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NEWS RELEASE

CapitaLand acquires first residential site in Hangzhou

Singapore, 17 May 2006 – In a recent government land tender, CapitaLand Group, through its subsidiaries Gainzillion Pte. Ltd and CapitaLand (China) Investment Co., Ltd, secured a prime 59,622-square metre residential site in Hangzhou's Gongshu District for RMB562.01 million (S$112.4 million). This works out to about RMB4,353 (S$871) per square metre per plot ratio. Hangzhou, a vibrant commercial centre and the provincial capital of Zhejiang Province, is renowned for its scenic West Lake and the cultural heritages of Jinghang Grand Canal.

The site consists of two plots with an approved potential gross floor area of 129,084 square metres. CapitaLand plans to build approximately 1,200 apartments on the site, with the launch of the first phase expected in 2007 and the completion of the development by 2009. It is targeted at the mid to high-mid segment of the market. As the site is adjacent to the historic Jinghang Grand Canal, residents will enjoy scenic waterfront views.

Mr Liew Mun Leong, President & CEO of CapitaLand Group, said: "CapitaLand has strategically expanded its operational focus in the key gateway cities of Beijing and Shanghai to include other cities such as Guangzhou, Ningbo and now Hangzhou. We will look for further opportunities to expand our footprint into the second-tier cities where there are strong homebuyer demand supported by urbanisation and rising income levels. CapitaLand's multi-sector presence in China augurs well for the Group. We see significant benefits from the genuine demand for quality homes, rising consumerism in the retail sector, growing demand for prime office space, increasing business travel that favours our hospitality operations in the Chinese cities, and also from the divestment of mature assets."

Mr Lim Ming Yan, CEO of CapitaLand China, said: "Hangzhou, one of the most vibrant commercial centers in the Yangtze River Delta region, achieved double-digit GDP growth over the past 15 years. Last year, its GDP totalled RMB291.9 billion. This translates to an annual growth rate of 12.5%, the second highest among the major Chinese cities for the third year running. With the completion of the Shanghai-Hangzhou maglev train in 2008, Hangzhou will only be 30 minutes away from Shanghai. This will enhance the growth of Hangzhou and underpin the demand for quality housing. We target to launch the first phase of the apartments in the second half of 2007."

The site is easily accessible from the city center, and it is just 4 km from the central business district and 6 km from the famous West Lake. It is bordered by Xiao He Road (under construction) and Deng Yun Road. Deng Yun Road is the main connection to the city center and the city ring expressway via the Shangtang elevated road. The site is also a convenient 10 minutes' walk from the planned Metro line 3 and 5.

The site is located near amenities and other facilities, including a sports park with a football field, swimming pool and tennis center. There are several hyper-marts nearby, and schools in the vicinity include the City College of Zhejiang University, Shuren University, Zhejiang University of Technology, Changzheng Middle School and a number of primary schools and kindergartens.

About Gongshu District

Gongshu District spans across 88 sq km, and comprises four towns and 18 counties. It has a registered population of around 300,000. Development of the tertiary sector, especially the automobile industry, is picking up pace. Multinational corporations which have set up operations in the district include UPS, Toyota and BP. The district has also become the preferred living and trading center of Hangzhou, especially for the local residents and urban migrants.

About Hangzhou

Hangzhou achieved per capita GDP of RMB 44,487 (S$8,897) in 2005, an increase of 11% increase compared to 2004. It was ranked amongst the top ten cities in terms of "City Development Capability" in the "2002-2003 Chinese City Development Report" conducted by the Chinese Mayors Committee, and it is also one of the "Best Mainland Business Cities" by Forbes.

Hangzhou is a two-hour drive from Shanghai. In March 2006, plans for the high-speed maglev train to ply between Shanghai and Hangzhou were approved. When completed in 2008, the travelling time between the two cities will be reduced significantly to 30 minutes.

About CapitaLand Group (www.capitaland.com)

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 18 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, Ascott Residence Trust and Australand, which is listed both in Singapore and Australia.

About CapitaLand's China presence

Since 1994, CapitaLand has been a developer of premier homes and quality commercial properties in China, with total project development expenditures of RMB 30 billion (S$6 billion). CapitaLand China became a "Wholly Foreign-Owned Enterprise" investment company in 2002.

In Beijing and Shanghai, CapitaLand is one of the top builders of homes and a developer of landmark commercial properties. The company has also expanded its footprint to Guangzhou and Ningbo. CapitaLand is also one of the leading developers and managers of malls in China with a portfolio of over US$1 billion (S$1.7 billion) of assets anchored by Wal-Mart and Beijing Hualian. Through its subsidiary, The Ascott Group, CapitaLand is the largest international serviced residence operator in the country.

CapitaLand's first China residential fund, CapitaLand China Residential Fund, formed with the support of corporate investors, is a US$61 million (S$103 million) private equity fund. The fund has been invested fully in mid- to high-end residential properties in Shanghai, Beijing and Guangzhou. In October 2005, CapitaLand closed another private equity fund, the CapitaLand China Development Fund. A total of US$400 million (S$678 million) was raised for the real estate development fund for investments in China.

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