Financial Highlights
For The Financial Year
Ended 31 December 2019
## Income Statement (FY2019 vs FY2018)

### Explanation of Key Income Line Items

<table>
<thead>
<tr>
<th>S$'000</th>
<th>FY2019</th>
<th>FY2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Jan 2019 to 31 Dec 2019</td>
<td>1 Jan 2018 to 31 Dec 2018</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>124,221</td>
<td>78,261</td>
<td>58.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>135,984</td>
<td>376,207</td>
<td>(63.9)</td>
</tr>
<tr>
<td>PATMI</td>
<td>3,832</td>
<td>78,055</td>
<td>(95.1)</td>
</tr>
</tbody>
</table>

### Revenue

- The higher revenue in FY2019 was mainly due to the inclusion of the full 12 months revenue of both Capitol Singapore and PIHMH as compared to seven months in FY2018, and an increase in revenue from both assets year on year as their operations continue to be ramped up. The increase in FY2019 revenue was also contributed by higher fee income from management business.

### EBIT

- EBIT decreased by 63.9% mainly due to lower fair value gains. Fair value gains at EBIT level were S$68.9m in FY2019 as compared to S$332.3m in FY2018. In FY2018, two plots on Beijing Tongzhou Integrated Development Phase 1 were reclassified to investment properties from development properties, as these plots were identified for lease following the receipt of construction permits. The decrease was mitigated by divestment gains, higher share of results from associates/joint ventures and fee income.

### PATMI

- PATMI decreased by 95.1% due to lower fair value gains and higher finance expenses, mitigated by higher share of results from associates/joint ventures, higher management fee income and divestment gains. Finance expenses increased due to higher borrowings to fund new investments and interest expenses of PIHMH being expensed off on completion of the project.
CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS
## Capital Management and Key Financial Indicators

### Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2019</th>
<th>As at 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Debt (S$’ 000)</strong></td>
<td>2,848,809</td>
<td>2,861,206</td>
</tr>
<tr>
<td><strong>Total Equity (S$’ 000)</strong> (1)</td>
<td>3,851,603</td>
<td>3,976,378</td>
</tr>
<tr>
<td><strong>Net Debt to Equity Ratio</strong></td>
<td>0.74</td>
<td>0.72</td>
</tr>
<tr>
<td><strong>NAV per Share</strong> (S$) (1)</td>
<td>1.584</td>
<td>1.644</td>
</tr>
<tr>
<td><strong>Debt-Weighted Average Term to Expiry (years)</strong></td>
<td>1.55</td>
<td>1.92</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings per Share (cents)</strong></td>
<td>0.23</td>
<td>4.70</td>
</tr>
<tr>
<td><strong>Weighted Average Interest Rate (p.a.)</strong></td>
<td>4.0%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

### Note

1. The lower Total Equity and Net Asset Value (“NAV”) per Share were mainly due to translation loss arising from the depreciation of RMB against SGD during the year.
Debt Maturity Profile
As at 26 June 2020

*Being gross amount, without amortised transaction costs.

1. The remaining borrowings due in 2020 comprise MTNs of S$100m and S$180m due in July and August 2020, secured loan of S$5m and unsecured loans of S$367m.
## Proposed FY2019 Dividend

<table>
<thead>
<tr>
<th>Proposed Dividend Details</th>
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</thead>
<tbody>
<tr>
<td><strong>Name of Dividend</strong></td>
</tr>
<tr>
<td><strong>Type of Dividend</strong></td>
</tr>
<tr>
<td><strong>Dividend per Share</strong></td>
</tr>
<tr>
<td><strong>Books Closure Date</strong></td>
</tr>
<tr>
<td><strong>Date Payable</strong></td>
</tr>
</tbody>
</table>
PORTFOLIO HIGHLIGHTS
Total Asset Composition – By Country (As at 31 December 2019)

China and Singapore are Core Markets; Effective Stake China (~69%:FY2019 / ~65%:FY2018) and Singapore (~31%:FY2019 / ~34%:FY2018)

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.
3. Other Markets Real Estate relates to assets in Malaysia, Ghana and Indonesia.
China Healthcare Business — Total Operating Beds Composition

Eldercare and Senior Housing Segment Continues to Scale Up As Core Healthcare Business Line

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Eldercare and Senior Housing(^1)</td>
<td>7,724</td>
<td>5,927</td>
<td>1,797</td>
</tr>
<tr>
<td>Hospitals/ Medical Centres(^2)</td>
<td>279</td>
<td>455(^3)</td>
<td>(176)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,003</strong></td>
<td><strong>6,382</strong></td>
<td><strong>1,621</strong></td>
</tr>
</tbody>
</table>

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1. Relates to Renshoutang.
2. Relates to St. Stamford Modern Hospital, Guangzhou and St. Stamford Plastic Surgery and Aesthetic Hospital.
3. A Traditional Chinese Medicine Hospital was converted from an ownership to leasing model.
**FY2019 at a Glance – Fine-tuning the Portfolio to Strengthen Delivery**

<table>
<thead>
<tr>
<th>Singapore</th>
<th>China</th>
<th>Other Markets</th>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed repositioning exercise of Capitol Singapore</td>
<td>Refined operating model of 1st signature High Speed Railway (&quot;HSR&quot;) Healthcare integrated development in Chengdu</td>
<td>Refined asset planning of The Light Penang in Malaysia to dovetail with market demand</td>
<td>Strengthened healthcare and healthcare-related trade mix at Perennial International Health and Medical Hub and Perennial International Specialist Centre</td>
</tr>
<tr>
<td>Strengthened recurring income streams by driving occupancy at CHIJMES and AXA Tower.</td>
<td>Replicated 2nd generation model of HSR Healthcare Integrated Development in Xi’an/Tianjin/Kunming</td>
<td>Seized opportunities in fast growth Asian markets with maiden entry into Myanmar and Sri Lanka</td>
<td>Grow Renshoutang eldercare business</td>
</tr>
<tr>
<td></td>
<td>Planned recurring income stream with new hotel management business</td>
<td></td>
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</tr>
</tbody>
</table>

**Proactively manage capital prudently and optimise capital efficiency**

**Capital Recycling**
- Divestment of entire effective 50.64% stake in Chinatown Point, Singapore.
- Disposal of entire 10.9% effective stake in United Engineers Limited, Singapore
- Divestment of entire 20% stake in Aidigong, a maternal and child health business in China
Maximise Returns and Focus on Investments with Direct Value Creation Opportunities

**Divestment of Entire 20% Stake in Aidigong, China**
- In September 2019, Perennial divested its entire 20% stake in Shenzhen Aidigong Modern Maternal and Child Health Management ("Aidigong").
- The divestment was completed for RMB200.7 million.

**Divestment of Entire Stake in Chinatown Point, Singapore**
- In April 2019, Perennial led its consortium of investors to divest its 100% stake in Chinatown Point at an agreed property price of S$520 million.
- Perennial received net proceeds of approximately S$125.3 million based on its proportionate stake of 50.64%.
- Perennial remains as the property manager of the property.

**Divestment of Entire Stake in United Engineers Limited**
- In October 2019, Perennial disposed its entire investment stake of 45% in a joint venture which owned 33.5% in United Engineers Limited to Yanlord Commercial Property Investments for S$202.7 million.
Capital Recycling Initiatives in FY2020

Divestment of Entire 30% Stake in 111 Somerset, Singapore

- In April 2020, Perennial divested its entire 30% stake in 111 Somerset at a consideration of S$155.1 million and will record a pre-tax gain of disposal of approximately S$25 million.
- Perennial remains as the property manager of the property.

Divestment and Redevelopment of AXA Tower, Singapore

- In May 2020, Perennial led its consortium of investors to divest its 50% stake in AXA Tower to a subsidiary (“Alibaba Singapore”) of Alibaba Group Holding Limited at an agreed property price of S$1.68 billion.
- Perennial also formed a new entity with the same consortium of investors to own the remaining 50% and to jointly redevelop AXA Tower with Alibaba Singapore.
- Perennial will indirectly own a 20% stake in the new entity and an effective 10% stake in AXA Tower.
- Perennial will receive net proceeds of approximately S$196.4 million and its share of the divestment gain is approximately S$45 million, based on an effective stake of 31.2%. 
BUSINESS REVIEW -
REAL ESTATE (SINGAPORE)
Capitol Singapore – Retail Component Completes Repositioning Exercise

Strong Committed Occupancy of over 92% with Refreshed Tenant Mix; Premium Co-working Space Operator Commenced Operations

- The retail component completed its repositioning exercise in 4Q 2019 and achieved a committed occupancy of 92.3%.
- A stable of new international and local brands which progressively opened in FY2019 were introduced, including Dyson Concept Store, which hosts a Service Centre in the store, Ponggol Nasi Lemak and Eccellente supermarket.
- IWG’s premium co-working space concept No18 also launched its flagship facility in Asia on Level 2 of the retail component. The 20,600 sq ft work space with private offices and club amenities commenced business in December 2019.
Air-Conditioned Boulevard Offering Seven New Culinary Concepts

- At Arcade@The Capitol Kempinski, the air-conditioned boulevard connecting The Capitol Kempinski Hotel Singapore to the rest of the development, six Kempinski food and beverage ("F&B") concepts commenced operations in 2019 as an extension to the hotel's hospitality dining experience.

- The unique selection of establishments serving a variety of international palettes include Berthold Delikatessen, Capitol Milk Bar, Chalerm Thai, El Teatro Tapas, Frieda Restaurant and La Scala Ristorante, by Kempinski, as well as Katachi Style Sushi.
A 40-60 joint venture with Qingjian Realty to redevelop the former Goodluck Garden site located along Toh Tuck Road at Bukit Timah is underway.

The freehold site has an approximate site area of 360,130 sq ft and a potential gross floor area of over 504,180 sq ft post-development.

Located in close proximity to the Beauty World MRT Station, the site is expected to comprise four blocks of 9-storey and nine blocks of 5-storey with 633 residential units, as well as two commercial units. Typical layouts would include one bedroom plus study to five bedrooms suite.

The development is expected to be launched in 2020.
Perennial International Health and Medical Hub, Chengdu – One-Stop Destination for All Healthcare and Medical Needs

- Perennial International Health and Medical Hub ("PIHMH") is Perennial's first signature regional healthcare and commercial hub within its High Speed Railway ("HSR") integrated development portfolio. In view of the increasing demand for medical space by healthcare and healthcare-related operators, adjustments were made to the asset plan by taking back approximately 3,000 sqm of leased retail space on Basement 1 and 2 for conversion into medical space.

- As a result, PIHMH registered a lower total committed occupancy of approximately 86% as at 31 December 2019.

- Anchor tenant Gleneagles Chengdu Hospital commenced operations in October 2019, completing the full suite of medical and healthcare-related services at PIHMH. The 350-bed hospital is the first Sino-foreign joint venture multi-speciality medical institution approved by the Sichuan Provincial Development and Reform Commission, and provides consultations and treatments in Internal Medicine, Surgery, Obstetrics and Gynaecology, Paediatrics, Ophthalmology, Otolaryngology, Stomatology, TCM, Dermatology, Psychology, Pain Treatment, Child Health Care, Women’s Health Care, Emergency Medicine, Laboratory Services and Medical Imaging.

- PIHMH also saw higher footfall starting from December 2019 after the opening of a new basement link way which directly connects to the adjacent Chengdu East HSR Railway Station. The introduction of a new pick-up point for private-hire vehicles also enhanced the accessibility of the hub to patients/shoppers.
Perennial International Health and Medical Hub, Chengdu – Medical and Healthcare-related Tenants

Holistic Suite of Medical and Healthcare Offerings

- Gleneagles Chengdu Hospital
  - Wards
  - Operating Theatre
  - Intensive Care Ward

- Other Medical and Healthcare-related Services
  - Medical Centre
  - Plastic Surgery and Aesthetic
  - Rehabilitation
  - TCM Hospital
  - Maternal and Child Health
  - Imaging
Xi’an North HSR Integrated Development – 2nd HSR Regional Healthcare and Commercial Hub

Replicate Real Estate and Healthcare Model with Enhanced Asset Plan with a Focus on Medical and Hospitality Components

Artist’s impressions may differ from the actual view of the completed property.

- The 2nd-generation Regional Healthcare and Commercial Hub will feature enhanced integration between the various medical and healthcare, hospital, eldercare, hospitality and retail components, while being seamlessly connected to the adjacent Xi’an HSR Station.

- On Plot 4, which is designated for commercial usage, three towers have topped up and are currently undergoing façade cladding works. Construction is on-going for another two towers, reaching Level 30 and ground level respectively. On Plot 5, which is designated for medical usage, detailed master planning and hospital planning are currently in progress and construction commenced in December 2019. Concurrently, discussions with renowned hospitality providers to manage and operate the hotels and service apartments are in progress.

- In FY2019, the Xi’an Municipal Government accelerated the city’s expansion of HSR network, resulting in Xi’an’s enhanced connectivity to 23 major municipal and capital cities. The first inter-city railway line connecting Xi’an Xianyang Airport to Xi’an North Railway Station, which is adjacent to the Xi’an North HSR Station, has also commenced operations.

- Plot 4 and Plot 5 are expected to complete construction in 2021 and 2024 respectively.
Perennial Tianjin South HSR International Healthcare and Business City – 3rd HSR Regional Healthcare and Commercial Hub

Perennial-Led Healthcare JV’s First Asset; ~307,500 sqm¹ GFA Integrated Development Next to Tianjin South HSR Station

On 10 December 2019, Perennial Tianjin South HSR International Healthcare and Business City held its official groundbreaking ceremony. To-date, the development has received its first three of four key permits, being Land Use Right Certificate, Land Use Planning Permit and Building Planning Permit for two of three plots. The third plot, which is designated for hotel usage, has obtained all four key permits and land excavation works commenced in December 2019. The development is expected to complete progressively from 2022.

Tianjin South HSR Station has been identified as one of the HSR stations to benefit from a simplified HSR-to-subway one-time security clearance process aimed at eliminating the need for a second security clearance which transfer commuters have to undergo currently. It is expected to be implemented by 3Q 2020.

In August 2019, Perennial entered into a 40-60 joint venture with Shun Tak Holdings Limited to set up Nexus Hospitality Management Limited to provide hospitality management services for hotel components within assets owned by the up to US$1.2 billion Perennial-led healthcare Joint Venture (“JV”). The JV currently owns Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City.

1. Subject to relevant authorities’ approvals.
On 24 September 2019, Perennial Kunming South HSR International Healthcare and Business City held its official groundbreaking ceremony. The one-stop regional healthcare and commercial hub is expected to comprise medical care, eldercare, hospitality, meetings, incentives, conferences and exhibitions and retail components.

Both plots have obtained the first of four key permits, being Land Use Right Certificate, and application for the second permit, the Land Use Planning Permit, is underway.

Kunming South HSR Station served an estimated 10 million passengers in FY2019, an approximately 19% increase over the previous year. Currently, starting from Kunming South HSR Station, the Yunnan HSR network provides access to most cities in Central Yunnan within an hour’s journey, and to the surrounding provincial capital cities within two to five hours\(^2\). HSR trains originating from Kunming South HSR Station are connected to 23 major municipal and provincial capital cities.

The development is also poised to serve the medical and lifestyle needs of visitors in Southeast Asia, including Laos, Myanmar, Vietnam and Thailand, with the upcoming Trans-Asian HSR Network. Kunming South HSR Station is currently already connected to the border of Vietnam at Hekou via a approximately 3.5 hour train ride.

The two plots are currently undergoing preliminary design planning and are expected to progressively complete from 2023.

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1 Subject to relevant authorities’ approvals.
Perennial’s HSR Healthcare and Commercial Hub Portfolio - Presence in Southwest, Northeast and Northwest China

Four Prime HSR Healthcare and Commercial Hubs Spanning a Total GFA of ~3 million sqm; Expected to Serve Beyond Total Immediate Population Catchment of ~48.8 million Residents

Southwest China

Chengdu East HSR Integrated Development (Adjacent to Chengdu East HSR Station, one of the Largest HSR Stations in China1)

Perennial Kunming South HSR International Healthcare and Business City (Adjacent to Kunming South HSR Station, the Largest HSR Station in SW China1)

Northeast China

Perennial Tianjin South HSR International Healthcare and Business City (Adjacent to Tianjin South HSR Station, a future key interchange hub for Jing-Jin-Ji)

Northwest China

Xi’an North HSR Integrated Development (Adjacent to Xi’an North HSR Station, the Largest HSR Station in China1)

Chengdu (~16.3m residents)

Kunming (~6.9m residents)

Xi’an (~10m residents)

Tianjin (~15.6m residents)

Chengdu East HSR Integrated Development (Adjacent to Chengdu East HSR Station, one of the Largest HSR Stations in China1)

Perennial Kunming South HSR International Healthcare and Business City (Adjacent to Kunming South HSR Station, the Largest HSR Station in SW China1)

1 Source: Sina article dated 4 November 2016 (http://blog.sina.com.cn/s/blog_555b8d8b0102ws6s.html)
Beijing Tongzhou Integrated Development –
Key Amenities Set to be Enhanced

Tongzhou Transportation Hub to be Developed
with Enhanced Rail and Road Accessibility in Beijing Tongzhou, the New Sub-centre

- Beijing Tongzhou Integrated Development Phase 1 commenced construction in December 2019. On Phase 2, construction is progressing well with one of the three plots having completed structural top-out, and another two of the three plots achieving development height of Level 25 and Level 9 respectively.

- In August 2019, the second batch of Beijing Government’s key functions shifted into Tongzhou District and welcomed over 30,000 officials into Beijing’s new Sub-centre. Key amenities in the district are set to be enhanced with the construction of new educational institutions and hospitals.

- Plans were announced designating Tongzhou District as a key transportation hub for the Jing-Jin-Ji metropolitan region. Other than the commencement of works on Phase 2 of the Subway Line 7 and Batong Line, the journey from the Sub-centre to the new Daxing International Airport, which commenced operations on 25 September 2019, will be shortened to 35 minutes by 2024.

- Phase 1 and Phase 2 of the development are expected to complete progressively from 2023 and 2022 respectively.
BUSINESS REVIEW - REAL ESTATE (OTHER MARKETS)
Other Markets – Projects in Malaysia and Indonesia

Projects in Malaysia and Indonesia in Progress; Residential Sales Launches Expected in 2020

The Light City, Penang, Malaysia
- Residential sales of the first phase, Mezzo The Light City, is expected to be launched in 2H 2020, subject to market conditions.
- Construction works for the first development phase of approximately 2.8 million sq ft GFA expected to commence in 2H 2020.
- Land and development financing has been secured from a consortium of banks.

The Sanctuary Collection, Residential Project in Sentul City, Greater Jakarta, Indonesia
- Residential sales of the first phase, Tanglin Parc, of approximately 318,000 sq ft net saleable area is expected to be launched in 2H 2020, subject to market conditions.
- Construction of on-site sales gallery and show units is close to completion.
Business Review - Healthcare
Perennial Healthcare Business – Focus on Two Core Business Segments

HEALTHCARE BUSINESS

Two Core Business Segments

<table>
<thead>
<tr>
<th>Hospitals / Medical Centres</th>
<th>Eldercare &amp; Senior Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner with Established International and Local Hospital Operators such as Gleneagles Chengdu Hospital in Chengdu</td>
<td>Independent Living</td>
</tr>
<tr>
<td>Perennial International Specialist Medical Centre</td>
<td>Nursing Care</td>
</tr>
</tbody>
</table>

Strategic Alliance Tenants in Various Specialties:
Such as Maternal and Child Health, Plastic Surgery, Health Screening, Imaging, Oral Medicine and Rehabilitation
### One-stop Premier Medical Specialist Consultation and Treatment Destination

<table>
<thead>
<tr>
<th>Perennial International Specialist Medical Centre</th>
<th>Specialist Eye Centre</th>
<th>Fertility Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Lobby</strong></td>
<td><strong>By Xiaoqingcao Ophthalmology Group with expertise in Cataract treatments</strong></td>
<td><strong>Fertility consultation service and referrals</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dr. Smile Medical Group</th>
<th>Traditional Chinese Medicine</th>
<th>Outpatient Clinic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Led by Renown Venous Disease Expert, Dr Zhang Qiang</strong></td>
<td><strong>Specialty treatments in TCM Orthopaedics and Health Management</strong></td>
<td><strong>Wide ranging consultants and treatments including aesthetic dermatology</strong></td>
</tr>
</tbody>
</table>
Renshoutang – Perennial’s Fastest Growing Healthcare Business Line

In FY2019, Seven Newly-Opened Facilities in Shanghai, Changzhou and Jurong with Over 1,700 Beds; Integrated Dementia Care Services to Cater to Rising Demand

Shanghai Renshoutang Eldercare and Retirement Home (Eldercare), Shanghai Renshoutang Wenjin Nursing Home (Nursing Care) and Shanghai Changning Xijiao Eldercare and Retirement Home (Dementia Care)

First integrated eldercare and retirement, nursing and rehabilitation facility with dedicated dementia care ward in Shanghai

Other New Facilities in Shanghai, Changzhou and Jurong
Renshoutang –
Set to Become One of The Largest Eldercare Operators

Presence in Seven Cities Across China with Current Operating Capacity of Over 7,700 Beds

- Renshoutang, the largest private integrated eldercare services operator in Shanghai, currently operates over 7,700 beds and has a committed pipeline of over 7,600 beds.

- **Shanghai  上海**
  - Operating Capacity: ~4,550 beds
  - Committed Pipeline: ~3,590 beds

- **Wuhan  武汉**
  - Operating Capacity: ~1,200 beds

- **Changsha 长沙**
  - Committed Pipeline: ~1,640 beds

- **Xiantao 仙桃**
  - Committed Pipeline: ~540 beds

- **Jurong  句容**
  - Operating Capacity: ~660 beds
  - Committed Pipeline: ~1,820 beds

- **Zhenjiang  镇江**
  - Operating Capacity: ~810 beds

- **Changzhou 常州**
  - Operating Capacity: 490 beds
  - Committed Pipeline: ~660 beds
THANK YOU

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