

PRESS RELEASE

16 April 2020
For Immediate Release

Perennial to Fully Divest 30% Stake in 111 Somerset, Singapore to Shun Tak

Divestment aligns with Perennial's capital recycling strategy

Singapore, 16 April 2020 – Perennial Real Estate Holdings Limited ("**Perennial**"), through its wholly-owned subsidiary, Perennial Singapore Investment Holdings Pte. Ltd., has executed a Sale and Purchase Agreement to divest its entire 30% stake in Perennial Somerset Investors Pte. Ltd. ("**PSIPL**") to its 70% shareholder, Simply Swift Limited, an indirect wholly-owned subsidiary of Hong Kong-listed Shun Tak Holdings Limited ("**Shun Tak**") at a consideration of S\$155.1 million (the "**Transaction**"). PSIPL owns 111 Somerset, which is a predominantly office integrated landmark development located in Singapore's Orchard Road precinct.

The Transaction was based on the property value for the net strata area¹, and the consideration for the 30% equity stake net of debt is S\$155.1 million, subject to final adjustments. Perennial is expected to record a pre-tax gain on disposal of approximately S\$25 million. The Transaction is expected to complete on the later of 31 May 2020 or the date falling five business days from the date on which all condition precedents are being satisfied.

In December 2013, Perennial syndicated a consortium of investors to acquire 111 Somerset at a property price of S\$970 million and held a 50.2% stake. Subsequently in January 2017, the Perennial-led consortium divested a total of 70% stake to Shun Tak, at an agreed property price of approximately S\$1.258 billion based on net strata area. For the latter transaction, all of the consortium members divested their entire stakes, save for Perennial which divested only a 20.2% stake but retained a 30% stake.

In 2019, 111 Somerset completed a major asset enhancement exercise costing approximately S\$120 million. The extensive works included enhancing the retail offerings at the retail podium, incorporating medical suites of about 32,000 square feet, and sprucing up of the office lobby and common areas. The two office towers, starting with the Somerset Tower, and the medical suites are also being sold on a strata basis.

¹ Based on agreed net strata area as at 31 December 2019.

About 111 Somerset (www.111somerset.com.sg)

111 Somerset is a prime integrated development, comprising two premium grade office towers and a retail podium, strategically located within the renowned Orchard Road precinct and next to the Somerset Mass Rapid Transit Station serving the North South Line. The property enjoys two prominent frontages along Somerset Road and Devonshire Road which provide dual drop off and access to the development.

The immediate Orchard Road precinct is Singapore's main shopping and entertainment belt, comprising predominantly shopping complexes, serviced apartments, hotels and office buildings. The development is also well-supported by a strong residential catchment from the affluent Devonshire and River Valley areas.

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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, 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.

Issued by Perennial Real Estate Holdings Limited

(Company Registration: 200210338M)