



CAPITALAND LIMITED

Registration Number: 198900036N
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

SWAP OF 20% STAKE IN AUSTRALASIAN FRANCHISE SYSTEMS PTY LTD FOR 20% STAKE IN QSA GROUP PTY LTD

CapitaLand Limited ("**CapitaLand**") refers to its announcements dated 23 October 2014 and 10 December 2014 on the acquisition by its wholly owned subsidiary, Ascott International Management (Australia) Pty Ltd ("**AIM**"), of a 20% stake in Australasian Franchise Systems Pty Ltd ("**AFS**"). AFS is a company primarily in the business of establishing and franchising serviced apartments through the Quest brand in the Australian domestic market. The remaining 80% of AFS is held by QSA Group Pty Ltd ("**QSA**").

In accordance with the shareholders' agreement dated 10 December 2014 between AIM and QSA in respect of AFS, QSA has an option to restructure AFS by initiating a swap of the shares in AFS ("**AFS Shares**") for shares in QSA ("**QSA Shares**") provided, *inter alia*, that (i) AFS is the sole asset held by QSA; and (ii) the resulting stake of AIM in QSA is maintained at 20% (the "**AFS Restructuring**").

CapitaLand wishes to announce that QSA has exercised its option to initiate the AFS Restructuring, resulting in AFS becoming a wholly owned subsidiary of QSA and AIM holding 20% stake in QSA comprising 555,559 ordinary shares in QSA. The remaining 80% stake in QSA is held by parties unrelated to CapitaLand.

The unaudited consolidated net tangible asset value of the 20% stake in AFS as at 31 March 2016 was A\$4.5 million (approximately S\$4.7 million). The unaudited proforma¹ consolidated net tangible asset value of the 20% stake in QSA as at 31 March 2016 was A\$4.5 million (approximately S\$4.7 million).

Following the AFS Restructuring, QSA has become a 20%-owned associated company of CapitaLand.

The AFS Restructuring 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 2016.

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

By Order of the Board

Michelle Koh
Company Secretary
26 April 2016

¹ Assuming AFS Restructuring has occurred on 31 March 2016.