

CAPITAL & REGIONAL PLC

(Incorporated in the United Kingdom)

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(“Capital & Regional” or “the Company”)



**CAPITAL &
REGIONAL**

STRATEGIC RESIDENTIAL DEVELOPMENT PARTNERSHIP

Capital & Regional, the UK convenience and community focused shopping centre REIT, is pleased to announce it has signed an exclusivity agreement with a subsidiary of Far East Consortium International Limited (“FEC”), a leading international real estate developer, specialising in high quality residential, hotel and mixed-use developments in the UK, Asia and Australia. The agreement will see the two groups work together over the next 18 months to identify and bring forward the development of new residential opportunities across the group’s shopping centre portfolio.

While the primary aim of the partnership is to facilitate projects that will enhance asset value and/or generate potential land receipts for Capital & Regional, it will also assess where community retail and services might be added to FEC’s existing portfolio and pipeline, as well as seek new projects where the collective expertise and resources of the partnership could be utilised.

This decision to partner with a well-capitalised, experienced and focussed residential and hotel developer is a continuation of our strategy to reposition our assets to meet the structural changes in retail and the shift to community and sustainable 15-minute neighbourhoods. As part of this, the Group has already looked to extract value from the portfolio in a variety of ways. These have included the successful disposal of an adjoining land plot at Wood Green for residential development and our progress in securing a significant residential-led planning consent at Walthamstow, which will see the development of 495 Build to Rent apartments in the heart of the town centre.

Listed on the Hong Kong Stock Exchange and with a market cap of around HK\$6.7 billion, FEC is already active in the UK and has a strong track record in residential and mixed use developments. It has the experience and resources required to realise large scale, urban mixed use developments and the ability to assess opportunities at pace and work up deliverable residential development scenarios. These attributes are highly complementary to the Capital & Regional management team’s proven ability to reposition and curate existing retail and services while enriching communities and creating desirable, sustainable neighbourhoods where people want to live, work, shop, access services and dine.

Lawrence Hutchings, CEO of Capital & Regional said: *“Both FEC’s and our own management team recognise the importance of sustainable mixed-use urban environments that enhance the sense of place and serve their local communities. The combination of our existing skills and resources will help to unlock further opportunities to create these across, and potentially beyond, our existing estate.*”

“We have already demonstrated that residential can play an integral role in repositioning existing retail property, especially in greater London, and are therefore pleased to formalise our relationship with FEC, having known the business well for several years. We believe this agreement is a further demonstration of our team’s ability to take a highly innovative approach to the management of our community centres and the potential our portfolio offers.”

Chris Hoong, Managing Director, Far East Consortium International Limited said: *“FEC has a vast experience in delivering high density schemes in the United Kingdom and working closely with local councils and boroughs. We have identified two immediate potential opportunities and will work closely with Capital & Regional to explore how we might jointly deliver high quality residential properties within their London portfolio, which are already well served by existing retail amenities and transport links. Residential developments also provide additional clientele to retail properties and enhance existing communities and therefore help drive income of occupiers. We are delighted to have signed this exclusivity agreement with Capital & Regional as we sincerely believe that our interests are aligned and that we can add significant value to each other.”*

9 September 2021

JSE sponsor



About Capital & Regional plc

Capital & Regional is a UK focused retail property REIT specialising in shopping centres that dominate their catchment, serving the non-discretionary and value orientated needs of the local communities. It has a strong track record of delivering value enhancing retail and leisure asset management opportunities across its portfolio of in-town shopping centres.

Capital & Regional owns seven shopping centres in Blackburn, Hemel Hempstead, Ilford, Luton, Maidstone, Walthamstow and Wood Green. Capital & Regional manages these assets through its in-house expert property and asset management platform.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE).

For further information see www.capreg.com