



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

PROPOSED DISPOSAL OF THE ENTIRE EQUITY STAKE IN CHINATOWN POINT MALL

1. INTRODUCTION

Pursuant to Rule 704 of the Listing Manual, Perennial Real Estate Holdings Limited ("Perennial", together with its subsidiaries, "Perennial Group") wishes to announce that Perennial Chinatown Point LLP ("PCP LLP" or "Seller") has today entered into a share purchase agreement (the "SPA") with PAR Chinatown Point Pte. Ltd. ("Purchaser"), a wholly-owned vehicle of a fund which is managed by Pan Asia Realty Advisors (Singapore) Pte. Ltd., a joint venture between Mitsubishi Estate Co., Ltd, and CLSA, whereby the Seller has agreed to (i) the sale of its entire issued shares (the "Sale Shares") held in CP1 Pte. Ltd., CP2 Pte. Ltd., CP3 Pte. Ltd., CP4 Pte. Ltd. and CP5 Pte. Ltd. (the "Target Companies"); and (ii) the assignment of shareholder loans granted by the Seller to the Target Companies (the "Loan Assignment"), to the Purchaser.

PCP LLP is the owner of the retail mall and four strata office units (together the "Chinatown Point Mall") in Chinatown Point, a landmark integrated development located in the heart of the Chinatown precinct within Singapore's Central Business District. Perennial Group currently holds an aggregate effective partnership interest of 50.64% in PCP LLP through its direct holding of 45.49% and an indirect holding of 5.15%, via PRE 3 Investments Pte. Ltd., which is an associated company of the Perennial Group.

2. CONSIDERATION

2.1 Consideration. The consideration for the Sale Shares is S\$225 million which is based on the agreed property price of S\$520 million (the "Agreed Property Price") and the net asset values of the Target Companies as at closing. The consideration is subject to certain adjustments for the net asset values of the Target Companies as at closing and other agreed liabilities. The Agreed Property Price translates to S\$2,450 per square foot on total net lettable area of Chinatown Point Mall. The consideration for the Sale Shares was determined after arm's length negotiations between the Seller and the Purchaser taking into consideration the current market value of Chinatown Point Mall and the net asset value of the Target Companies (other than its interest in Chinatown Point Mall). The consideration for the Loan Assignment is the principal plus accrued and unpaid interest outstanding under the loan.

2.2 Terms of Payment. The consideration for the Sale Shares and the Loan Assignment will be satisfied as follows:

2.2.1 on execution of the SPA, 10 per cent. of the Agreed Property Price will be paid as a deposit, with S\$5.2 million to be paid to the Seller and the balance to be paid into an escrow account;

2.2.2 90 per cent. of the balance consideration for the Sale Shares and the Loan Assignment will be paid in cash at closing, with adjustments to be made post-closing based on the adjusted net asset value of the Target Companies as at the closing date once such computation has been derived based on the agreed terms in the SPA.

2.3 Conditions Precedent. The completion of the proposed sale is subject to the satisfaction or waiver, as the case may be, of customary conditions precedent. Subject to the conditions precedent being satisfied, the transaction is expected to close on or about 6 June 2019.

3 RATIONALE

The transaction is in line with Perennial's active capital recycling strategy to rebalance its portfolio, enhance its financial flexibility and maximise its returns to shareholders.

4. FINANCIAL IMPACT

Based on the last published accounts of the Perennial Group as at 31 December 2018, the book value and net asset value of the Perennial Group's effective stake in the Target Companies is S\$108.1 million. Perennial's share of the net proceeds from the Sale Shares and the Loan Assignment (including certain pre-closing distributions to be made by the Target Companies to the Seller) is expected to be approximately S\$125.3 million and its share of the divestment gain is approximately S\$17.2 million.

5. FURTHER INFORMATION

5.1 Property Manager. Perennial (Singapore) Retail Management Pte. Ltd. will be appointed by the Purchaser as the property manager for Chinatown Point Mall.

5.2 Interests of Directors and Substantial Shareholders of Perennial. None of the directors or substantial shareholders of Perennial has any interest, direct or indirect, in the Proposed Transaction, save for their shareholdings in Perennial.

5.3 Documents for Inspection. A copy of the SPA is available for inspection during normal business hours at the registered office of Perennial at 8 Shenton Way, #36-01, AXA Tower, Singapore 068811 for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

22 April 2019

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 and Ghana with a combined portfolio spanning about 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 sizeable 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 Integrated Development and Kunming South HSR Integrated Development, 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 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 Capitol Singapore, CHIJMES, AXA Tower, TripleOne Somerset, Chinatown Point and House of Tan Yeok Nee.