



PRESS RELEASE

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For Immediate Release

Perennial Real Estate Holdings Acquires 20% Stake in Aidigong to Expand its China Healthcare Business into Maternal and Child Health Management

Singapore, 24 March 2016 – Perennial Real Estate Holdings Limited (“**Perennial Real Estate Holdings**” or “**Perennial**”) will acquire an aggregate equity interest of 20% in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ‘深圳爱帝宫现代母婴健康管理有限公司’ (“**Aidigong**”), a leading maternal and child health management company in China (the “**Transaction**”).

Upon completion of the Transaction, by way of acquiring shares from the existing shareholders of Aidigong and via an equity subscription in Aidigong, Perennial will be the second single largest shareholder of Aidigong with a 20% equity interest. Ms Zhu Yufei, the Founder and Chairman of Aidigong, and other shareholders will hold the remaining equity interests of 44.3% and 35.7% respectively.

The consideration for the Transaction is RMB135.4 million (~S\$28.7 million), arrived on a willing-buyer, willing-seller basis and taking into account the business of Aidigong, which is valued at RMB650.0 million (~S\$137.7 million) and translates to about 9.7 times EBITDA for forecast FY2016¹. Perennial will fund the Transaction via internal funds and external borrowings.

The Transaction will further strengthen Perennial’s healthcare strategy to grow its healthcare business as an owner and operator with a portfolio of holistic medical and healthcare-related services, while complementing Perennial’s real estate strategy of introducing healthcare real estate within its integrated developments to create synergy between the various components so as to enhance the value of the entire integrated development.

¹ Aidigong’s AND Maternal and Child Health Centre Yinhu (银湖) in Shenzhen commenced operations in August 2015 and will contribute for a full year in FY2016.

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, “Our strategic investment in Aidigong, one of the pioneer and most established maternal and child health management companies in China with a strong operating track record and professional management team, positions us to capture the growth opportunities driven by China’s new two-child policy and the resultant projected growth in annual births, and the demand for quality post-natal care for mothers and newborns by the affluent Chinese consumers. Together with the shareholders of Aidigong, we have identified a strong pipeline of business opportunities in China and intend to grow our presence in this maternal and child health management sector in the near term.”

Mr Pua added, “The expansion of our healthcare business scope to include maternal and child health management not only adds another valuable specialty service which can be introduced at our healthcare real estates, but also strengthens the company’s regular income stream and enhances the value of our operating healthcare businesses over time. More importantly, it complements our established medical and healthcare-related joint-ventures in hospital and medical services, and eldercare and senior housing in China, further augmenting our vision to be a leading global integrated real estate and healthcare company.”

In line with Perennial’s real estate strategy to integrate its healthcare services business into its portfolio of integrated developments, Aidigong had earlier secured a 89,300 square feet space at Perennial International Health and Medical Hub in Chengdu to operate one of the largest post-natal confinement centres in Chengdu under one of its renowned brands, being AND Maternal and Child Health Centre ‘爱帝宫国际母婴月子会所’.

Potential Maternal and Child Services Demand Arising From China’s New Two-Child Policy

In October 2015, China announced the termination of its one-child policy, with couples allowed to have two children with effect from 1 January 2016. The policy change is intended to balance population development and address the challenge of an ageing population².

Under the new two-child policy, about 90 million Chinese women are allowed to have a second child, and 60% of them are over 35 years old and 50% are aged 40 and older. The increased likelihood of later-age pregnancies are associated with certain risks and the Chinese government is ramping up its maternal and child healthcare resources and services to support accordingly². Demand for customary postpartum and neonatal care are expected to rise, especially among older women who are likely to experience medical complications³.

With the enactment of the new policy, China is expected to welcome as many as eight million more new babies each year and experts predict that the annual number of new births will be boosted to between 20 million and 24 million⁴. Along with the rising affluence of the Chinese consumers and the resultant demand for a higher quality lifestyle, professional and customised services provided to new mothers and newborns in a conducive environment are well sought after.

² Xinhua News: Two-child China Targeting Better Public Services

³ CRI English News: Two-child Policy Creates Demand for Maternity Matrons

⁴ NBC News: China Braces for Baby Boom Under New Two-Child Rule

About Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd (“Aidigong”)

关于深圳爱帝宫现代母婴健康管理有限公司 (www.aidigong.com) (www.meimahui.com)

Founded in 2007, Aidigong is one of the first and most established maternal and child health management companies in China that combines traditional and contemporary methods in postpartum and neonatal care. It operates two renowned brands, being AND Maternal and Child Health Centre ‘爱帝宫国际母婴月子会所’ – with two operating centres Xiangmihu ‘香蜜湖’ and Yinhu ‘银湖’ housing over 110 beds in Shenzhen, and an upcoming centre in Chengdu, and Beauty MAX Post-natal Treatment Centre ‘美妈汇产后修复中心’ with one operating centre in Beijing and another branch integrated within Xiangmihu ‘香蜜湖’ in Shenzhen. Aidigong has served over 10,000 customers and is recognised as a premier and trusted brand in the industry.

Aidigong’s specialty postpartum care combines Chinese and Western methods with nutritious diet plans and complementary services including spa and slimming treatments using state-of-the-art technology, exercise and postnatal yoga classes, parenting classes, breast care and breastfeeding support, to help new mothers recover optimally in a conducive environment with round-the-clock professional care for their newborns.

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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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