

# PERENNIAL REAL ESTATE HOLDINGS LTD



## FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 - FY2017 vs FY2016

**S\$74.5m**  
Revenue

- Declined by 32.4% mainly due to the absence of revenue from TripleOne Somerset in Singapore as a result of its deconsolidation following the divestment of a 20.2% stake on 31 March 2017. The decrease was partially mitigated by divestment and management consultancy fees earned during the year.

**S\$219.6m**  
EBIT

- Increased by 97.4% mainly due to the divestment gain and remeasurement gain of TripleOne Somerset, net fair value gain from the revaluation of investment properties and effective share of results from United Engineers Limited.

**S\$6.7b**  
Total Assets

- Decreased 4.8% due to the deconsolidation of TripleOne Somerset in Singapore following the divestment of a 20.2% stake, partially offset by new investments, mainly in United Engineers Limited and medical healthcare business.

**S\$100.3m**  
PATMI

- Increased by 186.1% due to the gain from the divestment of a 20.2% stake in TripleOne Somerset in Singapore, the Group's effective share of net fair value gain from the revaluation of investment properties, and effective share of results from United Engineers Limited.

**0.57x**  
Gearing  
Ratio

- Improved from 31 December 2016's net gearing of 0.66x due to the deconsolidation of TripleOne Somerset in Singapore, following the divestment of a 20.2% stake, partially offset by new loans and borrowings to fund investments.

**1.0 cent**  
Dividend  
Per Share

- Proposed dividend of 1.0 cent is 2.5 times of FY2016's dividend of 0.4 cent per share.

**6.02 cents**  
Earnings  
Per Share

- Increased by 185.2% from FY2016's 2.11 cts due to higher profit attributable to shareholders.

**S\$1.663**  
Net Asset  
Value  
Per Share

- Increased by 2% from 31 December 2016's S\$1.631 mainly due to higher profit attributable to shareholders and partially offset by lower foreign currency translation reserve arising from RMB depreciation.

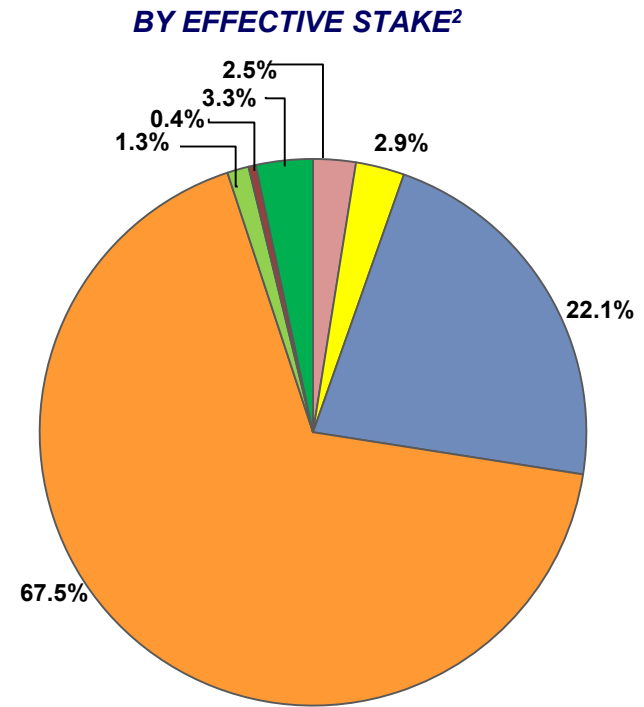
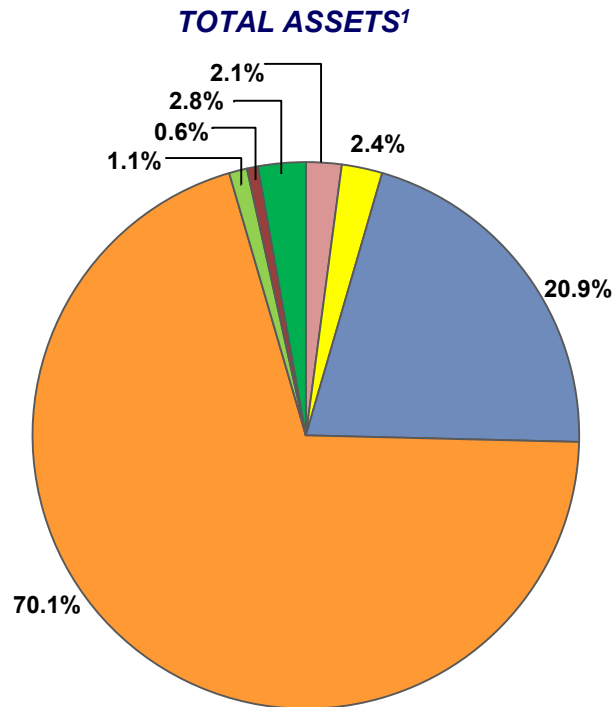
# Proposed FY2017 Dividend

Proposed Dividend Details	
<b>Name of Dividend</b>	First and Final Tax-Exempt
<b>Type of Dividend</b>	Cash
<b>Dividend per Share</b>	1.0 cent
<b>Books Closure Date</b>	4 May 2018
<b>Date Payable</b>	18 May 2018

# PORTFOLIO HIGHLIGHTS

# Total Asset Composition – By Business (As at 31 December 2017)

Real Estate Business Complemented by Asset-Light Healthcare Business;  
China Healthcare Effective Stake Grew From 0.6% (FY2016) to 3.3% (FY2017)

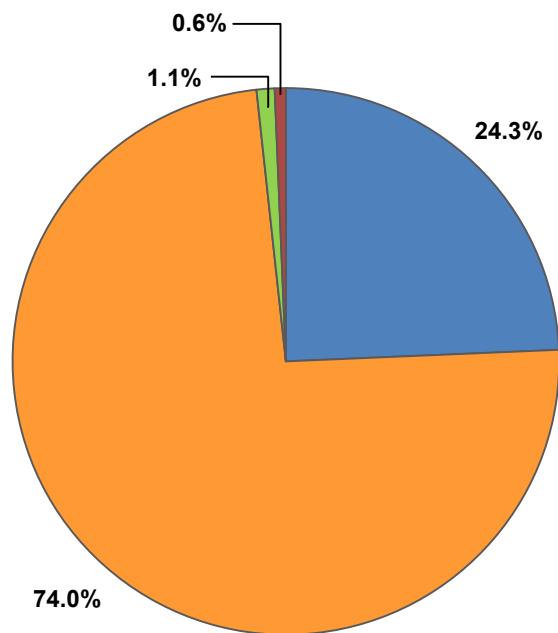


1. Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
2. Represents assets computed via the Company's shareholdings.

# Total Asset Composition – By Country (As at 31 December 2017)

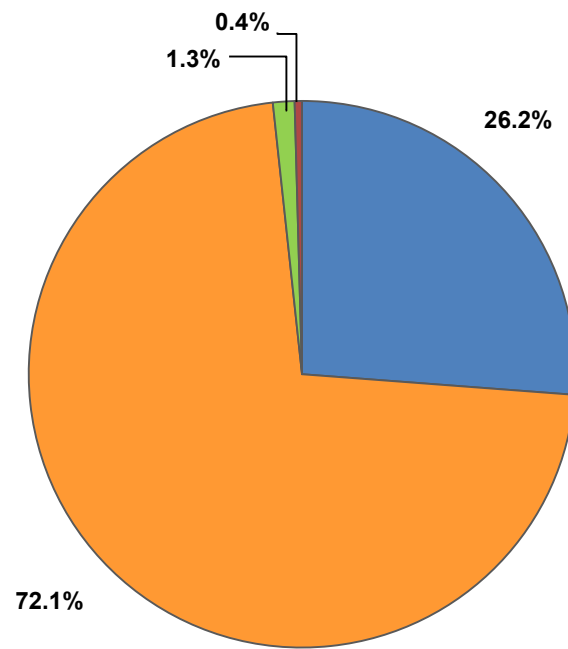
China & Singapore Remained as Core Markets with Slightly Higher Weightage on China;  
Effective Stake China (~72%:FY2017 / ~68%:FY2016) and Singapore (~26%:FY2017 / ~30%:FY2016)

**TOTAL ASSETS<sup>1</sup>**



China Singapore Malaysia Ghana

**BY EFFECTIVE STAKE<sup>2</sup>**



China Singapore Malaysia Ghana

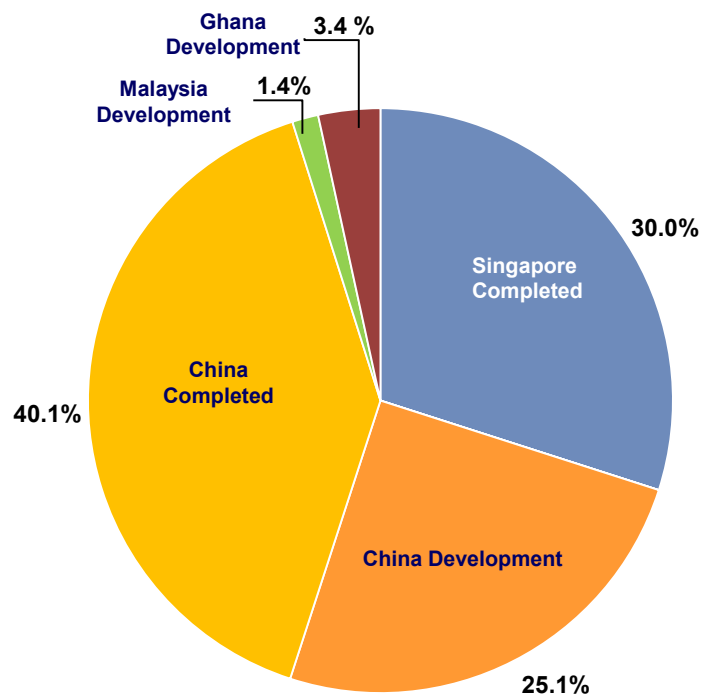
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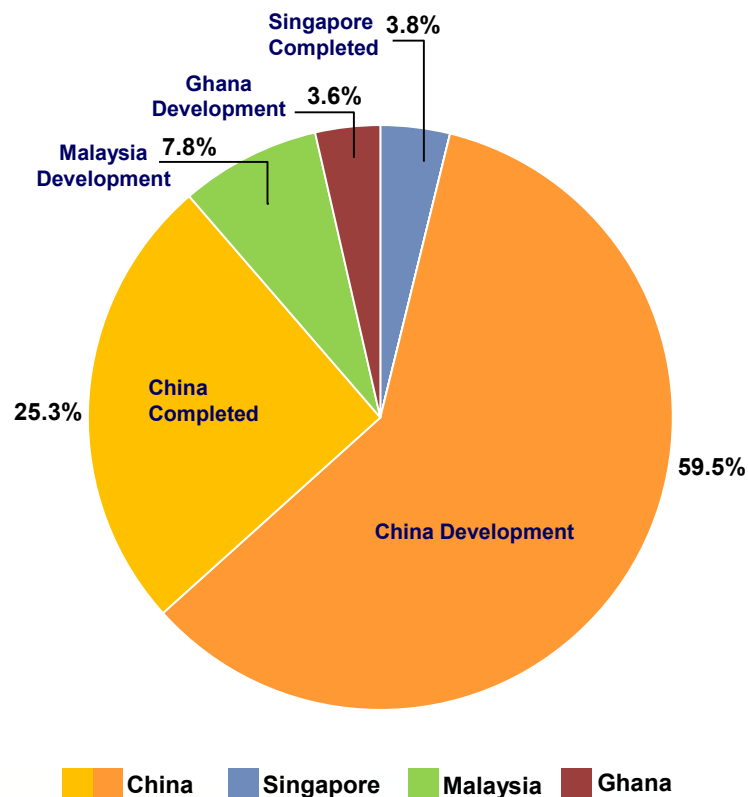
# Total Real Estate Portfolio Composition – By Total Property Value and By Total GFA

Completed Assets which Account for ~70% of Property Value Provide Income Stability  
China Developments Account for ~25% of Property Value & ~60% of GFA Present Significant Growth Potential

**TOTAL PROPERTY VALUE**  
(Effective Stake Basis)



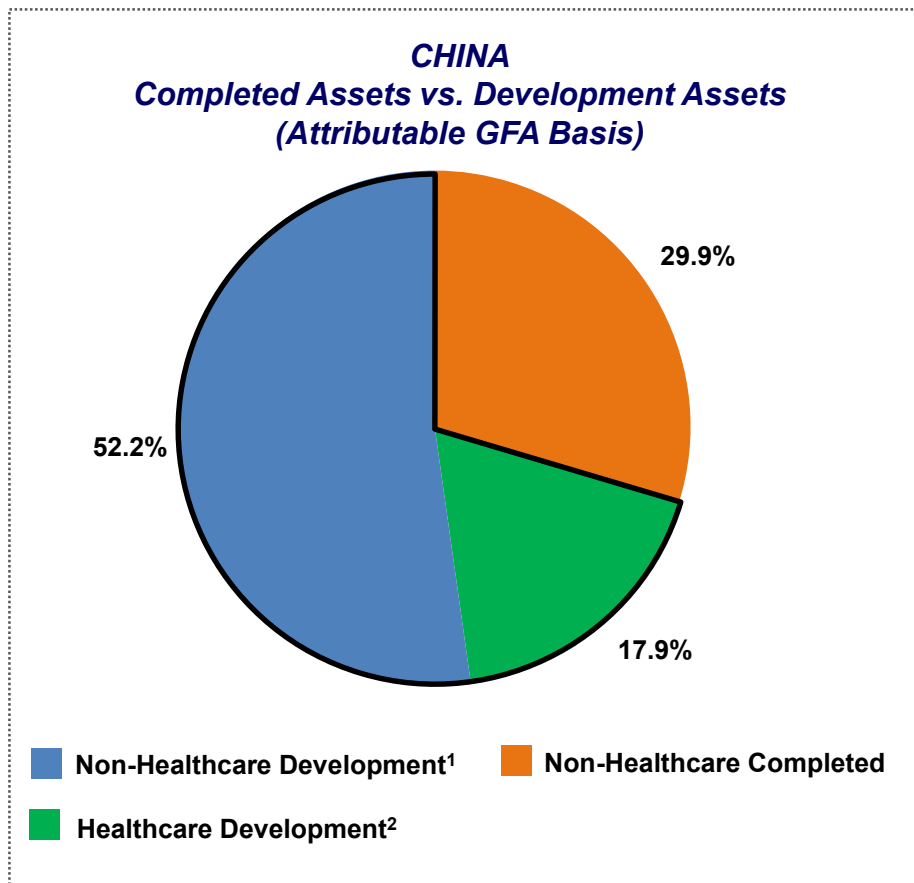
**TOTAL GROSS FLOOR AREA ("GFA")**  
(Attributable GFA Basis)





# China Real Estate Portfolio Composition – Completed Vs Development

## China Development Projects To Spur Net Asset Value Growth on Completion

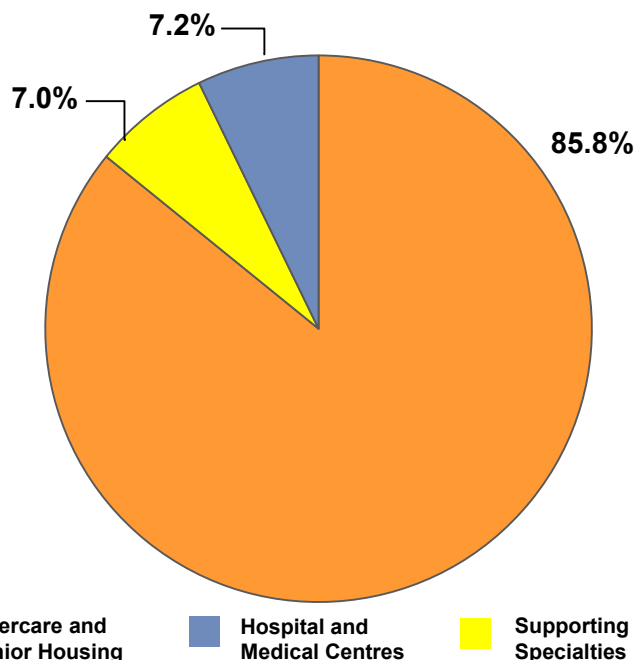


1. Non-Healthcare Developments include Chengdu East HSR Integrated Development Plot C and Plot D1; Beijing Tongzhou Integrated Development, Xi'an North HSR Integrated Development and Zhuhai Hengqin Integrated Development.
2. Healthcare Developments include Perennial International Health and Medical Hub and Plot D2 at Chengdu East HSR Integrated Development.

# China Healthcare Business – Total Operating Beds Composition

Scaling Up the Owner and Operator Model, with Eldercare and Senior Housing Leading the Way

**CHINA**  
**Total Operating Beds**  
**(By Business Segments)**



Suite of Medical and Healthcare-Related Services	No. of Operating Beds (As at 31 Dec FY2017)	No. of Operating Beds (As at 31 Dec FY2016)	Change
Eldercare and Senior Housing <sup>1</sup>	3,577	2,425	1,152
Hospital/ Medical Centres <sup>2</sup>	300	300	No change
Supporting Specialties <sup>3</sup>	290	140	150
<b>Total</b>	<b>4,167</b>	<b>2,865</b>	<b>1,302</b>

1. Relates to Renshoutang.
2. Relates to St. Stamford Modern Hospital, Guangzhou.
3. Relates to Aidigong, which provides maternal and child health management services.

# Valuation of Investment Properties

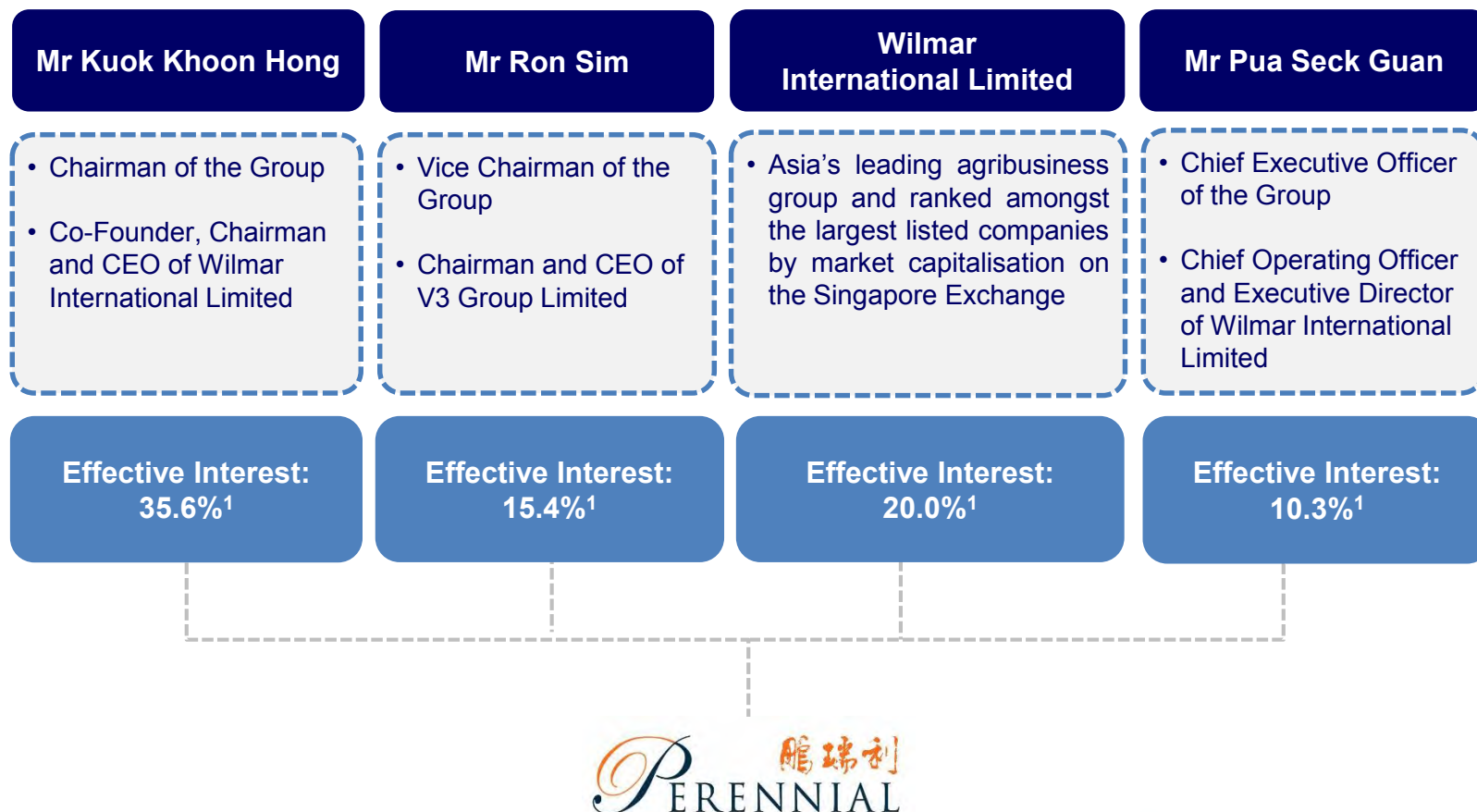
Properties	Valuation FY 2017 <sup>1</sup>	Valuation FY 2016 <sup>2</sup>
<b>CHIJMES, Singapore</b>	S\$334.0 <sup>3</sup> million	S\$334.0 <sup>4</sup> million
<b>Capitol Singapore<sup>5</sup></b>	S\$758.3 <sup>4</sup> million	S\$740.8 <sup>4</sup> million
<b>Chinatown Point, Singapore</b>	S\$429.0 <sup>4</sup> million	S\$428.0 <sup>4</sup> million
<b>Perennial International Health and Medical Hub, Chengdu</b>	RMB3,332.0 <sup>6</sup> million	RMB2,826.0 <sup>7</sup> million
<b>Chengdu East High Speed Railway Integrated Development Plot D2</b>	RMB2,488.0 <sup>6</sup> million	RMB2,239.0 <sup>7</sup> million
<b>Perennial Qingyang Mall, Chengdu</b>	RMB1,225.0 <sup>6</sup> million	RMB1,219.0 <sup>7</sup> million
<b>Shenyang Longemont Shopping Mall</b>	RMB3,763.0 <sup>6</sup> million	RMB3,763.0 <sup>7</sup> million
<b>Shenyang Longemont Offices</b>	RMB2,224.0 <sup>6</sup> million	RMB2,224.0 <sup>7</sup> million
<b>Shenyang Red Star Macalline Furniture Mall</b>	RMB2,453.0 <sup>6</sup> million	RMB2,453.0 <sup>7</sup> million
<b>Perennial Jihua Mall, Foshan</b>	RMB928.0 <sup>8</sup> million	RMB928.0 <sup>7</sup> million
<b>Xi'an North High Speed Railway Integrated Development Plot 4</b>	RMB995.0 <sup>9,10</sup> million	N.A.

1. Independent valuation as at 31 December 2017.
2. Independent valuation as at 31 December 2016.
3. Edmund Tie & Company (SEA) Pte Ltd
4. Knight Frank Pte. Ltd
5. Amount excludes Eden Residences Capitol.

6. Beijing Colliers International Real Estate Valuation Co., Ltd
7. Colliers International (Hong Kong) Limited
8. CBRE Limited
9. Reclassified as Investment Property.
10. Savills Valuation & Professional Services (S) Pte Ltd

# Perennial's Reputable and Committed Sponsors

**Perennial's Four Key Sponsors Own an Aggregate Effective Ownership of 81.3%<sup>1</sup>**



1. As at 31 December 2017.

# FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

# Income Statement (4Q 2017 vs 4Q 2016) – Explanation of Key Income Line Items

S\$'000	4Q 2017	4Q 2016	Change
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	%
<b>Revenue</b>	<b>15,982</b>	<b>21,512</b>	<b>(25.7)</b>
Earnings Before Interest & Tax ( <b>"EBIT"</b> )	63,551	50,740	25.2
<b>Profit After Tax less Minority Interest ("PATMI")</b>	<b>27,594</b>	<b>25,562</b>	<b>7.9</b>

## Revenue

- Revenue for 4Q 2017 was 25.7% lower than same period last year mainly due to the absence of revenue from TripleOne Somerset as a result of deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. The Group retained a 30% equity stake in TripleOne Somerset and accounted for it as an associate.

## EBIT

- Similar to prior year, 4Q 2017's EBIT was largely driven by fair value gains on revaluation of investment properties. The fair value gains were mainly in respect of Perennial International Health and Medical Hub, Xi'an North High Speed Railway Integrated Development Plot 4 (**"Xi'an Plot 4"**), Chengdu East High Speed Railway Integrated Development Plot D2 (**"Chengdu Plot D2"**) and Capitol Singapore.

# Income Statement (FY2017 vs FY2016) – Explanation of Key Income Line Items

S\$'000	FY2017	FY2016	Change
	1 Jan 2017 to 31 Dec 2017	1 Jan 2016 to 31 Dec 2016	%
<b>Revenue</b>	<b>74,505</b>	<b>110,191</b>	<b>(32.4)</b>
Earnings Before Interest & Tax ("EBIT")	219,611	111,231	97.4
<b>Profit After Tax less Minority Interest ("PATMI")</b>	<b>100,299</b>	<b>35,053</b>	<b>186.1</b>
<b><u>Analysis of PATMI</u></b>			
Operating PATMI	48,074 <sup>(1)</sup>	305	Nm
Net Fair Value Gain	52,225 <sup>(2)</sup>	34,748	56.4
<b>Total PATMI</b>	<b>100,299</b>	<b>35,053</b>	<b>186.1</b>

Note:

(1) Includes the gain from the divestment of partial stake in TripleOne Somerset.

(2) Mainly revaluation gains from certain China projects.

\*Nm denotes Not Meaningful



# Income Statement (FY2017 vs FY2016) – Explanation of Key Income Line Items



## Revenue

- FY2017's revenue was mainly contributed by CHIJMES, Perennial Jihua Mall and Perennial Qingyang Mall and the first 3 months of TripleOne Somerset's revenue. The decrease in revenue in FY2017 versus FY2016 was mainly due to lower project management fees as well as the absence of revenue from TripleOne Somerset following the divestment of a partial stake on 31 March 2017. The decrease was partially mitigated by the divestment fee from the sale of TripleOne Somerset and management consultancy fees earned from the UEL transaction.

## EBIT

- EBIT was higher by 97.4% and this increase was mainly driven by the gain from the divestment of TripleOne Somerset totalling approximately S\$55.7 million, the share of results on the UEL transaction and the net fair value gain of S\$104.0 million mainly from the revaluation of Xi'an Plot 4, Chengdu Plot D2, Perennial International Health and Medical Hub, retail and hotel components of Capitol Singapore and AXA Tower.

## PATMI

- The increase in PATMI was contributed by the gain from the divestment of the 20.2% equity stake in TripleOne Somerset, net fair value gains and the effective share of results from UEL.

# Income Statement (FY2017 vs FY2016) – Revenue and EBIT by Segment

	REVENUE			EBIT			Note
	FY2017	FY2016	Change	FY2017	FY2016	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Singapore	20,206	58,998	(65.8)	105,431	17,631	498.0	1
China	33,014	30,904	6.8	116,115	81,988	41.6	2
Management Businesses	29,227	34,863	(16.2)	15,527	21,407	(27.5)	3
Corporate and Others	160	136	17.6	(1,902)	(3,222)	(41.0)	4
Eliminations	(8,102)	(14,710)	(44.9)	(15,560)	(6,573)	136.7	5
	<b>74,505</b>	<b>110,191</b>	<b>(32.4)</b>	<b>219,611</b>	<b>111,231</b>	<b>97.4</b>	

## Notes:

- (1) The decrease in revenue was mainly due to the absence of revenue from TripleOne Somerset as a result of the deconsolidation. FY2017 EBIT was mainly contributed by the gain from the divestment of a 20.2% equity stake in TripleOne Somerset totalling approximately S\$55.7 million, share of results arising from the UEL transaction and share of net fair value gains from investment properties held by associates and a joint venture.
- (2) The higher revenue was attributable to improved performance by Perennial Qingyang Mall, Chengdu. The higher FY2017's EBIT was attributable to higher net fair value gains from investment properties held by subsidiaries and a joint venture.
- (3) The decreases in revenue and EBIT from the management businesses were mainly due to lower project management fees, partially offset by divestment fee from TripleOne Somerset and management consultancy fees from the UEL transaction.
- (4) The improvement in EBIT was mainly attributable to higher dividend income from subsidiaries, partially offset by foreign exchange loss on USD monetary asset.
- (5) Eliminations are mainly against dividends declared by subsidiaries.

# CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

# Capital Management and Key Financial Indicators

## Key Financial Ratios

	As at 31 Dec 2017	As at 31 Dec 2016
Net Debt (S\$' 000)	2,233,083	2,489,275
Total Equity (S\$' 000)	3,915,878	3,781,916
Net Debt to Equity Ratio	0.57 <sup>1</sup>	0.66
NAV per Share (S\$)	1.663	1.631
Debt-Weighted Average Term to Expiry (years)	2.17	1.75

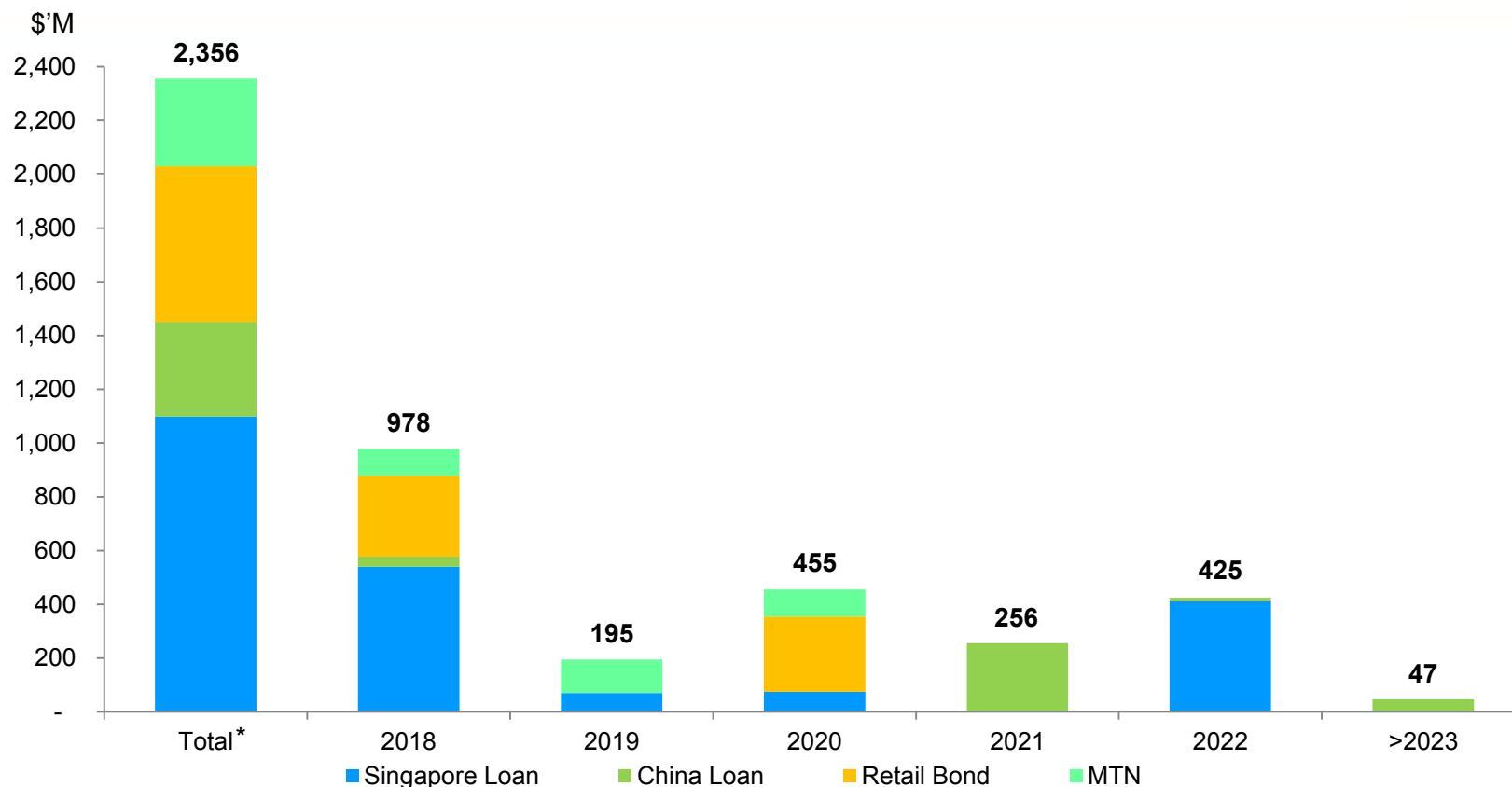
  

	FY2017	FY2016
Earnings per Share <sup>2</sup> (cents)	6.02	2.11
Weighted Average Interest Rate (p.a.)	3.8%	3.3%

### Notes

1. The improved debt-to-equity ratio was attributable to the deconsolidation of TripleOne Somerset following the divestment of a 20.2% stake on 31 March 2017, partially offset by new loans and borrowings to fund investments.
2. Impact of treasury shares has been taken into consideration to derive earnings per share and NAV.

# Debt Maturity Profile – As at 31 December 2017

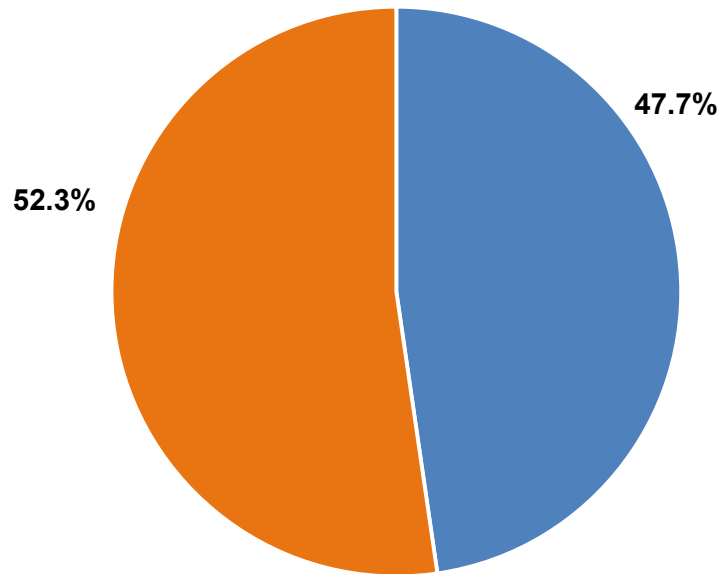


\* Being gross amount, without amortised transaction costs

1. The borrowings due in 2018 mainly relate to secured loans of S\$327 million, Multicurrency Debt Issuance Programme (“**MTN**”) of S\$100 million, Retail Bonds of S\$300 million and unsecured loans of S\$251 million.
2. In January 2018, Perennial issued S\$120 million of 3.90% p.a. fixed rate notes due in 2021 under its S\$2 billion MTN.

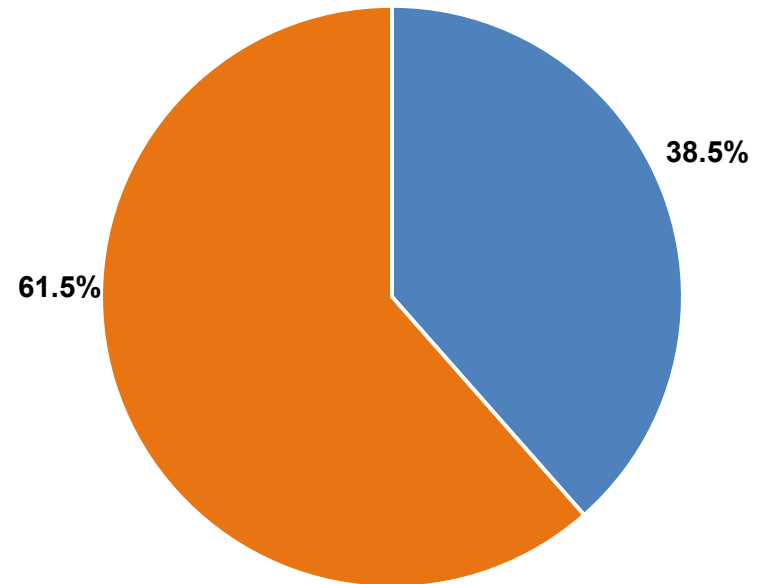
Loan Portfolio Balanced between Secured and Unsecured Loans;  
Close to 40% of Total Borrowings are on Fixed Interest Rates

*Loans*



Unsecured    Secured

*Interest Rates*



Floating    Fixed

# FY2017 BUSINESS REVIEW



# Business Review – Real Estate, Healthcare and Strategic Initiatives

## REAL ESTATE

### Singapore

- Active portfolio reconstitution
- Balanced strata sales and leasing strategy
- Value creation through asset enhancement initiatives

### China

- Manage progressive opening of various components of first signature integrated real estate and healthcare project
- Oversee construction and regulatory approvals for development projects

### Other Markets

- Secure necessary regulatory approvals
- Execute project development and construction works

## HEALTHCARE

### China

- Build healthcare business by focusing on two key business segments, *Hospitals and Medical Centres* and *Eldercare and Senior Housing*, as well as supporting specialties.

## STRATEGIC INITIATIVES

- Grow portfolio of HSR Healthcare Integrated Mixed-use Developments in China through US\$1.2 Billion Joint Venture Vehicle
- Unlock synergistic value from strategic investment in United Engineers Limited via a consortium

# BUSINESS REVIEW - REAL ESTATE (SINGAPORE)

# Singapore: Active Portfolio Reconstitution

## Recycled Capital to Maximise Recurring Income Stream and Enjoy Partial Capital Appreciation Gain



- In March 2017, completed the divestment of a 20.2% stake in TripleOne Somerset at a consideration of ~S\$101 million, translating to a divestment price of S\$2,200 per square foot. Booked a pre-tax divestment gain of ~S\$35.5 million.
- Retained a 30% stake for recurring income and rental upside from enhancement works



- Acquired an additional effective interest of 5.49% in Chinatown Point (“CTP”) for S\$8.48 million. Remained largest investor, with total stake increasing from 45.15% to 50.64%.
- CTP’s registered total committed occupancy of 93.4% as at 31 Dec 2017, of which 98% of these tenants by net lettable area have commenced business. New brands introduced include KAZO, HeeTea and Tendon Kohaku.
- Linked underground to Chinatown MRT Interchange Station, CTP stands to enjoy increased footfall as 16 new subway stations on the Downtown Line opened in Oct 2017, facilitating direct travel from Singapore’s eastern areas
- Exploring value creation opportunities through potential enhancement works.

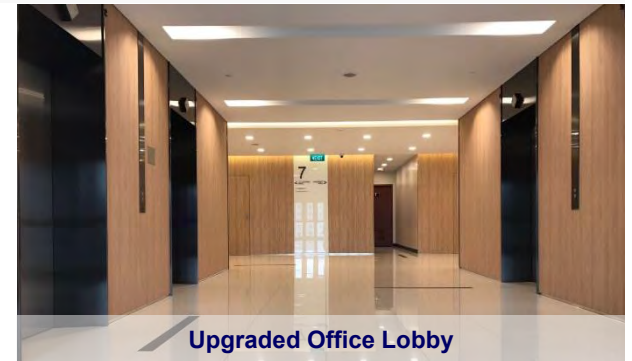
# TripleOne Somerset, Singapore – Balanced Strata Sales and Leasing Strategy

Gourmet Marketplace Concept for New Retail Podium; FY2017 Total Strata Sales at ~S\$41M



Artist's Impressions of Retail Podium

- S\$120M asset enhancement initiative ongoing with the new two-level retail podium expected to receive temporary occupation permit by 2H 2018.
- Positioned as a gourmet marketplace, the retail podium will offer one of the largest food and takeaway options, complemented by a variety of specialty food, health, wellness and lifestyle options.
- Registered total strata sales of ~S\$41M in FY2017 at an average price of S\$2,726 psf. Including the units handed over in the same period, the average price would be S\$2,665 psf.
- Total committed occupancy stood at 75.1% as at 31 Dec 2017. Renewals and new tenants, such as AIA Financial Advisers and Temasek Management Services, collectively account for 27.3% of total office net lettable area.
- Full suite of asset enhancement works expected to progressively complete by 2019.



Upgraded Office Lobby



Façade



# AXA Tower – Balanced Strata Sales and Leasing Strategy

## Good Leasing Interest with Strong Renewal Rate and Multiple Requests for Expansions



Post-AEI AXA Tower

- S\$140M asset enhancement initiative ongoing. Completed the implementation of the Destination Control System which is integrated with the security turnstiles for all the lifts in Jan 2018.
- Work has commenced to construct a new street-level office lobby and a two-storey annex block for medical suites.
- Registered total strata sales of ~S\$17M in FY2017 at an average price of S\$2,376 psf. Including the units handed over in the same period, the average price would be S\$2,563 psf.
- Total office committed occupancy stood at 88.8% as at 31 Dec 2017. Renewals and new tenants, such as Goodyear Orient Company, collectively account for 47.4% of total office net lettable area.
- A number of existing tenants such as Lazada and Go-Jek have committed to expand their space at AXA Tower. Anchor tenant Lazada will expand their footprint by 3.6 times, taking up 16.6% of total office net lettable area progressively.
- Full suite of asset enhancement works expected to progressively complete by 2019.

# CHIJMES – A Popular Destination for Dining and Entertainment

Year-on-Year Committed Occupancy Increased from 90.3% to 95.9%



WTA Courtside@CHIJMES Fringe Event



CHIJMES' Christmas Market



Newly-Installed Ambient Lighting



Newly-Installed Air Coolers



New Tenant – Salon Shun Sakurai

- Year-on-year, total committed occupancy increased from 90.3% to 95.9%, of which about 86% of these tenants by net lettable area have commenced business.
- Ongoing enhancements, including the installation of air coolers and ambient lighting at the lawn and basement courtyard, to create a unique and comfortable alfresco atmosphere.
- Hosted various iconic events throughout the year, including the Courtside@CHIJMES fringe event for the Women's Tennis Association Finals Singapore, CHIJMES' Christmas Market and InterNations networking session in 4Q 2017.
- Upcoming new F&B and lifestyle tenants such as New Ubin Seafood, Natureland Spa, Bold Gym and Shun Sakurai to enhance variety of dining options and complementary offerings at CHIJMES.

# BUSINESS REVIEW – REAL ESTATE (CHINA)



# Chengdu East HSR Integrated Development – First Integrated Real Estate & Healthcare Signature Showcase

## Regional Healthcare Hub Located At Key Transportation Nexus of Southwest China



- The Chengdu East High Speed Railway (“**HSR**”) Integrated Development is directly linked to the Chengdu East HSR Station, which is the largest transportation hub in Southwest China.
- Chengdu East HSR Station currently has an average daily passenger load of about 200,000, which is projected to increase twofold to approximately 400,000 passengers daily by 2030.<sup>1</sup>

1. Source: <http://city.newssc.org/system/20180130/002357227.htm>

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

To-Date Committed Occupancy stands at 84.6% for the 280,000 sqm Healthcare-centric Development



- Total to-date committed occupancy stands at 84.6%, with the development registering a year-on-year increase from ~60% in FY2016 to 76.7% in FY2017.
- Perennial International Health and Medical Hub (“**PIHMH**”) now hosts one international hospital as an anchor tenant and five medical/healthcare-related mini-anchor tenants, including Chengdu BGI Perennial Genomics Diagnostic Imaging Centre, a joint venture between BGI Genomics and Perennial.
- Other new non-medical tenants secured include Jenny@Eataly, a gourmet grocery retailer which will open its flagship store at PIHMH, Skechers, a footwear brand, as well as Chai Yue, a popular local restaurant.
- One of the mini-anchor tenants, Care Alliance Rehabilitation Hospital of Chengdu, soft-opened in 4Q 2017, while the other mini-anchor and anchor tenants are at various stages of fitting out and expected to commence operations in 1H 2018.
- Ramping up leasing with a focus on complementary medical and retail-related tenants.

# Perennial International Health and Medical Hub, Chengdu – Holistic Medical and Healthcare-Related Offerings



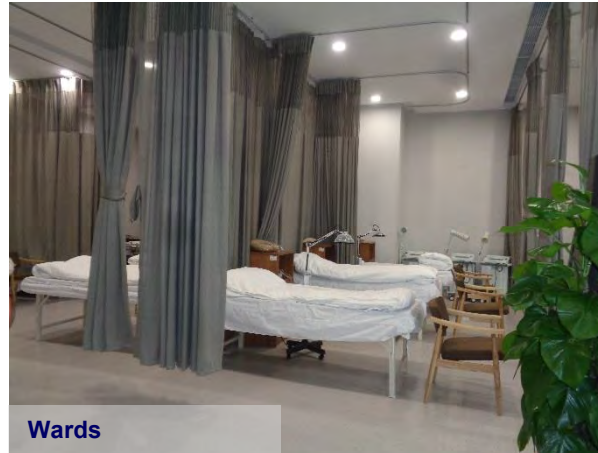
## Anchor and Mini-Anchor Medical Tenants will Progressively Commence Operations in 2018

Mini-Anchor Tenants	Operator	Target Opening
<b>Care Alliance Rehabilitation Hospital of Chengdu</b> First foray into Chengdu and largest hospital in Southwest China for Care Alliance, an established Sino-Swedish medical group with vast experience in rehabilitative care, a world-class medical team and advanced management technology.	Care Alliance	Soft opened in 4Q 2017
<b>Perennial International Specialist Medical Centre</b> A majority Perennial-owned and managed specialist medical centre concept that will comprise a wide range of specialist departments, including gynaecology, paediatrics, oncology, internal medicine and surgery, cardiology, ear, nose & throat and ophthalmology.	Perennial Healthcare	1H 2018
<b>St. Stamford Plastic Surgery and Aesthetic Hospital</b> First facility in Chengdu for St. Stamford International Medical. Provide plastic surgery, aesthetic medical and dental services by highly qualified local and international doctors.	St. Stamford International Medical	
<b>AND Maternal and Child Health Centre, Chengdu</b> Set to become the largest maternal and child health centre in Chengdu. Provide a comprehensive suite of specialised post natal and neonatal services for new mothers and newborns.	Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd	
<b>Chengdu BGI Perennial Genomics Diagnostic Imaging Centre</b> First joint venture between BGI Genomics and Perennial. Provide a broad range of medical imaging and health screening services for health management and clinical diagnosis	BGI Genomics 华大基因	
Anchor Tenant		
<b>Chengdu ParkwayHealth Hospital</b> Provide specialised care and clinical services, including obstetrics and gynaecology, paediatrics, cardiology, orthopaedics, ophthalmology, and internal medicine.	IHH Healthcare Berhad	2H 2018



# Perennial International Health and Medical Hub – Care Alliance Rehabilitation Hospital of Chengdu

Care Alliance's Largest Hospital in Southwest China Soft-Opened in 4Q 2017



# Chengdu East HSR Integrated Development Plot D2 – — Development Progress Update

## Completed External Façade Works for All Six Towers



- External façade works for all six towers on plot D2 have been completed.
- Fitting out works for Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) in one block is in progress. The home is expected to commence operations in 2Q to 4Q 2018, subject to securing the necessary approvals.
- Finalising the most appropriate usage plans and securing the necessary approvals for the other five blocks to support the various communities in the precinct with the impending opening of Perennial International Health and Medical Hub and Chengdu Xiehe Home.



# Beijing Tongzhou Integrated Development – Development Progress Update

## Construction Permits Obtained for Four out of Six Plots



- Construction permits for four out of six plots have been obtained, with permits for the remaining two plots in Phase 1 in process.
- Due to Beijing's ban on winter construction aimed at improving air quality, construction at the site has been suspended and is expected to resume in March 2018.<sup>1</sup>
- Expected completion of Phase 1 and Phase 2 has been pushed back to 2021 and 2020 respectively due to environmental-related regulatory considerations.



1. Source: <https://www.reuters.com/article/us-china-pollution/chinese-capital-bans-winter-construction-to-improve-air-quality-idUSKCN1BS05X>

# Beijing Tongzhou District – Set to Become a Bustling ‘Sub-Centre’ of Beijing



Source: Beijing Tongzhou District Website

## Zoned for Administration, Commercial Services and Cultural Tourism

- 0.4 million people projected to move to Tongzhou District by 2019 as it becomes Beijing's new municipal administration centre. Various functions of the Beijing municipal government are already in the process of relocating.<sup>1</sup>
- Historically, Tongzhou District was the starting point for the Beijing-Hangzhou Grand Canal. The site is set to be restored for cultural tourism.<sup>2</sup>

## Positioned as a World-Class Liveable City

- To be developed as a green and environmentally-friendly city, the Tongzhou District plans to build a charging port every 2km by 2020 to provide for electric vehicles in the district. Clean energy buses will also be deployed.<sup>3</sup>
- New campus of Renmin University of China, one of China's best universities, will be completed by 2025 and enroll up to 22,000 students.<sup>4</sup>

## Enhanced Connectivity

- The new Beijing Suburban Railway Subcentre Line spanning 38.8 km commenced operations on 31 Dec 2017, connecting west Beijing to Tongzhou in 48min and central Beijing to Tongzhou in 28min.<sup>5</sup>
- 10 out of the 21 subway lines Beijing is currently planning will pass through Tongzhou District.<sup>3</sup>

1. Source: <http://bj.house.163.com/17/1227/06/D6L4829N0007823B.html>  
2. Source: <http://www.chinadaily.com.cn/a/201711/26/WS5a276c28a3107865316d3c8e.html>  
3. Source: [https://news.cctn.com/news/3141544d33637a6333566d54/share\\_p.html](https://news.cctn.com/news/3141544d33637a6333566d54/share_p.html)  
4. Source: [http://www.xinhuanet.com/english/2017-10/02/c\\_136655237.htm](http://www.xinhuanet.com/english/2017-10/02/c_136655237.htm)  
5. Source: <http://news.hongzhoukan.com/17/1220/wjy110510.html>



# Xi'an North HSR Integrated Development – Development Progress Update

Three Towers on Plot 4 have Topped Out; Written Approval Obtained for Healthcare Usage for Plot 5



- Three towers on Plot 4 have topped out, while construction is ongoing for another two towers.
- Secured written approval to designate Plot 5 for medical and healthcare usage and in process of obtaining other planning approvals.
- Plot 4 and Plot 5 are expected to complete construction in 2019 and 2020 respectively.
- The Xi'an-Chengdu high speed railway line commenced full operations in Dec 2017, reducing travel time between Xi'an and Chengdu from 16 to 3 hours.<sup>1</sup>



1. Source: <http://www.straitstimes.com/asia/east-asia/chinas-newest-high-speed-rail-line-cuts-through-historical-sites-legendary-mountains?login=true>



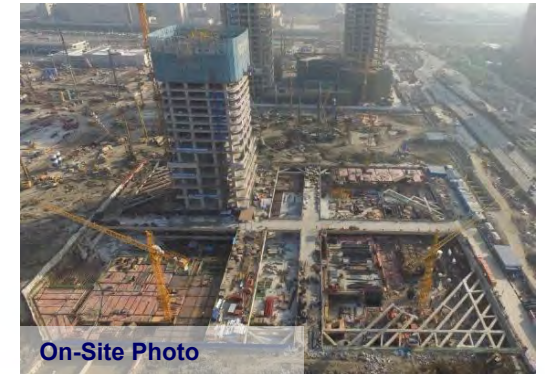
# Zhuhai Hengqin Integrated Development – Development Progress Update

## Construction Works Continued to Make Good Progress



- Construction of hotel and serviced apartment tower has reached Level 17, while foundation works for retail podium and office tower are in progress
- Presale for the residential and office components is slated for 2H 2018, subject to regulatory approval and market conditions.
- Economic growth set to accelerate with major infrastructural developments nearing completion such as the Hong Kong-Zhuhai-Macau Bridge<sup>1</sup>, part of the larger Greater Bay Area development blueprint for the Hong Kong-Macau-Guangdong region.<sup>2</sup>
- The development is expected to complete in 2020.

1. Source: <http://www.straitstimes.com/asia/east-asia/hong-kong-zhuhai-macau-bridge-to-open-in-q2-of-2018>  
2. Source: <http://english.cctv.com/2018/01/26/ARTI1uaVnR6SiYX7I0vk7kLQ180126.shtml>



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

**Operational Retail Portfolio and Overall Portfolio Committed Occupancy at 70.8%<sup>2</sup>;  
Overall Portfolio Committed Occupancy at 69.5%<sup>2</sup>**

Assets	Occupancy			Shopper Traffic			Remarks
	FY2016 <sup>1</sup>	FY 2017 <sup>2</sup>	Change	FY2016 <sup>1</sup>	FY 2017 <sup>2</sup>	Change	
Shenyang Longemont Shopping Mall	81.0%	87.6%	↑	23.94 million	23.99 million	↑	▪ Enhanced tenant mix with the introduction of several popular fashion, F&B and electronics brands such as Ochirly, Five Plus, Puma, Chanibaby and OPPO
Shenyang Longemont Offices	62.6%	65.6%	↑	Not Applicable			▪ Incorporated Co-Work Space concept in FY2017
Shenyang Red Star Macalline Furniture Mall	58.8%	44.2%	↓	Not Applicable (Master Lease)			▪ Restructured lease with master tenant, Red Star Macalline, for a reduced floor area to make way for repositioning of the West Wing into a medical and healthcare centre ▪ Planning underway for partial conversion of the mall into a medical and health centre.
	Master Leased to Red Star Macalline						
Perennial Jihua Mall, Foshan	99.2%	99.8%	▬	8.6 million	8.7 million	↑	▪ New tenants introduced to optimise tenant mix include Modern Education, an educational enrichment provider.
Perennial Qingyang Mall, Chengdu	99.3%	99.4%	▬	13.8 million	13.2 million	↓	▪ Continued to execute marketing activities to drive shopper traffic and tenants' sales

1. As at 31 December 2016  
2. As at 31 December 2017

# BUSINESS REVIEW – REAL ESTATE (OTHER MARKETS)



# The Light City and Accra Integrated Development – Development Progress Update

## The Light City, Penang, Malaysia

### Secured Building Plan Approvals



- Building plan approvals have been obtained for the convention centre, retail mall, hotels, office and the first residential phase, Mezzo The Light City.
- Appointment of the hotel operator expected in 1H 2018.
- Residential sales of Mezzo expected to be launched in 2018, subject to market conditions.
- Construction expected to commence in 1H 2018 and complete in 2021.

## Accra Integrated Development, Ghana

### Land Tenure Extended to 50 Years



- Extended land tenure to a full 50 years, expiring on 30 November 2067.
- Working with local authorities to secure regulatory approvals for design and construction-related matters.
- Construction expected to complete in 2021.

# BUSINESS REVIEW – HEALTHCARE

# Overview of Medical and Healthcare-related Services Platform in China

## Existing Suite of Medical and Healthcare-related Services

	Hospitals / Medical Centres		Eldercare & Senior Housing	Supporting Specialties	
	St. Stamford International Medical	Perennial International Specialist Medical Centre	Renshoutang	Aidigong	BGI Perennial Genomics Diagnostic Imaging Centre
<b>Business</b>	Operates St. Stamford Modern Hospital, Guangzhou, one of the leading private cancer hospital in Guangzhou and the first China-Singapore joint venture Joint Commission International ("JCI")-accredited hospital in China	Operate a medical specialist centre hosting medical specialists across various specialties from renowned hospitals in China	The largest integrated eldercare services operator in Shanghai	One of the first and leading maternal and child health management companies in China	Operate a health management and medical imaging centre offering a full suite of imaging and health screening services for health management and clinical diagnosis
<b>Bed / Consultation Room Capacity</b>	300 Beds Committed pipeline of 36 Beds	Over 60 Consultation Rooms	3,577 Beds Committed pipeline of over 7,750 Beds and potential pipeline of over 13,500 beds	290 Beds Committed pipeline of 72 beds	Not Applicable
<b>Joint Venture Medical / Healthcare Partner</b>	Guangdong Boai Medical Group Co., Ltd  One of the largest private hospital and medical services operators in China	One of the first specialist medical centre concepts in China	Shanghai RST Chinese Medicine Co. Ltd  One of the largest pioneer and integrated private eldercare home operators in Shanghai	Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd  One of the first and leading maternal and child health management companies in China	BGI Genomics  One of the largest genome sequencing organisations in the world providing next generation sequencing services and a portfolio of genetic tests for medical and research institutions
<b>Partnership Format</b>	Effective Interest: 81.63% <sup>1</sup>	90% owned and managed by Perennial	Effective Interest: 49.9% (Largest Single Shareholder)	Effective Interest: 20% (Second largest Single Shareholder)	Effective Interest: 40%
<b>Specialties</b>	Oncology, Fertility, Obstetrics and Gynaecology, Plastic Surgery and Aesthetic Medicine, Orthopaedics, Paediatrics, Ear, Nose & Throat, Ophthalmology, Dentistry, Cardiology and Cardiovascular Surgery	Gynaecology Paediatrics, Oncology, Internal Medicine and Surgery, Cardiology, Ear, Nose & Throat Specialty and Ophthalmology	Retirement Home, Nursing, Rehabilitation Home, Pharmacy with attached TCM Clinics	Post Natal Care, Neonatal Care	Tumour diagnosis and research, health screening, laboratory analysis, medical imaging
<b>Portfolio of Facilities</b>	<ul style="list-style-type: none"> <li>St. Stamford Modern Hospital, Guangzhou</li> <li>Upcoming St. Stamford Plastic Surgery and Aesthetic Hospital, Chengdu</li> </ul>	<ul style="list-style-type: none"> <li>First upcoming facility in Chengdu</li> </ul>	<ul style="list-style-type: none"> <li>14 eldercare facilities and 4 pharmacies with TCM Clinics</li> <li>8 upcoming eldercare facilities in Chengdu, Ningbo, Wuhan and Shanghai</li> </ul>	<ul style="list-style-type: none"> <li>4 maternal and child health centres</li> <li>2 postnatal centres</li> <li>1 upcoming maternal and child health centres in Chengdu</li> </ul>	<ul style="list-style-type: none"> <li>First upcoming facility in Chengdu</li> </ul>

1. St. Stamford International Medical owns a 49% stake in St. Stamford Modern Hospital, Guangzhou, which translates to an effective stake of 40% in St. Stamford Modern Hospital, Guangzhou



# St. Stamford Modern Hospital, Guangzhou – Facilities Enhancement To Elevate Treatment Standards

## Committed to Remain at the Forefront of Medical Treatment

- In line with St. Stamford Modern Hospital's focus on elevating the standard of medical care and services offered to patients, the hospital completed its facilities upgrading with a new two-storey extension block.
- Enhanced facilities include a NanoKnife treatment facility as well as upgraded surgical theatres and CT Scan Room.
- Renewed Joint Commission International (“JCI”) accreditation, deemed the gold standard in healthcare.
- Following the opening of the Aesthetic and Plastic Surgery department at the new wing of the hospital, marketing initiatives were executed to grow the new line of business.
- In 4Q 2017, St. Stamford Modern Hospital officially became a member of the China Anti-Cancer Association (“CACA”), the leading NGO in China devoted to improving cancer treatment. Joining the CACA raised St. Stamford Modern Hospital's profile in medical circles, in particular the field of oncology.



# Perennial International Health and Medical Hub, Chengdu – St. Stamford Plastic Surgery and Aesthetic Hospital



## First Specialised Facility in Plastic Surgery and Aesthetics by St. Stamford

- The new facility will comprise 36 beds in a 8,400 sqm area located within the Chengdu East High Speed Railway Integrated Development at the Perennial International Health and Medical Hub.
- Positioned as a premium one-stop facility providing plastic surgery, aesthetic medical and dental services by highly qualified local and international doctors.



Lobby



Laser Beauty Centre



Plastic Surgery Centre



Anti-Ageing Centre



Oral Beauty Centre



Waiting Room



# Perennial International Health and Medical Hub, Chengdu – Perennial International Specialist Medical Centre



## First Perennial-Owned and Managed Specialist Medical Centre Concept in China

- Comprising 60 consultation rooms, the new facility is located within the Chengdu East High Speed Railway Integrated Development at the Perennial International Health and Medical Hub.
- Positioned as a one-stop premier specialist medical centre hosting doctors from a wide range of specialties including Gynaecology, Paediatrics, Oncology, Internal Medicine and Surgery, Cardiology, Ophthalmology and Ear, Nose and Throat.



Foyer



Reception Area



Lobby



Waiting Area



Consultation Room



Hallway

# Perennial International Health and Medical Hub, Chengdu - BGI Perennial Genomics Diagnostic Imaging Centre



## First Joint Venture Facility Between BGI Genomics and Perennial

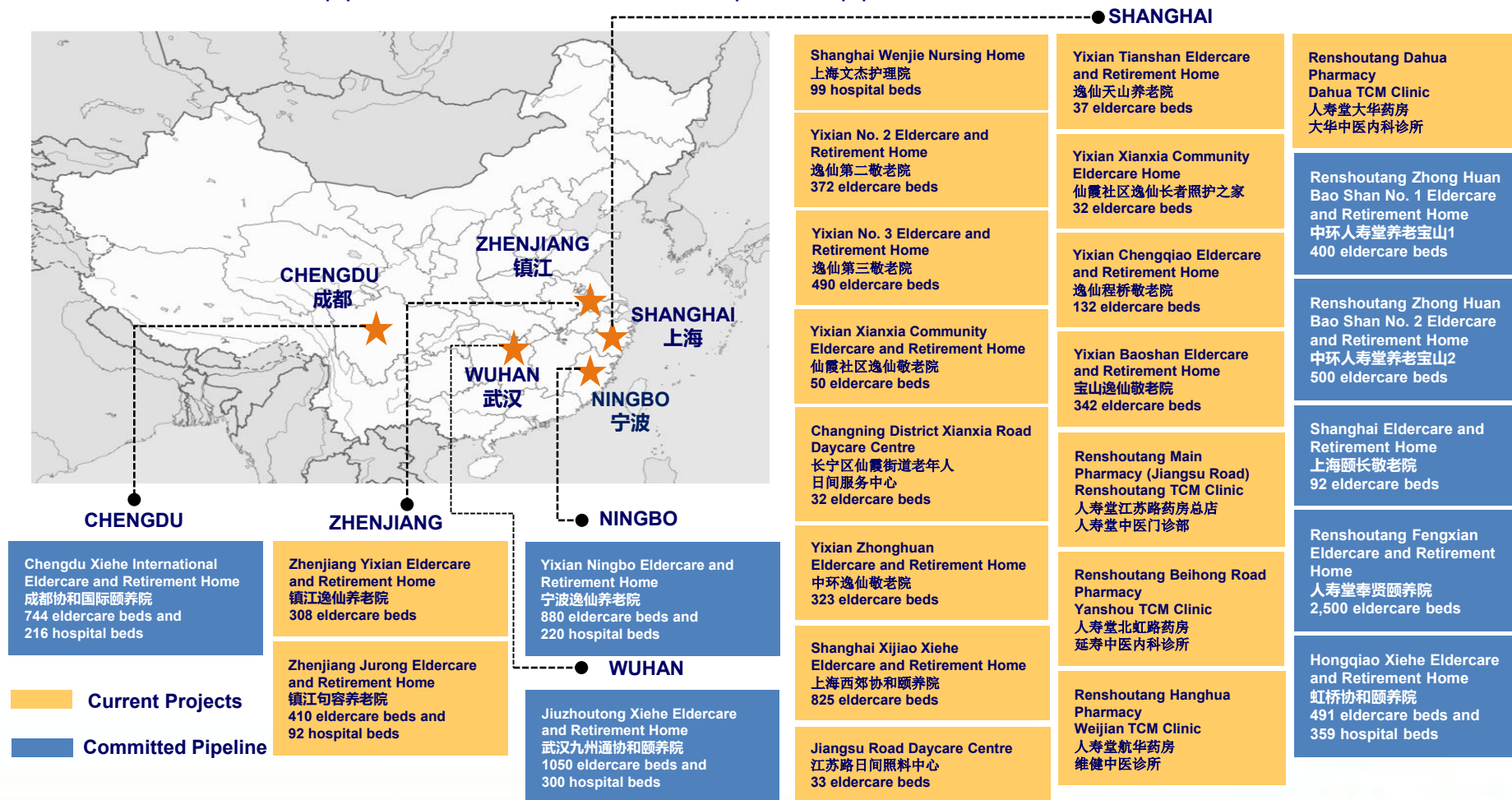
- BGI Genomics (“**BGI**”) is one of the world’s largest genome sequencing organisations headquartered in Shenzhen.
- Positioned as a health screening and diagnostic imaging centre for health management and medical diagnosis, the first BGI Perennial Genomics Diagnostic Imaging Centre will be a 40-60 joint venture between Perennial and BGI, with Perennial holding a 40% stake.



# Renshoutang – Perennial's Fastest Growing Healthcare Business Line

Capacity Expanded Significantly from 2,425 beds at end-2016 to 3,577 beds at end-2017

- Renshoutang, the largest private integrated eldercare services operator in Shanghai, currently operates 3,577 beds. It also has a committed pipeline of about 7,750 beds and a potential pipeline of over 13,500 beds.





# Renshoutang – Strategic Three-Pronged Approach To Achieve Scale

Set to Become The Largest Integrated Eldercare Operator in the Yangtze River Delta Region

## ① Leasing Model

- Lease and operate facilities owned by local governments and third parties.



Zhenjiang Yixian Eldercare and Retirement Home

## ② PPP Model

- Partner local governments through Public-Private-Partnership (“**PPP**”) model to lease and jointly operate facilities.



Wuhan Jiuzhoutong Eldercare and Retirement Home

## ③ Acquisition Model

- Operate facilities that are owned by Renshoutang, Perennial or Perennial-syndicated joint ventures.



Hongqiao Xiehe Eldercare and Retirement Home, Shanghai

# Renshoutang – Set to Become One of The Largest Eldercare Operators

**Opened Three New Facilities in FY2017, With Another Three Commencing Operations in FY2018**

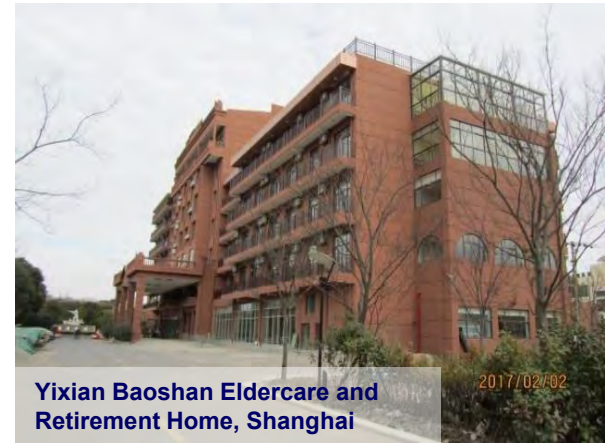
**In FY2017, Newly-Opened Facilities Grew Capacity by 1,152 Beds to 3,577**



**Zhenjiang Jurong Yixian  
Eldercare and Retirement Home**



**Zhenjiang Yixian Eldercare and  
Retirement Home**



**Yixian Baoshan Eldercare and  
Retirement Home, Shanghai**

**In FY2018, Capacity Expected to Increase Further by 3,132 Beds**



**Hongqiao Xiehe Eldercare and  
Retirement Home, Shanghai**



**Wuhan Jiuzhoutong  
Xiehe Eldercare**



**Chengdu Xiehe International  
Eldercare and Retirement Home**



# Renshoutang – Pioneering a Seamlessly Integrated Senior Living Experience



Offering the Elderly a Comfortable Living Environment in Retirement



Hongqiao Xiehe Eldercare and Retirement Home, Shanghai



Wuhan Jiuzhoutong Xiehe Eldercare and Retirement Home

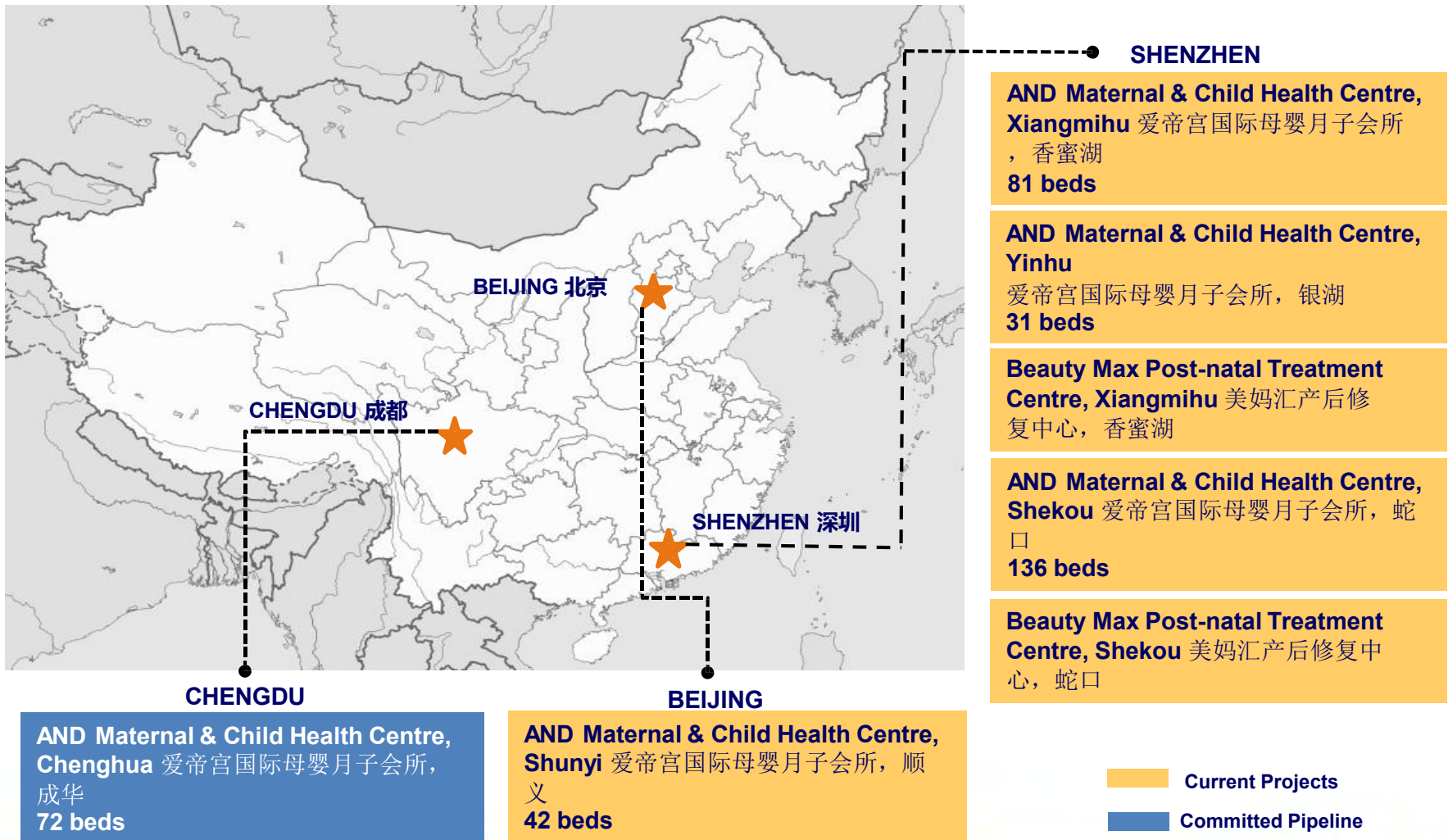


Chengdu Xiehe Home



# Aidigong – Maternal and Child Health Business Growing Steadily

Currently Operating 290 Beds with a Committed Pipeline of 72 Beds;  
Stronghold in Shenzhen, Presence in Beijing and Upcoming Centre in Chengdu





# Perennial International Health and Medical Hub, Chengdu – AND Maternal and Child Health Centre

## Set to Become the Largest Maternal and Child Health Centre in Chengdu

- The new facility will comprise 72 beds in a 8,300 sqm facility located within the Chengdu East High Speed Railway Integrated Development at the Perennial International Health and Medical Hub.
- Positioned as a premium one-stop destination providing a comprehensive suite of specialised post natal and neonatal services for new mothers and newborns.



Lobby



Reception Room



Nursing Room



Hair Salon

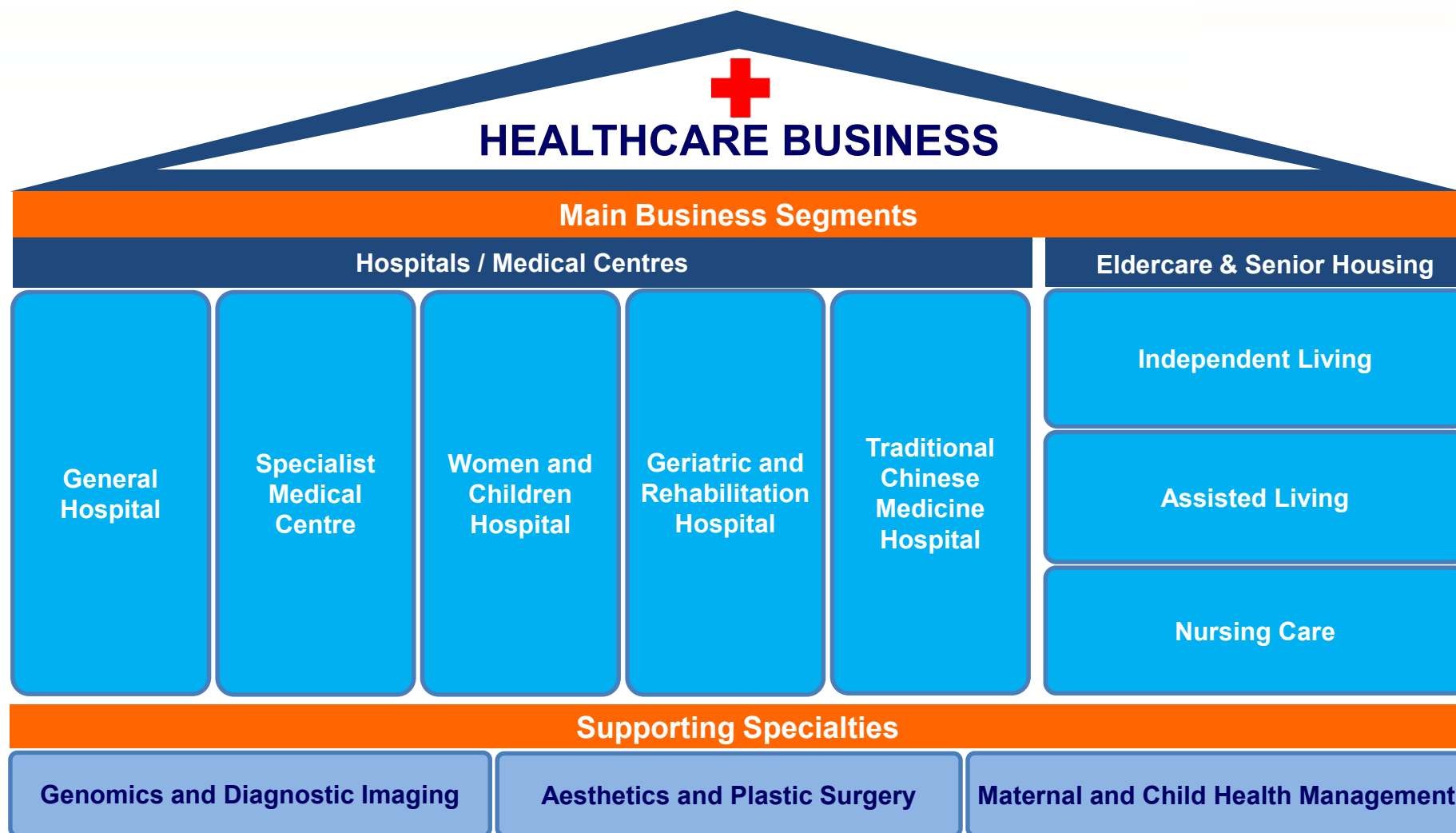


Postpartum  
Recovery Area



Sun Room

# Envision to Become an International Healthcare and Medical Services Provider in China



# STRATEGIC INITIATIVES

## Investment Strengthens Perennial's Position in the Core Markets of Singapore and China

- On 13 July 2017, Perennial led a consortium with Yanlord Land Group Limited ("**Yanlord**") to acquire a 33.5% stake in United Engineers Limited ("**United Engineers**") at S\$2.60 per United Engineers share, triggering mandatory offers for the remaining shares in United Engineers at the same price.
- United Engineers is one of Singapore's pioneer companies with key business activities in property rental and hospitality, property development, and engineering, distribution and manufacturing.
- The consortium also acquired a 10% stake in WBL Corporation Limited ("**WBL**") at S\$2.07 per WBL share. WBL, an unlisted public company, is a subsidiary of United Engineers.
- Perennial holds an effective stake of 32.5% in the consortium, while two of its sponsors, being Mr Kuok Khoon Hong and Wilmar International Limited, hold 7.5% and 5.0% respectively. The remaining stakes are held by Yanlord (49%) and Heng Yue Holdings Limited (6%).
- At the end of the transaction, the consortium owned 33.67% in United Engineers and 10% in WBL for a total consideration of approximately S\$617 million.
- The acquisition strengthens Perennial's position in the core markets of Singapore and China, as United Engineers' property businesses are mainly in those markets.
- The investment also allows Perennial to leverage on the combined skillsets and on-ground delivery capabilities of the consortium partners and work with the management team of United Engineers to unlock the value of United Engineers' income-producing assets through selective enhancement works.



# US\$1.2 Billion JV Vehicle to Invest in HSR Healthcare Integrated Mixed-use Developments in China

Potentially Grow Perennial's HSR Portfolio to Up to Eight Projects with Total GFA of Over 4 Million sqm



- On 3 Jan 2018, Perennial established an up to US\$1.2 billion joint venture (“JV”) vehicle with first close of US\$500 million to invest in High Speed Railway (“HSR”) Healthcare Integrated Mixed-use Developments in China’s tier one or strong tier two cities and provincial capitals.
- Perennial holds a 45% stake in the JV vehicle and the remaining stakes in the Perennial-syndicated consortium comprises Shun Tak Holdings Limited (30%), Bangkok Bank Public Company Limited (10%), BreadTalk Group Limited (5%), Mr Kuok Khoon Hong (4%), S1F Pte Ltd (4%), and Wilmar International Limited (2%).
- Positioned as one-stop regional healthcare hubs, the developments will feature core medical and healthcare facilities, specialised hospitals as well as medical centres, eldercare and nursing homes. They will also comprise hotels, retail, serviced apartments, offices to support the surrounding communities.
- The JV provides an ‘asset-light’ platform to accelerate the growth of Perennial’s integrated real estate and healthcare business model in China and drives income contribution from the management businesses over time.



# LOOKING FORWARD

- Launch Perennial's signature integrated real estate and healthcare showcase, Chengdu East High Speed Railway Integrated Development, which comprises the upcoming Perennial International Health and Medical Hub and the Chengdu Xiehe Home on Plot D2.
- Build on our integrated real estate and healthcare strategy and grow our portfolio of High Speed Railway Healthcare Integrated Mixed-use Developments in China by leveraging on the up to US\$1.2 billion Perennial-syndicated joint venture vehicle to invest in potential sites.
- Grow our medical and healthcare-related business in China in two main segments, being *Hospitals and Medical Centres* and *Eldercare and Senior Housing*, as well as supporting specialties.
- Explore development projects or completed assets at reasonable valuations with the potential for value enhancement in Singapore.
- Monitor the timely execution of ongoing construction and enhancement works in Singapore, China and other markets.
- Manage our capital prudently and optimise our cash flow and capital efficiency.

# *THANK YOU*

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