



Hong Leong Group
Singapore
Group Corporate Affairs

News Release

For Immediate Release

26 May 2006

CDL INCREASES PRESENCE IN THAILAND

City Developments Limited (CDL), in conjunction with joint venture partners, has opened its first Bangkok hotel property, with the grand opening today of the Millennium Hilton Bangkok.

The Millennium Hilton Bangkok was recently totally rebuilt after being abandoned at the time of the 1997 Asian financial crisis. It was then taken over by the state-owned Thai Asset Management Corporation. Three years ago, CDL and US-based real estate fund Westbrook Partners jointly made a successful bid for the property.

The 543-room, 32-storey hotel was redesigned and re-constructed into a hip 5-star property complete with outstanding restaurants, spa facilities, ballrooms and unique meeting spaces. It opened its doors in March, and today celebrates its Grand Opening. It's the Group's first hotel in Thailand.

Mr Kwek recalled that he was looking at the property at the time, Millennium Hilton Bangkok was on the river front of the Chao Phraya River and was told that the hotel was located at the wrong side of the river. Nonetheless, he proceeded to snap it up.

"As you can see now, what some said was the wrong side of the river has become the right side as we can enjoy the great skyline of Bangkok from here," noted Mr. Kwek Leng Beng. Mr. Kwek is Executive Chairman of Hong Leong Group Singapore, which includes property giant CDL and Millennium & Copthorne Hotels plc (M&C), and was speaking at a media conference held in conjunction with the official launch of the Millennium Hilton Bangkok.

CDL also announced that in March 2006, Real Estate Capital Asia Partners, L.P (RECAP) had acquired a 95% interest in the Phuket Jungceylon Project, a mega hotel and retail complex of 2 million square feet that would be the biggest in Phuket, Thailand.

RECAP is a private real estate fund in which CDL has significant interest with a US-based investment fund and other limited partners.

Phuket Jungceylon Project involves approximately 90,000 square metres of leasable retail space, over 900 car park lots, and hotel of over 400 rooms, disclosed Mr. Kwek Leng Beng. Mr. Kwek said the project would have gross construction area of 204,000 square metres, or 2 million square feet, and is located in Patong, the main tourist area of Phuket. When completed, Phuket Jungceylon Project will be the largest shopping and retail complex in Phuket.

“This project aims to inject confidence back into both the tourism and retail business in Phuket, following the deadly tsunami of December 2004,” said Mr. Kwek, adding that Phuket Jungceylon Project and the Millennium Hilton Bangkok are two of several investment projects the Group was undertaking with partners in Thailand.

Through RECAP fund, the CDL Group has also significant holdings in Millennium Residences. This property project involves the development of 604 residential condominium units, 1,000 car parking spaces and a retail building located on a prime freehold land in Sukhumvit district. Millennium Residences is scheduled to be completed by end 2008. When completed, this real estate project will be among the best luxurious residential condominium projects in Bangkok.

Mr. Kwek said CDL was also involved in the commercial property sector in Bangkok - the Exchange Tower and another hotel, Millennium Sukhumvit Hotel.

CDL acquired an interest in the Exchange Tower (formerly known as Pornpat Tower) in Bangkok. The Exchange Tower is a Grade A office building and a modern retail mall, offers approximately 42,000 square meters of lettable retail and office space and gross floor area of about 85,000 square metres. It is strategically located at the intersection of Asoke and Sukhumvit Roads, enjoying access to both elevated train and subway systems. The renovation of the Exchange Tower is scheduled to be completed in June 2006.

Through its subsidiary M&C, the CDL Group also entered into a joint venture with the Srichawala family to start construction of a five-star hotel, the Millennium Sukhumvit Bangkok. The 326-room hotel will be completed by end 2007 and will be managed by M&C.

Turning to his Group's hotel strategy, Mr Kwek said M&C has been focusing on with the aim of increasing the Group's footprint in Asia. In August this year, the Millennium Hongqiao Shanghai hotel will be opened under M&C management which successfully clinched the management contract for this hotel.

In Beijing, the Group agreed to invest into a joint venture to develop a 520-room hotel in the heart of the Beijing Central Business District. Currently under construction, the Millennium Beijing Hotel is scheduled for opening in the first half of 2008, in advance of the Beijing Olympics.

"While many hotels groups are going asset-light, M&C has been following a twin-strategy of owning and operating hotels," Mr Kwek said. "It was fashionable to go asset-light two years ago, now some are questioning if this strategy is correct. All I can say is that our strategy has been adopted somewhat but partners who now agree with our view," added Mr Kwek.

Mr Kwek said he held Bangkok in fascination. "The city has dynamism, its commerce and exports, its beauty and charm and the politeness of the Thai people are its trademarks. Bangkok is a metropolitan city and a haven for both tourists and business people. We intend to promote tourism into Bangkok."

Mr. Kwek stated that in the late 1990s the Group started its investment in Thailand and invested with Westbrook Partners by subscribing to the preference shares of the Erawan Group. The Erawan Group was formerly known as the Amarin Plaza Group, which owned properties such as the Grand Hyatt Erawan, JW Marriott Bangkok and other choice real estate in Bangkok. The Group has since exited this deal.

“The Group will continue to actively seek and explore real estate investment opportunities in Bangkok and other parts of Thailand either directly or through RECAP and in conjunction with MTR Asset Managers, a Company founded by M.R. Chatu Mongkol Sonakul, who has had a distinguished career in both the public and private sectors. These investments will be made where we can contribute our expertise,” he said.

Mr. Kwek, Executive Chairman of CDL, this evening officially launch the opening of the Millennium Hilton Bangkok with fireworks display. The launch party is attended by over 1,000 people.

=====

For more information, please contact:

Gerry de Silva,

Head, Group Corporate Affairs

Hong Leong Group Singapore

Tel: 64289 308/ 6438 3110

Mobile: +65 97317122

Email: gerry@cdl.com.sg