

PRESS RELEASE

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For Immediate Release

**Perennial Real Estate Holdings Enters into MOU to Establish
40-20-20 Joint Venture with Shanghai Summit and Shanghai Renshoutang
to Operate Eldercare and Retirement Home in Chengdu Plot D2**

*Chengdu East HSR Integrated Development well-poised to be
the Regional Medical and Healthcare Hub of Sichuan*

Singapore, 14 January 2016 – Perennial Real Estate Holdings Limited (“**Perennial Real Estate Holdings**” or “**Perennial**”) entered into a Memorandum of Understanding (“**MOU**”) 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 Medicine Co. Ltd (上海人寿堂国药有限公司) (“**Shanghai Renshoutang**”) to establish a 40-40-20 joint venture management company to operate a premium eldercare and retirement home at Chengdu East High Speed Railway (“**HSR**”) Integrated Development Plot D2 (“**Chengdu Plot D2**”) (“**Joint Venture**”). Perennial and Shanghai Summit jointly-own (50-50) Chengdu Plot D2. Shanghai Renshoutang is one of the largest pioneer and quality private eldercare home operators in Shanghai. The Joint Venture’s total investment sum amounts to approximately RMB150 million (about S\$39.6 million).

In line with Perennial’s strategic extension of its real estate business into the healthcare business, Chengdu Plot D2 will be repositioned from a mixed-use residential and retail development to a holistic eldercare and retirement home development with complementary eldercare trades and services.

Under the MOU, the Joint Venture partners will master lease no less than 85,000 square metres (“**sqm**”) in gross floor area (“**GFA**”) under Phase 1 at Chengdu Plot D2, with subsequent phases expected to be rolled-out over time on the same plot. For a start, three out of the six 37-storey blocks on Chengdu Plot D2 will be converted to house Chengdu Xiehe International Eldercare and Retirement Home (成都协和国际颐养院) (“**Chengdu Xiehe Home**”), positioned as a premium brand targeted at the middle-income elderly and retiree market, and operated by the Joint Venture partners. Chengdu Xiehe Home, together with the complementary eldercare trades and services, is expected to commence operations in 2017.

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, “The expansion of Perennial’s healthcare business scope to include eldercare and senior housing further strengthens Perennial’s healthcare strategy, establishes another recurring income stream overtime and creates more value for the real estate on Chengdu Plot D2 as compared to a strata-sale strategy. The establishment of Chengdu Xiehe Home at Chengdu East HSR Integrated Development would allow the home to leverage on the professional medical care available at Perennial International Health and Medical Hub (“**PIHMH**”), to be anchored by Chengdu Parkway Health, within the same development. With the enhanced healthcare offerings supported by a sizeable local and international healthcare community, coupled with an efficient transportation system, good range of accommodation options and a myriad of retail/commercial selections, Chengdu East HSR Integrated Development is on track to become the regional medical and healthcare hub of Sichuan.”

Mr Pua added, “We are pleased to partner Shanghai Renshoutang, one of the largest and most established private eldercare and retirement home operators in Shanghai with a strong operational track record and an in-depth understanding of the growing emphasis of integrated healthcare services in China. Together with Perennial’s complementary integrated real estate and healthcare business management capabilities, we are confident to operate one of the best premium eldercare and retirement homes in Sichuan on Chengdu Plot D2, jointly-owned with Shanghai Summit.”

In July 2015, Perennial made a strategic move into the healthcare business in China to ride on the strong growth trajectory of China’s healthcare industry driven by rapid urbanisation, growing affluence of the Chinese consumers, favourable regulatory changes and aging population. The healthcare business is a natural extension of Perennial’s real estate business with potential synergy that can be achieved between the various components within its portfolio of large-scale integrated developments which are directly-connected to major transportation hubs.

With the healthcare business identified as a new wing of growth for Perennial in the long term, Perennial intends to execute the following two-pronged strategy to grow its healthcare business in China:

- (1) Introduce healthcare real estate as an asset class within its large-scale integrated developments to create synergy between the various components thus enhancing the value of the entire development.

On this front, PIHMH was introduced at Chengdu East HSR Integrated Development and positioned as the first predominantly healthcare cum retail integrated development in Chengdu and Sichuan. Chengdu ParkwayHealth Hospital has since been secured as an anchor tenant at the hub.

- (2) Form strategic partnerships with established local and foreign medical or healthcare-related operators with extensive local and international network, and strong operating track record to scale the business.

Earlier, a 40-60 joint venture had been established with Guangdong Boai Medical Group Co. Limited, one of the largest private hospital operators in China, to acquire, develop and manage hospital/medical services business in China.

In China, there is growing emphasis on the integration of medical and eldercare and senior housing facilities to support the country's rapidly aging population. Specifically in Chengdu city, there were 2.49 million people who were aged 60 and above (accounting for about 20.6% of the total population of Chengdu) as at end-2014, with only 257 eldercare homes providing less than 71,000 beds¹.

Chengdu Plot D2, with its strategic location and excellent transport connectivity (directly-connected to Chengdu East HSR Station with extensive train, subway and bus lines), is an ideal location to set up Chengdu Xiehe Home as it is easily accessible by visitors and staff of the home. In addition, PIHMH will be in a good position to support the medical needs of the elderly occupants with tenants such as the Chengdu ParkwayHealth Hospital, an international rehabilitation hospital, and other complementary healthcare and wellness-related services. The other components within the integrated development, such as the hotels, commercial and retail, will also be able to support the supplementary needs of the sizeable community.

Chengdu Plot D2, measuring about 230,000 sqm in GFA (excluding car park), was planned as a mixed-use residential and retail development with six 37-storey apartment blocks comprising more than 2,200 units and some strata retail space. To-date, three out of the six blocks have topped out and construction of another two blocks have passed ground level.

Under Phase 1, the Joint Venture partners will master lease no less than 85,000 sqm in GFA at Chengdu Plot D2. For a start, three out of the six apartment blocks will be converted to house Chengdu Xiehe Home, which will comprise a Retirement Home (for occupants who are independent), a Nursing Home (for occupants who require round-the-clock professional continuing care) and a Rehabilitation Home (for occupants who require special care, such as medical treatment or rehabilitation). The retail spaces will be converted into a rehabilitation hospital, ancillary medical facilities, supermarket and complementary retail trade and services to meet the lifestyle needs of the occupants and visitors. Subsequent phases on Chengdu Plot D2 are expected to be rolled-out at an appropriate time.

About Shanghai Renshoutang (www.renshoutang.com) (www.shxjxh.com)

Founded in 1994, Shanghai Renshoutang is one of the largest and most established private eldercare and retirement home operators in Shanghai, with 10 retirement institutions and one nursing home comprising a total of over 2,700 beds. The company operates two renowned brands, being Yixian Eldercare and Retirement Home (逸仙养老) and Xiehe Eldercare and Retirement Home (协和颐养院), and also invests in eldercare facilities and traditional chinese medicine retail business. Shanghai Renshoutang is also a pioneer in high-tech digital retirement homes and one of the first companies to successfully integrate medical and eldercare services in Shanghai.

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¹ Chengdu Municipal Government Report 2015.

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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 owner, developer and manager listed on the Mainboard of the SGX-ST. Headquartered in Singapore, Perennial focuses strategically on large-scale mixed-use developments and has a presence in the Peoples Republic of China ("**PRC**"), Singapore, Malaysia and Ghana with a combined portfolio measuring over 45 million square feet in gross floor area. Perennial's business also extends into the healthcare industry in the PRC, through the acquisition, development and management of medical, eldercare and senior housing services and assets.

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

In Singapore, Perennial is invested in and manages prime and iconic properties located predominantly in the Downtown Civic District, Central Business District and Orchard Road precinct, such as CHIJMES, Capitol Singapore, TripleOne Somerset, AXA Tower and the House of Tan Yeok Nee. Perennial also holds stakes in and manages 112 Katong mall and Chinatown Point mall.

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