



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200210338M)

**ENTRY INTO JOINT VENTURE TO ACQUIRE AND DEVELOP
A FREEHOLD WATERFRONT SITE INTO AN OVER RM3.0 BILLION
INTEGRATED MIXED-USE DEVELOPMENT IN PENANG, MALAYSIA**

1. INTRODUCTION

Perennial Real Estate Holdings Limited (“PREH”) is pleased to announce that it has today, entered into a joint venture to acquire a freehold waterfront site (the “**Site**”) in Penang, Malaysia, to be jointly developed into an integrated mixed-use development.

The joint venture will be between Perennial Penang Pte. Ltd., (“**PPPL**”), a newly formed wholly-owned subsidiary incorporated in Singapore of PREH, and The Light Waterfront Sdn. Bhd., a wholly-owned subsidiary of IJM Land Bhd (“**IJM Land**”). PREH and IJM Land will each have an effective 50% interest in the joint venture company, Aura Hebat Sdn. Bhd. (“**JVCo**”).

Concurrently with the entering of the joint venture, the JVCo has entered into a Sale and Purchase Agreement to acquire the Site (the “**Acquisition**”) from Jelutong Development Sdn. Bhd. (the “**Vendor**”), a subsidiary of IJM Land. The completion of the Acquisition is subject to, amongst others, the receipt of the documents of title from the relevant Penang authorities.

2. INFORMATION ON THE PROJECT

The Site is prominently located on waterfront freehold land in Gelugor town on the eastern coastline of Penang Island, and has a land area of approximately 1.4 million square feet (“**sq ft**”). It is in close proximity to the Penang Bridge, not far from the second Penang Bridge, and a short drive from Penang International Airport. The Site will be developed into an integrated mixed-use development comprising a shopping mall and thematic shops, residential towers, an office tower, two hotels and a convention centre with a total gross floor area (“**GFA**”) of about 4.1 million sq ft, excluding carpark area. The Site will be complemented by IJM Land’s first phase of THE LIGHT Waterfront Penang, which consists of 1,177 residential condominium units and luxury villas, which have been largely completed and almost fully sold.

3. RATIONALE

The joint venture will benefit from the combined expertise and experience of PREH and IJM Land in the development and management of large scale integrated mixed-use developments, comprising residential, commercial and hospitality components. In addition, the joint venture will benefit from IJM Land’s familiarity and depth of experience in the Malaysia property market, including Penang where they already have a presence.

Establishing a presence in regional growth markets is in line with PREH's strategy to diversify its investments. This creates new opportunities for PREH and complements its PRC and Singapore portfolio of assets.

4. INVESTMENT COST

The consideration for the Acquisition is approximately RM402.8 million, subject to the GFA to be approved by the Penang authorities. This was arrived at on a willing-buyer willing-seller basis with the Vendor. Based on PREH's 50% effective interest in the joint venture, RM201.4 million of the consideration will be borne by it ("**Transaction**").

The total development cost for the Site is expected to be over RM3.0 billion. The JVCo intends to fund the development of the project through a combination of internal funds, bank loans and sales proceeds from the sale of the residential and office components.

5. METHOD OF FINANCING AND FINANCIAL EFFECTS

PREH will fund the Transaction by internal funds and external borrowings. The Transaction is not expected to have any material impact on the net tangible assets or earnings per share of PREH for the financial year ending 30 June 2015.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or the substantial shareholders has any interest, direct or indirect, in the Transaction.

BY ORDER OF THE BOARD

Pua Seck Guan

Chief Executive Officer

21 April 2015

Singapore

DBS Bank and Standard Chartered Bank acted as Joint Financial Advisers in relation to the reverse take-over of the Company which was completed on 27 October 2014.
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This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

About Perennial Real Estate Holdings Limited (www.perennialrealestate.com.sg)

Perennial Real Estate Holdings Limited (the “Group”) is an integrated real estate owner, developer and manager listed on the Mainboard of the Singapore Exchange (“SGX-ST”). Headquartered in Singapore, the Group focuses strategically on large scale mixed-use developments primarily in the People’s Republic of China (“PRC”) and Singapore. The Group owns interests in and/or manages a diversified portfolio measuring about 36.5 million square feet and over 2.0 million square feet in gross floor area in the PRC and Singapore respectively.

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

In Singapore, the Group is invested in and manages prime and iconic properties located predominantly in the Downtown Civic District and Orchard Road precinct, such as CHIJMES, Capitol Singapore, TripleOne Somerset and the House of Tan Yeok Nee. The Group also holds stakes in and manages 112 Katong Mall and Chinatown Point mall.