News Release

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For Immediate Release

CapitaLand launches first Malaysia Commercial Development Fund with development value of US$1 billion (S$1.5 billion)

One Mont' Kiara as seed asset with two more projects in the pipeline

Singapore, 13 December 2006 – CapitaLand, together with the Maybank Group (through its investment banking arm, Aseambankers Malaysia Berhad (ASEAMBANKERS)) have launched a Malaysia Commercial Development Fund (MCDF), a closed end private equity investment fund with a target fund size of US$250 million (S$383 million). With this, MCDF will be CapitaLand's first and one of the largest funds in Malaysia with expected gross development value of US$1 billion (S$1.5 billion).

MCDF will be an opportunistic real estate fund investing in real estate development properties in Kuala Lumpur and the Klang Valley. It will seek to maximise total returns on capital by acquiring, developing, redeveloping and realising profits in commercial and integrated developments. MCDF is expected to close by first quarter 2007.

Mr Liew Mun Leong, President and CEO of CapitaLand Group said, "With the setting up of MCDF, the first commercial development fund in Malaysia, the CapitaLand Group will extend its international expertise in the real estate value chain and expand its integrated real estate and capital management business to Malaysia. It has successfully executed this strategy in other countries such as China. In Malaysia, we are pleased to partner with the Maybank Group, the largest and most established bank in Malaysia, and together, we will leverage on the skills and resources of several experienced real estate developers to tap into the tremendous growth potential in the Malaysian real estate market.

Mr Liew added, “We are also bringing this opportunity to international and domestic investors who share our confidence in Malaysia. With this set up and the recent launch of Quill Capita Trust (QCT), the real estate investment trust which invests in completed yield-focused product, QCT will grow its assets significantly as it has access to a pipeline of completed properties developed by MCDF.”

MCDF’s seed investment is One Mont’ Kiara, a mixed development comprising two office towers, a retail podium and car parks, on a site area of approximately 151,000 sq ft at an estimated project cost of RM360 million (S$156 million). Located in the heart of Klang Valley and within a 15-minute drive to either Petaling Jaya or downtown Kuala Lumpur, One Mont’ Kiara is an established upper middle class residential area with a developed expatriate community. Works on the mixed development is expected to commence in the first quarter of 2007 and completed by third quarter of 2010.

Separately, CapitaLand’s wholly-owned subsidiary, CapitaLand Commercial and Integrated Development Limited is going to sign certain agreements to acquire two development projects which will form as potential acquisition pipeline for injection into MCDF.

Malaysia – An attractive market opportunity

The Malaysian real estate market is undergoing a stage of rapid growth underpinned by healthy economic performance frequently boosted by the provisions in the 5-year Malaysian Plans. Based on the 9th Malaysian Plan, Federal Territory, which comprises Kuala Lumpur, Putrajaya and Labuan, received the highest development allocations of RM31 billion (S$13.5 billion). Kuala Lumpur being the focal point of the services sector in Malaysia is expected to benefit from the development plans intended to enhance the services sector. The development of Phase 2 of the Multimedia Super Corridor, Kuala Lumpur as Malaysia’s financial hub and strengthening Malaysia’s position as a global Islamic financial hub all serve to highlight the many opportunities that could arise in the real estate sector.

About CapitaLand Group (www.capitaland.com)

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

The company's real estate and hospitality portfolio spans more than 80 cities in 20 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include The Ascott Group, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust, CapitaRetail China Trust and Australand, which is listed both in Singapore and Australia.

In Malaysia, CapitaLand has a 30% stake in Menara Citibank, a prime 50-storey office tower in Kuala Lumpur's Golden Triangle, and a joint venture with Quill Group where CapitaLand has taken a 40% stake to develop a plot of land in KL Sentral into a premier office building. Also, CapitaLand has a 40% stake in Quill Capita Management Sdn Bhd, the manager of Quill Capita Trust (QCT), a real estate investment trust (REIT), which launched its Initial Public Offering on 11 December 2006. QCT is CapitaLand's first REIT proposed to be listed outside Singapore, on the Main Board of the Bursa Malaysia Securities Berhad.

About ASEAMBANKERS (www.aseam.com.my)

ASEAMBANKERS is the investment banking arm of Maybank Group, and one of the leading investment banks in Malaysia. Among its many accolades include Euromoney Award For Excellence as the Best Mergers & Acquisition House in Malaysia in 2006, the Sheikh Mohammed Bin Rashid Al Maktoum Islamic Finance Award for Regional Continuing Contribution to Islamic Finance – Research & Development (Asia) in 2005, several RAM League Awards in 2006 for being among the top three banks with the best deal and issue value in Malaysia and the Deal Of The Year awarded by The Banker in 2005 in respect of the issue of RM1.0 billion of Islamic Subordinated Bonds.

ASEAMBANKERS will act as the Principal Advisor to the fund manager, providing advisory services on Malaysian capital market and funding issues.

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