



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

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

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**ENTRY INTO JOINT VENTURE WITH CHINA BOAI MEDICAL GROUP**

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**1. INTRODUCTION**

Perennial Real Estate Holdings Limited ("**PREH**") wishes to announce that it has on 2 July 2015 entered into a joint venture agreement ("**JVA**") with Guangdong Boai Medical Group Co., Ltd ("**GD BOAI**"), a subsidiary of the China Boai Medical Group ("**BOAI**") to jointly invest, develop and manage hospital services throughout the People's Republic of China ("**PRC**").

Pursuant to the JVA, PREH's wholly-owned subsidiary, Perennial HC Pte Ltd, will acquire a 40% stake in the joint venture entity (the "**JV Co**") while the remaining 60% will be held by a wholly owned subsidiary of BOAI (the "**Transaction**").

BOAI is one of the largest private medical groups in the PRC with nearly 120 medical facilities, including specialty hospitals providing gynaecology, oncology, plastic surgery, cardiology and orthopaedics in major cities such as Beijing, Shanghai, Shenzhen, Guangzhou, Nanjing, Nanchang and Guiyang.

**2. INFORMATION ON THE JOINT VENTURE**

The JV Co will acquire its first operational medical business, Modern Hospital Guangzhou ("**MHG**"), located in Guangzhou, from BOAI. The hospital comprises a 9-storey building and a 3-storey annex with a total of 246 in-patient beds. Its main revenue contributions are primarily from oncology and aesthetics treatments.

MHG is one of the most profitable medical facilities in the BOAI group due to its success as a private tumour and cancer hospital in Guangzhou.

The proceeds from the new equity injection by PREH will be used to fund the expansion plan for MHG, where in-patient bed capacity is expected to be increased from its current 246 to close to 300, as well as the JV Co's future acquisitions and growth plans. The JV Co intends to leverage on its branding and expertise to expand the footprint of tumour and cancer medical facilities across PRC.

**3. RATIONALE**

The collaboration will have the potential to position PREH to create new growth strategies in PRC and will enable PREH to invest directly in the growing medical industry as well as complement PREH's objective of creating a new class of real estate assets to meet the growing demand for medical and healthcare space in the PRC.

#### **4. DETAILS OF THE TRANSACTION**

The consideration for the Transaction is RMB286.7 million (approximately S\$63 million) and was arrived at based on willing-buyer, willing-seller basis and taking into account the medical business of MHG which is valued at 12 times EBITDA<sup>1</sup> and is in line with market comparables.

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

The Transaction is not expected to have any material impact on the net tangible assets or earnings per share of PREH for the current financial year.

#### **5. 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 above Transaction.

BY ORDER OF THE BOARD

**Pua Seck Guan**

Chief Executive Officer

3 July 2015

Singapore

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.
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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.

<sup>1</sup> Based on average of MHG's EBITDA for financial year ended 2014 and forecast for financial year ending 2015

**About Perennial Real Estate Holdings Limited ([www.perennialrealestate.com.sg](http://www.perennialrealestate.com.sg))**

Perennial Real Estate Holdings Limited (the “**Group**”) is an integrated real estate owner, developer and manager listed on the Mainboard of the Singapore Exchange. Headquartered in Singapore, the Group focuses strategically on large scale mixed-use developments primarily in the People’s Republic of China (“**PRC**”) and Singapore. The Group owns interests in and/or manages a diversified portfolio measuring about 36.5 million square feet and over 3.0 million square feet in gross floor area in the PRC and Singapore respectively. The Group’s footprint also extends to Malaysia, where it is invested in and manages a waterfront integrated development of over 4.0 million square feet in Penang.

The Group 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 the Group’s portfolio include the Beijing Tongzhou Integrated Development, the Shenyang Longemont Integrated Development and the Zhuhai Hengqin Integrated Development.

In Singapore, the Group 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. The Group also holds stakes in and manages 112 Katong mall and Chinatown Point mall.