



PRESS RELEASE

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For Immediate Release

Perennial Secures Call Option to Acquire 20% Stake in Aviva Tower, UK, the Tallest Building in the City of London Post-redevelopment

*1 Undershaft, a new £1 billion landmark in the heart of the financial district
towering at 304.94 metres with the highest office, viewing gallery and restaurant*

Singapore, 29 November 2016 – Perennial Real Estate Holdings Limited (“**Perennial**”) has entered into a Call Option Agreement to secure a right to acquire a 20% stake in Aroland Holdings Limited (“**Aroland**”), a company incorporated in the British Virgin Islands that owns 100% of Aviva Tower, London, United Kingdom (“**UK**”), based on an agreed property value of £330 million (“**Option Price**”) (“**Call Option**”). The Option Price was derived based on the ‘as-is’ market valuation of Aviva Tower of £323 million, without factoring in any potential redevelopment value. The total consideration paid to enter into the Call Option amounts to US\$4.

Aviva Tower is currently a 28-storey office tower located at 1 Undershaft, EC3, right in the heart of London’s Financial District within the City of London, also commonly known as the ‘Square Mile’. The London planning authorities have granted approval for the building to be redeveloped into the tallest building in the City of London at a height of 304.94 metres.

The new landmark office development (“**1 Undershaft**”) will stand 73 storeys above ground with four basement levels. It will comprise over 130,000 square metres (“**sqm**”) gross floor area (“**GFA**”) of Grade ‘A’ office space, which will house the highest office space in London, and over 2,000 sqm GFA of retail and food and beverage (“**F&B**”) space on Basement 1.

1 Undershaft will also host UK’s highest publicly accessible viewing gallery on Levels 71 and 72, and London’s highest public restaurant on Level 70, both served by the same dedicated lifts. The viewing gallery will be occupied and curated by the Museum of London. In addition, 1 Undershaft will have an elevated reception, where the public will be able to walk freely beneath the building.

Currently, Aviva Tower has a total GFA and net lettable area (“**NLA**”) of approximately 49,083 sqm and 30,006 sqm respectively. Post-redevelopment, 1 Undershaft will have a total GFA and NLA of approximately 154,100 sqm and 92,975 sqm respectively, both of which will be about three times the size of the existing Aviva Tower. Designed by Eric Parry Architects, the total development cost (including land cost) for 1 Undershaft is expected to be over £1 billion.

Aroland is held by HPRY Holdings Limited (“**HPRY**”), Burlingham International Ltd (“**Burlingham**”), and two other investors. HPRY is an investment vehicle which is wholly owned by Mr Kuok Khoon Hong, one of the largest sponsors of Perennial and the Chairman of the Board of Perennial. Burlingham is a company wholly owned by Mr Martua Sitorus and his family.

HPRY is a substantial shareholder of Perennial. In view that HPRY is a party to the Call Option, the transaction is considered an Interested Person Transaction. The Audit and Risk Committee of Perennial is of the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of Perennial and its minority shareholders. Mr Kuok will also abstain from any Board decision and subsequent decisions in relation to the exercise of the Call Option.

Perennial paid US\$4 in total consideration, comprising US\$1 to each of the existing shareholders of Aroland, to enter into the Call Option. Under the Call Option, should Aroland decide to proceed with the redevelopment of Aviva Tower, Perennial has the right, but not the obligation, to exercise the Call Option. The Call Option expires on 31 July 2019. In addition, Perennial will manage the redevelopment of Aviva Tower upon confirmation of the execution of redevelopment plans by Aroland.

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, “The Call Option provides Perennial with an exceptional opportunity to gain access into a new developed market and own a piece of prime freehold real estate in the City of London. Despite Brexit, the rental and prospects for quality office space in the core financial district remains strong in view of its unrivalled prime location and excellent transport connectivity, and backed by robust business demand. Given that the current transacted value of prime office space in London’s Central Business District averages £1,500 per square feet NLA, the redevelopment scheme will create development value and Perennial will enjoy the upside potential via the Call Option. The grant of the attractive Call Option further demonstrates the strong support and commitment by our sponsor to grow Perennial into an international real estate company.”

Mr Pua added, “The signature skyscraper 1 Undershaft is set to redefine the commercial landscape of the City of London and further reinforce the City’s standing as a leading international financial and business centre. The exercise of the Call Option will add another iconic development in global gateway cities, in addition to the landmark Beijing Tongzhou Integrated Development fronting the historical Grand Canal, to Perennial’s real estate portfolio.”

Aviva Tower is strategically located in the centre of the Eastern Cluster, the only precinct in the City of London where construction of tall towers is permissible. Aviva Tower is sited across the road from prominent famous London landmark 'The Gherkin'¹, and in close proximity to existing and upcoming renowned commercial buildings such as the 'Cheesegrater'², the 'Scalpel'³, 22 Bishopsgate, Tower 42 and Heron Tower. Traditionally, the EC3 district has been predominantly occupied by companies in the insurance industry, being close to Lloyds of London, the specialist insurance marketplace.

Aviva Tower is currently anchored by master-lease tenant, Aviva International Insurance, and the building houses its UK headquarters. The other tenants in Aviva Tower include insurance firms, banks and professional firms. Aviva Tower enjoys excellent transport connectivity with access to Liverpool Street Station and Bank Station, which together serve six London Tube lines, three Rail lines and one future Crossrail line.

¹ 30 St Mary Axe

² 122 Leadenhall Street

³ 52-54 Lime Street

Brief Scheme Information on 1 Undershaft

Address	1 Undershaft, London, EC3A 8AB, UK
Brief Description	Office Development 73 storeys above ground with four basement levels
Land Title	Freehold
Building Height	304.94 metres
Gross Floor Area	154,100 sqm comprising: <ul style="list-style-type: none">▪ 131,937 sqm (Grade 'A' office space)▪ 2,178 sqm (Retail and F&B space on Basement 1)▪ 2,930 sqm (Public viewing gallery on Levels 71 and 72)▪ 1,220 sqm (Public restaurant on Level 70)▪ 15,835 sqm (Ancillary areas and plant)
Net Lettable Area	92,975 sqm
Unique Attributes	<p>Grade 'A' Office</p> <ul style="list-style-type: none">▪ Will house the highest office space in London <p>Public Viewing Gallery</p> <ul style="list-style-type: none">▪ The UK's highest publicly accessible viewing gallery on Levels 71 and 72 will be served by dedicated lifts. The viewing gallery will be occupied and curated by the Museum of London. There will be an education centre with two classrooms for school parties to learn more about the capital, its growth and its history. <p>Public Restaurant</p> <ul style="list-style-type: none">▪ London's highest restaurant on Level 70 will be served by dedicated lifts. <p>Public Square</p> <ul style="list-style-type: none">▪ A new larger public square will be created at the base of 1 Undershaft. The building comprises an elevated reception, where the public will be able to walk freely beneath the building.
Nearest Tube Station	Liverpool Street Station and Bank Station
Owner	Aroland
Designed By	Eric Parry Architects

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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 and Ghana with a combined portfolio spanning over 45 million square feet in gross floor area. Perennial is also a healthcare services owner and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

Perennial is a dominant commercial developer with sizeable integrated developments in China, of which two are regional commercial hubs adjacent to the two largest high speed railway stations 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 Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

In Singapore, Perennial has invested in and manages prime iconic properties located in the 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.

Issued by Perennial Real Estate Holdings Limited

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