

NEWS RELEASE

**CRCT optimises portfolio by unlocking value of CapitaMall Anzhen and restructuring anchor tenant's lease at CapitaMall Wangjing**

**Singapore, 27 July 2017** – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that CRCT, through its trustee HSBC Institutional Trust Services (Singapore) Limited, has entered into an agreement with Beijing Hualian Anzhen Business Development Company Ltd to sell its entire interest in a company that holds CapitaMall Anzhen in Beijing, China. The mall is currently master leased to BHG (Beijing) Department Ltd.

The transaction price is based on the company's adjusted net asset value, including but not limited to its interest in CapitaMall Anzhen of RMB1,129.5 million (S\$230.0 million<sup>1</sup>), which is 12.9% above valuation<sup>2</sup>. Targeted for completion in 4Q this year, the divestment is expected to generate net proceeds of RMB888.5 million (S\$180.9 million) and a net gain of RMB154.6 million (S\$31.5 million).

In tandem with the divestment, CRCT will recover approximately 4,700 square metres (sq m) of Level 4 space in CapitaMall Wangjing, also located in Beijing, from the mall's anchor tenant Beijing Hualian Group (BHG). CRCT plans to convert the recovered space to house higher-yielding specialty stores and introduce more experiential retail offerings that will inject greater vibrancy to the mall. The recovered space will undergo reconfiguration works in 4Q 2017, and is expected to progressively contribute income from 2Q 2018. BHG has also committed to refresh the existing department store, which occupies parts of levels one to three, to a higher-end format that will better appeal to the mall's target demographics of middle- to high-income families.

Mr Tan Tze Wooi, CEO of CRCTML, said: "As part of our proactive asset management strategy, we are always on the lookout for opportunities that will optimise CRCT's portfolio and strengthen our malls' market position. Our win-win arrangement with BHG allows us to concurrently unlock the value of a mature master leased mall and uplift the growth potential of our second largest multi-tenanted mall."

"CapitaMall Anzhen is master leased till 2025 with limited upside and increasing capital expenditure commitments. By unlocking the value of CapitaMall Anzhen at this stage, it will realise optimal value for our unitholders. The sale proceeds will also increase our financial flexibility to seize new growth opportunities."

---

<sup>1</sup> The Renminbi amounts in this release have been translated into Singapore dollars based on an assumed exchange rate of RMB1 to S\$0.2036.

<sup>2</sup> Valuation as at 30 June 2017.

“After recovering the Level 4 space from BHG, CapitaMall Wangjing will boost its proportion of non-anchor net lettable area to about 60%, from the current approximate 50%. At the same time, BHG’s remaining lease terms at the mall will be favourably restructured to capture its performance upside. Coupled with the upgrading of the department store concept, the revamped CapitaMall Wangjing will be in an even stronger position to achieve sustainable growth over the long term.”

Upon completion of the divestment, CRCT will own a portfolio of 10 operational shopping malls in China.

**About CapitaLand Retail China Trust ([www.crct.com.sg](http://www.crct.com.sg))**

CRCT is the first China shopping mall Real Estate Investment Trust (REIT) in Singapore, with a portfolio of 11 income-producing shopping malls. Listed on the Singapore Exchange Securities Trading Limited on 8 December 2006, it is established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

The geographically diversified portfolio of quality shopping malls is located in six of China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Anzhen and CapitaMall Shuangjing in Beijing; CapitaMall Xinnan in Chengdu, Sichuan Province; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan, Hubei Province; CapitaMall Erqi in Zhengzhou, Henan Province; CapitaMall Saihan in Hohhot, Inner Mongolia; and CapitaMall Wuhu in Wuhu, Anhui Province. As at 30 June 2017, the total asset size of CRCT is approximately S\$2.7 billion.

All the malls in the portfolio are positioned as one-stop family-oriented shopping, dining and entertainment destinations for the sizeable population catchment areas in which they are located, and are accessible via major transportation routes or access points. A significant portion of the properties’ tenancies consists of major international and domestic retailers such as the Beijing Hualian Group, Carrefour and Wal-Mart under master leases or long-term leases, which provide unitholders with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as BreadTalk, innisfree, KFC, Nanjing Impressions, Nike, Sephora, Starbucks, UNIQLO, Watsons and ZARA.

CRCT is managed by an external manager, CapitaLand Retail China Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia’s largest real estate companies headquartered and listed in Singapore.

---

**Issued by: CapitaLand Retail China Trust Management Limited (Co. Regn.: 200611176D)**

Analyst contact

Leng Tong Yan  
Manager, Investor Relations  
DID: (65) 6713 1649  
Email: [leng.tongyan@capitaland.com](mailto:leng.tongyan@capitaland.com)

Media contact

Chia Pei Siang  
Assistant Vice President, Group Communications  
DID: (65) 6713 1379  
Email: [chia.peisiang@capitaland.com](mailto:chia.peisiang@capitaland.com)

## **IMPORTANT NOTICE AND DISCLAIMER**

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The information contained in this release has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this release. Neither CapitaLand Retail China Trust Management Limited (the “Manager”) or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this release or its contents or otherwise arising in connection with this release.

The past performance of CapitaLand Retail China Trust (“CRCT”) is not indicative of the future performance of CRCT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

The value of units in CRCT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units (“Unitholders”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.