



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

THE CAPITOL SINGAPORE

BACKGROUND

Further to the announcements dated 14 April 2016, 8 February 2017, 3 March 2017, 20 March 2017, 13 November 2017, and 3 January 2018, the Board of Directors of Perennial Real Estate Holdings Limited ("**PREHL**", together with its subsidiaries, "**Perennial Group**") 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 9 March 2018, the Perennial Entities had received a notice (the "**Chesham Notice**") from Chesham Properties Pte. Ltd. ("**Chesham**") electing to sell its shares in Capitol Investment Holdings Pte. Ltd., Capitol Retail Management Pte. Ltd. and Capitol Hotel Management Pte. Ltd. (collectively, the "**Capitol Entities**") to the Perennial Entities at a price of S\$129,605,835.00 (the "**Consideration**").

Pursuant to the Settlement Agreement and the Chesham Notice, both Chesham and the Perennial Entities shall, within 2 business days, execute a Sale and Purchase Agreement (the "**Sale and Purchase Agreement**") for the sale of shares in the Capitol Entities from Chesham to the Perennial Entities. The completion of the sale of shares shall occur within 8 weeks of the date of the Sale and Purchase Agreement. On completion, the Perennial Entities shall also (a) discharge Chesham's loans to the Capitol Entities amounting to S\$368,611,045.00, and all interest accrued on the said loans; and (b) make ancillary payments of S\$3 million to Patina Hotels & Resorts Pte. Ltd..

TERMS OF TRANSACTION

The Consideration will be paid in cash on completion and was based on a property price of \$1,028 million which is 2.6% above the 2017 property valuation of approximately \$1,001.8 million.¹

The Consideration will be funded by PREHL's internal resources and borrowings. The financial impact of the acquisition of Chesham's shares in the Capitol Entities is as illustrated below. Upon the completion of the sale of shares, the Capitol Entities will become wholly-owned subsidiaries of the Perennial Entities.

¹ Valuation of the Capitol Project excluding the units sold in Eden Residences as at December 2017

CHAPTER 10 OF THE SGX-ST LISTING RULES

The relative figures of the Transaction computed on the applicable bases set out in Rule 1006 of the SGX-ST Listing Rules (“**Listing Rules**”) are as follows:

Rule1006	Bases	Proposed Transaction	PREHL Group	Relative Figures
		(S\$'000)	(S\$'000)	(%)
(b)	Net profits attributable to the acquisition pursuant to the Proposed Transaction, compared with the PREHL Group's net profits	12,119	173,452	7.0
(c)	Consideration payable for the acquisition compared with PREHL's market capitalisation ^(a)	502,447	1,422,357	35.3

Notes:

(a) The PREHL Group's market capitalisation is based upon 1,663,575,068 PREHL shares in issue (excluding treasury shares) as at 9 March 2018, being 2 market days prior to the date of the SPA on which PREHL shares were traded on the SGX-ST, of S\$0.855 per PREHL share.

EARNINGS

For illustrative purposes only and assuming that the Proposed Transaction had been completed on 1 January 2017, the pro forma financial effects on the earnings of the PREHL Group are as follows:

The Proposed Transaction	Before the Proposed Transaction	After the Proposed Transaction
Profit after tax and non-controlling interests (S\$ million)	100.3	86.9
Earnings per PREHL share (cents)	6.02	5.22

NET TANGIBLE ASSETS (“NTA”)

For illustrative purposes only and assuming that the Proposed Transaction had been completed on 31 December 2017, the pro forma financial effects on the NTA of the PREHL Group are as follows:

The Proposed Transaction	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$ million)	2,686.3	2,673.0
NTA per PREHL share ^b (S\$)	1.61	1.61

^b Based on 1,663,975,068 issued shares of PREHL

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.

None of the directors or controlling shareholders of PREHL has any interest, direct or indirect, in the aforementioned transaction other than through their shareholding interests in the PREHL.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

12 March 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.