic growth of cities where they are located. We are pleased to be able to contribute our experience in developing and managing across the various property types to create vibrant hubs for people in the city. As China's urbanisation gathers pace and its middle class grows in tandem with the improving economy, demand for integrated developments will rise. We will continue to develop unique real estate products to cater to an increasingly sophisticated consumer market and establish new real estate funds for investors who share our confidence in China's growth."

The RCCF is CapitaLand's eighth real estate private equity fund in China following the establishment of its first RMB-denominated real estate private equity fund in June 2008 together with CITIC Trust, namely the CITIC CapitaLand Business Park Fund. Currently, CapitaLand has

total assets under management (“AUM”) of over S\$19 billion from its five REITs and 15 private funds. This excludes RCCF which is in the process of acquiring its seed assets following the close of the fund.

Besides originating and investing in the RCCF, CapitaLand will undertake the role of fund manager through its indirect wholly-owned subsidiary, RCCF Management Pte Ltd, and manage the properties owned by the fund.

Raffles City Shanghai

Raffles City Shanghai comprises a 45-storey Grade A office tower (GFA: 91,622 square metres) and a seven-storey retail podium (GFA: 42,194 square metres). When the retail podium opened its doors on 1 November 2003, it was almost fully tenanted when it brought well-known brands from Singapore and other parts of Southeast Asia to the Shanghai consumers, in addition to the popular local brands. The office tower is home to many well-known global companies like Google Information Technology, Asia Pacific Lines and Agilent Technologies.

Located in the heart of the city and within the core area of People’s Square, which is a prime business and administrative area, Raffles City Shanghai is also adjacent to the Shanghai Municipal Government Office, Shanghai Museum, Shanghai Grand Theatre and Shanghai City Urban Planning Centre. It enjoys direct access to the Metro interchange station for Shanghai Metro lines L1, L2 and M8. In addition, it is two subway stations away from the Pudong financial district. Raffles City Shanghai is also well connected to the city road network and the Yan’an Overhead Expressway.

Raffles City Shanghai is designed by the P&T Group, formerly known as Palmer and Turner Hong Kong, one of the largest international architectural engineering practices in South East Asia.

Raffles City Beijing

Raffles City Beijing will comprise a Grade A office tower (GFA: approximately 39,128 square metres), a retail mall (GFA: approximately 29,831 square metres) and serviced residences. It is slated for completion in 2009.

Raffles City Beijing is located near the Forbidden City and within the inner East Second Ring Road, in an area in Dongzhimen that has been zoned to be Beijing's largest transportation hub. The area boasts a rich heritage and is also slated for the headquarters of many state-owned enterprises. The transportation hub at Dongzhimen, scheduled for completion before Beijing Olympics this year, will be the interchange station for buses and Metro Line 2 and Line 13. The hub will also be linked to the light railway that connects to the Beijing International Airport. Raffles City Beijing will have direct access to the interchange station via its basement. With the upcoming transportation hub and other prime office developments, the Dongzhimen area has the potential of becoming the next CBD in Beijing.

The development is designed by internationally acclaimed architect, Stephen Pimbley, from Alsop Architects.

Raffles City Chengdu

Raffles City Chengdu will comprise two Grade A office towers (GFA: approximately 72,672 square metres), a retail podium (GFA: approximately 38,180 square metres), a five-star hotel and serviced residences. It is targeted for completion in 2011.

Raffles City Chengdu is situated adjacent to the First Ring Road and South Renmin Road, along the established shopping belt within the business district, in the vicinity of several foreign consulates, high end residential developments and entertainment clusters. An underpass will link Raffles City Chengdu to the Chengdu Sports Stadium station, which is the interchange station for the proposed Metro Line 1 and Line 3. The Chengdu Shuanliu International Airport is a convenient 30-minute drive away.

The development is designed by internationally renowned architect, Steven Holl.

Raffles City Hangzhou

Raffles City Hangzhou will offer a Grade A office tower (GFA: approximately 90,568 square metres), a retail podium (GFA: approximately 100,000 square metres), a five-star hotel and serviced residences. It is slated to be completed in 2012.

Raffles City Hangzhou is located within the central development area of Qianjiang New City, which is the planned new CBD in Hangzhou city. It is also sited next to the future Civic Centre,

where Hangzhou's Municipal Government, Hangzhou Grand Theatre and a convention centre will be located. The development will meet the growing demand for quality office space in Hangzhou, particularly from multinational companies and financial institutions seeking to expand their operations in China.

Raffles City Hangzhou is connected to the future Metro Line M1 via an underground passageway to the future City Hall Metro Station, which will be the main station in the new CBD. Linked by Metro Line M1, it will be two stations away from Line M2 which connects to other parts of Hangzhou.

The development is designed by UNStudio, an international architectural practice based in Amsterdam.

About Raffles City integrated developments

CapitaLand's 'Raffles City'-branded integrated developments are designed to be urban icons within business or cultural districts in global gateway cities. The 'Raffles' name is synonymous to Singapore and the descriptor 'City' connotes the central location and integrated nature of these developments. Each of the Raffles City developments varies in composition, but they are consistent in offering quality in both design and facilities. Designed by internationally acclaimed architects, the 'Raffles City' brand has garnered international recognition as a mark of excellence.

The first Raffles City was officially opened in Singapore in 1986. Currently, CapitaLand has four other Raffles City developments across China and one in Bahrain. Raffles City Bahrain is owned by the Shari'ah-compliant Raffles City Bahrain Fund. CapitaLand aims to grow the number of Raffles City developments to 10 or more, in gateway cities in Asia, the GCC region and Russia.

About CapitaLand Group (www.capitaland.com)

CapitaLand is the largest real estate company in Southeast Asia by market capitalisation. Headquartered in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific, Europe and the Gulf Co-operation Council (GCC) countries.

The company's real estate and hospitality portfolio spans more than 110 cities in over 20 countries. CapitaLand also leverages on its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include Australand, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and CapitaRetail China Trust.

CapitaLand currently has over S\$19 billion of assets under management comprising 15 private equity funds and five listed Real Estate Investment Trust (REITs) todate with residential, retail, office, serviced residences and integrated properties spanning 11 countries in key cities in Asia, Europe and the GCC countries.

In China, CapitaLand had set up seven other private equity funds earlier, namely CapitaLand China Residential Fund, CapitaLand China Development Fund, CapitaRetail China Development Fund, CapitaRetail China Development Fund II, CapitaRetail China Incubator Fund, Ascott China Fund and CITIC CapitaLand Business Park Fund.

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