



PRESS RELEASE

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For Immediate Release

Perennial Registered 2Q 2018 PATMI of S\$8.6 million

Singapore, 3 August 2018 – Perennial Real Estate Holdings Limited (“Perennial” or the “Group”) registered a total profit after tax and minority interest (“PATMI”) in 2Q 2018 of S\$8.6 million, lower than the S\$17.1 million registered in the same period last year due to lower fair value gain recognised for the China portfolio, higher finance costs attributable to the consolidation of Capitol Singapore’s debt following the acquisition of the remaining 50% stake to own 100% of the asset, and loans to fund new investments.

Revenue for 2Q 2018 of S\$18.1 million was marginally higher than 2Q 2017 of S\$17.9 million. The increase was mainly attributable to the consolidation of Capitol Singapore’s revenue with effect from May 2018, improved performance from Perennial Qingyang Mall and Perennial Jihua Mall, and new revenue stream from Perennial International Health and Medical Hub (“PIHMH”) in Chengdu which commenced operations in June 2018. Earnings Before Interest and Tax (“EBIT”) for 2Q 2018 of S\$41.9 million was lower than 2Q 2017 of S\$57.1 million, mainly due to lower fair value gain recognised. Excluding the fair value gain, EBIT for 2Q 2018 would have been higher.

The Group achieved a total PATMI of S\$13.8 million in 1H 2018, which was lower than the S\$55.8 million registered in 1H 2017 due to the absence of a one-off divestment gain from the partial divestment of the equity stake in TripleOne Somerset, lower fair value gain and higher finance costs, which was partially offset by higher share of results from associates and joint ventures.

As at 30 June 2018, the Group’s Net Debt to Equity Ratio was 0.74 times (31 December 2017: 0.57 times).

Financial Results Summary

	2Q 2018 (S\$M)	2Q 2017 (S\$M)	Change (%)	1H 2018 (S\$M)	1H 2017 (S\$M)	Change (%)
Revenue	18.1	17.9	1.6	33.1	38.1	(13.1)
EBIT	41.9	57.1	(26.5)	66.4	118.5	(44.0)
PATMI	8.6	17.1	(49.5)	13.8	55.8	(75.3)

Mr Pua Seck Guan, Chief Executive Officer, said, “With the opening of PIHMH in Chengdu and the full ownership of Capitol Singapore, our focus is now on optimising these landmark developments to deliver a good stream of annuity income. While we continue to build up our HSR portfolio in China, we will concurrently adopt an active portfolio reconstitution strategy to recycle capital from our Singapore and China assets to maximise capital efficiency.”

Real Estate Business

In Singapore, the strata-sale units on levels 3 and 4 at TripleOne Somerset which are designated for office and medical usages have obtained Temporary Occupation Permit on 19 June 2018. Works at the retail podium are expected to complete by 4Q 2018 and pre-leasing is in progress ahead of its target opening in 2H 2018. Separately, AXA Tower’s office committed occupancy remained strong at approximately 90.8%, driven by renewals and new tenancies. Management will continue to explore enbloc opportunities with potential parties to capitalise on the buoyant Singapore office market to achieve optimal returns. At Capitol Singapore, the Capitol Kempinski Hotel Singapore is into its final stage of preparation ahead of its opening on 1 October 2018. Booking channels have been opened for room reservations since 15 July 2018.

In China, Perennial is set to become a dominant market player with the largest HSR portfolio. At Chengdu East High Speed Railway (“**HSR**”) Integrated Development, Perennial’s first HSR healthcare and commercial hub, PIHMH officially commenced business on 1 June 2018 with seven medical anchor tenants, including four of Perennial’s healthcare businesses, and a number of retailers. As at 30 June 2018, PIHMH achieved a total committed occupancy of 92.8%. Its anchor tenant, Gleneagles Chengdu Hospital, is expected to commence operations in 2H 2018. At Xi’an North HSR Integrated Development, Perennial’s second HSR healthcare and commercial hub, its adjacent Xi’an North HSR Station introduced the new Xi’an-Kunming HSR Line, further strengthening the station’s position as a core interchange station in West China. More recently, on 26 July 2018, Perennial secured its third regional healthcare and commercial hub (“**Tianjin South HSR Integrated Development**”) which is adjacent to the Tianjin South HSR Station through the successful tender by a Perennial-led joint venture vehicle.

Separately at Beijing Tongzhou Integrated Development, the construction permits have been received for all six plots. With the unveiling of the Masterplan for Tongzhou District by Tongzhou’s Municipal Government and the completion of the construction of the Seventh Ring Road, our strategically located integrated development is well-poised to benefit from the transformation of the precinct into a world-class city with excellent amenities and connectivity.

Healthcare Business

Perennial’s eldercare business, Shanghai RST Chinese Medicine Co. Ltd (“**Renshoutang**”), officially expanded its presence into Wuhan with the official opening of the 1,350-bed Wuhan Jiuzhoutong Xiehe Eldercare and Retirement Home on 19 July 2018. The home is Renshoutang’s first Public-Private-Partnership project and the largest integrated eldercare with medical facilities in Wuhan City. Renshoutang

currently operates 5,006 beds in 20 facilities in three cities in China. It also has a committed pipeline of over 9,000 beds and a potential pipeline of over 13,500 beds, positioning Renshoutang as Perennial's fastest growing healthcare business line in the healthcare portfolio.

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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 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, Indonesia and Ghana with a combined portfolio spanning over 58 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Three of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development and Tianjin South HSR Integrated Development, are regional healthcare and commercial hubs which are situated adjacent to three of the country's key interchange HSR stations and incorporate medical, healthcare and eldercare facilities. 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.

Issued by Perennial Real Estate Holdings Limited

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