

PERENNIAL REAL ESTATE HOLDINGS LTD



PERENNIAL ACQUIRES 49.9% STAKE IN RENSHOUTANG,
THE LARGEST INTEGRATED ELDERCARE
SERVICES OPERATOR IN SHANGHAI

 PERENNIAL
The logo features a stylized 'P' in a cursive font, followed by the Chinese characters '鵬瑞利' in a traditional style, and the word 'PERENNIAL' in a bold, sans-serif font.

All statements contained in this presentation which are not statements of historical fact constitute “forward looking statements”. These forward-looking statements, including without limitation, those regarding Perennial Real Estate Holding Limited’s financial position and results, business strategy and plans and objectives of management for future operations involve known and unknown risks, uncertainties and other factors which may cause Perennial Real Estate Holdings Limited’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this presentation, you are advised not to place undue reliance on these statements.

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OVERVIEW OF THE ACQUISITION

Acquires 49.9% Equity Interest in Renshoutang, The Largest Integrated Eldercare Company in Shanghai



Largest Single Shareholder Post-Acquisition; Provide New Stream of Recurrent Income

- Perennial Real Estate Holdings Limited (“**Perennial**”), through its wholly owned subsidiary, entered into an Investment Agreement to acquire an equity interest of 49.9% in Shanghai RST Chinese Medical Co., Ltd (上海人寿堂国药有限公司) (“**Renshoutang**”) via a capital injection into Renshoutang (the “**Transaction**”).
- 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, day care centres, pharmacies and traditional chinese medicine (“**TCM**”) clinics. It currently operates 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.
- Earlier in January 2016, Perennial had 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) and Renshoutang to establish a 40-40-20 joint venture management company to operate Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) at Chengdu East High Speed Railway Integrated Development Plot D2 (“**Chengdu East HSR Plot D2**”).
- Upon completion of the Transaction, Perennial will be the largest single shareholder of Renshoutang. Renshoutang will become an associated company of Perennial and contribute a new stream of recurring income.
- The consideration for the Transaction is RMB735.5 million (approximately S\$148 million), arrived 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 Earnings Before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) based on Renshoutang’s financial statements for full year 2015. The capital injected into Renshoutang will be mainly used for the acquisition of new projects, and a small part of which will be used to upgrade Renshoutang’s existing portfolio of facilities.
- Perennial will fund the Transaction via internal funds and external borrowings. The transaction is expected to be completed in 1Q 2017.

GROWING PERENNIAL'S ELDERCARE BUSINESS

Immediate Access to Top Operator in Shanghai with Comprehensive Value Chain in Eldercare Services Business



Well-Positioned to Leverage on Renshoutang's Operating Track Record and In-depth Knowledge to Cater to Rising Demand for Professional Integrated Eldercare Services in China

Rapidly Aging Population Drives Demand for Quality Integrated Medical and Eldercare Facilities

- Strong emphasis by the Chinese government to expedite the integration of medical, eldercare and senior housing facilities with professional services to support the country's aging population¹.
- China's elderly population is expected to double to 400 million by 2040. By 2050, it is estimated that 35% of China's total population would be above 60 years old. Currently, there is a severe lack of eldercare facilities in China, with only 30.3 beds available for every 1,000 elderly².
- In 2015, Shanghai's elderly population above 60 years old was 4.4million, or 30.2% of Shanghai's total population, and there were 29 beds for every 1000 elderly³. By 2050, Shanghai's elderly population is expected to reach 44.5%, exceeding 42.7% in Japan to become one of the "most-aged" cities in the world⁴.

Largest Operator in Shanghai with Strong Track Record and Comprehensive Value Chain

- Renshoutang is one of the first eldercare services companies in China to have successfully integrated medical, eldercare and pharmacy services and has over 15 years of operating experience.
- Operates two renowned brands, being Yixian Eldercare and Retirement Home (逸仙养老) for the low-to-middle income, and Xiehe Eldercare and Retirement Home (协和颐养院) for the middle-to-higher income.
- The pharmacies operate under a well-known brand in Shanghai, Renshoutang Medicine (人寿堂国药), which has been awarded the China Time-honoured Brand Award (中华老字号). In addition to serving the general public, the pharmacies supply medicine to Renshoutang's portfolio of eldercare facilities. Physicians at the TCM clinics also provide treatments to the residents at the various homes.
- Leverage on Renshoutang's operating experience and familiarity with the full spectrum (lower income to higher income) of the eldercare market to grow Perennial's eldercare business in other parts of China.

¹ Shanghai Civil Affairs Bureau: Shanghai Civil Affairs Reform and Development's Thirteenth-Five Plan.

² Ministry of Civil Affairs of the PRC: Social Service Development Statistical Communiqué 2015.

³ China.org.cn: Shanghai's population above 60 years old exceeds 30% for the first time.

⁴ Fenghuang Online News: Shanghai to surpass Japan with an expected 44.5% ageing population by 2050.

Asset-Light Healthcare Services Strategy Complements Healthcare Real Estate Strategy

Currently 2,400 Beds, Committed Pipeline of 5,700 Beds, Pipeline under Negotiation of 16,000 Beds; Set to become the Largest Eldercare Operator in Yangtze River Delta Region in the Next Few Years

Eldercare Services Business Supports Introduction of Healthcare Real Estate at Perennial's Integrated Developments

- Acquisition of the 'asset-light' eldercare services business dovetails well with Perennial's strategy to introduce healthcare real estate within its prime large-scale integrated developments which are close to transportation hubs.
- Strategy executed at Chengdu East HSR Integrated Development, where Chengdu Xiehe Home (comprising retirement, nursing and rehabilitation homes) was introduced at Chengdu East HSR Plot D2.

In-Line with Perennial's Healthcare Services Business Owner and Operator Model in China

- Owner and operator model allows Perennial to value add to an existing platform to elevate the business standards to a higher level, and subsequently leverage on the strengthened platform to scale the business.
- Perennial has similarly adopted the owner and operator model for its hospital/medical business (St. Stamford International Medical) and maternal & child health management business (Aidigong) in China.

Strong Pipeline of Committed and Potential Eldercare Projects Drive Significant Growth

- Renshoutang's existing portfolio of over 2,400 beds, and access to a committed pipeline and pipeline under negotiation over 5,700 beds and 16,000 beds respectively, positions it to be the largest eldercare services operator in the affluent and populous Yangtze River Delta Region in the next few years.
- Further expedite the expansion of Perennial's integrated real estate and healthcare strategy in China

Integrated Real Estate and Healthcare Strategy in China – Renshoutang Further Strengthens Healthcare Offerings

Perennial's Real Estate Business



Services are introduced as Anchor or Mini-Anchor Tenants in Healthcare Real Estate

Maximise the Value of Perennial's Integrated Development

Perennial's Healthcare Business

Holistic Range of Medical and Healthcare-Related Offerings to Meet the Demand for Quality Healthcare Services in China



- 40-60 joint venture with a subsidiary of China Boai Medical Group, one of the largest private hospital/medical services operators in China.



- Largest single shareholder (49.9% stake) of Renshoutang, one of the pioneer and most established private eldercare companies in China and the largest operator in Shanghai.



- Second single largest shareholder (20% stake) of Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd, one of the first and leading maternal and child health management companies in China.

ABOUT RENSHOUTANG

Renshoutang – The Largest Private Eldercare Services Operator in Shanghai



Renowned Private Eldercare Facilities Operator with Strong Management Track Record and a Pioneer in Integrated Eldercare Services



Shanghai Xijiao Xiehe Eldercare and Retirement Home



Outdoor Rest Pavilion



Courtyard



5-bedder



1-bedroom Suite



Courtyard



Assisted Living Toilet



Mahjong Room



Gym



Dining Room



Cafe



Lobby

- Founded in 1994, Renshoutang is one of the largest private eldercare operators in Shanghai, with 11 eldercare facilities, including retirement, nursing and rehabilitation homes, hospital and day care centres comprising a total of over 2,400 beds.
- One of the first companies in China to successfully integrate medical, eldercare and pharmacy services.
- Operates two renowned brands, being Yixian Eldercare and Retirement Home (逸仙养老) for the low-to-middle income, and Xiehe Eldercare and Retirement Home (协和颐养院) for the middle-to-higher income.
- Pioneered high-tech digital retirement homes, where occupants' health and lifestyle data are monitored and managed remotely.

Renshoutang – The Largest Private Eldercare Services Operator in Shanghai



Complete Suite of Amenities and Services Provide Holistic Leisure, Lifestyle, Entertainment and Medical Offerings to Residents



Medical Consultation Room



Hair Salon



Golf Simulator Room



Movie Theatre



Rehabilitation Therapy Centre



Reading Room



Indoor Gateball Court



Cafe



Transfusion Room



Tea Appreciation Room



Table Tennis and Pool Room



Multi Purpose Meeting Room

Renshoutang - Established Brand For Pharmacies and TCM Clinics

China Time-honoured Brand (中华老字号) Pharmacies and TCM Clinics Located at the Heart of the Shanghai Residential Communities



Renshoutang Main Pharmacy (Jiangsu Road)



Social Health Insurance Service Counter



Pharmacy



TCM Clinic



TCM Hall



TCM Clinic

- Renshoutang operates four pharmacies and each has a dedicated TCM clinic. All four stores are conveniently located in densely populated residential areas and enjoy main street frontage.
- The pharmacies operate under a well-known brand in Shanghai, Renshoutang Medicine (人壽堂国药), which has been awarded the China Time-honoured Brand Award (中华老字号).
- In addition to serving the general public, Renshoutang Medicine supplies medicine to Renshoutang's portfolio of eldercare facilities.
- Physicians at the TCM clinics also provide treatments to the residents at the various Renshoutang homes.

Renshoutang - Established Brand For Pharmacies and TCM Clinics



Renshoutang Main Pharmacy
(Jiangsu Road)



Renshoutang Beihong Road Pharmacy



Renshoutang Dahua Pharmacy



Renshoutang Hanghua Pharmacy



Renshoutang Main Pharmacy
(Jiangsu Road)



Renshoutang Beihong Road Pharmacy



Renshoutang Dahua Pharmacy



Renshoutang Hanghua Pharmacy



Renshoutang Main Pharmacy
(Jiangsu Road)



Renshoutang Beihong Road Pharmacy



Renshoutang Dahua Pharmacy



Renshoutang Hanghua Pharmacy

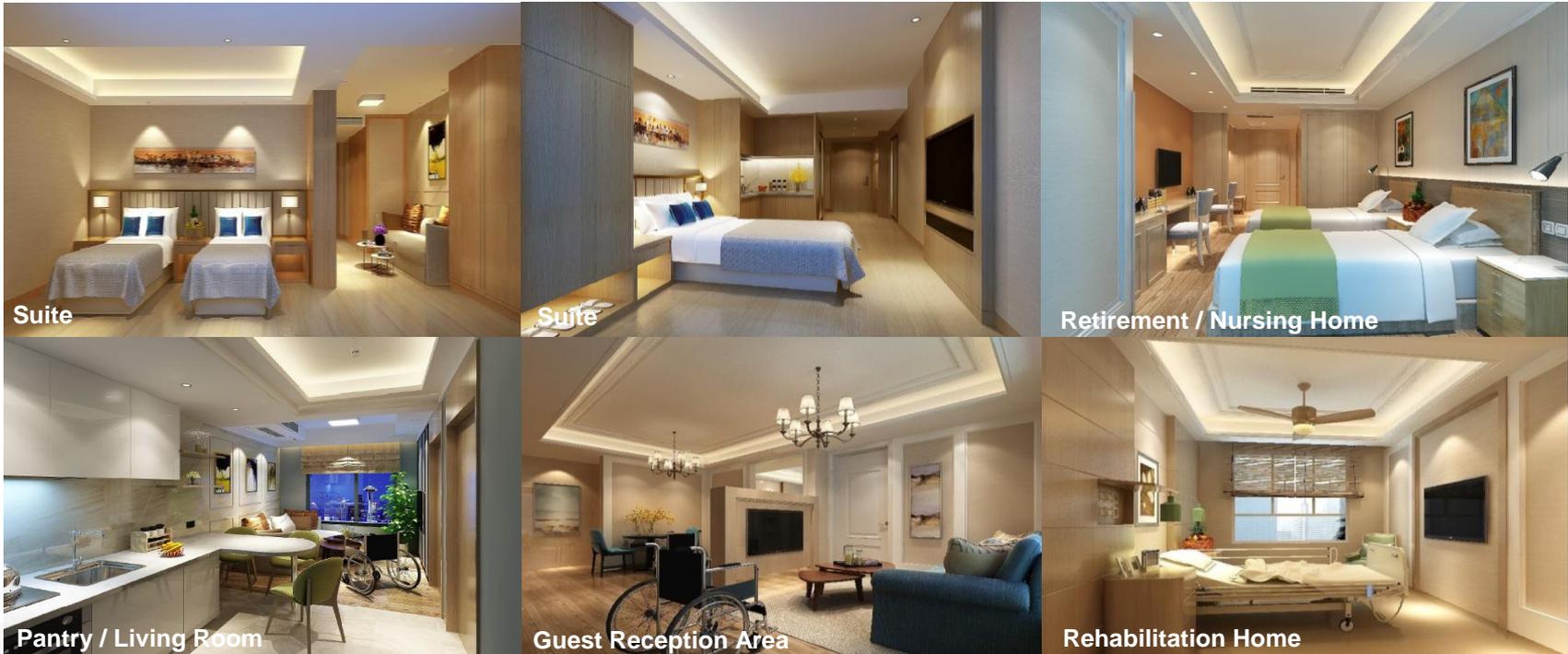
Renshoutang's Extensive Presence in Shanghai

11 Eldercare Facilities and 4 Pharmacies with TCM Clinics Located Predominantly in Changning District Spanning 1st to 3rd Ring Roads of Shanghai



Chengdu Xiehe Home – Upcoming First Facility Outside of the Shanghai Market

- Chengdu Xiehe Home is positioned as a leading premium private senior housing facility with a comprehensive suite of facilities in Chengdu.
- Located at Chengdu East HSR Plot D2, the modern senior housing facility is expected to have a bed capacity of about 1,000 in the first phase.
- The facility 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).
- Chengdu Xiehe Home is expected to commence operations in 2017.



Note: The above artist's impressions may differ from the actual view of the completed properties.

Chengdu Xiehe Home – Marketing Show Suite Ready at Chengdu East HSR Plot D2



Suite



Suite



Suite



Suite



Retirement / Nursing Home



Rehabilitation Home



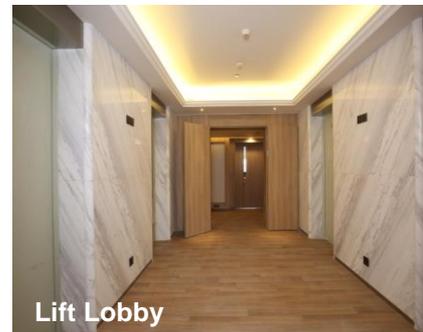
Pantry / Living Room



Pantry / Living Room



Guest Reception Area



Lift Lobby



Assisted Living Toilet



Assisted Living Toilet

THANK YOU

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