

PERENNIAL REAL ESTATE HOLDINGS LTD



FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2015

 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.

STRATEGIC HIGHLIGHTS

On Schedule Completion of Deferred Beijing Acquisition¹ – PREH now Owns 40.0% of Phase 1 and 23.3% of Phase 2

- On 9 April 2015, the Land Use Right Certificates in respect of Beijing Tongzhou Integrated Development Phase 1 and Phase 2 were received. This met the conditions specified to complete the acquisition of the relevant interest in Beijing Tongzhou Integrated Development (“**Deferred Beijing Acquisition¹**”) as part of the Reverse Takeover exercise carried out towards the establishment of Perennial Real Estate Holdings Limited (“**PREH**”) on 27 October 2014.
- On 10 April 2015, PREH completed the acquisition of a 30.0% stake and 23.3% stake in the Beijing Tongzhou Integrated Development Phase 1 and Phase 2 respectively. Together with its earlier holding of a 10.0% stake in Phase 1, PREH now holds a 40.0% stake in Phase 1 and a 23.3% stake in Phase 2.
- PREH’s market capitalisation rose to over S\$1.75 billion², resulting from an issuance of 356.6 million new shares at an issue price of S\$1.3353³, following the completion of the Deferred Beijing Acquisition. PREH’s total number of issued shares now stands at 1.64 billion.



Source of Artist's Impression: Perennial Real Estate Holdings Limited. Picture may differ from the actual view of the completed property.

1. The acquisition in relation to Beijing Tongzhou Integrated Development Phase 1 and Phase 2 as defined in the Circular Dated 18 September 2014.

2. Based on PREH’s closing share price of S\$1.065 on 7 May 2015.

3. Based on the consideration price of S\$1.3353 per the Circular Dated 18 September 2014.

JV with IJM Land to Acquire & Develop RM3.0 billion Waterfront Integrated Mixed-Use Development in Penang

- On 21 April 2015, PREH and IJM Land Berhad (“**IJM Land**”) announced a 50-50 joint venture (“**JV**”) to acquire an ~1.4 million sq ft freehold waterfront site in Gelugor town, located on the eastern coastline of Penang, Malaysia, at a total consideration of about RM402.8 million. The total development cost is estimated to be over RM3.0 billion.
- The prime waterfront site will be developed into a large-scale integrated mixed-use development spanning about 4.1 million sq ft in GFA, comprising retail, entertainment, recreational, residential, business, hospitality and Meetings, Incentives, Conventions and Exhibitions (“**MICE**”) components.
- The development will be managed by the JV partners and is expected to be completed in phases, starting from 2018.



Source of Artist's Impression: Joint Venture Partners. Picture may differ from the actual view of the completed property.

Completion of Acquisition of AXA Tower – Provides New Stream of Recurrent Income

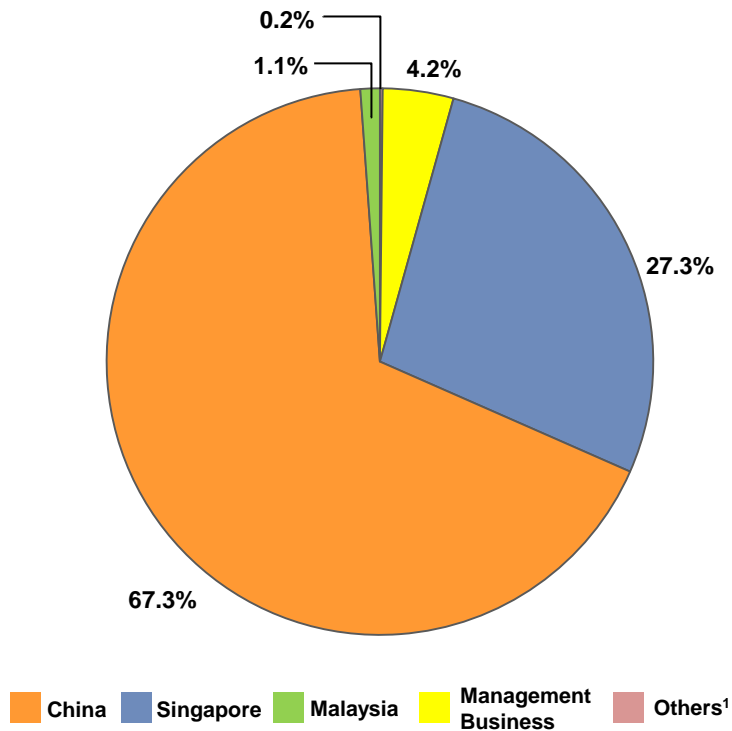
- The transaction to acquire AXA Tower by a consortium of investors (“**Consortium**”) syndicated by PREH at a property purchase price of S\$1.17 billion or S\$1,735 per sq ft was completed on 24 April 2015.
- PREH now owns a 31.2% interest in AXA Tower which will provide an additional stream of recurrent income to the Singapore portfolio.
- AXA Tower has unutilised plot ratio that translates to an additional Gross Floor Area (“**GFA**”) of over 212,000 sq ft and is allowed to house medical suites amounting to no more than 32,000 sq ft.
- The Consortium is exploring the most efficient asset plan to utilise the additional GFA and allowable medical suite usage, as well as potential strata-sale of the office space where permissible, to maximise the value of the asset.



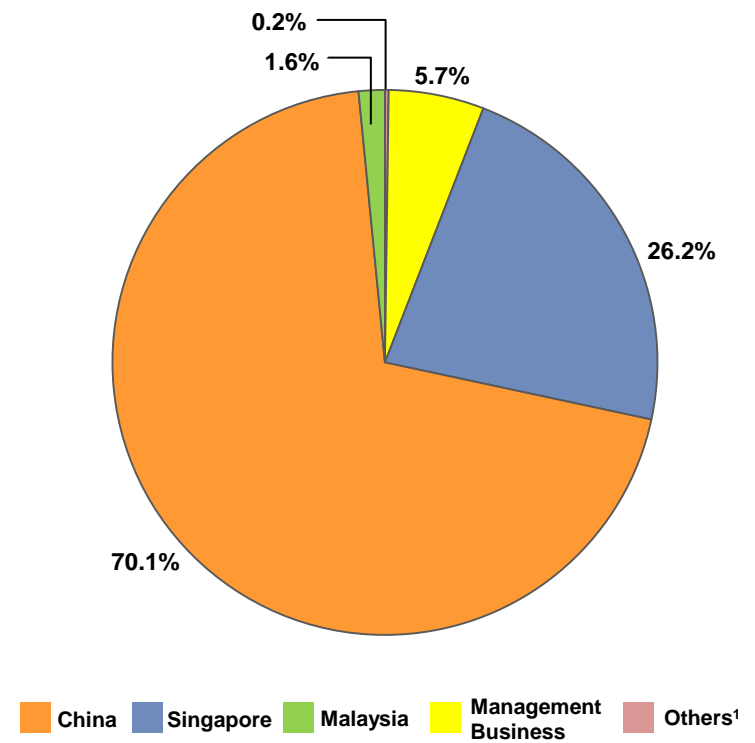
Total Asset Composition

Strategically-Focused on Two Key Markets – Effective Stake China (~70%) and Singapore (~26%)

TOTAL ASSET



BY EFFECTIVE STAKE

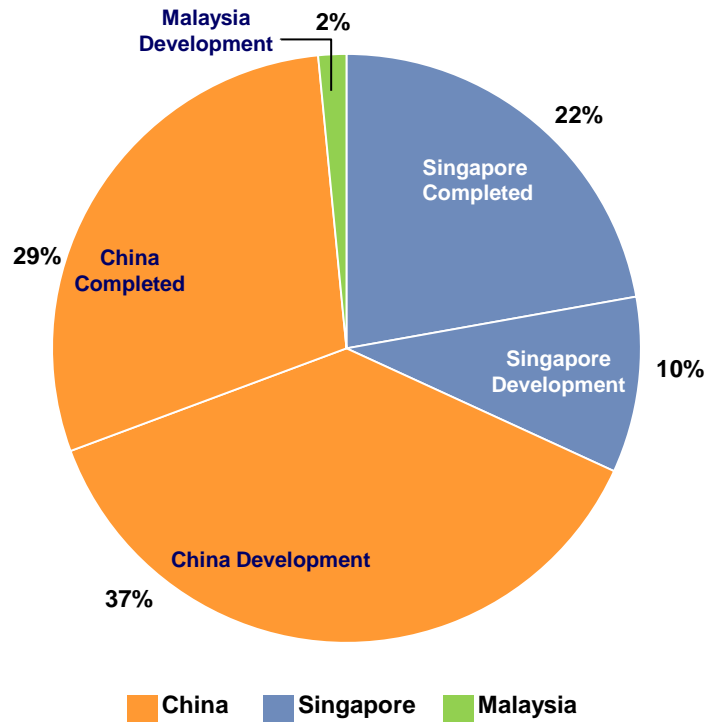


1. Comprising corporate and emerging markets.

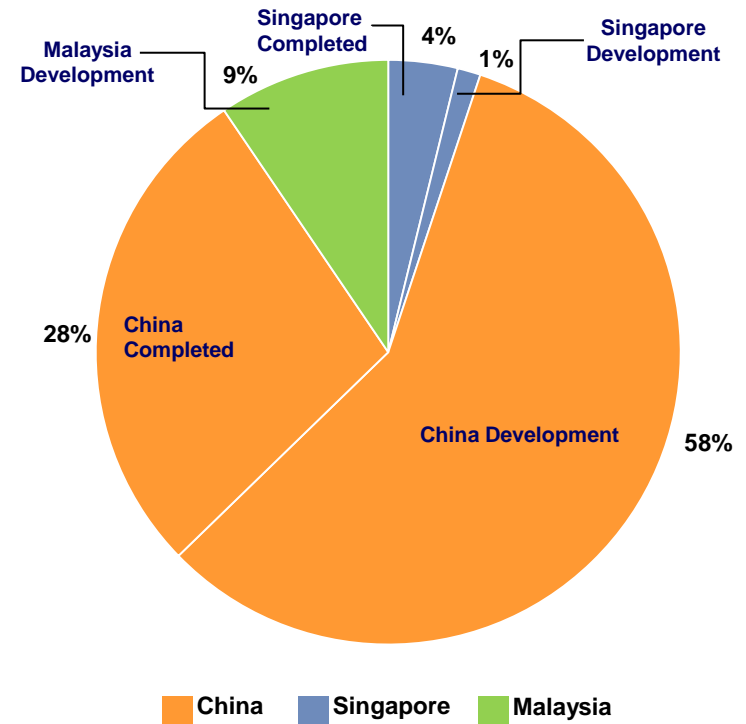
Total Property Composition – By Property Value and By GFA

Significant Growth Potential from China Developments Which Make Up 37% of Property Value and 58% of GFA Respectively

TOTAL PROPERTY VALUE¹
(Effective Stake Basis)

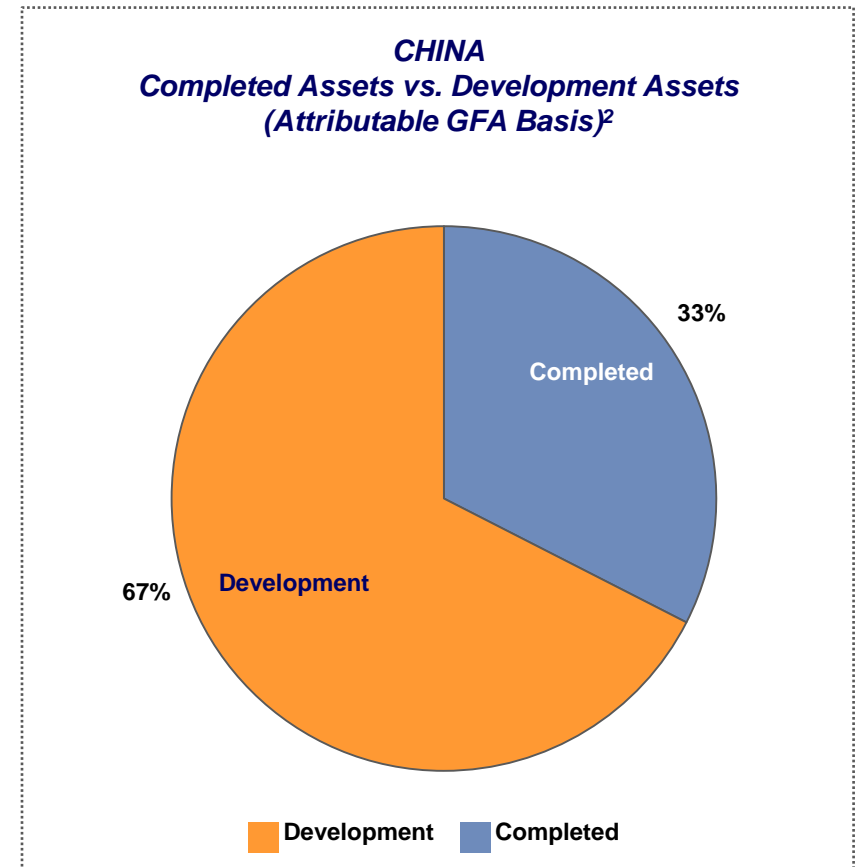
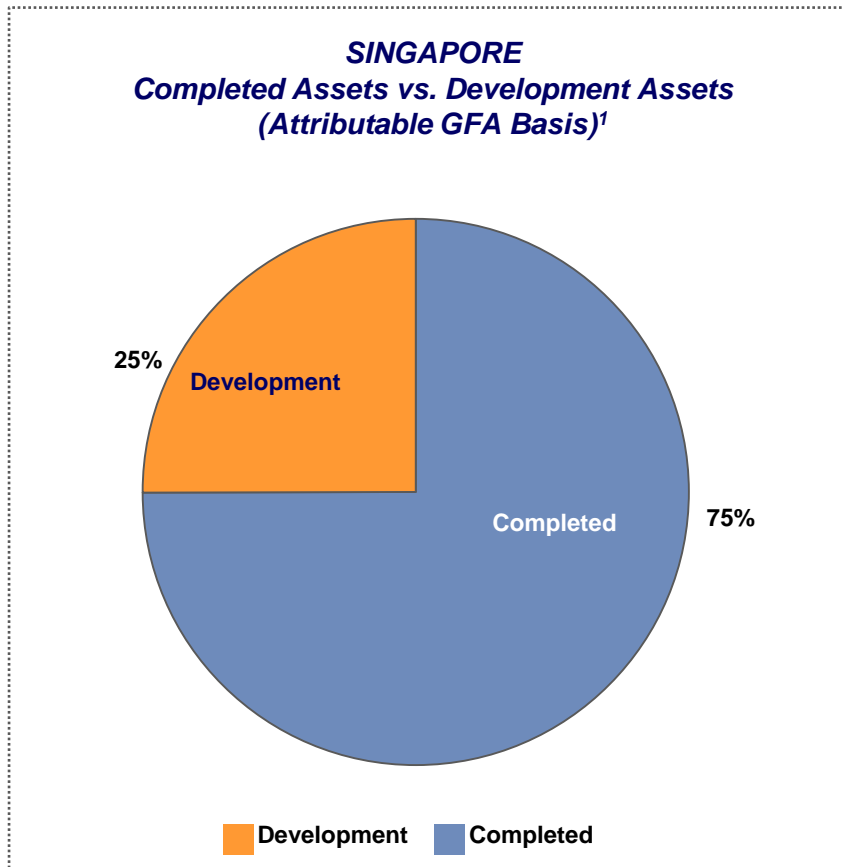


TOTAL GROSS FLOOR AREA ("GFA")
(Attributable GFA Basis)¹



1. Including Beijing Tongzhou Integrated Development Phase 1 and Phase 2, the Waterfront Integrated Mixed-Use Development and AXA Tower.

Largely Completed Singapore Portfolio Generates Stable Income Stream While Newly Acquired Beijing Tongzhou Integrated Development Adds to High Growth Potential of Assets in China



1. Including AXA Tower.

2. Including Beijing Tongzhou Integrated Development Phase 1 and Phase 2.

Strong Long Term Sponsors with Extensive Network and Business Experience

The four key sponsors now own an aggregate effective ownership of about 73.8%¹ in PREH :



1. As at 7 May 2015.

FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED 31 MARCH 2015

Income Statement

PREH's real estate business commences from 28 October 2014 as the Reverse Takeover ("RTO") of St. James Holdings Ltd was completed on 27 October 2014.

	Post-RTO ¹		Cumulative Post-RTO ¹
	28.10.2014 to 31.12.2014	01.01.2015 to 31.03.2015	28.10.2014 to 31.03.2015
Revenue	14,966	27,054	42,020
Earnings Before Interest & Tax ("EBIT")	52,671	17,243	69,914
Profit After Tax less Minority Interest ("PATMI")	32,722	3,418	36,140
Before Transaction Costs			
One-Off RTO & Voluntary Offer Transaction Costs	(11,392)	-	(11,392)
PATMI After Transaction Costs	21,330	3,418	24,748
<u>Analysis of PATMI</u>			
Operating PATMI	3,219	3,418	6,637
One-Off RTO & Voluntary Offer Transaction Costs	(11,392)	-	(11,392)
Revaluation Gains	29,503	-	29,503
Total PATMI	21,330	3,418	24,748

1. This relates to the operational results of PREH's real estate business post-completion of RTO.

Income Statement – Explanation of Key Income Line Items

Operating PATMI

- Contributed by income-producing assets in Singapore and operational assets held by Perennial China Retail Trust, which was consolidated with effect from November 2014.

One-off Transaction Cost

- One-off transaction cost amounting to S\$11.4 million arising from two major corporate restructuring exercise undertaken by the Group, namely the RTO of St. James Holdings Limited and the Voluntary Offer for Perennial China Retail Trust.

Revaluation Gains

- Largely contributed by Singapore projects, CHIJMES and Capitol Singapore as at 31 December 2014.

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

Key Financial Ratios

	As at 31 Mar 2015 ¹	As at 31 Mar 2015 ²
Net Debt (S\$' 000)	1,464,272	1,464,272
Total Equity (S\$' 000)	2,443,886	3,843,886
Net Debt to Equity Ratio	0.60	0.38
NAV per Share (S\$)	1.628	N.A.
Debt-Weighted Average Term to Expiry (years)	2.54	N.A.
	For the Period 28 Oct 2014 to 31 Mar 2015	
Earnings per Share (cents)		3.72
Weighted Average Interest Rate (p.a.)		3.0%

Issuance of S\$100 Million 4.25% Fixed Rate Notes

- On 16 March 2015, the Group issued S\$100 million in principal amount of 4.25% fixed rate notes due 2018 under its S\$2 billion Multicurrency Debt Issuance Programme.

1. Excluding the Deferred Beijing Acquisition.

2. Including the Deferred Beijing Acquisition.

BUSINESS HIGHLIGHTS

SINGAPORE

Luxury Lifestyle Integrated Development in Singapore's Downtown Civic District



Capitol Piazza, Retail Component of Capitol Singapore Received Temporary Occupancy Permits in Feb/Mar 2015

Achieved Close to 80% Committed Occupancy,
out of which 65% are Flagship Stores or New-to-Market Brands

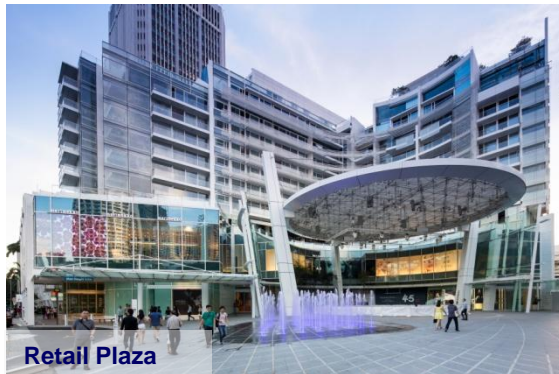
- An underground pedestrian link, which seamlessly connects City Hall Mass Rapid Transit Interchange Station (serving the North South Line and the East West Line) to Basement 2 of Capitol Piazza, opened on 15 April 2015.



Underground Pedestrian Link



Neue – Newly-Built Retail Wing



Retail Plaza



Arcade – Heritage Shopfronts

Three Unique Retail Zones

Neue

- Located in the newly-built retail wing, Neue plays host to the world's most prestigious brands, preeminent flagship stores and new-to-market retail concepts.

Galleria

- Linking the conserved Stamford House, Capitol Building and Capitol Theatre, Galleria offers a unique alfresco street-dining ambience along an air-conditioned sheltered promenade.
- New-to-market dining concepts include trendy cafés, chic bars and bistros, as well as world-class restaurants.

Arcade

- Housed in the immaculately conserved Capitol Building, the Arcade is where world celebrated luxury brands take presence in street front heritage stores.

Capitol Piazza – A Selection of Exciting New-to-Market Brand Names



Frey Wille (Arcade)

The leading global name in artistic precious enamel jewellery.



MAX.TAN (Neue)

Touted by Vogue Magazine as one of the hottest names in fashion - MAX.TAN's first store worldwide.



Napapijri (Neue)

European contemporary fashion label synonymous with expeditions and travels – Napapijri's first store in Southeast Asia.



Marimekko (Neue)

An established Finnish textile and clothing design house renowned for its iconic prints – Marimekko's first store in Singapore.



Branché (Neue)

Japanese luxury hair styling and nail services salon by award-winning stylists – Branché's first store outside of Japan.

Capitol Piazza – A Selection of New-to-Market Dining Concepts



Dazzling Café (Galleria)

Celebrity-favourite Taiwanese pastry café renowned for their Honey Toasts and Pastas – Dazzling Café's first outlet in Singapore.



Four Seasons (Neue)

London's best loved restaurant for roasted duck - Four Seasons Restaurant's first store in Singapore.



Pho Tai (Neue)

Parisian Vietnamese restaurant widely acclaimed by food critics all over the world - Pho Tai's first store in Singapore.



Teuscher Chocolates (Neue)

Voted Number 1 in National Geographic Travel's "TOP 10 Best Chocolates in the World" - Teuscher's first store in Singapore from Zurich.



Spizza Mercato (Neue)

Serving up authentic thin-crust wood-fired pizzas, Italian pizzeria - Spizza Mercato's new concept store.

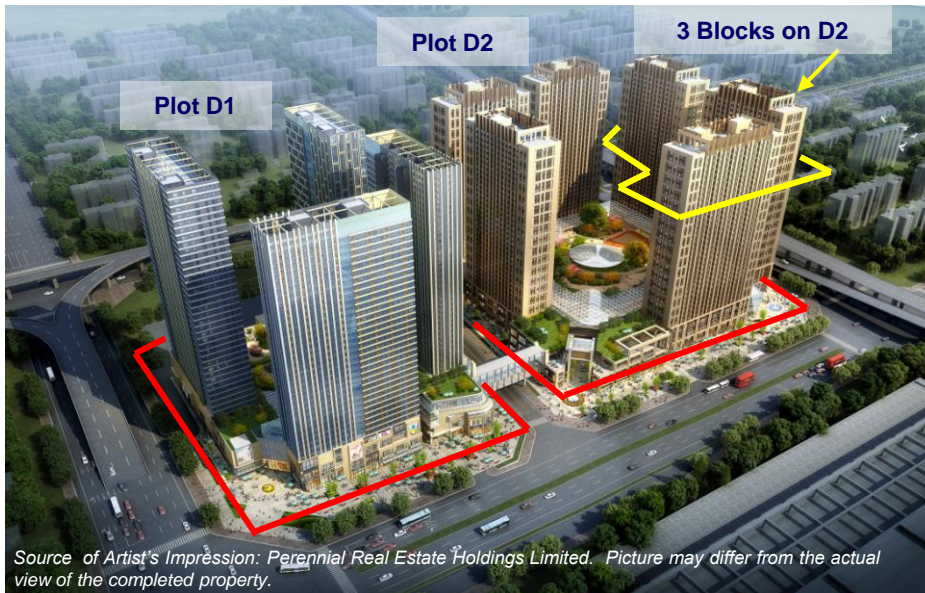
BUSINESS HIGHLIGHTS

CHINA

Chengdu East HSR Integrated Development Plot D – Development Progress Update

Three 35-Storey Commercial Apartment Blocks on Plot D2 Have Topped-Out
Pre-Sale Permits for Two of the Three Blocks have been Obtained

Artist's Impression



On-Site Photo – 3 Blocks on D2



- Plot D comprises Plot D1 (GFA of ~2.5 million sq ft) and Plot D2 (GFA of ~2.8 million sq ft).
- Pre-Sale Permits for two blocks on Plot D2 have been obtained, with the application for the third permit underway.
- The three blocks on Plot D2 are expected to house more than 1,100 units of commercial apartments and some retail shops.
- Two bus interchanges, Western and Eastern bus interchanges, previously served the Chengdu East HSR Station. Since January 2015, the Western Interchange has been closed down, and all its bus lines have been redirected to the Eastern bus interchange, which is located opposite Plots C and Plots D.

Perennial Dongzhan Mall, Chengdu – Development Progress Update

One Wing of the 3 million sq ft GFA Regional Mall Has Achieved Topping-Out

Artist's Impression



On-Site Photo



- Sub-structural works have reached level five in some parts of the building and one wing of the development has topped-out.
- Strengthened cosmetic and skincare trades with a number of committed international brands such as Hardy's (from Australia) and Haba (from Japan).
- Exploring a health and wellness theme to anchor part of the mall to expand the breadth of offerings to the Sichuan community.
- The mall is expected to commence operations by 2Q 2016.

Chengdu High Speed Railway Station – Growing Commuter Traffic



Beijing Tongzhou Integrated Development – Development Progress Update

Integrated Development Connected to Key Subway Interchange
GFA of 6.6 million sq ft and expected to Comprise Retail, Office, and Residential

Artist's Impression



- Foundation works for the new link bridge, connecting the development to a largely-residential precinct across the famous Grand Canal, is close to completion.
- Site preparation work for future piling activities is in progress.
- Extensive construction work for the S6 subway line is currently underway.

On-Site Photos

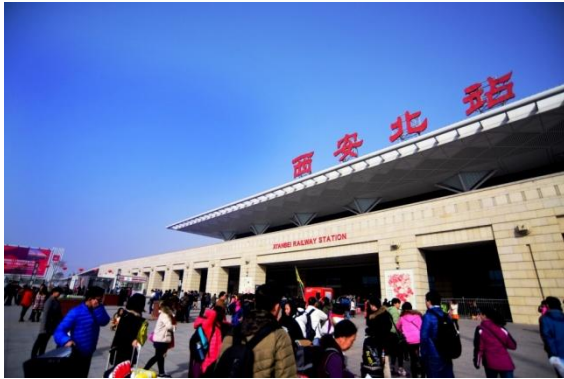


Xi'an North HSR Integrated Development Plots 4 and 5 – Development Progress Update

Excavation and Construction Works Continue to Progress On-site



Xi'an North High Speed Railway Station – Growing Commuter Traffic



Zhuhai Hengqin Integrated Development – Development Progress Update

Integrated Development Connected to Hengqin Immigration Plaza
GFA of 1.5 million sq ft and expected to Comprise Retail, Office, Hotel and Residential

Artist's Impression



Source of Artist's Impression: Perennial Real Estate Holdings Limited. Picture may differ from the actual view of the completed property.

On-Site Photo



- Piling works and construction of diaphragm walls are currently in progress.

Operating Assets – Previously Perennial China Retail Trust's Portfolio

Optimising Portfolio with Operational Retail Portfolio Committed Occupancy at ~ 92.5%

- **Shenyang Longemont Shopping Mall**
 - ✓ H&M, Swedish fashion giant, has committed to take up over 21,500 sq ft on Level one and is expected to commence trading in 3Q 2015.
 - ✓ Popular local fashion brands, such as Z'DORZI (卓多姿) and SEE your STORY (西雅朵朵), commenced trading in 1Q 2015.
- **Shenyang Longemont Offices**
 - ✓ One tower is effectively fully leased and the second tower is 7% leased. Newly secured tenants include FILA, CR Power (华润电力), Che Tuan.com (车团) and Wen Shang Investments (文商投资).
- **Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu**
 - ✓ Strengthen tenancy mix by introducing more fashion offerings and other trades.
 - ✓ Execute marketing and promotional activities to grow shopper traffic and tenants' sales.



Shenyang Longemont Shopping Mall –
Push Up for Love Event



Perennial Qingyang Mall, Chengdu –
Running Man Event



Perennial Jihua Mall, Foshan –
Lion Dance Event

Marketing & Promotional Activities During the May Day Public Holiday (1- 3 May 2015)

Shopper Traffic over the 3-Day Public Holiday Reached over 270,000 at the Shenyang Longemont Shopping Mall



Marketing & Promotional Activities During the May Day Public Holiday (1- 3 May 2015)

Shopper Traffic over the 3-Day Public Holiday Reached over 110,000 & 137,000 at Perennial Jihua Mall, Foshan & Perennial Qingyang Mall, Chengdu respectively



Perennial Qingyang Mall, Chengdu – Local Superstar Talent Show



Perennial Qingyang Mall, Chengdu – Kids Talent Competition



Perennial Jihua Mall, Foshan – May Day Beat Box Battle



Perennial Jihua Mall, Foshan – Parent-Child Activity

THANK YOU

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