



## PRESS RELEASE

13 July 2017

For Immediate Release

### **Perennial Leads Consortium with Yanlord to Acquire 33.5% Stake in United Engineers and up to 29.9% Stake in WBL Corporation for a Total Consideration of S\$729.7 million**

- *Mandatory Conditional Cash Offer Triggered for UEL Ordinary Shares at an Offer Price of S\$2.60 for each UEL Ordinary Offer Share*
  - *Mandatory Unconditional Cash Offer Triggered for UEL Preference Shares at an Offer Price of S\$2.60 for each UEL Preference Offer Share*
  - *Possible Mandatory Unconditional Cash Offer for WBL Ordinary Shares at an Offer Price of S\$2.07 for each WBL Offer Share, subject to the satisfaction of the Chain Offer Condition*
- collectively, the “**Proposed Transactions**”*

Singapore, 13 July 2017 - Yanlord Land Group Limited (“**Yanlord**”), together with Perennial Real Estate Holdings Limited (“**Perennial**”) and two of its sponsors, Mr Kuok Khoo Hong and Wilmar International Limited (“**Wilmar**”), as well as a private investor, have through their respective nominees or subsidiaries established a special purpose vehicle, Yanlord Perennial Investment (Singapore) Pte. Ltd. (“**Consortium**” or “**Offeror**”) to acquire an aggregate 33.5% stake<sup>1</sup> in United Engineers Limited (“**United Engineers**” or “**UEL**”) at S\$2.60 per UEL Share (comprising both ordinary and preference shares) from Oversea-Chinese Banking Corporation Limited, certain subsidiaries of Great Eastern Holdings Limited and other vendors (“**Vendors**”) (the “**UEL Acquisition**”), triggering mandatory offers for the remaining<sup>2</sup> ordinary shares and preference shares in United Engineers at the same price (the “**Offers**”).

Concurrently, the Consortium has acquired a 10.0% stake in WBL Corporation Limited (“**WBL Corporation**” or “**WBL**”) at S\$2.07 per WBL Share (the “**WBL Acquisition**”), and may, subject to certain conditions, subsequently acquire another 19.9% stake (the “**Deferred WBL Acquisition**”) at the same price, from certain of the Vendors (“**WBL Vendors**”).

<sup>1</sup> Comprising approximately 33.4% of the total number of UEL Ordinary Shares and 70.2% of the total number of UEL Preference Shares.

<sup>2</sup> Other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (“**Offeror and its Concert Parties**”).

United Engineers is a Singapore Mainboard-listed company with key business activities in property rental and hospitality, property development, and engineering, distribution and manufacturing. United Engineers owns 67.6% of WBL Corporation, an unlisted public company with similar principal activities to its parent.

If the Offers result in the Offeror owning more than 50% of United Engineers, the Offeror or its concert party will then make a mandatory chain offer for the remaining<sup>2</sup> ordinary shares in WBL Corporation at the same price as the WBL Acquisition and WBL Deferred Acquisition, as WBL Corporation is a subsidiary of United Engineers (the “**WBL Chain Offer**”).

The Offeror has appointed United Overseas Bank Limited (“**UOB**”) as its Financial Advisor and UOB confirms that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offers. At the offer prices, the Offeror is valuing 100% of UEL and 29.9% of WBL at approximately S\$1.83 billion.

Mr Zhong Sheng Jian, Chairman and Chief Executive Officer of Yanlord, said, “With an illustrious history spanning over a century, United Engineers and WBL Corporation have borne witness to Singapore’s rapid development and ever-changing landscape. We are pleased to partner with Perennial and to have this opportunity to jointly contribute to the continued development of these two outstanding companies. As a key global financial centre, Singapore’s real estate market continues to present a good value proposition for developers such as ourselves seeking to develop stable and recurring revenue streams.”

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, “We are delighted to have secured the opportunity to invest in United Engineers and WBL Corporation, both long established and reputable companies, after two rounds of competitive bidding which saw good interest from various parties. We are also pleased to have constituted a strong consortium with Yanlord as our co-sponsor for the Proposed Transactions. The partnership between Perennial and Yanlord brings together an excellent combination of synergistic skillsets and on-ground delivery capabilities which will facilitate the unlocking of the potential value in United Engineers for all stakeholders.”

#### **(A) The Consortium and Offeror**

<b>Shareholders</b>	<b>Effective Holdings</b>
Yanlord Commercial Property Investments Pte. Ltd. - <i>A wholly-owned subsidiary of Yanlord, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).</i>	49%
Perennial UW Pte. Ltd, comprising Perennial and its sponsors: 1. Perennial Singapore Investment Holdings Pte. Ltd. (72.22%) - <i>A wholly-owned subsidiary of Perennial, a company listed on the Mainboard of the SGX-ST.</i> 2. HPRY Holdings Limited (16.67%) - <i>An investment company wholly-owned by Mr Kuok Khoon Hong, who is also the Chairman, Non-Independent and Non-Executive Director of Perennial.</i> 3. WCA Pte. Ltd. (11.11%) - <i>A wholly-owned subsidiary of Wilmar, an agribusiness company headquartered in Singapore and listed on the Mainboard of the SGX-ST.</i>	45%
Heng Yue Holdings Limited - <i>An investment holding company wholly-owned by Mr Kung Chun Lung.</i>	6%
<b>Total</b>	<b>100%</b>

## **(B) The Offers**

As at today, the share capital of United Engineers comprises 637,508,148 issued and fully paid-up UEL ordinary stock units (the “**UEL Ordinary Shares**”) and 875,000 issued and fully paid up UEL preference Shares (the “**UEL Preference Shares**” and collectively with the UEL Ordinary Shares, the “**UEL Shares**”).

The Offeror has acquired approximately 33.4% of the total number of UEL Ordinary Shares and approximately 70.2% of the total number of UEL Preference Shares.

The Offeror intends to make:

- a mandatory conditional cash offer for all the UEL Ordinary Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (the “**Ordinary Share Offer**”) at an offer price of S\$2.60 in cash for each Ordinary Offer Share (the “**Ordinary Share Offer Price**”); and
- a mandatory unconditional cash offer for all the UEL Preference Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (the “**Preference Share Offer**”) at an offer price of S\$2.60 in cash for each Preference Offer Share (“the **Preference Share offer Price**” and together with the Ordinary Share Offer Price, the “**Offer Prices**”).

The Offer Document setting out the terms and conditions of the Offers and enclosing the appropriate form(s) of acceptance of the Offers will be dispatched to United Engineers’ shareholders not earlier than 14 days and not later than 21 days from today. The Offers will remain open for acceptances by United Engineers’ shareholders for a period of at least 28 days from the date of posting of the Offer Document (“**Closing Date**”).

The Ordinary Share Offer will be conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of UEL Ordinary Shares which, when taken together with the UEL Ordinary Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties will result in the Offeror and its Concert Parties holding such number of UEL Ordinary Shares carrying more than 50% of the maximum potential issued UEL Ordinary Shares at the Closing Date.

The Preference Share Offer will be unconditional as the Offeror and the other relevant persons hold approximately 70.2% of the total number of UEL Preference Shares.

The Offeror intends to maintain the listing status of United Engineers and will re-evaluate its position should United Engineers not meet the minimum public float requirement on the Closing Date of the Offers.

### **(C) The WBL Chain Offer**

As at today, United Engineers indirectly owns approximately 67.6% of the issued and paid-up ordinary shares in the capital of WBL Corporation (the “**WBL Shares**”). WBL Corporation was delisted from the Mainboard of SGX-ST on 18 February 2014.

The Offeror has acquired about 10% of the total number of WBL Shares. The Offeror may also, subject to certain conditions, subsequently acquire about 19.9% of the total number of WBL Shares.

In the event that the Ordinary Share Offer becomes unconditional, the WBL Chain Offer will be triggered and the offer price for the WBL Chain Offer will be at S\$2.07 for each WBL Offer Share.

### **(D) Offeror’s Rationale for The Proposed Transactions**

United Engineers is primarily a real estate company with property businesses mainly in Singapore and the People’s Republic of China (“**PRC**”). Yanlord and Perennial, who are both sponsors of the Offeror, are also real estate companies which own and manage sizeable portfolios primarily in the same countries. The Proposed Transactions will allow Yanlord and Perennial to strengthen their positions in their existing markets and through strategic review of the business and operations of United Engineers, uncover areas of long-term value for all stakeholders.

In Singapore, the Offeror intends to leverage on the asset and project management skills of Yanlord and Perennial and work with the Board and management team of United Engineers to unlock the inherent value of United Engineers and WBL’s income-producing and freehold assets through selective enhancement works.

In the PRC, Yanlord has a comprehensive network of high quality residential, commercial and hospitality assets across 12 major tier-1 and 2 cities namely Shanghai, Chengdu, Shenzhen, Nanjing, Suzhou, Tianjin, Zhuhai, Nantong, Sanya, Zhongshan, Tangshan and Wuhan. With over 24 years of developmental experience, Yanlord has won numerous national accolades for its developments as well as its property management services and commands a highly recognised brand known for its product quality. In 2016, Yanlord sold over 7,600 new homes in the PRC with accumulated pre-sale for properties and car parks exceeding RMB33.257 billion.

Perennial similarly has a well-established presence in the PRC with sizeable integrated mixed-use developments, comprising residential, hotel, serviced apartment, retail, office and healthcare assets, as well as healthcare businesses across 10 major cities in the PRC, including Beijing, Shanghai, Chengdu, Xi’an, Shenyang, Shenzhen, Zhuhai, Guangzhou, Foshan and Wuhan. Perennial’s landmark real estate projects include two regional commercial hubs which are adjacent and directly linked to the two largest high speed railway (“**HSR**”) stations in the PRC, being Chengdu East HSR Integrated Development and Xi’an North HSR Integrated Development.

Yanlord and Perennial own and manage properties in the same PRC cities in which WBL's properties are predominantly located, namely Chengdu and Shenyang. Yanlord and Perennial have good track records of operating in those cities and are familiar with the local regulations. By leveraging on Yanlord and Perennial's expertise and execution capabilities, as well as their existing network and strong relationships with local authorities, the Offeror hopes to improve the current performance of WBL's properties in the PRC.

We understand that the Vendors had received proposals from several parties regarding their combined stakes in UEL and WBL. The acquisition prices for the UEL Acquisition, the WBL Acquisition and the Deferred WBL Acquisition were determined pursuant to a competitive bidding process and based on commercial negotiations between the Consortium and the Vendors and WBL Vendors, taking into account the net asset value and share prices of the UEL Shares and the net asset value of the WBL Shares.

### **(E) Financing Plans**

Yanlord and Perennial's proportionate shares of its contribution for the Proposed Transactions will be funded from a combination of cash reserves, debt market capital fundraising and external bank financing. Yanlord and Perennial's proportionate shares of the UEL Acquisition, WBL Acquisition and Deferred WBL Acquisition amount to approximately S\$357.6 million and S\$237.2 million respectively.

### **(F) About United Engineers and WBL Corporation**

Founded in 1912, United Engineers is one of Singapore's pioneer companies and over the years has evolved into a corporation with key business activities in property rental and hospitality, property development, and engineering, distribution and manufacturing. WBL Corporation, an unlisted public company, is a subsidiary of United Engineers. Listed on the Mainboard of the SGX-ST, United Engineers has a market capitalisation of S\$1.73 billion as at 11 July 2017.

In Singapore, United Engineers has developed iconic buildings including UE BizHub CITY (*formerly known as UE Square*), as well as the mixed-use development at one-north comprising The Rochester, Rochester Mall and Park Avenue Rochester. It also owns a stable of shopping malls which comprises Rochester Mall, The Seletar Mall and UE Square Shopping Mall, as well as manages the Park Avenue chain of hotels, serviced apartments, serviced offices and convention centre.

In China, WBL Corporation owns Shenyang Orchard Summer Palace mixed-use integrated development and Shenyang Orchard Manor residential development, as well as assets in Chengdu and other cities

United Engineers was honoured as the 11th oldest company by Singapore International Chamber of Commerce and its flagship building, UE BizHub CITY, was marked a historic site in 2002 by Singapore National Heritage Board.

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**About Yanlord Land Group Limited ([www.yanlordland.com](http://www.yanlordland.com))**

Yanlord Land Group Limited (Z25.SI) is a real estate developer based in the People's Republic of China, with a focus on the development of high-end fully-fitted residential, commercial and integrated property projects in strategically selected key and high-growth cities in the PRC. Yanlord Land Group Limited was listed in June 2006 on the Mainboard of the Singapore Stock Exchange.

Since Yanlord's foray into the PRC market in 1993, it has successfully developed a number of large-scale residential property developments in Shanghai and Nanjing with international communities of residents, such as Yanlord Gardens, Yanlord Riverside Gardens and Yanlord Riverside City in Shanghai and Orchid Mansions, Bamboo Gardens and Yanlord International Apartments in Nanjing. The "Yanlord" name has been developed into a premium brand, synonymous with quality, within the property development industry of PRC. Currently, the Group has an established presence in 12 key high-growth cities within the six major economic regions of the PRC, namely, (i) Yangtze River Delta – Shanghai, Nanjing, Suzhou and Nantong (ii) Western China – Chengdu; (iii) Bohai Rim – Tianjin and Tangshan; (iv) Southern China - Shenzhen, Zhuhai and Zhongshan; (v) Hainan – Sanya; and (vi) Central China – Wuhan.

Yanlord has proactively extended its commercial property development projects, acquired a considerable number of land parcels for commercial use and has completed construction of retail malls, offices, hotels and serviced residence developments. These projects are expected to generate a stable rental income and increase the asset value for Yanlord.

**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 and Ghana with a combined portfolio spanning over 54 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.

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**Jointly Issued By:**

**Yanlord Land Group Limited (Company Registration: 200601911K) and**

**Perennial Real Estate Holdings Limited (Company Registration: 200210338M)**