CAPITALAND LIMITED

Regn No.: 198900036N
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

ACQUISITION OF 20% STAKE IN
1. AUSTRALASIAN FRANCHISE SYSTEMS PTY LTD
2. QUEST TENANCY HOLDINGS PTY LTD

CapitaLand Limited ("**CapitaLand**") wishes to announce that its wholly-owned subsidiary, Ascott International Management (Australia) Pty Ltd ("**AIM**"), has entered into agreements ("**Agreements**") to acquire from QSA Group Pty Ltd (the "**Seller**") part of the issued shares and, subscribe from one of the following companies (the "**Companies**") for new shares, respectively, in the issued share capital of the Companies for a total cash consideration of AUD28,842,371 (approximately SGD32.3 million) (the "**Consideration**"). The Seller is a party unrelated to CapitaLand. The acquisition and the subscription (the "**Acquisition**") will bring AIM's interest in each of the Companies to a total of 20% of the total issued share capital of the Companies. The particulars of the Acquisition are set out in the table below:

Name of Companies	Acquisition Stake	Consideration
(i) Australasian Franchise Systems Pty Ltd ("**AFS**")	Acquisition of 114,172 ordinary shares representing 4.33%[1] stake	AUD6,248,407 (approximately SGD7.0 million), payable to the Seller
	Subscription for 412,844 ordinary shares representing 15.67%[1] stake	AUD22,593,944 (approximately SGD25.3 million), payable to AFS
(ii) Quest Tenancy Holdings Pty Ltd ("**QTH**")	Acquisition of 20 ordinary shares representing 20% stake	AUD20 (approximately SGD22), payable to the Seller
	Total Amount:	AUD28,842,371 (approximately SGD32.3 million)

[1] Percentage is computed based on the total issued shares post-subscription.

Both AFS and QTH are companies incorporated in Australia. AFS is a market-leading company primarily in the business of establishing and franchising serviced apartments through the Quest brand in the Australian domestic market. QTH is a related company of AFS and a holding entity for temporary tenancy agreements acting under agency for AFS.

The Acquisition is part of CapitaLand's ongoing business development and is in line with its strategy to propel growth in CapitaLand's serviced residence business in Australia through The Ascott Limited ("**Ascott**"), a wholly-owned subsidiary of CapitaLand. AIM is a wholly-owned subsidiary of Ascott.

The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account, among other things, (i) the financial performance of the AFS group; (ii) the 20% share of consolidated net tangible assets of AFS as at Completion (as defined below) which is presently estimated to be AUD1.9 million; and (iii) AFS group's expertise, track record, branding and market position in Australia.

10% of the Consideration was paid on execution of the Agreements and the remaining 90% will be paid on completion ("**Completion**") of the Acquisition, which is expected to take place by 9 January 2015 after all the conditions set out in the Agreements have been satisfied or waived (as applicable) or such other date as the parties may agree in writing.

Upon Completion, AFS and QTH will become 20% owned associated companies of CapitaLand. The remaining 80% stake is held by the Seller. Under the Agreements, AIM has an option to increase its stake in AFS and QTH to 30% less one share if certain conditions are fulfilled.

The Acquisition is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2014.

None of the directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Michelle Koh
Company Secretary
23 October 2014