

NEWS RELEASE

**CRCT enters bundle deal in Hohhot to acquire a new mall and
divest CapitaMall Saihan**
***Strengthens CRCT's portfolio with a higher quality asset that has a longer
balance tenure***

Singapore, 1 February 2019 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that CRCT, through its wholly owned subsidiary, has entered into a co-operative framework agreement with unrelated third parties for a bundle deal to acquire a property in Yuquan District, Hohhot, Inner Mongolia, China, at an agreed property value of RMB808.3 million (S\$159.6 million). CRCT targets to take over the property in 2H 2019 and open the mall in 2H 2020.

Upon the new mall's opening, CRCT will transfer its entire interest in a company that holds CapitaMall Saihan in Hohhot to a party related to the vendor of the new mall at an agreed property value of RMB460.0 million (S\$90.8 million). CRCT will close and hand over CapitaMall Saihan to the new owner by 2H 2020.

Mr Tan Tze Wooi, CEO of CRCTML, said: "In line with our focus to optimise CRCT's portfolio, we are pleased to enter into the bundle deal to swap CapitaMall Saihan – which has the earliest land tenure expiry among CRCT's assets – for a new mall in Hohhot that is double in size and has eight more years in its balance tenure relative to CapitaMall Saihan. To maximise the benefits for unitholders, the deal has been structured to minimise income disruption as the closure and divestment of CapitaMall Saihan will take place after the new mall is operational."

"Underpinned by Hohhot's retail growth and our proactive asset management, CapitaMall Saihan achieved a CAGR of 11% in net property income over a five-year period from 2013 to 2017. The mall's longer-term potential is, however, constrained by its relatively smaller size and a lack of metro connectivity and its own car park. Given the new mall's higher growth potential, CRCT will be in an even stronger position to build on our traction in Hohhot to tap the city's promising retail growth."

The eight-storey mall in Yuquan District has a gross floor area, excluding car park, of 76,309 square metres. Part of a mixed-use development that also includes residential, SOHO and office components, the mall is strategically located within a well-established commercial hub. It will be directly connected to NuoHeMuLe Station on Metro Line 2 (opening in 2020) and just three stops from an interchange station that also serves Metro Line 1 (opening in 2019). Within a five-kilometre radius, the mall caters to a sizeable estimated catchment of over 700,000 residents, as well as working professionals in the vicinity.

After taking over the mall, CRCT will embark on fit-out works and pre-leasing activities. In addition to porting selected leases from CapitaMall Saihan, CRCT plans to leverage the bigger scale of the new mall to attract higher quality tenants and wider offerings.

Mr Tan added: “Compared with CapitaMall Saihan, the new mall will feature a larger proportion and greater variety of new concepts that will create leasing synergies with the rest of our multi-tenanted malls and enhance CRCT portfolio’s tenant diversification. With its better location and quality specifications, we are confident our established local team in Hohhot will transform the new mall into a one-stop shopping destination catering to the lifestyle needs and aspirations of the city’s rising middle class.”

Hohhot is the capital of Inner Mongolia, the third largest province in China. It is an important portal in the Belt and Road Initiative that connects northern China with Mongolia and Russia. Underpinned by continual urbanisation, Hohhot has been recording strong retail sales. In 2017, the city’s per capita disposable income grew by 8.2% year-on-year to RMB43,518¹, above the national average². Further growth in Hohhot is expected with an expanding population and ongoing infrastructural developments that include more metro lines within the city and a high-speed railway connecting to Beijing.

Summary of Mall in Yuquan District

Address	E’ Er Duo Si Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region, China
Description	An eight-storey shopping mall comprising seven levels above ground and one basement level
GFA (include car park)	100,047 sq m
GFA (exclude car park)	76,309 sq m
Number of car park spaces	408 (in basement levels 2 and 3)
Land tenure expiry	2049

About CapitaLand Retail China Trust (www.crct.com.sg)

CapitaLand Retail China Trust (CRCT) (stock code: AU8U) 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 (SGX-ST) 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.

CRCT properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations housing a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining to entertainment. As at 31 December 2018, CRCT’s portfolio comprised a diverse mix of approximately 1,600 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Nanjing Impressions, Nike, Sephora, Starbucks and Sisyphus. Working closely with these tenants, CRCT malls offer engaging retail experiences that attract more than 114 million shoppers.

¹ Source: Hohhot Bureau of Statistics

² Source: National Bureau of Statistics

CRCT's geographically diversified portfolio of quality shopping malls, with a total gross rentable area of approximately 700,000 sq m, is located in eight Chinese cities. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square (51% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Hohhot and CapitaMall Wuhu (51% interest) in Wuhu. As at 31 December 2018, CRCT's total asset was S\$3.0 billion, a fourfold increase from the Trust's listing.

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

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