



PERENNIAL REAL ESTATE HOLDINGS LIMITED

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

**ACQUISITION OF 49.9% EQUITY INTEREST IN
SHANGHAI RST CHINESE MEDICAL CO., LTD**

1. INTRODUCTION

Perennial Real Estate Holdings Limited (“**PREH**” and together with its subsidiaries, “**PREH Group**”) wishes to announce that its wholly-owned subsidiary, Perennial Healthcare Pte. Ltd. (“**Perennial Healthcare**”), has entered into an investment agreement (the “**Agreement**”) to acquire an aggregate equity interest of 49.9% in Renshoutang via a capital injection into Renshoutang (“**Transaction**”).

Earlier on 14 January 2016, PREH announced that it has entered into a memorandum of understanding with Shanghai Summit Property Development Limited (上海长峰房地产开发有限公司) (“**Shanghai Summit**”) and Shanghai RST Chinese Medical Co., Ltd (上海人寿堂国药有限公司) (“**Renshoutang**”) in relation to a proposed joint venture to set up and manage Chengdu Xiehe International Eldercare and Retirement Home(成都协和国际颐养院) at Chengdu Plot D2. PREH, Shanghai Summit and Renshoutang will each hold 40%, 40% and 20% equity interest respectively in the joint venture entity.

2. INFORMATION ON RENSHOUTANG

Renshoutang is one of the pioneer and most established private integrated eldercare companies in China, and also the largest private eldercare operator in Shanghai with retirement, nursing and rehabilitation homes, hospital, daycare centres, pharmacies and traditional chinese medicine (“**TCM**”) clinics. It currently has a portfolio of 11 eldercare facilities with over 2,400 beds and four pharmacies, each with a dedicated TCM clinic, and all of which are located predominantly in Changning District in Shanghai.

3. RATIONALE

The Transaction is in line with PREH’s strategy to grow its business in the medical and healthcare industry in PRC as well as complement its twin objective of creating a new asset class of real estate to meet the growing demand for medical and healthcare space in the PRC.

4. DETAILS OF THE TRANSACTION

The consideration for the Transaction is RMB735.5 million (approximately S\$148 million), which was arrived at on a willing-buyer, willing-seller basis and taking into account the existing operations and business pipeline of Renshoutang which translates to about 12.9 times EBITDA based on RST's financial statements for full year 2015. The net assets of Renshoutang based on management accounts as at 30 June 2016 were RMB144.6 million (approximately S\$29 million).

PREH will fund the Transaction with a combination of internal funds and external borrowings.

The Transaction is expected to be completed in 1Q 2017. Upon the completion of the Transaction, Perennial Healthcare will become the largest single shareholder of Renshoutang followed by Dr Feng Qiang who is the founder and Renshoutang would become an associated company of PREH.

5. CHAPTER 10 OF THE SGX-ST LISTING MANUAL

The relative figures of the Transaction computed on the applicable bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:

Rule 1006	Bases	Proposed Transaction (S\$ '000)	PREHL Group (S\$ '000)	Relative Figures (%)
(b)	Net profits attributable to equity interest to be acquired pursuant to the Transaction, compared with the PREH Group's net profits ⁽ⁱ⁾	2,765	20,895	13.2
(c)	Consideration payable for the Transaction compared with PREH's market capitalisation ⁽ⁱⁱ⁾	148,403	1,473,653	10.1

Notes:

- (i) The net profits before tax were based on unaudited management accounts of Renshoutang and PREH Group for the 6 months ended 30 June 2016.
- (ii) Market capitalisation was based on issued shares of 1,665,144,368 shares at share price of \$0.885 as at 9 September 2016.

6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

Based on the unaudited consolidated financial statements of PREH Group for the six months ended 30 June 2016:

- (1) assuming that the Transaction was effected on 1 January 2016, PREH's earnings per share would have increased from 0.55 cents to 0.67 cents; and
- (2) assuming that the Transaction was effected on 30 June 2016, the financial impact on PREH's net tangible asset per share would not be material.

7. INTERESTS OF DIRECTORS, CONTROLLING AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholdings in PREH, none of the directors, controlling shareholders or substantial shareholders of PREH, has any interest, direct or indirect, in the Transaction.

The Agreement will be available for inspection during normal business hours at the registered office of PREH at 8 Shenton Way, #45-01 AXA Tower Singapore 068811 for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

13 September 2016

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.

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 (“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.