



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200210338M)

PROPOSED DISPOSAL OF ENTIRE 20 PER CENT EQUITY STAKE IN SHENZHEN AIDIGONG MODERN MATERNAL AND CHILD HEALTH MANAGEMENT CO., LTD.

1. INTRODUCTION

The Board of Directors of Perennial Real Estate Holdings Limited (“**Perennial**”, together with its subsidiaries, the “**Perennial Group**”) is pleased to announce that Chengdu Pengyi Management Co., Ltd. (“**Pengyi**”), an indirect wholly-owned subsidiary of Perennial, has executed a share transfer agreement (the “**Agreement**”) for the proposed disposal of its entire 20 per cent equity stake in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd. (“**Aidigong**”) to one of the existing shareholders of Aidigong, Guangdong Common Splendour Health Industry Group Limited (广东同佳健康产业集团有限公司) (“**Buyer**”), a wholly-owned subsidiary of Common Splendour International Health Industry Group Limited (“**Buyer Parent**”). The Buyer Parent is a company listed on the Main Board of the Stock Exchange of Hong Kong Limited.

2. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

2.1 Agreement

Pursuant to the terms of the Agreement, the Buyer has entered into an agreement with Pengyi and the other shareholders of Aidigong to acquire a total of 88.5184 per cent equity stake in Aidigong. Pengyi has agreed to sell its entire 20 per cent equity stake in Aidigong to the Buyer (“**Proposed Disposal**”).

2.2 Consideration

The consideration for the Proposed Disposal is RMB 200.7 million (approximately SGD 39.82 million) for Pengyi’s entire 20 per cent equity stake in Aidigong, which was arrived at on a willing-buyer, willing-seller basis and taking into account the business of Aidigong which is valued at RMB 1 billion (approximately SGD 198.41 million).

2.3 Conditions Precedent under the Agreement

Pursuant to the terms of the Agreement, the Proposed Disposal is subject to and conditional upon the fulfilment of, *inter alia*, the following conditions:

- 2.3.1 the net profit of Aidigong in FY2018 shall not fall below RMB 57 million based on the financial statements prepared in accordance with accounting standards of the People's Republic of China; and
- 2.3.2 the approval of the board of directors and shareholders of the Buyer Parent, having been obtained to enter into the Agreement and other related transactions as may be required in relation thereto.

3. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

Perennial invested in 20% stake in Aidigong in March 2016 and became its second largest shareholder after Ms Zhu Yufei, the Founder and Chairman of Aidigong who hold the largest equity interest of 44.3%. As Ms Zhu intended to dispose of her entire stake to the Buyer, Perennial opted to sell to the Buyer, given the uncertainty of key management remaining going forward.

The Proposed Disposal will allow Perennial to extract maximum profit and return on equity from Aidigong. Proceeds from the Proposed Disposal will be recycled for other accretive investments.

4. FINANCIAL EFFECTS

4.1 Based on the unaudited consolidated financial statements of Perennial Group for the nine months ended 30 September 2018:

- a) assuming that the Transaction was effected on 1 January 2018, Perennial Group's earnings per share would have increased from 3.73 cents to 4.21 cents; and
- b) assuming that the Transaction was effected on 30 September 2018, there is no material impact on the Perennial Group's net tangible asset per share.

5. FURTHER INFORMATION

5.1 Interests of Directors, Controlling and Substantial Shareholders

None of the directors or substantial shareholders of Perennial has any interest, direct or indirect, in the Proposed Disposal, save for their shareholdings in Perennial.

5.2 Documents for Inspection

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 8 Shenton Way, #36-01, AXA Tower, Singapore 068811 for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Sim Ai Hua
Company Secretary

25 January 2019

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 and Ghana with a combined portfolio spanning about 65 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Tianjin South HSR Integrated Development and Kunming South HSR Integrated Development, 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 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 Capitol Singapore, CHIJMES, AXA Tower, TripleOne Somerset, Chinatown Point and House of Tan Yeok Nee.