

NEWS RELEASE

ASCOTT ACQUIRES MAJORITY STAKE IN QUEST APARTMENT HOTELS FOR A\$180 MILLION TO BECOME LARGEST SERVICED RESIDENCE PROVIDER IN AUSTRALASIA

On track to exceed 2020 target of 80,000 units globally as acquisition boosts portfolio by over 11,000 units

Singapore, 5 July 2017 – CapitaLand’s wholly owned serviced residence business, The Ascott Limited (Ascott), is acquiring an additional 60% stake in Quest Apartment Hotels (Quest) for A\$180 million (S\$191 million). This will increase Ascott’s stake in Quest from its current 20% to 80%, propelling Ascott to become the largest serviced residence provider in Australasia. With 180 properties located in regional and metropolitan areas across Australia, New Zealand and Fiji, the acquisition will boost Ascott’s portfolio by over 11,000 units to more than 67,000 units across 507 properties and 124 cities globally. At the same time, Ascott has the option to acquire the remaining 20% interest in Quest, subject to terms and conditions.

Mr Lee Chee Koon, Ascott’s Chief Executive Officer, said: “Increasing our stake in Quest to become its majority shareholder will leapfrog Ascott to become the leading serviced residence provider in Australasia. This acquisition will give Ascott an instant boost of over 11,000 units. Scale is important for us to offer more options to customers, strengthen our sales and distribution, and help speed up Ascott’s growth. Besides entrenching Ascott’s presence in the developed and stable market of Australia, we will be able to capitalise on the established Quest brand and its highly scalable business format franchise systems and know-how, and further apply the franchise platform as a driver of growth for Ascott.”

“Since Ascott’s acquisition of a 20% stake in Quest in 2014, Quest’s network revenue has seen a healthy annual growth of 6%, resulting in strong annual profit earnings primarily from Quest’s recurring fee income. Ascott will enjoy the recurring franchise fees that Quest earns from its franchise properties and enhance the stability of our portfolio income as well as return on equity.”

Mr Paul Constantinou, Chairman of Quest Apartment Hotels, said the investment sees Quest joining one of the world’s leading serviced residence networks, offering Quest guests the benefit of true global reach across 29 countries in the Americas, Asia Pacific, Europe and the Middle East.

“Quest will now further leverage the strength of Ascott’s globally recognised, award-winning brands and fast track its international expansion, whilst maintaining its successful franchise format business, along with the value and integrity of the Quest brand,” Mr Constantinou said.

“The company now has the capability to offer customers a true global accommodation solution for both transient and extended stay requirements, and will allow Quest to fast track the growth of the brand as a unique franchising platform into global markets.”

In addition, Ascott has acquired its first serviced residence in Brisbane as part of its strategic partnership with Quest. The 100-unit freehold serviced residence to be developed on a turnkey basis is acquired from an unrelated local property developer for A\$24 million (S\$25 million). It will be named Quest Cannon Hill and operated as a Quest franchise when the property opens in 2018.

Quest Cannon Hill is the second acquisition under Ascott’s strategic partnership with Quest. In mid-2016, Ascott acquired the 221-unit Quest NewQuay Docklands in Melbourne for A\$71 million (S\$71 million). Quest NewQuay Docklands will be Quest’s largest property in its network when it opens in 2019.

Mr Lee said: “We first took a 20% stake in Quest a few years back; it gave us time to work together and understand each other's culture and strengths. After due consideration, we decided to take the partnership further with this move. We firmly believe that the synergies of Ascott and Quest will make us more competitive in the serviced residence space. Quest also has a strong talent bench that could contribute to Ascott’s global expansion plan.”

Mr Lee added: “With Ascott’s investment in Quest, we can count on our joint capabilities to tap more pipeline opportunities for turnkey delivery of new-build projects as well as ready-operating properties with incumbent leases in Australasia. The synergies to be realised in the global and national cross-selling network will not only widen Ascott’s customer reach in Australasia, Quest’s customers will also have access to Ascott’s properties globally given the complementary geographical presence. Franchise, management contracts, investments, and strategic alliances will continue to be key strategies to solidify Ascott’s lead as we work towards exceeding our target of 80,000 units globally by 2020.”

With the addition of Quest Cannon Hill, Ascott currently owns and manages 10 serviced residences with over 1,300 apartment units in Brisbane, Greater Sydney, Hobart, Melbourne and Perth under the Citadines, Somerset and Quest brands. Quest has 180 properties with over 9,000 existing units in Australia, New Zealand and Fiji, and over 2,000 units under construction.

About The Ascott Limited

The Ascott Limited is a Singapore company that has grown to be one of the leading international serviced residence owner-operators. It has over 30,000 operating serviced residence units in key cities of the Americas, Asia Pacific, Europe and the Middle East, as well as over 25,000 units which are under development, making a total of more than 56,000 units in

over 300 properties. The company operates three award-winning brands – Ascott, Citadines and Somerset, along with The Crest Collection and lyf. Ascott’s portfolio spans more than 100 cities across 29 countries.

Ascott, a wholly owned subsidiary of CapitaLand Limited, pioneered Asia Pacific’s first international-class serviced residence with the opening of The Ascott Singapore in 1984. Today, the company boasts over 30 years of industry track record and award-winning serviced residence brands that enjoy recognition worldwide.

Ascott’s achievements have been recognised internationally. Recent awards include World Travel Awards 2017 for ‘Leading Serviced Apartment Brand’ in Asia; DestinAsian Readers’ Choice Awards 2017 for ‘Best Serviced Residence Brand’; TTG China Travel Awards 2017 for ‘Best Serviced Residence Operator in China’; Business Traveller Asia-Pacific Awards 2016 for ‘Best Serviced Residence Brand’; Business Traveller Middle East Awards 2016 for ‘Best Serviced Apartment Company’; Business Traveller UK Awards 2016 for ‘Best Serviced Apartment Company’ and Business Traveller China Awards 2016 for ‘Best Serviced Residence Brand’. For a full list of awards, please visit www.the-ascott.com/ascottlimited/awards.html.

About CapitaLand Limited

CapitaLand is one of Asia’s largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S\$78 billion as at 31 March 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 140 cities in about 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand’s competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

Visit www.capitaland.com for more information.

About Quest Apartment Hotels

Quest is the largest and fastest growing apartment hotel operator in Australasia with 180 properties located across Australia, New Zealand and Fiji.

Established in Melbourne, Victoria in 1988, the growth of Quest has been achieved through its

commitment to meeting the accommodation needs of the extended stay business traveller.

Quest properties are managed by franchisees who follow a proven and successful franchise model.

For more information on Quest Apartment Hotels, go to www.questapartments.com.au.

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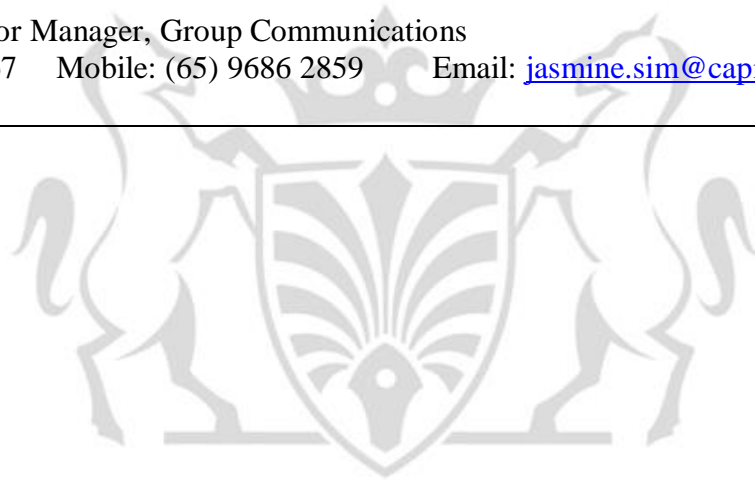
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ANNEX

Quest Cannon Hill (opening 2018)

Quest Cannon Hill marks Ascott's entry into Brisbane - the economic, tourism and business hub of Queensland, and the third largest capital city in Australia after Sydney and Melbourne. Quest Cannon Hill is strategically located within a five-minute walk to the Cannon Hill train station with direct access to the Central Business District (CBD). The serviced residence's location also has a ready catchment of domestic and international corporate travellers. It is located enroute between the CBD and the Australia Trade Coast, which is home to around 1,500 businesses, a diverse range of industries and one of the largest and fastest growing trade and industry regions in Australia.

The serviced residence is located next to the Southgate Corporate Park, a new business precinct with 60,000 square metres of commercial office space, which already has tenants ranging from multinational corporations such as Canon, Bayer, Honeywell, Orica, Tyco and Holden, as well as national companies including Westpac, 4BC and QBuild. Nearby business estates include Gateway Business Park and Metroplex Business Park. The serviced residence is close to the Cannon Hill Shopping Plaza, which is undergoing a A\$2.5 million upgrade, and a 15-minute drive from Brisbane International Airport. Quest Cannon Hill will offer studio, one- and two-bedroom apartments as well as facilities such as a swimming pool, gymnasium and conference facilities.