

# PERENNIAL REAL ESTATE HOLDINGS LTD



PERENNIAL ACQUIRES 20% STAKE IN AIDIGONG  
TO EXPAND INTO MATERNAL AND CHILD  
HEALTH MANAGEMENT BUSINESS IN CHINA

 PERENNIAL

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# OVERVIEW OF THE ACQUISITION

# Acquires 20% Equity Interest in Aidigong to Expand into China's Maternal & Child Health Management Business



- Perennial Real Estate Holdings Limited (“**Perennial**”) entered into an investment agreement, through one of its wholly-owned subsidiaries, to 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, Perennial will be the 2<sup>nd</sup> 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 FY2016<sup>1</sup>.
- 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.

<sup>1</sup> 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.

# GROWING PERENNIAL'S HEALTHCARE BUSINESS SCOPE

# Well-Positioned to Ride on Demand for Maternal and Child Health Services with New Two-Child Policy in China

- 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 population<sup>1</sup>.
- 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 accordingly<sup>1</sup>. Demand for customary postpartum and neonatal care are expected to rise, especially among older women who are likely to experience medical complications<sup>2</sup>.
- With 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 million<sup>3</sup>.
- Perennial's acquisition of a 20% equity interest in Aidigong will position it to cater to the growing demand for professional maternal and child health management services in China.
- Earlier, Aidigong had 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’.

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

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

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

# Healthcare Business Scope in China – Growing from Strength to Strength

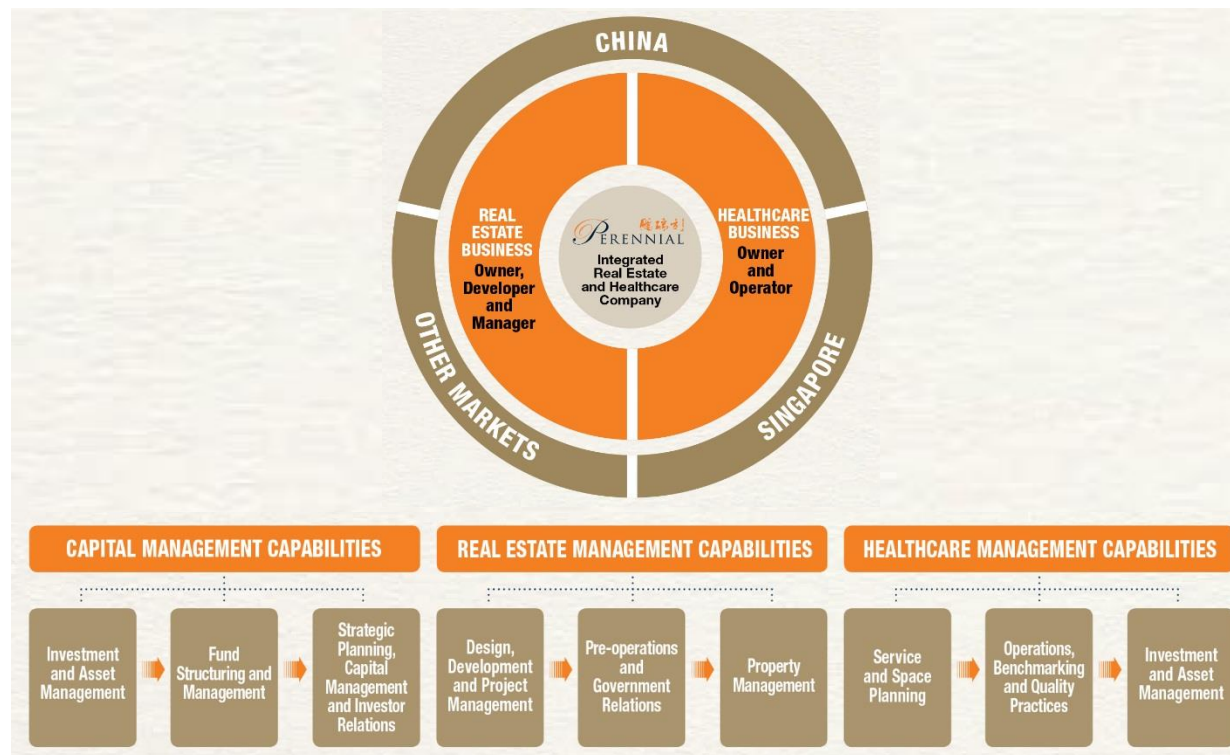
## Perennial's Expanding Portfolio of Medical and Healthcare-related Services

Services	Medical	Healthcare-Related	
<b>Specialties</b>	<ul style="list-style-type: none"> <li>Oncology</li> <li>Fertility, Obstetrics and Gynaecology</li> <li>Plastic Surgery and Aesthetic Medicine</li> <li>Orthopaedics</li> <li>Paediatrics</li> <li>Ear, Nose, Throat and Eye Specialty Medicine</li> <li>Dentistry</li> <li>Cardiology and Cardiovascular Surgery</li> </ul>	<b>Eldercare and Senior Housing:</b> <ul style="list-style-type: none"> <li>Retirement Home</li> <li>Nursing Home</li> <li>Rehabilitation Home</li> </ul>	<b>Maternal and Child Health Management:</b> <ul style="list-style-type: none"> <li>Postnatal Care</li> <li>Neonatal Care</li> </ul>
<b>Joint Venture Medical / Healthcare Partner</b>	<b>China Boai Medical Group</b> <b>‘博爱(中国)企业集团’</b> <ul style="list-style-type: none"> <li>One of the largest private hospital and medical services operators in China</li> </ul>	<b>Shanghai RST Chinese Medicine Co. Ltd</b> <b>‘上海人寿堂国药有限公司’</b> <ul style="list-style-type: none"> <li>One of the largest pioneer and quality private eldercare home operators in Shanghai</li> </ul>	<b>Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd</b> <b>‘深圳爱帝宫现代母婴健康管理有限公司’</b> <ul style="list-style-type: none"> <li>One of the first and leading maternal and child health management companies in China</li> </ul>
<b>Facilities</b>	<b>Modern Hospital Guangzhou</b> <b>‘广州现代医院’</b> <ul style="list-style-type: none"> <li>Operational since 2005</li> <li>~300 beds</li> </ul> <b>St. Stamford Plastic Surgery and Aesthetic Hospital</b> <b>圣丹福整形美容医院</b> <ul style="list-style-type: none"> <li>Target opening in 2016</li> <li>Expected ~90 beds</li> </ul>	<b>Chengdu Xiehe International Eldercare and Retirement Home</b> <b>‘成都协和国际颐养院’</b> <ul style="list-style-type: none"> <li>Target Opening in 2017</li> <li>Expected ~3,000 beds (Phase1)</li> </ul>	<b>AND Maternal and Child Health Centre, Xiangmihu, Shenzhen</b> <b>‘爱帝宫国际母婴月子会所, 香蜜湖, 深圳’</b> <ul style="list-style-type: none"> <li>Operational since 2007</li> <li>80 beds</li> </ul> <b>AND Maternal and Child Health Centre, Yinhu, Shenzhen</b> <b>‘爱帝宫国际母婴月子会所, 银湖, 深圳’</b> <ul style="list-style-type: none"> <li>Operational since 2015</li> <li>33 Beds</li> </ul> <b>AND Maternal and Child Health Centre, Chengdu</b> <b>‘爱帝宫国际母婴月子会所, 成都’</b> <ul style="list-style-type: none"> <li>Target Opening in 2016/2017</li> <li>Expected ~80 beds</li> </ul> <b>Beauty MAX Post-natal Treatment Centre, Beijing</b> <b>‘美妈汇产后修复中心, 北京’</b> <ul style="list-style-type: none"> <li>Operational since 2013</li> </ul> <b>Beauty MAX Post-natal Treatment Centre, Shenzhen</b> <b>‘美妈汇产后修复中心, 香蜜湖, 深圳’</b> <ul style="list-style-type: none"> <li>Operational since 2012</li> </ul>
<b>Effective Interest</b>	40%	40%	20%



# Perennial's Integrated Real Estate and Healthcare Strategy

- As an integrated real estate owner, developer and manager, Perennial has a sizeable portfolio of large-scale integrated developments which are well-positioned for growth in China, and complemented by operational properties with a steady income stream.
- As a healthcare services owner and operator, Perennial has a growing portfolio of holistic medical and healthcare-related offerings which will deliver a steady stream of income over time.
- Perennial will continue to form strategic partnerships with established local and foreign medical operators with extensive local and international network and strong operating track record, and at the same time, grow the pipeline of business opportunities with established joint-venture partners to scale the healthcare business.



# ABOUT AIDIGONG

# Aidigong – A Leading Premium Maternal and Child Health Management Operator in China

Strong Operating Track Record with Good Growth Potential;  
Presence in Shenzhen and Beijing with Upcoming Centre in Chengdu



- 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. Aidigong has served over 10,000 customers and is recognised as a premier and trusted brand in the industry.
- 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 Postnatal 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.
- Upcoming AND Maternal and Child Health Centre in Chengdu, taking up a 89,300 sq ft space at Perennial International Health and Medical Hub, is set to be the largest confinement centre in Chengdu.

# Aidigong – Provides a Comprehensive Suite of Professional Services to New Mothers and Newborns

## One-Stop Destination to Help New Mothers Recover Well in a Conducive Environment with Round-the-Clock Professional Care Provided to their Newborns

- Aidigong's specialised postnatal care for new mothers 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.
- Newborns are well-looked after and pampered by professional medical staff and are provided with regular massage therapies, swimming exercise programme and brain training and development sessions.



Newborn Swimming Pool



Newborn Nursery



Newborn Brain Training



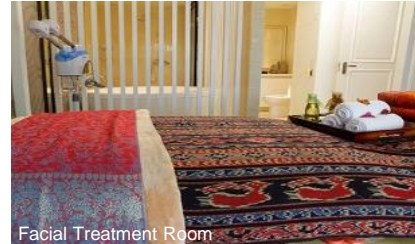
Newborn Massage



Herbal Steam Room



Slimming Therapy Room



Facial Treatment Room



Stretch Mark Therapy Room



Nutritious Diet



Yoga Studio



Gym



Swimming Pool

*THANK YOU*

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