



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**DISPOSAL OF ENTIRE 45 PER CENT. EQUITY STAKE IN
YANLORD INVESTMENT (SINGAPORE) PTE. LTD.**

1. INTRODUCTION

- 1.1 Perennial Real Estate Holdings Limited ("**Perennial**") wishes to announce that its subsidiary, Perennial UW Pte. Ltd. ("**Perennial UW**"), has completed the sale of its entire 45 per cent. (45%) equity stake in Yanlord Investment (Singapore) Pte. Ltd. (formerly known as Yanlord Perennial Investment (Singapore) Pte. Ltd.) ("**YIS**") to Yanlord Commercial Property Investments Pte. Ltd. ("**Yanlord Commercial**"), one of the shareholders of YIS, pursuant to a sale and purchase agreement dated 24 October 2019 (the "**SPA**") (the "**Transaction**").
- 1.2 Perennial holds an effective 72.22% stake in Perennial UW. The remaining share capital of Perennial UW is held by HPRY Holdings Limited ("**HPRY**") and WCA Pte. Ltd. ("**WCA**"), which hold stakes of 16.67% and 11.11% respectively.
- 1.3 HPRY is an investment holding company and its sole shareholder is Mr Kuok Khoon Hong, who is also the Chairman, Non-Independent, Non-Executive Director and a controlling shareholder of Perennial. WCA is a wholly-owned subsidiary of Wilmar International Limited, another controlling shareholder of Perennial.
- 1.4 YIS is an investment holding company and its principal assets are its investment in the shares of United Engineers Limited ("**UEL Shares**") and WBL Corporation Limited ("**WBL Shares**").

2. THE TRANSACTION

- 2.1 Pursuant to the terms of the SPA, Perennial UW has agreed to sell its 45% stake in YIS to Yanlord Commercial. Following the completion of the Transaction, YIS has ceased to be an associated company of Perennial.

3. CONSIDERATION

- 3.1 Under the SPA, Yanlord Commercial has paid to Perennial UW an aggregate cash payment of S\$202,681,090 (the "**Perennial Payment Amount**") in connection with the acquisition of Perennial UW's entire 45% stake in YIS and the repayment of a shareholders' loan extended by Perennial UW to YIS. The Perennial Payment Amount was arrived at on a willing-buyer willing-seller basis, valuing YIS's UEL Shares and WBL Shares at S\$2.60 per UEL Share and S\$2.5947 per WBL Share respectively and taking into account, *inter alia*, the capital funding (equity and debt) contributed by Perennial UW to YIS, and YIS's cash and cash equivalents, outstanding bank debt, and other liabilities as at 30 September 2019. The Perennial Payment Amount has been paid in full to Perennial UW.
- 3.2 Based on the audited financial statements of YIS as at 31 December 2018, the net asset value of YIS is S\$534.1 million.

4. RATIONALE

- 4.1 The Transaction is a result of the Perennial group's review to realign its portfolio to focus on investments with direct value creation opportunities, and is in line with Perennial's capital recycling strategy to further bolster its balance sheet. Perennial will utilise the proceeds for corporate and general working capital purposes.

5. FINANCIAL EFFECTS

- 5.1 The Transaction is not expected to have a material impact on the net tangible assets or earnings per share of the Perennial group for the financial year ending 31 December 2019.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 6.1 Save as disclosed in this Announcement, none of the directors or controlling shareholders of Perennial has any interest, direct or indirect, in the Transaction.

BY ORDER OF THE BOARD

Wong Chuen Shya
Company Secretary

25 October 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, 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 Integrated Development 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.