

PERENNIAL REAL ESTATE HOLDINGS LTD



FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

 PERENNIAL

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.

FINANCIAL HIGHLIGHTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

Income Statement (1Q 2017 vs 1Q 2016) – Explanation of Key Income Line Items

\$'000	1Q 2017	1Q 2016	Change
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	%
Revenue	20,229	29,486	(31.4)
Earnings Before Interest & Tax ("EBIT")	61,448	26,030	136.1
Profit After Tax less Minority Interest ("PATMI")	38,662	8,472	356.4
<u>Analysis of PATMI</u>			
Operating PATMI ⁽¹⁾	38,662	975	Nm
Net Fair Value Gain	-	7,497	(100)
Total PATMI	38,662	8,472	356.4

(1) Includes the divestment gain from the sale of a 20.2% stake in TripleOne Somerset and remeasurement gain of the retained 30% stake.

Income Statement (1Q 2017 vs 1Q 2016) – Explanation of Key Income Line Items

Revenue

- Revenue for 1Q 2017 was 31.4% lower than the same period last year due to lower project management fees and lower rental revenue from TripleOne Somerset as the property has commenced asset enhancement works to facilitate the strata sale of the office space and medical suites.

EBIT

- Despite the lower revenue, EBIT increased by 138.4% mainly due to the divestment gain from the sale of a 20.2% equity stake in TripleOne Somerset and the gain on remeasurement for the 30% retained stake in the same property, totalling approximately S\$55.7 million. The increase in EBIT was partially offset by lower share of results from joint ventures, arising from a one-off adjustment from a lease restructuring at Shenyang Red Star Macalline Furniture Mall, lower investment income, and foreign exchange loss.

Operating PATMI

- The increase in PATMI was contributed by the gain from the divestment of a partial stake in TripleOne Somerset and partially offset by higher finance costs and lower share of results from joint ventures.

Income Statement – Revenue and EBIT by Segment

	REVENUE			EBIT			Note
	1Q 2017	1Q 2016	Change	1Q 2017	1Q 2016	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Singapore	10,203	14,814	(31.1)	61,816	10,237	Nm	1
China	7,569	7,646	(1.0)	5,025	14,188	(64.6)	2
Management Businesses	4,929	9,788	(49.6)	428	3,865	(88.9)	3
Corporate and Others	2,789	3,893	(28.4)	(5,821)	(2,260)	157.6	4
Eliminations	(5,261)	(6,655)	(20.9)	-	-	-	
	20,229	29,486	(31.4)	61,448	26,030	136.1	

Notes:

- (1) The decrease in revenue was due to lower rental revenue from TripleOne Somerset as the property commenced asset enhancement works since 2Q 2016. 1Q 2017 EBIT is mainly contributed by the divestment of a 20.2% equity stake in TripleOne Somerset and the gain on remeasurement of the 30% retained stake totalling approximately S\$55.7 million.
- (2) The lower 1Q 2017's EBIT is attributable to the absence of net fair value gains from Chengdu East High Speed Railway Integrated Development Plot D2 which was recognised in 1Q 2016 as well as lower share of results due to a one-off adjustment arising from a lease restructuring at Red Star Macalline Furniture Mall.
- (3) The decrease in revenue and EBIT was mainly due to lower project management fees recognised in the quarter.
- (4) The lower EBIT in 1Q 2017 is mainly attributable to foreign exchange loss on USD monetary asset and lower investment income.

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

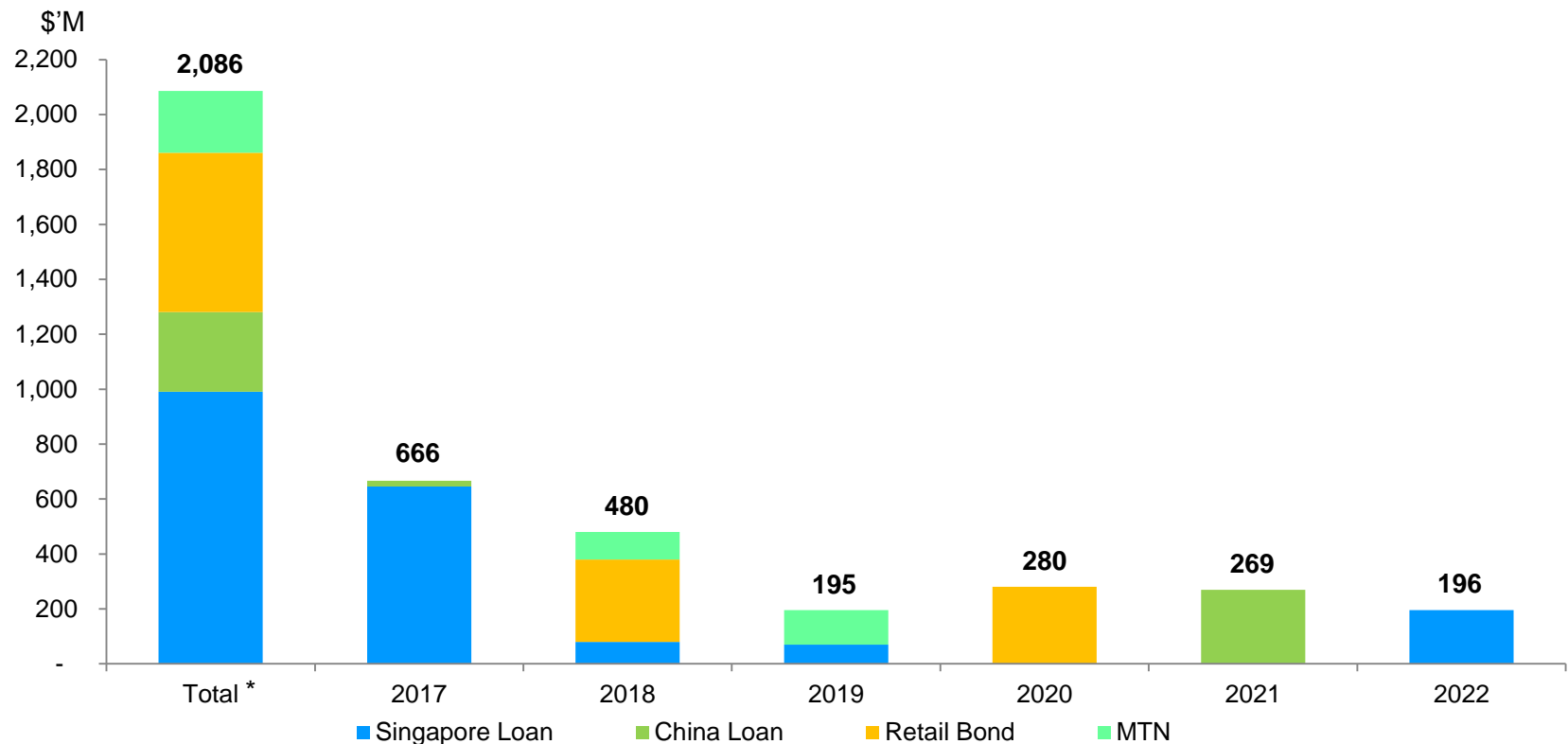
Key Financial Ratios

	As at 31 Mar 2017	As at 31 Dec 2016
Net Debt (S\$' 000)	1,911,286	2,489,275
Total Equity (S\$' 000)	3,721,473	3,781,916
Net Debt to Equity Ratio	0.51 ¹	0.66
Net Asset Value per Share (S\$)	1.610 ²	1.631
Debt-Weighted Average Term to Expiry (years)	2.12	1.75
	For the Quarter ended 31 Mar 2017	For the Quarter ended 31 Mar 2016
Earnings per Share (cents)	2.32 ¹	0.51
Weighted Average Interest Rate (p.a.)	3.7%	3.4%

Notes

1. The improved debt-to-equity ratio is attributable to the deconsolidation of TripleOne Somerset following the divestment of a 20.2% stake on 31 March 2017. The TripleOne Somerset's debt deconsolidated was about S\$680 million
2. The lower Net Asset Value per Share is due to translation losses arising from the depreciation of RMB against SGD in the period.

Debt Maturity Profile – As at 31 March 2017



* Being gross amount, without amortised transaction costs

1. The Group has refinanced CHIJMES loan of S\$196 million which was due in April 2017. The remaining loans are due in 2H 2017.
2. The loans due in 2H 2017 relate to loans secured by Perennial Qingyang Mall, Perennial Foshan Mall and Perennial International Health and Medical Hub of S\$231 million, unsecured loans by Perennial Treasury Pte Ltd ("PTPL") of S\$155 million and secured loans by PTPL and Perennial of \$280 million.

BUSINESS HIGHLIGHTS – SINGAPORE

TripleOne Somerset – Asset Enhancement Works Underway

**Two Additional Office Floors Set Aside for Strata Sale and Leasing;
Total Amount of Strata Sales To-date is ~S\$17.7 million**



Artist's Impression



Façade repainting in progress



Level 6 Lift Lobby Post-renovation



Level 7 Lift Lobby Post-renovation



Level 6 Common Area Post-renovation



Level 7 Tenant Frontage Post-renovation

- Major asset enhancement works totaling S\$120 million is underway. Repainting of the façade is 40% completed.
- In addition to Levels 8 and 15 at Somerset Tower which were renovated and opened up for office strata sale in 3Q 2016, two additional floors in the same tower, being Levels 6 and 7, have recently completed renovation and set aside for strata sale and leasing.
- Since the launch in 3Q 2016, a number of strata office units have been transacted at an average price of above S\$ 2,700 per square feet. To-date, the total amount of strata sales is about S\$17.7 million.
- Continued to pursue an active leasing strategy to ensure a stable stream of recurrent income.
- The full suite of works is expected to complete in 2018/2019.

AXA Tower – Strata Sale of Office Units Draws Strong Demand

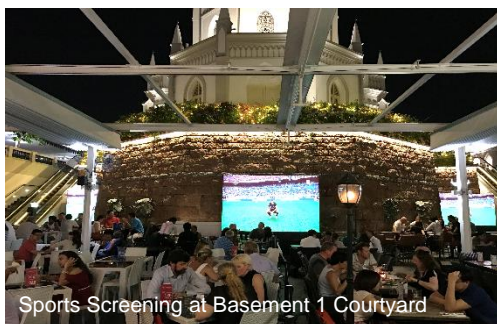
**Office Units Transacted at Average Price of ~S\$2,559 per square feet;
Total Amount of Strata Sales To-date is ~S\$41.0 million**

- Asset enhancement works with total development cost not expected to exceed S\$150 million progresses well. Works at the retail podium fronting Maxwell Road has commenced and some affected tenants, including Folks Collective, Starbucks Coffee and Alpha Dental Group, were relocated within the building.
- In preparation for the closure of the Office Lobby fronting Shenton Way in 3Q 2017, an interim Concierge Services Counter at Level 1 has been set up.
- Since the launch of strata sale in 3Q 2016, a number of office units have been sold at an average price of about S\$2,559 per square feet. To-date, the total amount of strata sales is about S\$41.0 million.
- The full suite of works is expected to complete in 2018/2019.



CHIJMES – Vibrant Dining and Entertainment Destination in the City

Committed Occupancy Increased from 90.3% to 93.2%



Sports Screening at Basement 1 Courtyard



Voices of Singapore Festival



Wedding Photo Exhibition



Valentine's Day Pop-up Florist



Screening of Breakfast at Tiffany's



Acoustic Performance Night

- Total committed occupancy increased from 90.3% in 4Q 2016 to 93.2% in 1Q 2017, of which about 92.4% of tenants by net lettable area have commenced business.
- Strengthened marketing efforts by holding more activities at the lawn area and commenced regular screening of soccer matches and other sporting events at Basement 1 Courtyard following the installation of retractable awnings and outdoor LED screens.
- Addition of new tenant Luxi Dolls, a luxury fusion club, further augments the lifestyle and entertainment offerings at CHIJMES.

BUSINESS HIGHLIGHTS – CHINA

Chengdu HSR Integrated Development – On-Site Progress Visual (As at 1Q 2017)



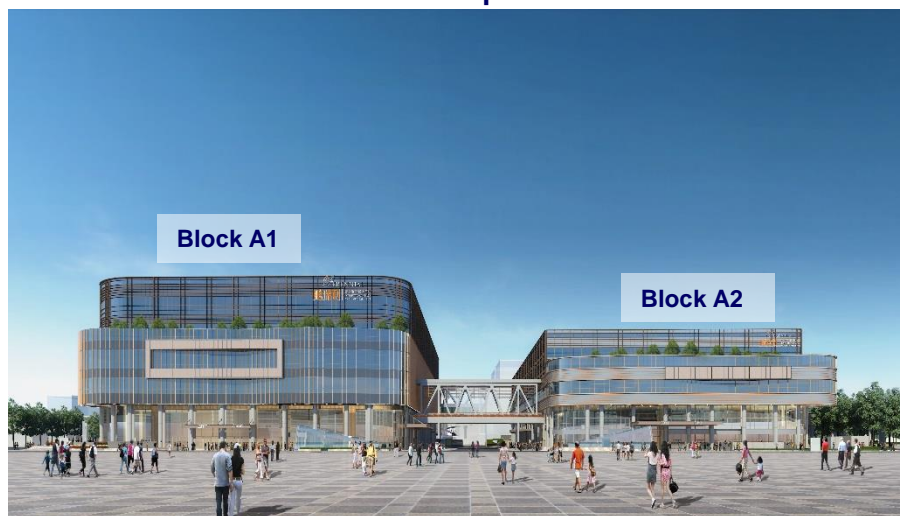
Chengdu HSR Integrated Development – On-Site Progress Visual (As at 1Q 2017)



Perennial International Health and Medical Hub, Chengdu – Development Progress Update

Some Units Have Been Handed Over to Medical Tenants for Fitting Out Since April 2017

Artist's Impression



On-Site Photo



- Total committed occupancy for the 280,000 sqm development stands at ~60%.
- Towards end-April 2017, some units were progressively handed over to medical tenants for fitting out.
- New leases secured include jewellery stores, apparel brands and convenience stores. Leasing efforts continued to focus on complementary trades including laboratory testing service providers and cosmetic brands.
- The development is expected to commence operations progressively from 4Q 2017.



Chengdu East HSR Integrated Development Plot D2 — Development Progress Update

Last of Six Towers Has Topped Out;
First Batch of Deposits Received from Prospective Residents of Chengdu Xiehe Home

Artist's Impression



On-Site Photo



- Last of six towers on Plot D2 has topped out and façade cladding works will commence.
- Of the other five towers, three have completed façade cladding works, and the remaining two are expected to complete façade cladding works in 2Q 2017.
- Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) commenced marketing efforts to raise brand awareness ahead of its Phase 1 opening in 3Q 2017 by collaborating with Chengdu Veteran’s Sports Association and participating in the 2017 Western Chengdu International Elderly Services Expo. The events drew good interest from prospective residents, with some placing booking deposits to secure their preferred rooming arrangement.

Beijing Tongzhou Integrated Development – Development Progress Update

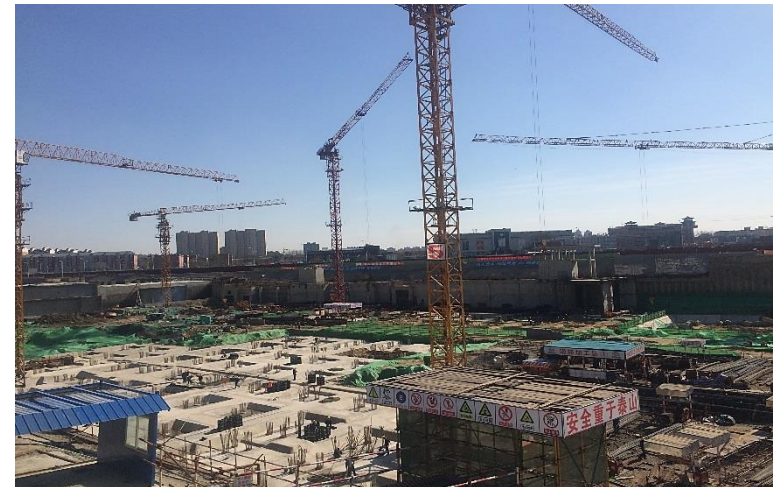
Construction Works Continued to Make Good Progress

Artist's Impression



- Construction works continued to progress on-site with fire safety bureau plans submitted for two of six plots.
- Excavation works have been completed for Phase 2.
- Beijing Tongzhou Integrated Development Phases 1 and 2 are expected to complete by 2020 and 2019 respectively.

On-Site Photos



Beijing Tongzhou District – Abuzz with Construction and Infrastructure Development

Beijing Municipal Government Intensifies Efforts to Strengthen Tongzhou District's Status as the New Beijing Sub-Centre



- Beijing Tongzhou Administrative Centre, located close to Haojiafu Station, is about three subway stations to Tongyunmen Station, which is directly connected to Beijing Tongzhou Integrated Development.
- 23 Beijing municipal government agencies have sent working teams to be stationed in Tongzhou District to supervise the speed and quality of construction projects in the new Beijing sub-centre¹.
- To cope with the anticipated residential demand in Tongzhou District, the Government has embarked on the construction of 17,000 units of social housing (政府保障房)². Construction works are well underway and expected to complete by the end of 2017.
- The Government has also put in place plans to construct and renovate 45 primary and secondary schools by end-2020 to provide sufficient educational facilities in Tongzhou District³.

¹ The Beijing News article dated 7 Feb 2017 (<http://www.bjnews.com.cn/news/2017/02/07/432540.html>).

² The Beijing News article dated 17 March 2017 (<http://www.bjnews.com.cn/feature/2017/03/17/436802.html>).

³ Sina Education article dated 15 May 2016 (<http://edu.sina.com.cn/zxx/2016-05-15/doc-ifxsenvm0379009.shtml>).

Xi'an North HSR Integrated Development – Development Progress Update

Construction Works Made Good Progress

Artist's Impression



- Construction works at Plot 4 progressed well on site.
- The new Baoji-Lanzhou High Speed Railway Line is expected to commence operations in 2H 2017, reducing the travelling time between Xi'an and Lanzhou to within 3 hours.
- The new Xi'an-Chengdu High Speed Railway Line is expected to commence operations by end-2017.
- Plot 4 and Plot 5 are expected to complete in 2018 and 2019 respectively.

On-Site Photos



Shenyang Longemont Integrated Development and Suburban Shopping Malls in Foshan and Chengdu

Operational Retail Portfolio Committed Occupancy at ~ 75.4%;
Overall Portfolio Committed Occupancy at ~ 72.5%

Shenyang Longemont Integrated Development

- **Shenyang Longemont Shopping Mall**
 - ✓ Committed occupancy increased from ~81% to ~83%.
 - ✓ Continue to execute proactive leasing strategy to enhance tenant mix.
- **Shenyang Red Star Macalline Furniture Mall**
 - ✓ Committed occupancy is close to ~59% due to the repositioning of the West Wing into a medical and healthcare centre.
- **Shenyang Longemont Offices**
 - ✓ Overall effective occupancy increased from ~63% to ~64%.
 - ✓ Tower One and Tower Two registered a committed occupancy of 50.0% and 77.7% respectively.
 - ✓ Interior decoration of 'Co-Work Space' has been completed and the new concept is expected to open in 2Q 2017. Leasing is targeted at local SMEs, entrepreneurs and technopreneurs.



Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu

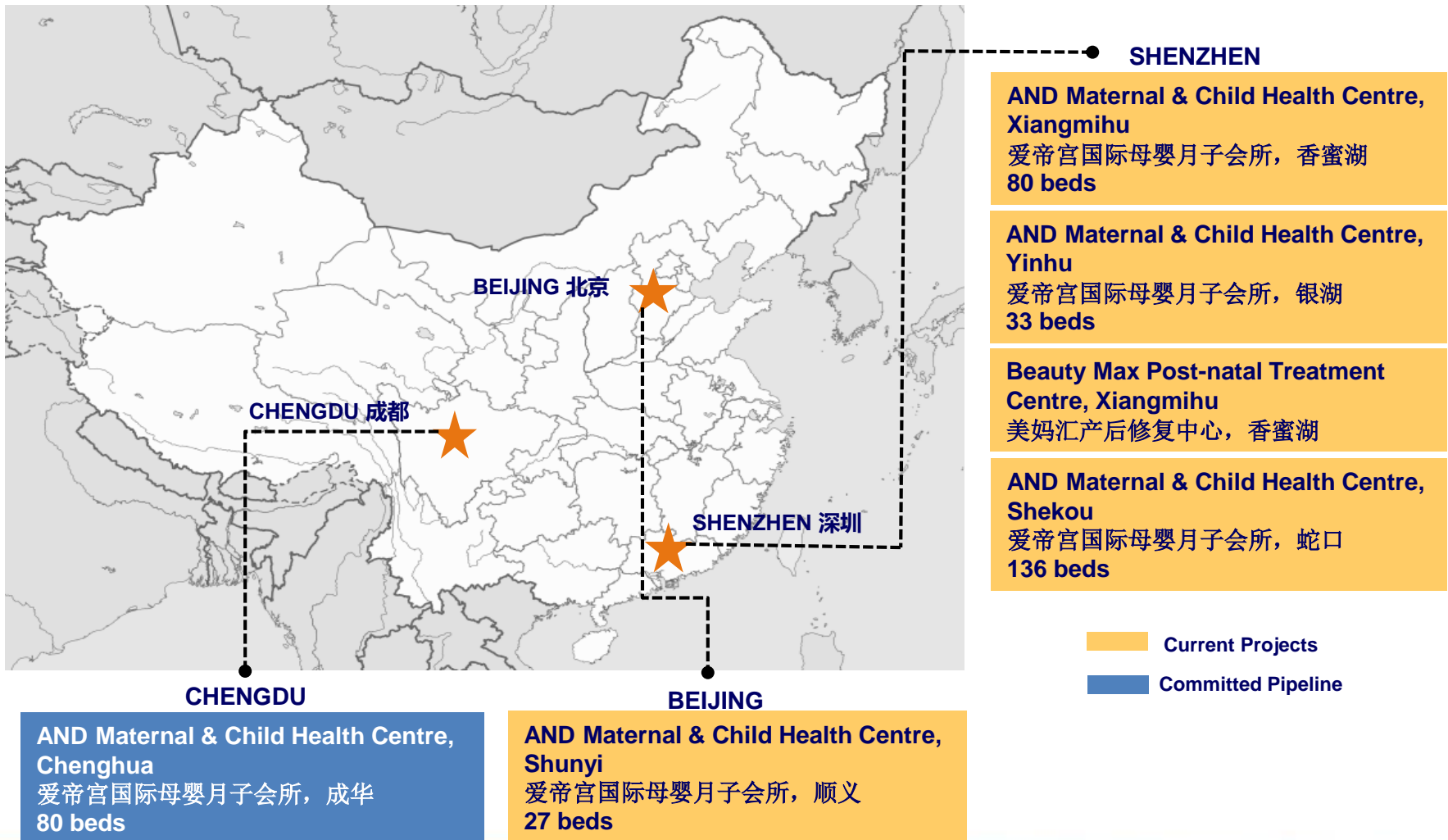
- Both achieved committed occupancy of more than 99%.
- Various themed marketing activities were carried out to drive shopper traffic and tenants' sales.



BUSINESS HIGHLIGHTS – HEALTHCARE SERVICES

Aidigong – Maternal and Child Health Business Growing Steadily

Currently Operating 276 Beds with a Committed Pipeline of 80 Beds;
Stronghold in Shenzhen, Presence in Beijing and Upcoming Centre in Chengdu



Aidigong - New AND Maternal and Child Health Centre, Shekou

Strategically Located New Centre Received Strong Demand

- AND Maternal and Child Health Centre, Shekou (爱帝宫国际母婴月子会所, 蛇口), soft opened in late March 2017.
- The centre is located in close proximity to Shuiwan Subway Station, which is served by Subway Line 2, and is about 18km and 7km away from Shenzhen Bao'an International Airport and Shenzhen Nantou Airport respectively.
- The 136-bed facility registered good demand with reservations placed by customers all the way till January 2018. Customers have also been placed on the waiting list in view of the strong interest.



AND Maternal and Child Health,
Shekou



Living Room



Professional Infant Care



Exercise Studio



Nursery



Suite



Infant Swimming Facility



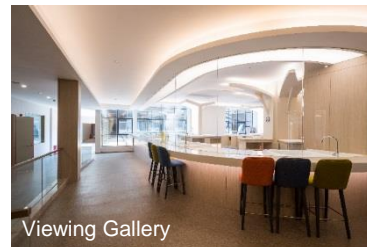
Baby Gym



Nurses Station



Suite



Viewing Gallery

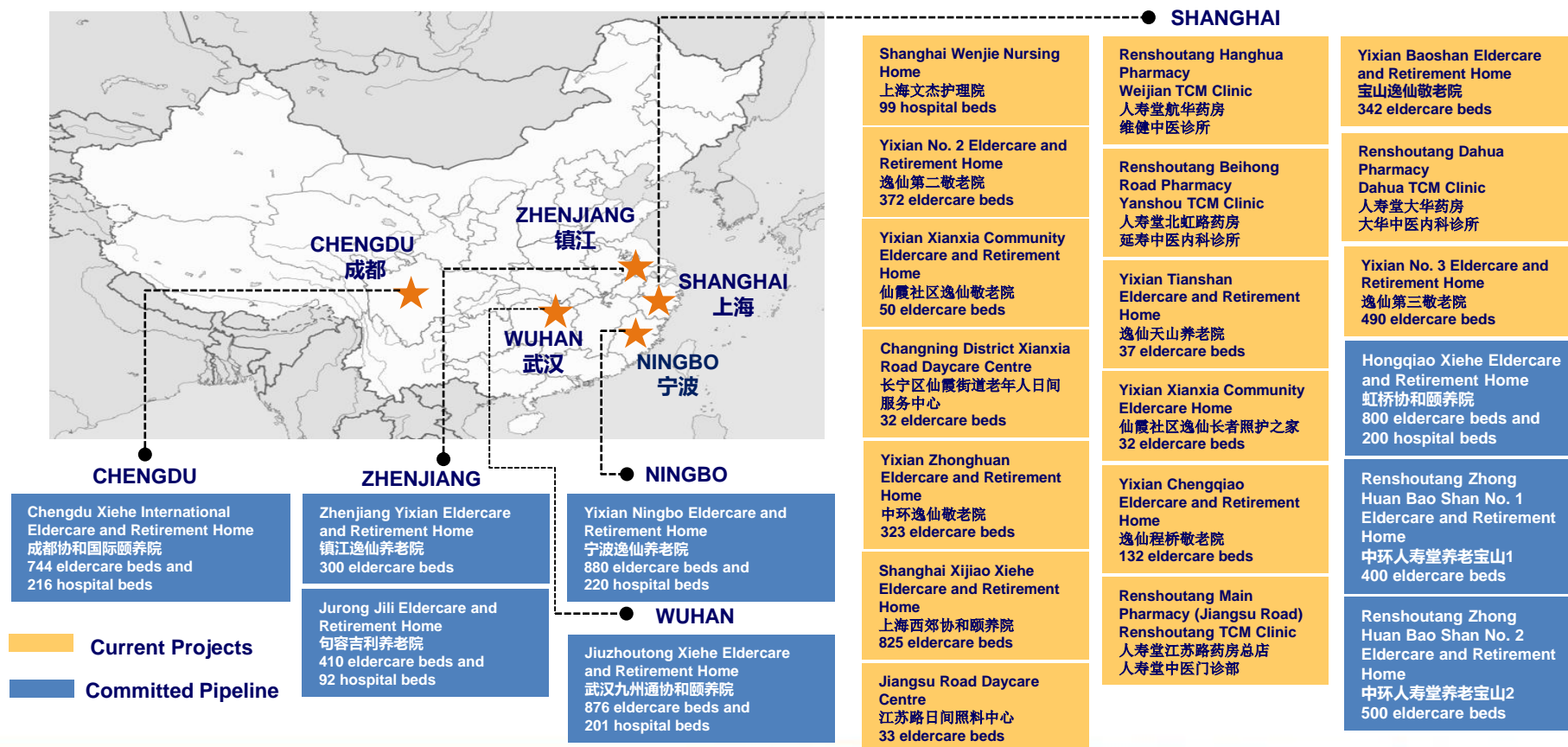


Postnatal Therapy Room

Renshoutang – Completion of Acquisition Delivers New Income Stream

Established Eldercare Portfolio in Shanghai; Set to become the Largest Eldercare Operator in Yangtze River Delta Region in the Next Few Years

- Perennial is now the single largest shareholder of RST Shanghai Chinese Medicine Co. Ltd. (“**Renshoutang**”), the largest private eldercare services operator in Shanghai, with a 49.9% stake in Renshoutang.
- With the opening of its new Yixian Baoshan Eldercare and Retirement Home in Shanghai, Renshoutang currently operates 2,776 beds. It also has a committed pipeline of about 5,900 beds and pipeline under negotiation of over 15,400 beds.



Renshoutang

- Wuhan Jiuzhoutong Xiehe Eldercare

Renshoutang's First PPP with Wuhan Municipal Government Paves Way for Future PPP Collaborations in New Markets



- In February 2017, Renshoutang entered into a 45-45-10 public-private-partnership (“**PPP**”) with Jointown Pharmaceutical Group Co., a Wuhan pharmaceutical group listed on the Shanghai Exchange, and the Wuhan Municipal Government to jointly operate the Wuhan Jiuzhoutong Xiehe Eldercare (“**Jiuzhoutong Xiehe**”) (武汉九州通协和颐养院) at Tower B of Wuhan Social Welfare Institution.
- The Wuhan Social Welfare Institution is a twin-tower care centre built by the Wuhan Civil Affairs Bureau in the heart of Wuhan city, next to the Hankou High Speed Railway Station.
- Equipped with advanced medical facilities and equipment to provide specialised care and services, and augmented by digital technology to create a safer and more comfortable living environment, the 45,000 sqm Jiuzhoutong Xiehe, is positioned for the middle-to-upper income and will comprise an 876-bed retirement home (for independent residents) and a 201-bed nursing hospital (for residents who require round-the-clock professional continuing care).
- Jiuzhoutong Xiehe is expected to commence operations by end 2017.

Renshoutang

- New Yixian Baoshan Eldercare and Retirement Home

Further Strengthened Renshoutang's Leading Presence in Shanghai

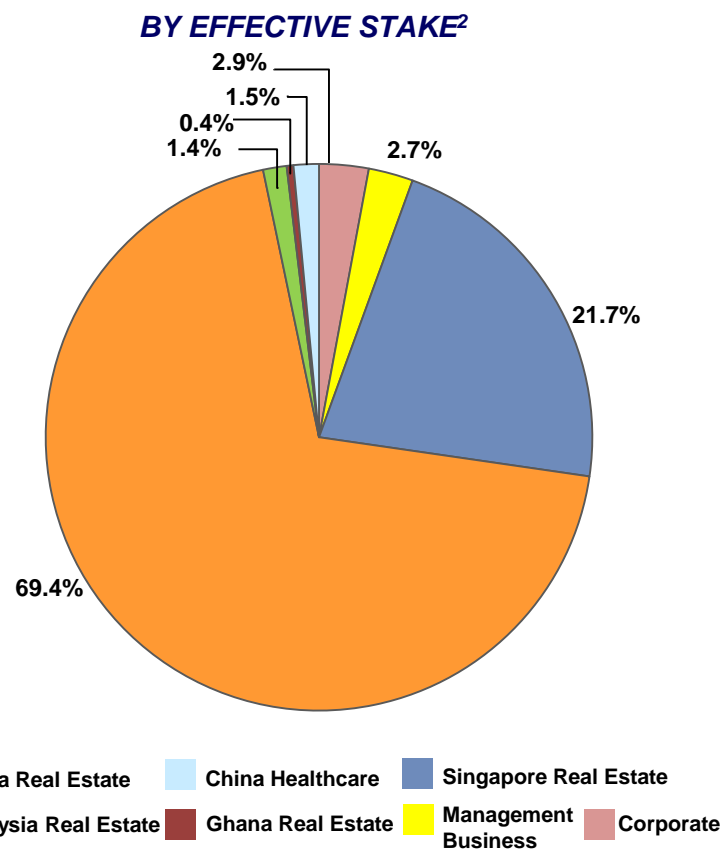
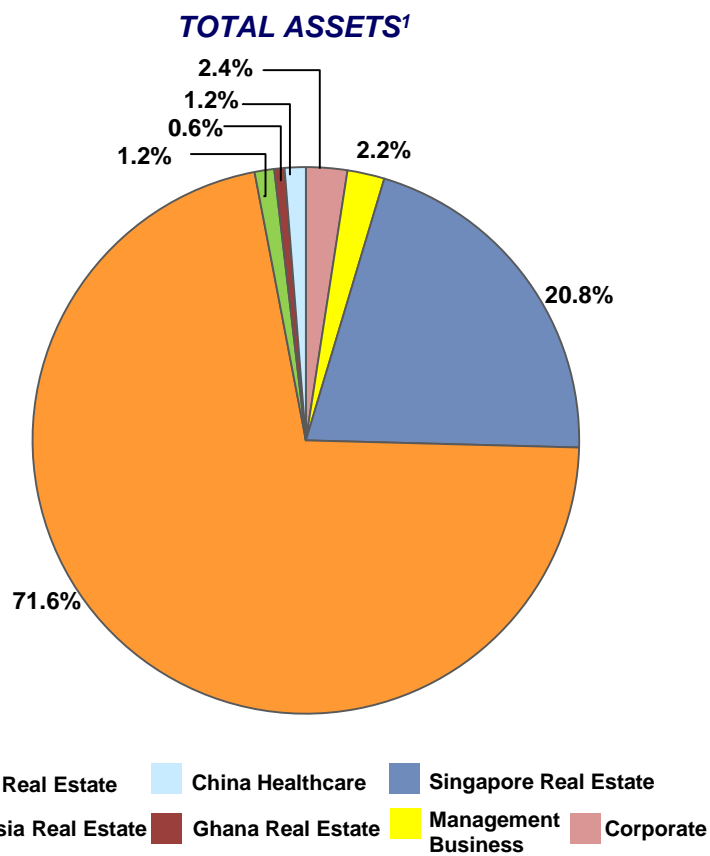
- Yixian Baoshan Eldercare and Retirement Home (宝山逸仙敬老院) officially commenced operations in April 2017 and has welcomed its first residents.
- Located in the densely populated Boashan area in Shanghai, the new 342-bed eldercare and retirement home is positioned with public affordability in mind and serves the needs of independent residents.



STRATEGIC HIGHLIGHTS

Total Asset Composition – By Business

Real Estate Business Complemented by Asset-Light Healthcare Business;
Strength in Diversity, Growth in Synergy

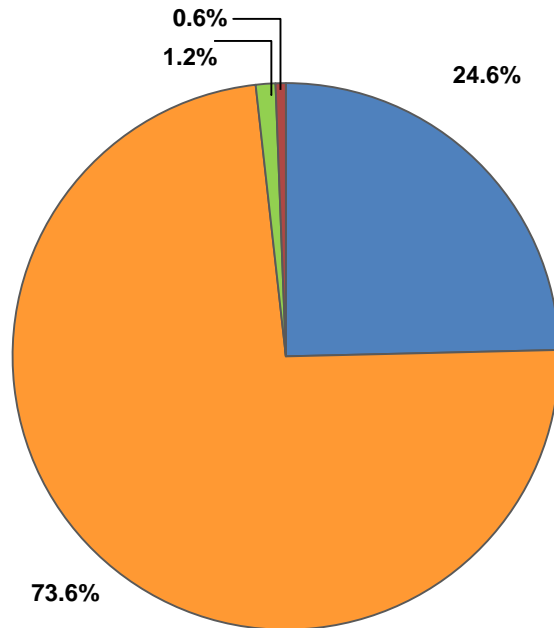


1. Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
2. Represents assets computed via the Company's shareholdings.

Total Asset Composition – By Country

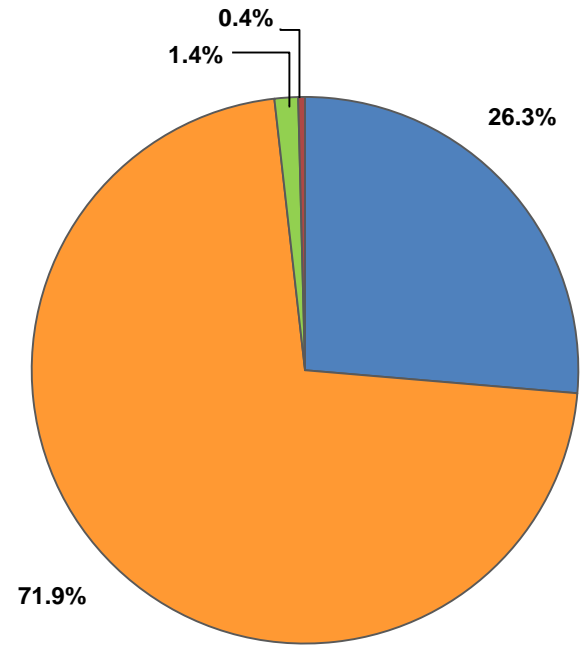
Focus on Two Core Markets –
Effective Stake China (~72%) and Singapore (~26%)

TOTAL ASSETS¹



China Singapore Malaysia Ghana

BY EFFECTIVE STAKE²



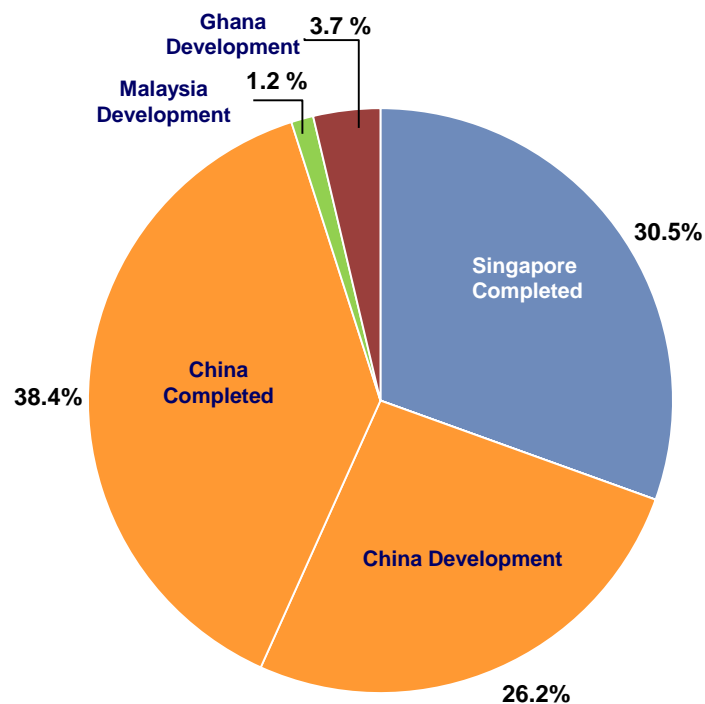
China Singapore Malaysia Ghana

1. Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
2. Represents assets computed via the Company's shareholdings.

Total Real Estate Portfolio Composition – By Total Property Value and By Total GFA

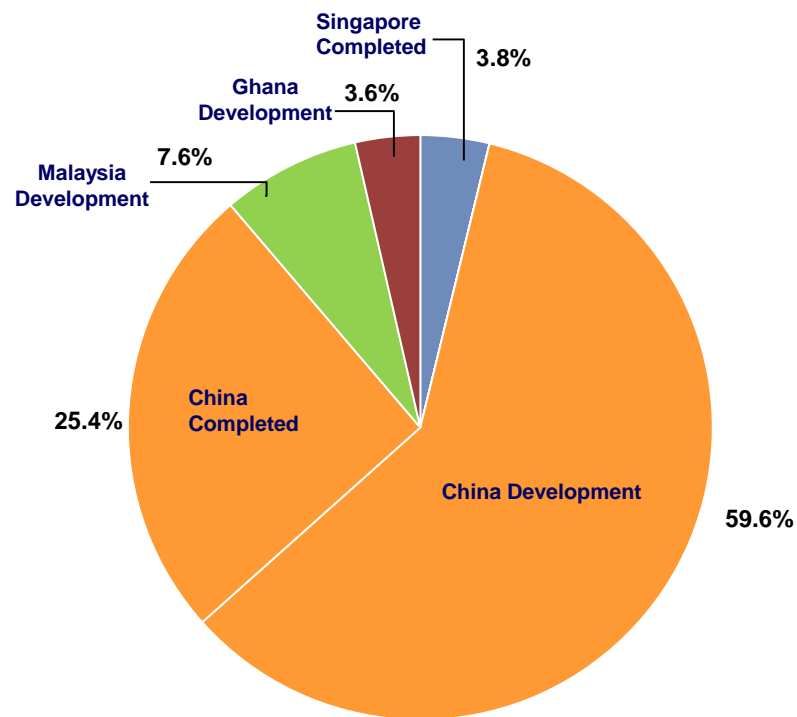
Completed Assets which Account for ~69% of Property Value Provide Income Stability
China Developments Account for ~26% of Property Value & ~60% of GFA Present Significant Growth Potential

TOTAL PROPERTY VALUE
(Effective Stake Basis)



China Singapore Malaysia Ghana

TOTAL GROSS FLOOR AREA ("GFA")
(Attributable GFA Basis)

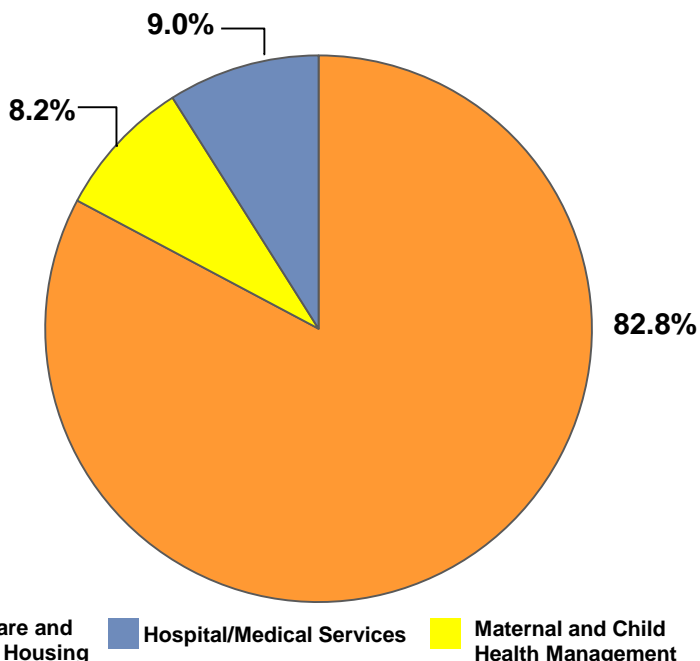


China Singapore Malaysia Ghana

China Healthcare Business – Total Beds Composition

Established Owner and Operator Model in Three Core Business Lines;
Diversification into Healthcare Provides New Recurrent Income Stream

CHINA
Total Operating Beds
(By Business Lines)

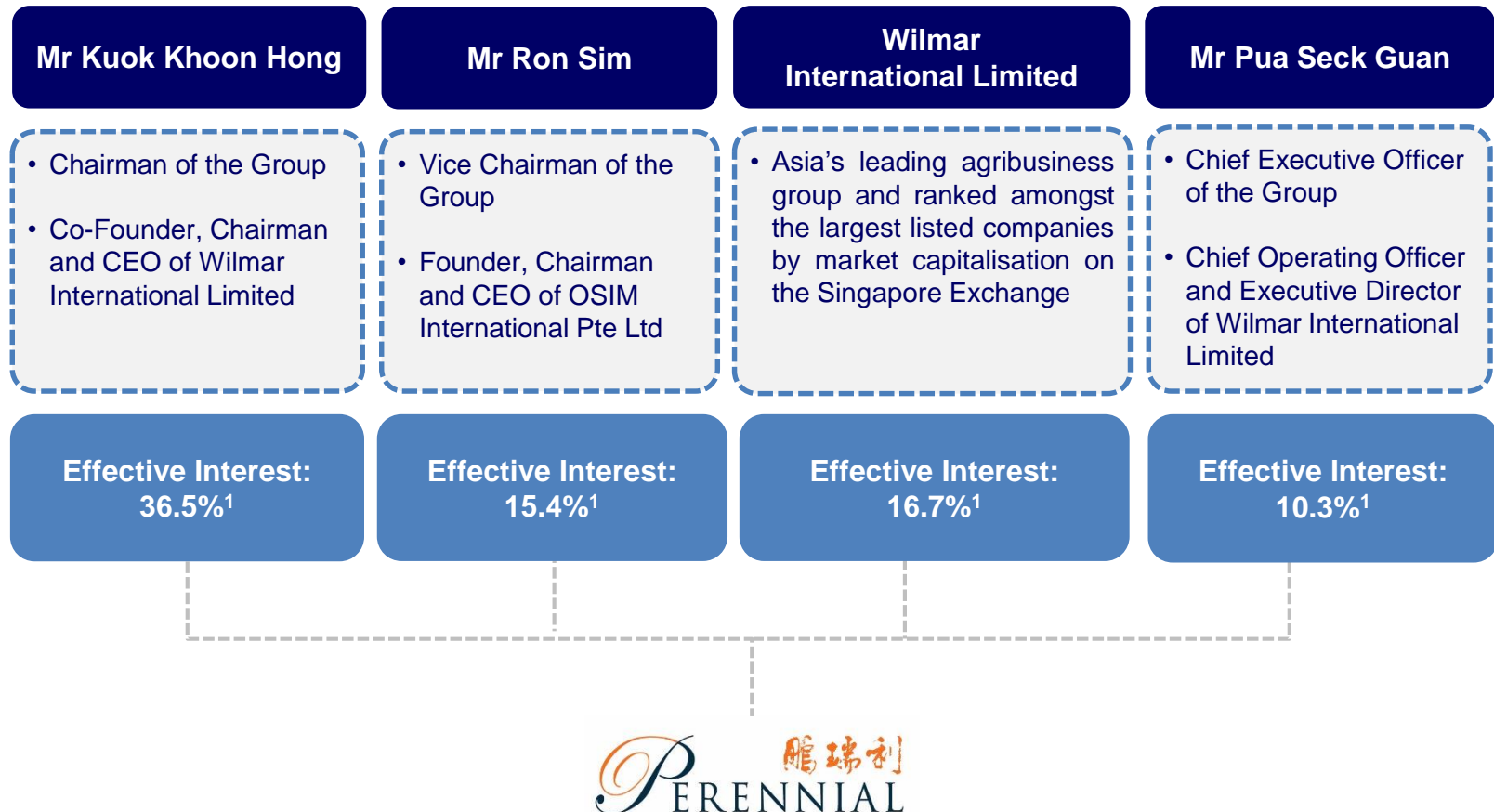


Suite of Medical and Healthcare-Related Services	No. of Operating Beds
Eldercare and Senior Housing ¹	2,767
Hospital/Medical Services ²	300
Maternal and Child Health Management ³	276
Total	3,343

1. Relates to Renshoutang.
2. Relates to St. Stamford Modern Hospital, Guangzhou.
3. Relates to Aidigong.

Strong Long Term Sponsors with Extensive Network and Business Experience

Perennial's Four Key Sponsors Own an Aggregate Effective Ownership of 78.9%¹



1. As at 31 March 2017.

THANK YOU

Investor Relations and Media Contact

Ms. Tong Ka-Pin

DID : (65) 6602 6828

HP : (65) 9862 2435

Email: tong.ka-pin@perennialrealestate.com.sg

Website: www.perennialrealestate.com.sg