News Release

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For Immediate Release

ARC-CapitaLand Residences Japan to acquire three new residential properties from SAMTY Co.

CapitaLand and Arcapita's joint investment target in Japan to increase to JPY 50 billion (S$672 million)

Singapore, 4 September 2006 - ARC-CapitaLand Residences Japan, a Shari'ah compliant property vehicle jointly owned by CapitaLand and affiliates of Bahrain-based Arcapita Bank B.S.C.(c), ("Arcapita") which invests in rental apartment buildings in the key cities of Japan, is acquiring three new properties worth about JPY3.8 billion (S$51 million) from SAMTY Co., Ltd ("SAMTY"). The three properties are located in Central Osaka (2) and Nishinomiya (1) in Kansai, Japan.

These acquisitions follow an earlier agreement between CapitaLand's indirect wholly-owned subsidiary, CapitaLand Japan Kabushiki Kaisha ("CapitaLand Japan"), and SAMTY for SAMTY to provide CapitaLand Japan access to a pipeline of rental apartments in three major cities in the Kansai region, namely Osaka, Kobe and Kyoto. SAMTY is an established residential developer in the Kansai region.

The three newly-acquired rental apartment properties are: S-Residence Gakuenzaka (58 units) and S-Residence Namba Viale (116 units) in the Naniwa-Ward in Central Osaka; and S-Residence Shukugawa (33 units) in the high class residential district of Shukugawa in Nishinomiya, a city located between Osaka and Kobe, the two biggest cities in the Kansai region. All three properties are almost fully occupied, and are situated near subway or railway stations, which are within 15 minute-train rides to the central business district of Osaka.

In addition, CapitaLand Japan and SAMTY have signed a Memorandum of Understanding ("MOU") for further cooperation and collaboration such as joint investment, development and acquisition of properties in the Kansai region.

Mr Jason Chew, Senior Vice President (Real Estate Capital Management) of CapitaLand Financial, said, "We have worked well with SAMTY, a strong and well-regarded developer in the Kansai region, and are delighted to further strengthen our partnership with them for the long-term. In view of the recovery in the Japanese economy, prospects in the property market have improved. Going forward, CapitaLand is keen to expand its investments in Japan."

In addition to the SAMTY properties, ARC-CapitaLand Residences Japan has committed to acquire ten more properties in Nagoya (1), Fukuoka (1), Kyoto (3), Hiroshima (3) and Saga (2). Together with its seed investment of five properties in Tokyo (2), Osaka (2) and Fukuoka (1), the property vehicle has committed to a portfolio size of JPY22.5 billion (S$302 million), which is 75% of its initial target of JPY30 billion (S$403 million). As such, it is now raising its target portfolio size to JPY42 billion (S$564 million). In addition, CapitaLand Group and Arcapita have earlier announced the joint commitment to invest in a JPY8 billion (S$108 million) rental apartment project located on the man-made Island City in Fukuoka's Hakata Bay. Upon completion in 2008, this project is expected to be the largest private rental apartment development in Fukuoka. Including the project on Island City, Arcapita and CapitaLand will have a joint investment target of JPY50 billion (S$672 million) in Japan.

About ARC-CapitaLand Residences Japan

The Shari'ah compliant property vehicle, formed in May 2005, invests in a portfolio of rental apartment buildings in the key cities of Japan. The property vehicle is 70% held by affiliates of Arcapita, 18.9% by CapitaLand Group, which also provides asset management services, and 11.1% by GPH Investments Pte Ltd, a wholly-owned subsidiary of Goodwood Park Hotel Ltd.

About SAMTY Co., Ltd (www.samty.co.jp)

SAMTY is an established apartment and condominium developer in the Kansai region of Japan, with total assets of about JPY43 billion (S$578 million) as at 2005. Since its establishment in 1982, the company has extended its business to condominium development, management of office buildings and rental apartments, and real estate securitisation. In 2002, SAMTY was the first company in the KINKI region — which includes Osaka, Kyoto, Hyogo, Wakayama, Shiga and Nara — to establish a special purpose company (better known as TMK or Tokutei Mokuteki Kaisha in Japan) governed under the real estate securitisation laws.

About Arcapita (www.arcapita.com)

Headquartered in Bahrain with offices in Atlanta and London, Arcapita's four principal lines of business are corporate investment, real estate investment, asset-based investment and venture capital. To date, the Bank has completed 54 transactions with a total value exceeding US$12.5 billion and has an equity capital base of approximately US$800 million. Arcapita's mission is to provide innovative and distinctive investment opportunities that generate superior risk-adjusted returns and adhere to Islamic principles.

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 property, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's property and hospitality portfolio spans more than 70 cities in nearly 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, Raffles Holdings, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and Australand, which is listed both in Singapore and Australia.

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