

**PRESS RELEASE**

**3 January 2018**  
**For Immediate Release**

**Perennial Establishes a US\$1.2 billion Joint Venture Vehicle  
with First Close of US\$500 million to Invest in  
HSR Healthcare Integrated Mixed-use Developments in China**

Well-poised to become a dominant real estate player with  
potentially the largest portfolio of HSR projects

*Singapore, 3 January 2018* – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) is pleased to announce the establishment of its first joint venture vehicle, Perennial HC Holdings Pte. Ltd. (“**Joint Venture Vehicle**”) targeting a total capital commitment of up to US\$1.2 billion (approximately S\$1.61 billion), which will invest in, acquire and develop large scale and predominantly healthcare integrated mixed-use developments which are connected to high speed railway (“**HSR**”) stations (“**HSR Healthcare Integrated Mixed-Use Developments**”) in the People’s Republic of China (“**China**”) (“**Joint Venture**”). The first close of the total capital commitment to the Joint Venture Vehicle amounts to US\$500 million (approximately S\$672.04 million) (“**First Closing**”).

Perennial, through its subsidiary, will hold a 45% stake in the Joint Venture Vehicle, while the remaining stakes are to be held by a Perennial-syndicated consortium of partners comprising a subsidiary of Shun Tak Holdings Limited (“**Shun Tak**”) with a 30% stake, Bangkok Bank Public Company Limited (“**Bangkok Bank**”) with a 10% stake, a subsidiary of BreadTalk Group Limited (“**BreadTalk Group**”) with a 5% stake, an investment vehicle of Mr Kuok Khoon Hong with a 4% stake, S1F Pte. Ltd. with a 4% stake, and a subsidiary of Wilmar International Limited (“**Wilmar**”) with a 2% stake (collectively the “**Joint Venture Partners**”).

Positioned as one-stop regional healthcare hubs, the HSR Healthcare Integrated Mixed-use Developments, typically measuring between 300,000 square meters (“**sqm**”) to 800,000 sqm in total gross floor area (“**GFA**”), are expected to host healthcare real estate featuring core medical/healthcare facilities, including various types of specialised hospital, such as international general hospital, international women’s and children’s hospital, international geriatric hospital and international rehabilitation hospital, as well as medical centres, eldercare homes and nursing homes. In addition, there will be complementary medical and healthcare-related services, including diagnostic centres, pharmacies and genomic laboratories.

The HSR Healthcare Integrated Mixed-use Developments are also expected to comprise other real estate components such as hotels, retail, serviced apartments, offices, and small office home offices to support a multitude of communities, including residents of the city and from other cities within the province, patients and customers, medical and healthcare professionals, as well as other local and international patrons from the medical, business and tourism industries.

The Joint Venture will target HSR Healthcare Integrated Mixed-use Developments opportunities in tier one or strong tier two cities and provincial capitals in China with close proximity to transportation hubs, particularly HSR stations, which will provide easy access to subways and/or HSR to serve large cities or provinces with sizeable population catchments.

With leverage, the potential total capital commitment of US\$1.2 billion (approximately S\$1.61 billion) is expected to provide the Joint Venture Vehicle with an investment capacity to build a significant healthcare-centric portfolio in China.

Perennial's total committed capital contribution for its 45% stake for the First Closing amounts to US\$225 million (approximately S\$302.42 million), which will be funded progressively upon capital call through internal cash and/or bank borrowings.

In connection with the Joint Venture, Perennial and Shun Tak will set-up (i) an asset and project management company and (ii) a hotel management company to manage the asset, project and hotel management aspects of the HSR Healthcare Integrated Mixed-Use Developments. Perennial's wholly owned subsidiary will be appointed as the property manager of the HSR Healthcare Integrated Mixed-use Developments.

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, "Perennial currently has two existing HSR projects in Chengdu and Xi'an. With the establishment of this US\$1.2 billion Joint Venture Vehicle, we are excited about the potential to grow our HSR portfolio to up to eight projects with a total GFA of over 4 million sqm, positioning Perennial as a leading player with the largest HSR portfolio."

Mr Pua added, "Our HSR Healthcare Integrated Mixed-use Developments strategy has been a game changer for Perennial, with the sustainable business model receiving strong endorsements from local authorities, investors, and operators. The Joint Venture enables Perennial to further grow our real estate business to own, develop and manage a sizeable integrated development portfolio which comprises medical, healthcare and eldercare real estate, in addition to traditional real estate components. With a diverse range of medical, healthcare and eldercare real estate within each development, the HSR Healthcare Integrated Mixed-use Developments are set to redefine the meaning of truly integrated projects and elevate the standards of medical care, healthcare and eldercare in China."

Mr Pua further added, “Besides providing an asset-light model to scale our real estate business, the Joint Venture accelerates the growth of our various lines of medical, healthcare and eldercare businesses, which will provide the content for the HSR Healthcare Integrated Mixed-use Developments. This will further boost our medical, healthcare-related and eldercare-related management businesses’ income, in addition to our real estate-related management business income. The Joint Venture also marks our first foray into the hospitality business with the hotel management partnership with Shun Tak, who has a strong track record in property development and asset management, particularly in the hospitality industry. The potential portfolio of HSR projects is expected to create a sizeable hotel portfolio.”

Mr Pua said, “Overall, the synergies that can be created between the various real estate components and businesses are expected to maximise the value of Perennial’s real estate, medical, healthcare and eldercare businesses. The income contributions from the various management businesses are also expected to deliver stable income streams in the coming years.”

## **Rationale of the Joint Venture**

### **(A) Supports China’s Changing Demographics’ Demand for Healthcare and Belt and Road Initiative**

- The Joint Venture will allow Perennial to cater to the growing demand for quality medical and healthcare-related services arising from a fast ageing population and growing affluence in China. It also aligns with the Chinese government’s encouragement of greater private investment in the medical industry and the promotion of private enterprises to play an increasingly important role in the healthcare market.
- The Joint Venture’s investments in HSR Healthcare Integrated Mixed-use Developments in close proximity to transportation nodes, such as HSR stations, support China’s Belt and Road Initiative and its commitment towards global healthcare reforms. In addition, the one-stop regional HSR Healthcare Integrated Mixed-use Developments facilitate the various Chinese cities’ growth in medical tourism.
- With the robust demand for quality healthcare, coupled with the strong adoption of HSR as a transport mode and continued expansive growth of the HSR network, the HSR Healthcare Integrated Mixed-use Developments are well-placed to serve as one-stop regional healthcare hubs.

### **(B) Aligns with Perennial’s Integrated Real Estate and Healthcare Strategy**

- The Joint Venture is in line with Perennial’s strategy to acquire, own and develop large scale integrated developments in high growth cities which are in close proximity to or seamlessly connected to transportation hubs, and incorporate healthcare real estate as an asset class within these prime integrated developments.

- The Joint Venture would also allow Perennial to introduce its holistic suite of medical and healthcare-related offerings into these healthcare real estate as anchor or mini-anchor tenants. Perennial currently operates three core lines of healthcare businesses in China, being hospital and medical services, eldercare and senior housing, and maternal and child health management.
- The synergies that can be achieved with Perennial’s existing real estate portfolio, businesses and partnerships in China facilitate the maximisation of the value of both the real estate portfolio and medical and healthcare-related services businesses for the Group.

**(C) Harness Greater Opportunities with Asset-Light Model and Consortium of Partners’ Experience and Capabilities**

- The Joint Venture provides an ‘asset-light’ platform for Perennial to scale its integrated real estate and healthcare business. It also allows Perennial to further its business relationships with the consortium of partners, and leverage on the combined experience and expertise of the consortium of partners in the areas of asset and project management, hotel management, construction management and property management to deliver outstanding developments with holistic offerings.

**Joint Venture Vehicle’s Consortium of Partners**

<b>Partners</b>	<b>Shareholdings</b>
Perennial China Investment Holdings Pte. Ltd., a wholly owned subsidiary of Perennial, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”).	45%
Wise Horizon Developments Limited, a subsidiary of Shun Tak, a company listed on the Hong Kong Stock Exchange.	30%
Bangkok Bank, a company listed on the Stock Exchange of Thailand	10%
Imagine Properties Pte Ltd, a subsidiary of BreadTalk Group, a company listed on the Mainboard of the SGX-ST.	5%
S1F Pte. Ltd.	4%
HPRY Holdings Limited, which is wholly owned by Mr Kuok Khoon Hong, who is one of Perennial’s core sponsors and the Chairman of Perennial.	4%
WCA Pte. Ltd., a subsidiary of Wilmar, a company listed on the SGX-ST and a controlling shareholder of Perennial.	2%
<b>Total</b>	<b>100%</b>

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**About Perennial Real Estate Holdings Limited ([www.perennialrealestate.com.sg](http://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 about 54 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.

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**Issued by Perennial Real Estate Holdings Limited**

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