



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

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**PROPOSED DISPOSAL OF  
ENTIRE 30.0 PER CENT. EQUITY STAKE IN 111 SOMERSET**

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**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 Singapore Investment Holdings Pte. Ltd. ("**PSIHPL**"), a wholly-owned subsidiary of Perennial has, on 16 April 2020 executed a sale and purchase agreement (the "**SPA**") for the proposed disposal of its entire 30.0 per cent. equity stake in Perennial Somerset Investors Pte. Ltd. (the "**PSIPL**"), an entity which holds, through an indirect wholly-owned subsidiary, the property known as 111 Somerset situated at 111 Somerset Road, Singapore 238164 (the "**Property**") to the existing 70% shareholder of PSIPL, Simply Swift Limited (the "**Buyer**"), a wholly-owned subsidiary of Shun Tak Holdings Limited (the "**Buyer Parent**").

The Property is a 17-story commercial landmark development situated at 111 Somerset Road, Singapore with a gross floor area of approximately 766,550 square feet ("**sq ft**").

The proposed sale ("**Transaction**") was based on Property value for the net strata area<sup>1</sup>, and the consideration for the 30% equity stake net of debt is S\$155.1 million, subject to final adjustments. Details of the consideration for the Transaction are set out under paragraph 2.2 below.

**2. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION**

**2.1 SPA.** Pursuant to the terms of the SPA, the Buyer has entered into an agreement with PSIHPL to acquire an aggregate of 687,000 ordinary shares and 687,000 preference shares in PSIPL, together with junior bonds for an aggregate principal amount of S\$68,700,000 issued by PSIPL (together, the "**Sale Securities**"). The Sale Securities represent an equity stake of 30.0 per cent. in PSIPL.

**2.2 Consideration.** The consideration for the Sale Securities is S\$155.1 million (the "**Base Consideration**") in cash, which consideration is subject to adjustment based on the net strata area of the Property (excluding units sold and handed over as at date of completion of the SPA (the "**Completion Date**"). The Base Consideration has been determined as follows:

2.2.1 it is based on an agreed Property price for the net strata area as at the Completion Date (excluding units sold and handed over as at the Completion Date); and

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<sup>1</sup> Based on agreed net strata area as at 31 December 2019.

2.2.2 it will be subject to adjustments based on the adjusted net asset value of PS IPL as at the Completion Date, which assumes, *inter alia*, that the asset enhancement works have been completed.

The Base Consideration was determined after arm's length negotiations between PSIHPL and the Buyer, taking into consideration the following factors, among others:

- (i) the current and expected market value of the Property upon completion of an asset enhancement program which is currently underway;
- (ii) the total assets and liabilities of PS IPL and its subsidiaries (the "PS IPL Group") other than the Property; and
- (iii) the equity interest in PS IPL represented by the Sale Securities.

**2.3 Terms of Payment.** The consideration for the Sale Securities will be satisfied as follows:

2.3.1 80 per cent. of the Base Consideration will be paid within five business days after the Completion Date; and

2.3.2 the remaining 20 per cent. of the Base Consideration (after making such adjustments as shall be required following the determination of the adjusted net asset value of PS IPL at Completion Date) shall be paid within 10 business days of the date on which the completion accounts and the computation of the adjustment amount is agreed in accordance with the terms of the SPA.

**2.4 Conditions Precedent.** The completion of the Transaction is subject to the satisfaction or waiver, as the case may be, of the following conditions:

2.4.1 the Buyer or the Buyer Parent having obtained such consents or approvals as may be required under applicable laws;

2.4.2 consents or waivers from third parties in relation to certain facility agreements; and

2.4.3 other customary conditions precedent.

Completion will take place on the later of 31 May 2020 or the date falling 5 business days from the date on which all the conditions above are satisfied or waived, or such other date as the Buyer and PSIHPL may agree in writing.

### **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 2019, the book value and net asset value of the Sale Securities was S\$118.3 million.

Assuming Completion of the proposed Transaction and there is no adjustment to the Base Consideration, Perennial's gain on disposal is approximately S\$25 million.

## 5. FURTHER INFORMATION

- 5.1 Property and Project Manager.** Post completion of the Transaction, Perennial (Singapore) Retail Management Pte. Ltd. will remain the property and project manager of the Property subject to termination and/or extension in accordance with the terms of the property and project management agreement.
- 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 5 May 2020, or the date on which the circuit breaker measures are lifted by the Government of Singapore, whichever is later.

BY ORDER OF THE BOARD

**Wong Chuen Shya**  
Company Secretary

16 April 2020

Singapore

## **About Perennial Real Estate Holdings Limited ([www.perennialrealestate.com.sg](http://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, Sri Lanka 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, Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International 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.