



PERENNIAL REAL ESTATE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200210338M)

ENTRY INTO JOINT VENTURE TO INVEST IN A MIXED-USE DEVELOPMENT IN SRI LANKA

Perennial Real Estate Holdings Limited (“**Perennial**”) has led and syndicated a consortium of investors and through its wholly-owned subsidiary, Perennial EM Holdings Pte. Ltd. (“**PEMH**”), entered into a joint venture with HPRY Holdings Limited (“**HPRY**”), Hong Lee Holdings (Pte) Ltd (“**HLH**”), Longhlin Asia Limited (“**LAL**”) and an unrelated party to invest in a mixed-use development in Colombo, Sri Lanka (the “**Project**”) (collectively, the “**Joint Venture**”). PEMH will hold 31.25% in the joint venture company, Perennial CBL Pte Ltd (“**PCBL**”). The remaining equity interests in PCBL are held by HPRY (37.5%), HLH (9.375%), LAL (9.375%) and the unrelated party (12.5%). PCBL and Pyramid Wilmar Plantations (Private) Limited (“**Pyramid**”) will in turn hold 80% and 20% interests respectively in Perennial Real Estate Lanka (Private) Limited (“**Landco**”), which will acquire the land and develop the Project.

Following the entry into the Joint Venture, PCBL is now an associated company of Perennial.

Information on the Project

The Project is located next to Beira Lake in Colombo, the capital city of Sri Lanka. It is sited on a land parcel spanning approximately 14,000 square metres (“**sqm**”), and is adjacent to a Shangri-La development in the prime Colombo district 02.

The Project will be a mixed-use development and is expected to comprise residential, office and retail components. The total gross floor area of the Project is expected to be approximately 120,000 sqm.

Rationale for the Joint Venture

Establishing a presence in Sri Lanka is in line with Perennial’s strategy to expand into new markets with high growth potential and untapped value. This Project diversifies Perennial’s investments and adds a new engine of growth to complement its current asset portfolio.

Method of Financing and Financial Impact

The total expected capital contribution by Perennial for the Joint Venture is USD17.5 million (approximately S\$23.6 million) and is expected to be funded by a combination of internal cash, sales of residential and office units, and bank borrowings, if available.

The Joint Venture is not expected to have a material impact on the net tangible assets or earnings per share of Perennial for the current financial year.

Interested Person Transaction (“IPT”)

HPRY is a controlling shareholder of Perennial and is wholly-owned by Mr Kuok Khoon Hong (“**Mr Kuok**”), a director and controlling shareholder of Perennial. HLH and LAL are associates of Mr Kuok. Pyramid is an indirect 87.5% subsidiary of Wilmar International Limited (“**WIL**”), a controlling shareholder of Perennial.

Hence, HPRY, HLH, LAL and Pyramid are regarded as interested persons. The Joint Venture with HPRY, HLH and LAL in relation to PCBL and the joint venture between PCBL and Pyramid in relation to the Landco are considered interested person transactions for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Audit and Risk Committee of Perennial has reviewed (i) the investment by HPRY, HLH and LAL in PCBL; (ii) the investment by Pyramid in Landco; and (iii) the proposed terms of the Joint Venture, and is satisfied that they are on normal commercial terms and the risks and rewards are in proportion to the equity of each joint venture partner and are not prejudicial to the interests of Perennial and its minority shareholders.

For the current financial year: -

- (a) The aggregate value of IPTs arising from the entry into the Joint Venture is USD17.5 million (approximately S\$23.6 million) for each of (i) WIL and its associates, (ii) HPRY, (iii) HLH and (iv) LAL respectively.
- (b) The aggregate value of IPTs entered into by Perennial with WIL and its associates to date is S\$25.5 million, representing approximately 0.96% of Perennial’s audited net tangible asset value of S\$2,654.3 million as at 31 December 2018.

Mr Kuok is a director and controlling shareholder of Perennial, and also a director and substantial shareholder of HPRY, HLH, LAL and WIL. Mr Pua Seck Guan (“**Mr Pua**”) is a director and substantial shareholder of Perennial. Mr Pua is also a director of WIL and PEMH.

Save as disclosed above, none of the directors or controlling shareholders of Perennial has any interest, direct or indirect, in the Joint Venture.

BY ORDER OF THE BOARD

Wong Chuen Shya
Company Secretary

31 January 2020
Singapore

About Perennial Real Estate Holdings Limited (www.perennialrealestate.com.sg)

Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia, Indonesia, Myanmar and Ghana with a combined portfolio spanning over 65 million square feet in gross floor area. Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR Healthcare and Business City, are regional healthcare and commercial hubs which are situated adjacent to four of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development, Zhuhai Hengqin Integrated Development, Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

In Singapore, Perennial has invested in and/or manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as Capitol Singapore, CHIJMES, AXA Tower, 111 Somerset, Chinatown Point and House of Tan Yeok Nee.