News Release

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For Immediate Release

Successful Close of CapitaLand's 12th Private Equity and Second Islamic Real Estate Fund

Raffles City Bahrain Fund closes at US$350 million, backed by strong investor demand from the Middle East

The Ascott Group to manage Raffles City Bahrain's serviced residences

Singapore, 2 May 2007 – Following the successful close of its 11th private equity fund, the Malaysia Commercial Development Fund, at US$270 million (S$410 million) on 28 March 2007, CapitaLand is pleased to announce the successful close of the Raffles City Bahrain Fund at US$350 million (S$531 million). The Raffles City Bahrain Fund is CapitaLand's 12th private equity fund and its second Shariah-compliant product, the first being ARC-CapitaLand Residences Japan, a Shariah-compliant property vehicle focused on rental apartments in Japan's key cities. The combined equity committed for the two Shariah-compliant product amounts to US$460 million (S$698 million), which now accounts for about 15% of the US$3.1 billion (S$4.7 billion) of total equity raised for CapitaLand's twelve funds under its private equity business.

The Raffles City Bahrain Fund, which will invest in the landmark Raffles City Bahrain integrated development, is the first equity Sukuk of its kind for a real estate project. Sukuk issuances are typically debt instruments, while the Fund is unique in that it has an equity characteristic. With the close of this Fund, CapitaLand is the first Singapore-based real estate company to have undertaken such a landmark transaction in the GCC region.

The Fund was closed at US$350 million and no additional equity raise is anticipated for completion of the Raffles City Bahrain project given the positive price uptrend and continued strong demand in the Bahrain residential market, and the keen interest from institutions, including The Ascott Group and its partner Nuzul Holding BSC (C), to acquire the serviced residence component. Demand for the Fund was strong from institutional and sophisticated high net worth investors from the Middle East (52.6%), with other international investors from Asia taking up 10.3%. The remaining 37.1% interest in the Fund is retained by its sponsor, CapitaLand.

The landmark Raffles City Bahrain will be a prime waterfront integrated development located at Bahrain Bay in Manama, Bahrain's capital city. The US$750 million (S$1138 million) Raffles City Bahrain development comprises 288,000 square metres of built up area with residential, retail and serviced residence components. Reclamation of the site has been completed and construction will commence in the fourth quarter of 2007, with completion targeted for 2010. Raffles City Bahrain will comprise approximately 200 serviced residences and over 500 luxurious residential units. The sales launch for the residential units is slated for early 2008.

RCBF Investment Limited ("RCBFI"), a wholly-owned subsidiary of RCBF, has signed a Memorandum of Understanding ("MOU") with The Ascott Group to manage the approximately 200-unit serviced residence in Raffles City Bahrain under the Ascott brand. The Ascott Group and its partner, Nuzul Holding BSC (C), have also expressed interest in acquiring the serviced residences.

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said, "CapitaLand is rapidly growing its Shariah-compliant real estate business to tap the global Islamic finance market. We have now successfully raised a total of US$460 million in equity for our two Shariah compliant real estate products, which now accounts for a significant 15% of our private equity business. We started with the ARC-CapitaLand Residences Japan venture together with our valued partner, the Arcapita Group, to bring Middle East investors into the growing Japanese rental apartment market. For our second transaction, we are proud to be the first Singapore-based real estate company to successfully launch such a unique equity Sukuk fund in the GCC region. We intend to introduce more Shariah-compliant products and funds to meet the needs of global Islamic investors where the demand for such products could potentially grow to over US$1 trillion within the next decade."

Mr Wong Heang Fine, CEO of CapitaLand ILEC Pte. Ltd. and Country CEO for the GCC region, said, "Raffles City Bahrain is our fifth Raffles City development worldwide, and our first major integrated development in the GCC region. We will endeavour to turn it into a signature showcase of a prime high end residential product, a unique retail experience and world class hospitality services. We are pleased that our real estate development capabilities and the Raffles City brand have received a firm vote of confidence from international investors including those in the Middle East. We are confident of the strong fundamentals of the Bahrain economy and its real estate sector, and we are very encouraged by the keen interest which Raffles City Bahrain has generated."

About the Bahrain Economy and Property Market

Bahrain is strategically located in the Arabian Gulf, close to primary middle-eastern petroleum sources and is ideal for the establishment of a regional base to reap the rapid growth of the entire Middle East, especially the Gulf Co-operation Council (GCC) states. It is riding on the continual growth of the global tourism industry, and is witness to a growing number of intra-regional business and leisure visitors. In addition, Bahrain has long been recognized as the region's financial centre, facilitated by the government's pro-business policies. All these factors boost its economy, which is progressively now less reliant on its oil reserves. Bahrain's GDP growth in 2006 is estimated to be 7.1%.

The residential market is underpinned by Bahrain's strong economic fundamentals and favourable demographic trends. Even though there is strong demand from expatriates, home prices are still more affordable than in other similarly placed countries in the GCC.

Connected to Saudi Arabia by the King Fahad Causeway, Bahrain is within about two hours' reach to the affluent population of the Eastern Province of Saudi Arabia (population of about 3.8 million people). As Bahrain becomes an increasingly popular family recreation destination among Saudis (about 90% of its GCC tourists are Saudis), it is also expected to attract Saudis and Saudi-based expatriates to purchase and / or rent residential properties in Bahrain.

Bahrain's hospitality and retail industries have benefited from the improved accessibility from infrastructural development and strong tourism growth. This gives ample opportunities for development of tourism products like hotels, serviced residences, resorts and shopping malls. The completion of the Bahrain–Qatar Friendship Bridge in 2010 is expected to boost tourism even further.

About Bahrain Bay and Raffles City Bahrain

Raffles City Bahrain will be one of the focal points within the Bahrain Bay development. The master developer of the US$2.5 billion (S$3.8 billion) Bahrain Bay is Bahrain Bay Development B.S.C., a consortium of Middle East investors led by Arcapita Bank B.S.C., while the master plan is designed by Skidmore, Owings & Merrill. When completed, Bahrain Bay will comprise about 1.4 million square metres of commercial, residential, retail, hospitality and civic space.

Raffles City Bahrain will be developed on a 43,000-square metre reclaimed site in the commercial heart of Bahrain Bay. It will be strategically located adjacent to the Four Seasons

Hotel and Arcapita's global headquarters, both new iconic landmarks within Bahrain Bay. The total development area for Raffles City Bahrain forms about 20% of the total developable area of Bahrain Bay.

Internationally acclaimed architect, Rafael Vinoly, will be designing Raffles City Bahrain. Its design has been conceived as a series of concentric 'waves', inspired by the intrinsic geometry and spectacular views of the bay and the sea. The waterfront integrated development, which overlooks the stunning skyline of Manama, will have over 500 high-rise luxurious residential units and approximately 200 serviced residences as well as a unique waterfront retail concept that offers a promenade featuring a floating pavilion and a central plaza dotted with gourmet food outlets and signature restaurants.

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 90 cities in over 20 countries. CapitaLand also leverages on its significant real estate asset base, financial skills 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, Quill Capita Trust and Australand.

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