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NEWS RELEASE

CapitaLand invests in largest private rental apartment project in Japan's Fukuoka city

Project will form part of Fukuoka's Island City Integrated Development

Will be offered to CapitaLand's Shari'ah-compliant property vehicle upon completion

Singapore, 17 October 2005 – CapitaLand Limited's indirect subsidiary, CapitaLand Japan Kabushiki Kaisha ("CapitaLand Japan") will enter into a forward commitment to purchase a 380-unit rental apartment block in Japan for about JPY 8 billion (S$118 million), upon completion of construction in 2008. Located on the man-made *Island City* in the eastern part of Fukuoka's Hakata Bay, it is expected to be the largest private rental apartment project in the city. The rental apartment sector in Japan, underpinned by strong demand from the local population, is poised for continued growth.

The 16-storey rental apartment block, with a net floor area of 35,000 square metres, forms part of an integrated development proposal which was selected by the Fukuoka Municipal Land Disposition Committee. The integrated development project, to be built on a 58,300 square metre site, will also include condominiums, offices and amenities. A Shari'ah compliant property vehicle established by CapitaLand and Arcapita Bank B.S.C.(c)., will be given the first right to acquire the rental apartments upon completion.

The proposal for the integrated development was submitted by a consortium comprising the CNA Group, residential developer Shinei Jutaku Inc. and shipping firm HAKUYO Shipping Co., Ltd. The CNA Group consists of CapitaLand Japan, NL Urban Solution Limited and Atago Corporation. NL Urban Solution Limited (an affiliate of ORIX Corporation and Nippon Steel Corporation) will develop the apartment project, while Atago Corporation (a subsidiary of Hitachi Ltd) will lease the entire apartment block under a long-term master lease agreement.

Jason Chew, Senior Vice President and Country Head, CapitaLand Japan, said: “The Island City is an exciting project. CapitaLand is pleased to be part of the consortium and honoured to work with our Japanese partners to contribute to making Fukuoka an even more successful port and business hub. The project presents CapitaLand and Arcapita Bank, which currently jointly owns five completed rental apartment properties through a Shari’ah-compliant property vehicle, an additional potential opportunity to accelerate their portfolio growth in Japan. We will continue to leverage on our extensive network of investors to bring international capital into the Japan market.”

About Island City

The Island City is an artificial island constructed on the eastern part of Hakata Bay in Fukuoka. This is a milestone project undertaken by the Japan National Government, the Fukuoka Municipal Government and the Hakata Port Development Co., Ltd, a semi-government enterprise. Approximately 53 percent (214.3ha) of land reclamation out of a total area of 401.3ha has been completed to date.

Plans are underway to enhance container berth functions at the Port of Hakata, and to develop the Island City as a business hub for Asian countries in the health, medical care, welfare, information technology and robotics sectors. Among plans for the island is an attractive residential area which can house 18,000 people amid an environmentally-friendly and lush surrounding of green parks designed by world-renowned Japanese architect Toyo Ito.

For more information, please visit
http://www.island-city.net/english/english_index.html

About CapitaLand Group

CapitaLand is one of the largest property companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality and real estate financial services are focused in gateway cities in Asia, Australia and Europe.

The company's property and hospitality portfolio spans 70 cities in 17 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop fee-based products and services in Singapore and the region. The listed subsidiaries and associates of CapitaLand include The Ascott Group, Raffles Holdings, CapitaMall Trust, CapitaCommercial Trust and Australand, which is listed both in Singapore and Australia.

About Arcapita Bank B.S.C. (c)

Arcapita Bank B.S.C.(c) is headquartered in Bahrain and operates under an investment banking license granted by the Bahrain Monetary Agency. It also has offices in London and Atlanta and its three principal lines of business are corporate investment, real estate investment and asset-based investment. To date, the Bank has completed 43 transactions with a total value exceeding US$8.7 billion and has an equity capital base in excess of US$300 million. Arcapita's mission is to provide innovative and distinctive Shari'ah compliant investment opportunities that generate superior risk-adjusted returns.

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