



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

THE CAPITOL SINGAPORE

Further to the announcements dated 14 April 2016, 8 February 2017, 3 March 2017, 20 March 2017 and 13 November 2017, the Board of Directors (the "**Board**") of Perennial Real Estate Holdings Limited ("**PREHL**") wishes to make a further announcement on its stake in the Capitol Singapore, held through its wholly-owned subsidiaries Perennial (Capitol) Pte. Ltd. and New Capitol Pte. Ltd. (collectively, the "**Perennial Entities**").

On 3 January 2018, the Perennial Entities entered into a settlement agreement with Chesham Properties Pte. Ltd. ("**Chesham**"), Perennial (Singapore) Retail Management Pte. Ltd. and Patina Hotels & Resorts Pte. Ltd. (the "**Settlement Agreement**"). The Settlement Agreement provides for a mechanism by which either the Perennial Entities or Chesham will purchase all of the others' shares in the Perennial Entities' associated companies (the "**Proposed Transaction**"), Capitol Investment Holdings Pte. Ltd., Capitol Retail Management Pte. Ltd. and Capitol Hotel Management Pte. Ltd. (collectively, the "**Capitol Entities**"). The sale and purchase of shares is expected to be completed within 19 weeks of the date of the Settlement Agreement.

PREHL also wishes to announce that it had received a letter from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") dated 8 December 2017 confirming that it has no objection to PREHL's view that the Proposed Transaction is not subject to Chapter 10 of the Listing Manual, subject to the following:-

- (a) Submission of a written confirmation from PREHL that the Board is of the unanimous view that the Proposed Transaction is in the best interest of PREHL and does not alter the risk profile of PREHL; and
- (b) PREHL announcing the Board's view how the Proposed Transaction is in the ordinary course of business of PREHL.

This announcement is for compliance with item (b). PREHL has submitted the required written confirmation to the SGX-ST as referred to in item (a) above.

The Proposed Transaction should be regarded as being in the ordinary course of business and therefore outside of the shareholders' approval requirements under Chapter 10 of the Listing Manual. The key reasons are:-

- (a) Where the Proposed Transaction is to be a proposed acquisition by the Perennial Entities of Chesham's shares in the Capitol Entities (the "**Proposed Acquisition**"):-
 - (i) The Proposed will not result in a material change to the nature of the Group's business and is effectively an expansion of PREHL's existing core businesses by acquiring the remaining shareholding interest in Capitol Singapore;

- (ii) The Proposed Acquisition will not change the risk profile of PREHL for the following reasons:-
 - a. The Proposed Acquisition will not increase the scale of PREHL's existing operations significantly;
 - b. There will be no change in control of PREHL as a result of the Proposed Acquisition; and
 - c. Capitol Singapore is located in Singapore, which is PREHL's home country and principal place of business. In addition, PREHL already holds an indirect 50% shareholding interest in Capitol Singapore. Accordingly, the Proposed Acquisition will not result in an expansion of PREHL's business to a new geographical market and/or a new business sector.

- (b) Where the Proposed Transaction is to be a proposed disposal of the Perennial Entities' shares in the Capitol Entities (the "**Proposed Disposal**"):-
 - (i) The Proposed Disposal is not a disposal of PREHL's core business or a substantial part of its core business and will not result in a material change to the nature of PREHL's business, affect the nature of its main business or impact the existing operations of the Group's business. PREHL has previously similarly divested their interest in other projects (for example, TripleOne Somerset and 112 Katong);

 - (ii) The Proposed Disposal will not change the risk profile of PREHL for the following reasons:-
 - a. The Proposed Disposal will not decrease the scale of PREHL's existing operations significantly; and

 - b. There will be no change in control of PREHL as a result of the Proposed Disposal.

As the SGX-ST has confirmed that it has no objection to PREHL's view that the Proposed Transaction is not subject to Chapter 10 of the Listing Manual subject to the abovementioned conditions which have been fulfilled, PREHL will not be convening an extraordinary general meeting to seek shareholders' approval for the Proposed Transaction and accordingly, will not be dispatching a circular to shareholders in relation thereto.

PREHL will make the necessary announcements when there are further material developments on this matter. Shareholders of PREHL and potential investors are advised to read all further announcements by PREHL carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

3 January 2018

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 and Ghana with a combined portfolio spanning about 54 million square feet in gross floor area. Perennial is also a healthcare services owner and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

Perennial is a dominant commercial developer with sizeable integrated developments in China, of which two are regional commercial hubs adjacent to the two largest high speed railway stations in the country, being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development. Other landmark projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

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