

# Year in Brief



Singapore's President S R Nathan witnessed the strategic alliance between CapitaLand and its Vietnamese partner.

## JANUARY

CapitaLand, through Somerset Capital Pte Ltd, a wholly-owned subsidiary, launched a voluntary unconditional cash offer for the remaining shares in Ascott. The privatisation will strengthen Ascott's leadership position in the market, maximise CapitaLand's competitive advantage and increase cost savings.

CapitaLand entered into separate joint ventures with Advance India Projects Limited and the Prestige Group to invest, develop and manage retail/predominantly retail projects in India.

CapitaLand launched a 580-unit residential development in Gongshu District, called I-World, in Hangzhou, China.

CapitaLand launched Building for Tomorrow, its annual corporate social responsibility campaign in China.

Ascott expanded its presence in Australia with Citadines Melbourne on Bourke, a 398-unit serviced residence in Melbourne's Central Business District, and its first Citadines-branded property in the country.

## FEBRUARY

CapitaLand successfully divested its entire 50% stake in Savu Investments Pte. Ltd. which owns Hitachi Tower, a Grade A office building located in Singapore's prime Raffles Place, at an agreed value of S\$811 million. CapitaLand recorded a gain of S\$111.4 million from the sale.

CapitaLand signed a Statement of Strategic Intent with local Vietnamese partner, Nam Thang Long Investment Joint-Stock Company, to seek further real estate opportunities in Vietnam.

## MARCH

CapitaLand raised S\$1.3 billion through a 10-year convertible bond issue, the largest 10-year convertible bond transaction ever done in Singapore. The bonds have a high conversion premium of 46% and will bear a coupon rate of 3.125% per annum. The bond issue extended CapitaLand's debt maturity profile and will provide the Group ample financial capacity to take advantage of future business opportunities.

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CapitaLand closed its voluntary unconditional cash offer for Ascott. The aggregate holding of Somerset Capital, its wholly-owned subsidiary, and its concert parties was 98.37% at the close of the offer. Somerset Capital acquired the remaining Ascott shares that it did not own.

CapitaLand signed a conditional agreement with Thien Duc Co., Ltd to jointly develop a 6.7-hectare prime site in District 2, Ho Chi Minh City. The development will comprise approximately 950 apartments as well as commercial and retail space. CapitaLand will take a 60% stake in the proposed joint venture while Thien Duc will hold the remaining stake.

CapitaLand and SPRING Singapore launched the inaugural SPRING-CapitaLand Retail Overseas Mission to China for Singapore's small and medium enterprise retailers to facilitate Singapore retailers' understanding of the retail market in Shenzhen, Shanghai and Beijing.

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## APRIL

CapitaLand made key organisational changes to flatten the Group's organisational structure so as to support business growth. The new business units are CapitaLand Residential Singapore and CapitaLand China Holdings. In addition, the CapitaLand Commercial business unit now includes overseas businesses in India, Vietnam, Malaysia and Thailand.

Morganite Pte Ltd, a CapitaLand-led consortium, secured S\$1.996 billion syndicated transferable secured financing facilities for the construction and development of a new distinctive

high-rise condominium along Farrer Road in Singapore. This was the largest syndicated residential property development loan ever arranged in Singapore and involved 10 local and international banks.

Mubadala Development Company and CapitaLand launched Capitala, a joint venture real estate company based in Abu Dhabi, to focus on designing, building, managing, operating and maintaining mixed-use, predominantly residential developments in the city.

CapitaLand partnered leading Bahrain-based bank Arcapita to develop its first IT Park/Grade A office complex on an approximately 30-acre site in India's Navi Mumbai.

CapitaLand completed the compulsory acquisition of Ascott, which was delisted from the Singapore Exchange Securities Trading Limited on 29 April 2008.

Ascott entered Ahmedabad in India with the acquisition of a 40% stake in Citadines Ahmedabad Parimal Garden. The investment is a joint venture with The Rattha Group.

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## MAY

Ascott acquired Citadines London Holborn-Covent Garden, a 192-unit serviced residence in London's High Holborn. Ascott had already been leasing and operating the property.

Capitala unveiled Arzanah, its flagship project in Abu Dhabi. Strategically located on a 1.4 million square metre site surrounding the Zayed Stadium, Arzanah is a fully integrated development near Abu Dhabi's city centre. The integrated

development offers a unique blend of quality residential properties with leisure, sports and retail amenities that focuses on promoting an active urban lifestyle for its residents and the community.

CapitaLand made a donation through CapitaLand Hope Foundation, its philanthropic arm, to help children affected by the earthquake in Sichuan Province, China.

CapitaLand launched its Building a Greener Future programme, a series of green initiatives aimed at getting stakeholders to play a role in protecting the environment. Initiatives included placing customised recycling bins in CapitaLand malls, offices and Ascott serviced residences, as well as the launch of CapitaFrog, a mascot to create greater awareness of the green message.

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## JUNE

Central China Real Estate Limited (CCRE), a Henan-based residential property group and an indirect associated company of CapitaLand, announced the completion of its fully-subscribed global offering. Post CCRE's listing on the Hong Kong Stock Exchange, CapitaLand's effective interest in CCRE stood at 27.11%.

CapitaLand was awarded the prestigious Singapore Environmental Achievement Award (SEAA) 2007/08 at the Singapore Green Summit. The real estate developer was the only Top Achiever of the award in 2008.

Ascott opened four new serviced residence properties in Australia, Qatar, Thailand and Vietnam, adding to the two which the company opened in China in early 2008.



*Ascott Centre for Excellence, Singapore – Ascott's new global hospitality training centre*

Ascott officially opened the Ascott Centre for Excellence (ACE), its new global hospitality training centre in Singapore. Besides running Ascott's proprietary programmes, ACE is a Continuing Education and Training (CET) centre approved by Singapore Workforce Development Agency to specialise in training for the hotel and accommodation services sector. These programmes are open to the public.

CapitaLand and CITIC Trust, China's largest trust services company, established the RMB500 million (about S\$98 million) CITIC CapitaLand Business Park Fund, the first RMB-denominated real estate private equity fund in China.

CapitaLand acquired approximately 61.9% of the total retail strata area, or 510,418 square feet, as well as the car parks of prime freehold Sungei Wang Plaza in Kuala Lumpur, Malaysia.

## JULY

CapitaLand officially launched its Green for Hope project in primary schools in Singapore. The project encourages primary school students to help their less fortunate peers through recycling as CapitaLand Hope Foundation will donate to the schools' welfare funds based on the amount of recyclable waste collected.

CapitaLand China launched The Pines, a 157-unit condominium located in the prime Chaoyang District in Beijing, China.

CapitaLand completed the sale of One George Street, a Grade A office building located in the heart of Singapore's Central Business District, to CapitaCommercial Trust for a total consideration of S\$1.165 billion, with a five-year yield protection of 4.25% per annum on the purchase price.

CapitaLand established the US\$1 billion (about S\$1.4 billion) Raffles City China Fund to invest in prime mixed-use commercial properties in key gateway cities in China. The fund is CapitaLand's first integrated development private equity fund for China and also the largest fund the Group has originated and managed to date. CapitaLand holds a 50% sponsor stake in the fund while the remaining interests were taken up by leading financial institutions and pension funds from Asia, Europe and North America.

CapitaLand unveiled the design for its new high-rise condominium along Farrer Road in Singapore by Pritzker Architecture Prize winner Zaha Hadid. The prestigious development will reflect the internationally-renowned architect's signature style of flowing lines and sensuous architectural silhouettes.

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*The Wharf Residence,  
Singapore*

CapitaLand started phase one sales for The Wharf Residence, a 999-year leasehold condominium in Singapore's River Valley Conservation Area. The development features a seamless integration of 173 contemporary apartments and 13 townhouses with conserved facades.

CapitaLand held preview sales for the first phase of Latitude, a 127-unit freehold condominium in Singapore on Jalan Mutiara, near Grange Road.

Australand announced a one-for-one renounceable accelerated priority issue of stapled securities to strengthen its balance sheet, as well as to provide it with the financial flexibility to fund future development activities and take advantage of selective growth

opportunities. CapitaLand subscribed for its pro-rata entitlement of the issue.

CapitaLand successfully closed CapitaLand China Development Fund II at US\$239.8 million (about S\$327.0 million). The fund will invest in residential real estate development projects in China.

## AUGUST

Ascott's flagship development in Singapore – Ascott Singapore Raffles Place – opened following a S\$60.0 million conservation and restoration effort. Ascott transformed the national heritage building into a premium 146-unit serviced residence with impressive facilities and modern comforts.

## SEPTEMBER

Ascott sold Somerset Orchard, an 88-unit serviced residence located at Singapore's prime shopping district, for a cash consideration of S\$100.0 million. CapitaLand recognised a gross gain of about S\$43.0 million from the transaction. After the divestment, Ascott will continue to manage the property for 15 years, with an option to renew the contract for another 10 years.

Australand completed its one-for-one renounceable accelerated priority issue of stapled securities, raising approximately A\$461 million (S\$598 million). CapitaLand paid a total subscription price of A\$302.0 million (about S\$392.0 million) and increased its interest in Australand from 54.2% to approximately 59.3%.

CapitaLand divested Hua Lei Holdings Pte Ltd, which indirectly owns 100% of Capital Tower Beijing, an office building in China, for S\$505.0 million. The divestment translated into a gain of S\$187.0 million.

CapitaLand divested its Raffles City-branded integrated developments portfolio in China to Raffles City China Fund for a total consideration of approximately US\$841 million (S\$1.1 billion) and a total portfolio gain of S\$313.0 million from the transaction.

The acquisition of Raffles City Shanghai, Raffles City Beijing and Raffles City Chengdu by the fund was completed in 2008, while the acquisition of Raffles City Hangzhou is expected to be completed by 2009.

Capitala launched the private sale of residential units at Rihan Heights, the first phase of Arzanah. Rihan Heights comprises 14 exclusive villas and five residential towers with over 800 beautiful homes. Capitala also awarded the main construction contract for Rihan Heights to a joint venture between Sunway Construction Sdn Bhd and Silver Coast Construction & Boring Est.

CapitaLand and Rock Productions Pte Ltd awarded the contract for the construction of the Integrated Civic, Cultural, Retail and Entertainment Hub at Vista Xchange, one-north, to Hexacon Construction Pte Ltd. CapitaLand owns and manages the Integrated Hub's Retail and Entertainment Zone as well as approximately 900 car park lots at the development. CapitaLand will also project manage the entire development which is expected to be completed by 2012.

CapitaLand's retail businesses made management changes. Lim Beng Chee was appointed CEO of CapitaLand Retail Limited and CapitaMall Trust Management Limited, while Wee Hui Kan was appointed CEO of CapitaRetail China Trust Management Limited.

CapitaLand launched La Capitale, a high-end residential development of 313 units located in Dongcheng District, near Beijing's central business districts.

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## OCTOBER

Ascott was awarded a contract by Raffles City Bahrain Fund to manage the 200-unit Ascott Bahrain, its first flagship serviced residence property in the Gulf Cooperation Council (GCC) region to be operated under the premier Ascott brand. Scheduled to open in 2011, Ascott Bahrain will be Ascott's second serviced residence property in Bahrain and its fourth in the GCC region.

Ascott acquired Citadines Paris Louvre for a cash consideration of €21.5 million (about S\$45.5 million). Ascott had been leasing and operating the 51-unit serviced residence prior to the acquisition.

The property is a historical building in Paris located opposite the Grande Louvre Museum.

CapitaLand's residential apartments in Raffles City Bahrain and Rihan Heights received overwhelming demand with about S\$1 billion worth of sales achieved since June 2008.

Ascott was awarded a contract to manage Ascott Raffles City Beijing, a 175-unit premier serviced residence in Beijing which is part of the Raffles City Beijing integrated development.

Ascott opened another three new Citadines serviced residence properties in Bangkok's Sukhumvit Soi 8, 11 and 23, joining Ascott's first Citadines in Bangkok at Soi 16.

CapitaLand and Rock Productions Pte Ltd jointly hosted the official groundbreaking ceremony for the Integrated Civic, Cultural, Retail and Entertainment Hub at Vista Exchange, one-north.

CapitaLand held the inauguration ceremony for Raffles City Beijing, an integrated development in China comprising prime retail and office space as well as Ascott Raffles City Beijing. The event was graced by Singapore's Minister Mentor Lee Kuan Yew.

CapitaLand held the groundbreaking ceremony for Raffles City Chengdu in Sichuan Province. The ceremony was officiated by Associate Professor Koo Tsai Kee, Singapore's Minister of State for Defence, and Mr Wang Zhonglin, Vice Mayor of Chengdu, China.

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## NOVEMBER

CapitaLand sold its 50% stake in Beijing Red Diamond Science & Technology Development Co., Ltd, owner of the Red Diamond Plaza office building in Beijing, for a cash consideration of RMB62.3 million (about S\$13.4 million) to CITIC Trust as part of the CITIC CapitaLand Business Park Fund.

Ascott entered into a conditional sale and purchase agreement to divest its 70% interest in Somerset West Lake, a 90-unit serviced residence in Hanoi, Vietnam, to Ascott Residence Trust.

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*Singapore's Minister Mentor Lee Kuan Yew graced the inauguration ceremony of Raffles City Beijing.*

## DECEMBER

CapitaLand divested Innov Tower (formerly known as RND Tower), a 23-storey office building in Shanghai's Caohejing High-Tech Park, to CITIC CapitaLand Business Park Fund for a cash consideration of RMB173.1 million (about S\$38.2 million).

CapitaLand sold its 33.4% stake in Morimoto Asset Management Co., Ltd, the manager of BLife REIT, for a cash consideration of JPY200.4 million (about S\$3 million). CapitaLand's interest in BLife REIT, which is listed on the main board of Tokyo Stock Exchange, remained the same at 13%.

CapitaLand's indirect wholly-owned subsidiary (CapitaLand LF (Cayman) Holdings Co., Ltd) and its indirect associated company (CapitaLand AIF Limited), together with a third party, collectively subscribed for 730 new preferred shares representing a 73% stake in Peace Base Investments Limited. Peace Base's sole asset is a site slated for mixed development in Shenzhen's Nanshan District, China. CapitaLand's effective stake in Peace Base is 58.3%.

Ascott brought its Citadines brand to Indonesia as part of its plan to expand Citadines in Asia Pacific. It secured a contract to manage the 120-unit Citadines Jakarta, its first Citadines-branded property in Indonesia, which is slated to open in 2010.

CapitaLand announced the retirement of Mr Hsuan Owyang from the Board and as Deputy Chairman with effect from 1 January 2009. Mr Peter Seah was appointed to replace Mr Owyang as Deputy Chairman.