



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**DIVESTMENT OF INTERESTS IN 112 KATONG MALL AND ASSOCIATED COMPANY
KATONG AMC PTE. LTD.**

DIVESTMENT OF INTERESTS IN 112 KATONG MALL

The Board of Directors (the “**Board**”) of Perennial Real Estate Holdings Limited (the “**Company**”) wishes to announce that the Company, through its wholly-owned subsidiary, Perennial Singapore Investments Pte. Ltd. (“**PSIPL**”), has disposed of (the “**PRE 1 Disposal**”) its 1.46% economic interests (the “**PRE 1 Interests**”) in PRE 1 Investments Pte. Ltd. (“**PRE 1**”) to DC REIT Holdings Pte. Ltd. (the “**Purchaser**”). PRE 1 is the sole unitholder of Perennial Katong Retail Trust (“**PKRT**”), which in turn owns 112 Katong Mall (the “**Property**”).

The purchase consideration payable by the Purchaser is approximately S\$3.4 million, subject to certain adjustments as agreed between the parties (the “**PRE 1 Consideration**”) and was paid in cash.

The PRE 1 Consideration was arrived at on a willing buyer and willing seller basis taking into account (i) the estimated net asset value of PRE 1 and PKRT as at 31 December 2015 (subject to certain adjustments) as agreed between the parties to the sale and purchase agreement for the PRE 1 Interests dated 15 January 2016 (the “**PRE 1 SPA**”), (ii) the principal amount of the outstanding Secured Fixed Rate Junior Bonds issued by PRE 1 to PSIPL (the “**Junior Bonds**”), and (iii) the accrued interest in respect of such Junior Bonds for the period from 29 July 2015 to 15 January 2016.

As at 31 December 2015, the unaudited book value and the net tangible asset value of the PRE 1 Interests was approximately S\$2.41 million.

DBS Bank Ltd. 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.

DIVESTMENT OF INTERESTS IN KATONG AMC PTE. LTD.

In connection with the PRE 1 Disposal, PRE 2 Investments Pte. Ltd. ("**PRE 2**"), a wholly-owned subsidiary of the Company, had on 15 January 2016 entered into a sale and purchase agreement with DC REIT Holdings Pte. Ltd. ("**DCRH**") to divest (the "**Katong AMC Divestment**") its entire interest of 23% of the issued share capital (the "**Katong AMC Sale Shares**") of Katong AMC Pte. Ltd. ("**Katong AMC**"), an associated company of the Company, for a consideration of S\$1.00 (payable in cash) (the "**Katong AMC Consideration**"). Katong AMC is the trust manager of PKRT. The Katong AMC Divestment was completed on 15 January 2016.

The Katong AMC Consideration was arrived at on a willing buyer and willing seller basis and was negotiated together with the PRE 1 Disposal. The disposal of the Katong AMC Sale Shares by PRE 2 is part of the Company's exit from the Property (through the sale of its indirect interest in PRE 1 to DCRH).

As at 31 December 2015, the unaudited book value and net tangible asset value of the Katong AMC Sale Shares was approximately S\$62,000.

The PRE 1 Disposal and the Katong AMC Divestment are not expected to have material financial effects on the Company for the financial year ending 31 December 2016.

Following the completion of the Katong AMC Divestment, Katong AMC has ceased to be an associated company of the Company.

Copies of the PRE 1 SPA and sale and purchase agreement for the Katong AMC Divestment may be inspected at the registered office of the Company at 8 Shenton Way, #45-01 AXA Tower Singapore 068811 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

17 January 2016

Singapore

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

Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate owner, developer and manager listed on the Mainboard of the SGX-ST. Headquartered in Singapore, Perennial focuses strategically on large-scale mixed-use developments and has a presence in the People's Republic of China ("**PRC**"), Singapore, Malaysia and Ghana with a combined portfolio measuring over 45 million square feet in gross floor area. Perennial's business also extends into the healthcare industry in the PRC, through the acquisition, development and management of medical, eldercare and senior housing services and assets.

Perennial 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 Perennial's portfolio include the Beijing Tongzhou Integrated Development, the Shenyang Longemont Integrated Development and the Zhuhai Hengqin Integrated Development.

In Singapore, Perennial is invested in and manages prime and iconic properties located predominantly in the Downtown 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 mall.