

PERENNIAL REAL ESTATE HOLDINGS LTD



FINANCIAL RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2016

 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 2016

Income Statement (1Q 2016 vs 1Q 2015)

\$'000	1Q 2016	1Q 2015	Change
	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015	%
Revenue	29,486	27,054	9
Earnings Before Interest & Tax	26,030	17,243	51
Profit After Tax less Minority Interest ("PATMI")	8,472	3,418	148
<u>Analysis of PATMI</u>			
Operating PATMI	975*	3,418	(72)
Revaluation Gain	7,497	-	Nm
Total PATMI	8,472	3,418	148

* Net of a one-time write-off of intangible asset of S\$1.9 million.

Income Statement (1Q 2016 vs 1Q 2015) – Explanation of Key Income Line Items

Revenue

- Revenue in 1Q 2016 was mainly contributed by CHIJMES and TripleOne Somerset in Singapore, as well as Perennial Jihua Mall and Perennial Qingyang Mall in China.
- The higher revenue in 1Q 2016 versus 1Q 2015 was mainly due to higher project management fee in 1Q 2016 and higher revenue recorded by Perennial Qingyang Mall, Chengdu.

Earnings Before Interest and Tax (“EBIT”)

- EBIT for 1Q 2016 was contributed by the operational assets in Singapore and China (per Revenue above), and higher share of results from associates and joint ventures.
- The higher EBIT in 1Q 2016 versus 1Q 2015 was due to higher share of results from associates and joint ventures which came from the Group’s share of fair value gain of S\$7.5 million on revaluation of Chengdu East High Speed Railway Integrated Development Plot D2 (“**Chengdu Plot D2**”) and share of results of AXA Tower which was acquired in 2Q 2015.
- Chengdu Plot D2, originally designated as a mixed-use apartment and retail development, was classified as a ‘Property Held for Sale’ and had a book cost of RMB1,058¹ million. It is 50-50 owned by the Group and Shanghai Summit Property Development Limited (上海长峰房地产开发有限公司) (“**Shanghai Summit**”). In January 2016, the Group entered into a Memorandum of Understanding with Shanghai Summit and Shanghai RST Chinese Medicine Co., Ltd (上海人寿堂国药有限公司) to establish a 40-40-20 joint-venture management company to operate the premium Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) at Chengdu Plot D2. Concurrently, the Group and Shanghai Summit decided on a change of use for Chengdu Plot D2 from ‘for sale’ to ‘for lease’, and it was reclassified as an ‘Investment Property’. Chengdu Plot D2, measuring about 288,300 square metres in gross floor area, has an ‘As-Is’ valuation of RMB1,130² million and ‘As-If-Complete’ valuation of RMB3,730² million.

Operating PATMI

- Contributed by operational assets in China, offset by a one-time write-off of intangible asset of S\$1.9 million.

1. As at 31 March 2016.

2. Independent valuation on a 100% basis as at 31 March 2016 by Colliers International (Hong Kong) Limited.

Income Statement – Revenue by Segment

	REVENUE		Change	Note
	1Q 2016	1Q 2015		
	\$'000	\$'000	%	
Singapore	14,814	15,557	(4.8)	1
China	7,646	6,419	19.1	2
Management Businesses	9,788	7,558	29.5	3
Corporate and Others	3,893*	-	Nm	
Elimination	(6,655)	(2,480)	168.3	
	29,486	27,054	9.0	

* Management support services charged to wholly-owned subsidiaries which are eliminated when consolidated to the Group.

Notes:

- (1) The marginal decrease was due to lower revenue recorded by TripleOne Somerset in preparation for asset enhancement works and strata-sales which is on track to commence in 2Q 2016.
- (2) The increase was attributable to higher revenue recorded by Perennial Qingyang Mall, Chengdu.
- (3) The increase was attributable to an increase in project management fee.

Income Statement – EBIT by Segment

	EBIT		Change	Note
	1Q 2016	1Q 2015		
	\$'000	\$'000	%	
Singapore	10,237	9,995	2.4	1
China	14,188	5,297	167.8	2
Management Businesses	(15)	1,916	(100.8)	3
Corporate and Others	1,620	35	Nm	4
	26,030	17,243	51.0	

Notes:

- (1) The marginal increase was due to share of results of AXA Tower which was acquired in 2Q 2015. This was offset by lower revenue recorded by TripleOne Somerset in preparation for asset enhancement works and strata-sales which is on track to commence in 2Q 2016.
- (2) The increase was mainly attributable to higher share of results from associates and joint ventures arising from the Group's share of fair value gain of S\$7.5 million on revaluation of Chengdu East High Speed Railway Integrated Development Plot D2.
- (3) The decrease was mainly due to a one-time write-off of intangible asset of S\$1.9 million.
- (4) Amount for 1Q 2016 was largely attributable to investment income received in the quarter.

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

Key Financial Ratios

	As at 31 Mar 2016	Post 4.55% Retail Bonds
Net Debt (S\$' 000)	2,093,181	2,093,181
Total Equity (S\$' 000)	3,773,387	3,773,387
Net Debt to Equity Ratio	0.55	0.55
NAV per Share (S\$)	1.632	1.632
Debt-Weighted Average Term to Expiry (years)	1.82	2.16

	For the Quarter ended 31 Mar 2016	Post 4.55% Retail Bonds
Earnings per Share (cents)	0.51	0.51
Weighted Average Interest Rate (p.a.)	3.4%	3.6%

Issuance of S\$125 Million 4.90% p.a. Fixed Rate Notes

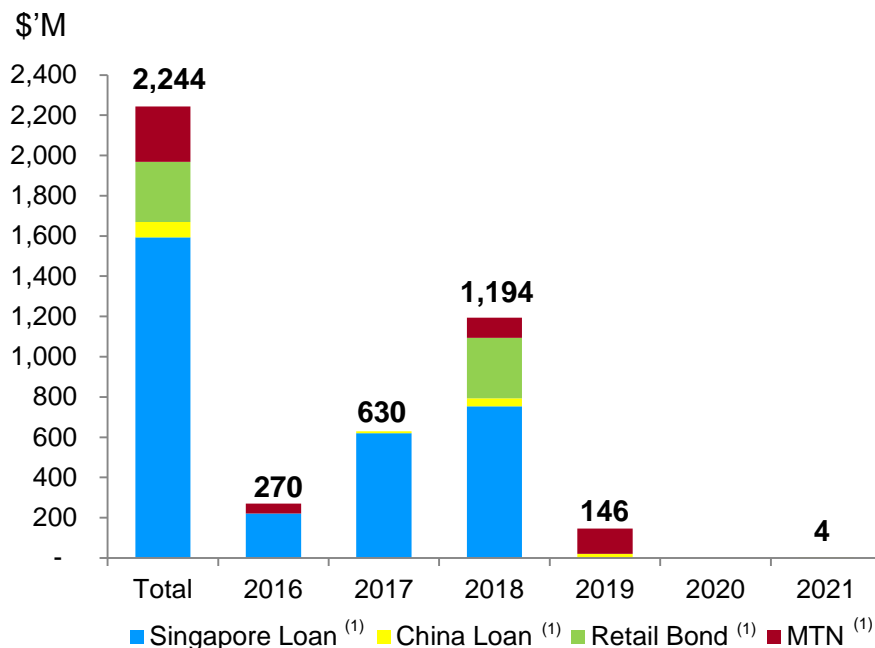
- On 18 March 2016, the Group issued S\$125 million in principal amount of 4.90% p.a. fixed rate notes due 2019 under its S\$2 billion Multicurrency Debt Issuance Programme.

Issuance of S\$280 Million 4-year 4.55% p.a. Retail Bonds (“4.55% Retail Bonds”)

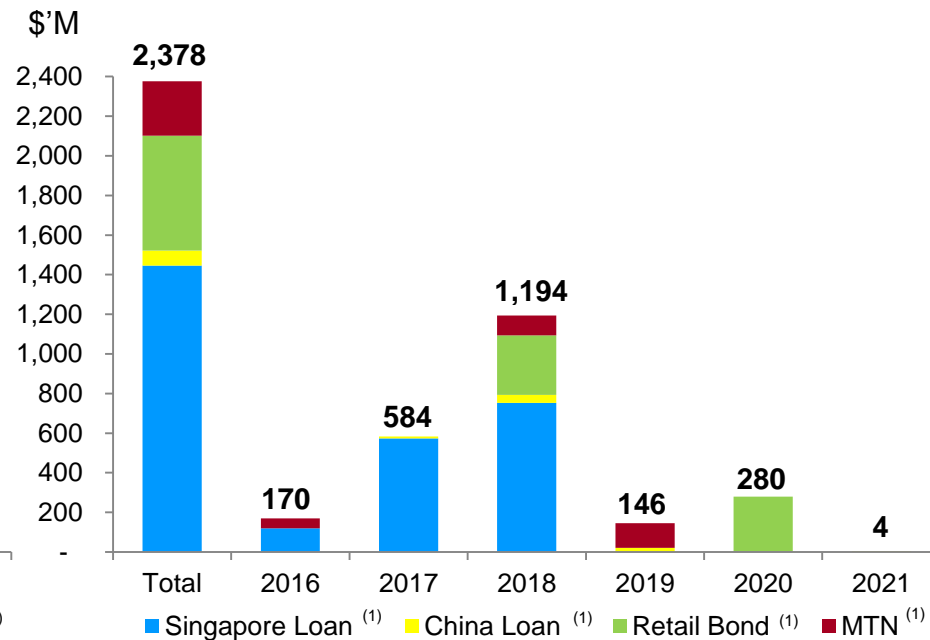
- On 29 April 2016, the Company issued S\$280 million 4-year 4.55% p.a. retail bonds due 2020. Approximately S\$192.9 million of the net proceeds from the issue of the bonds have been utilised towards repayment of indebtedness incurred by certain subsidiaries of the Group.

Debt Maturity Profile

As at 31 March 2016



Post 4.55% Retail Bonds



(1) Being gross amount, without amortised transaction costs.

- Singapore Loans due in 2017 to 2018 comprise consolidated debt of TripleOne Somerset and CHIJMES amounting to a total of ~S\$871 million which are secured against the respective assets.
- Singapore Loans due in 2016 and 2017 comprise amounts drawn and on-lent to Capitol Singapore for repayment of its loan.

Retail Bond Offering Received Strong Demand

Public Offer Tranche Over Two Times Subscribed¹ Total Offer Size Raised to S\$280 million to Meet Demand

- Retail bond offering of 4-year retail bonds which carry a fixed interest of 4.55% per annum was launched at 9.00 a.m. on 21 April 2016 and closed at 12 noon on 27 April 2016.
- The offer received strong interest from both the public in Singapore under a public offer (“**Public Offer**”) and private bank, institutional and corporate investors under a placement (“**Placement**”).
- Placement tranche issued up to the limit of S\$100 million. Total valid subscriptions received for the Offer of ~S\$312.15 million, translated to an oversubscription of over 1.6 times based on initial launch of S\$200 million.
- Total offer size increased to S\$280 million to meet demand.
- Retail bonds commenced trading on the Mainboard of Singapore Exchange on 3 May 2016 under the trading name “Perennial n4.55%200429” and stock code “BSKZ”.



¹ Based on the remaining S\$100 million available for subscription under the initial launch of S\$200 million, following the re-allocation of S\$100 million from the Public Offer tranche to the Placement tranche.

BUSINESS HIGHLIGHTS

SINGAPORE

TripleOne Somerset – Enhancement Works Contract Has Been Awarded

Received all Approvals for the Commencement of Works and
Strata-Sale of Office Space and Medical Suites



- Planning Permit, Written Permission, Building Plan and Share Value approvals have been received for the proposed enhancement works, which include enhancing the retail offerings, incorporating medical suites of ~32,000 sq ft, sprucing up office common areas and strata-sale of the office towers and medical suites.
- Enhancement works contract has been awarded in May 2016. The total cost of enhancement works is not expected to exceed S\$150 million.
- Enhancement works and strata-sale are on track to commence in May/June 2016.



Note: The above artist's impressions may differ from the actual view of the completed properties.

AXA Tower – Enhancement Works and Strata-Sale on Track to Commence in 2Q 2016

Received all Project Approvals for Enhancement Works & Strata-Sale of Office & Medical Suites



- Planning Permit, Written Permission, Building Plan and Share Value approval have been received for the proposed enhancement works and strata-sale of the office space and medical suites.
- Enhancement works include increasing the retail footprint, building a two-storey annex block measuring ~32,000 sq ft to house medical suites, and enhancing the main office lobby and drop-off points.
- Enhancement works and strata-sale are expected to commence in June 2016.

AXA Tower – Completed Car Park Upgrading Works

Installation Of Parking Guidance System In-Line with our Sustainable Business Practices



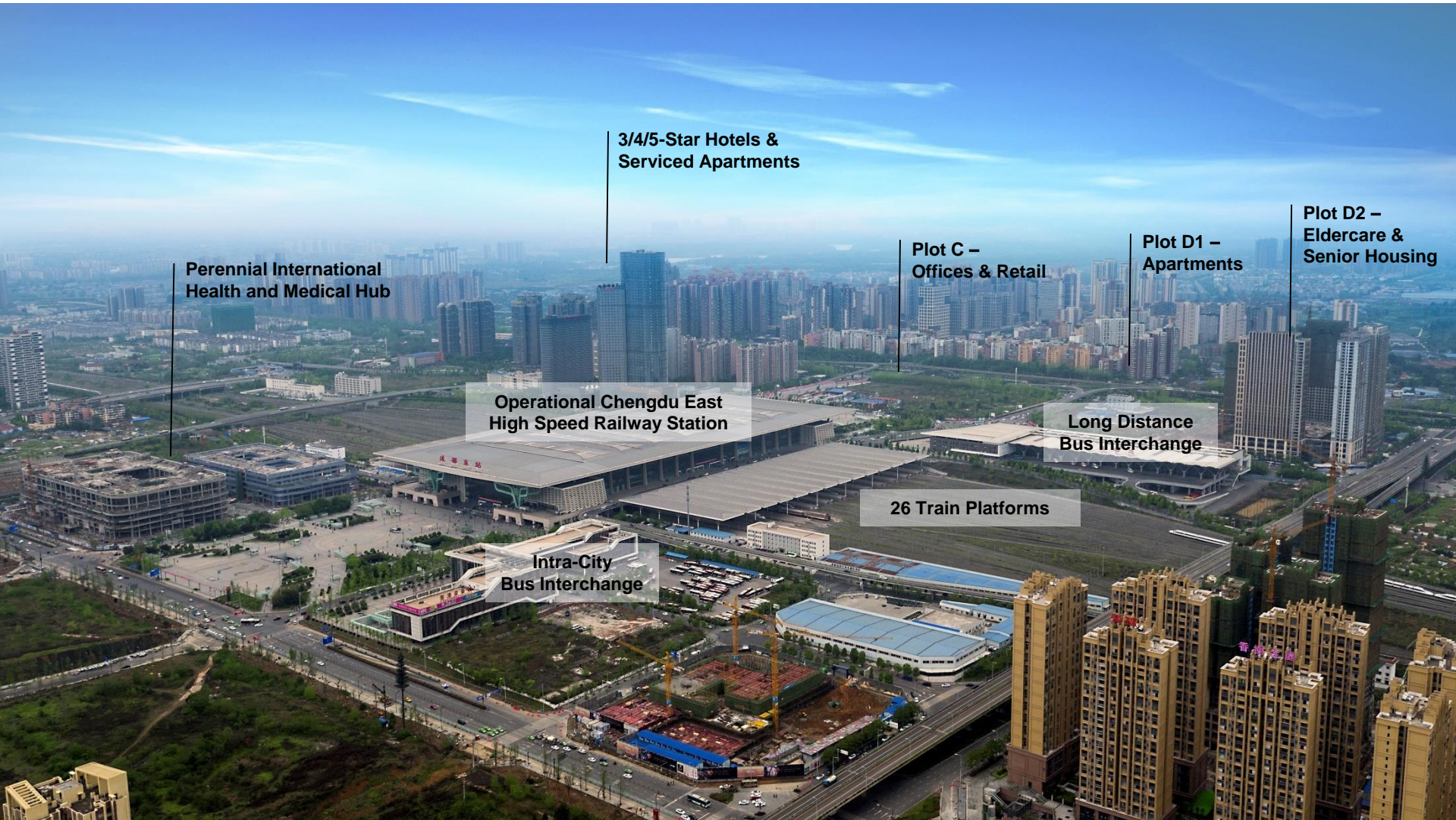
- A series of car park upgrading works were completed in 1Q 2016.
- Improvements to the car park include the installation of the Parking Guidance System, enhancing the wayfinding system, and repainting works.
- Installation of the Parking Guidance System supports the green initiatives pursued at our properties to reduce carbon emission.
- Other than the car park, new directional signages were also installed within the prime integrated development.



BUSINESS HIGHLIGHTS

CHINA

Chengdu East HSR Integrated Development – On-Site Progress Visual



Perennial International
Health and Medical Hub

3/4/5-Star Hotels &
Serviced Apartments

Plot C –
Offices & Retail

Plot D1 –
Apartments

Plot D2 –
Eldercare &
Senior Housing

Operational Chengdu East
High Speed Railway Station

Long Distance
Bus Interchange

26 Train Platforms

Intra-City
Bus Interchange

Chengdu East HSR Integrated Development – On-Site Progress Visual



3/4/5-Star Hotels &
Serviced Apartments

Plot C –
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Plot D1 –
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Plot D2 –
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Long Distance Bus Interchange

Operational Chengdu East High Speed Railway Station

Intra-City Bus Interchange

26 Train Platforms

Perennial International
Health and Medical Hub

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

Construction Works Expected to Complete in 4Q 2016

Artist's Impression



On-Site Photos



- Total committed occupancy stands at over 54%.
- Leasing efforts underway to secure complementary medical and healthcare-related tenants, including Traditional Chinese Medicine clinic, medical equipment operators and diagnostics centre, as well as retail trade tenants, such as food and beverage and lifestyle operators.
- Construction works are expected to complete in 4Q 2016, followed by handover to committed tenants.
- Parts of Block A1 of the development is expected to commence operations in 1Q 2017.



Chengdu East HSR Integrated Development Plot D2 – Development Progress Update

Four Towers Have Topped-out and One Tower Has Completed Façade Cladding Works on Plot D2

Artist's Impression – Plot D



On-Site Photo – Plot D2



- Four towers on Plot D2 have topped out, of which one tower has completed façade cladding works. Another tower is expected to top-out at the end of May 2016.
- Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) will be operating a retirement home, a rehabilitation home and a nursing home in three blocks on Plot D2. Works are underway to convert the three blocks to house the various types of senior housing.
- The Initial phase of Plot D2 is expected to be completed by end-2016, followed by subsequent phases in 1Q 2017.

Chengdu East HSR Integrated Development Plot D2 – Chengdu Xiehe Home

Finalising Design of Show Suites Ahead of Planned Marketing of Homes



- Finalising plans to set-up the show suites to market the various types of senior housing together with our joint-venture partners. Marketing of the various homes is expected to commence in 4Q 2016.
- Chengdu Xiehe Home is expected to commence operations in 2017.

Beijing Tongzhou Integrated Development- Development Progress Update

Construction Contracts have been Awarded for both
Beijing Tongzhou Integrated Development Phase 1 and Phase 2

Artist's Impression



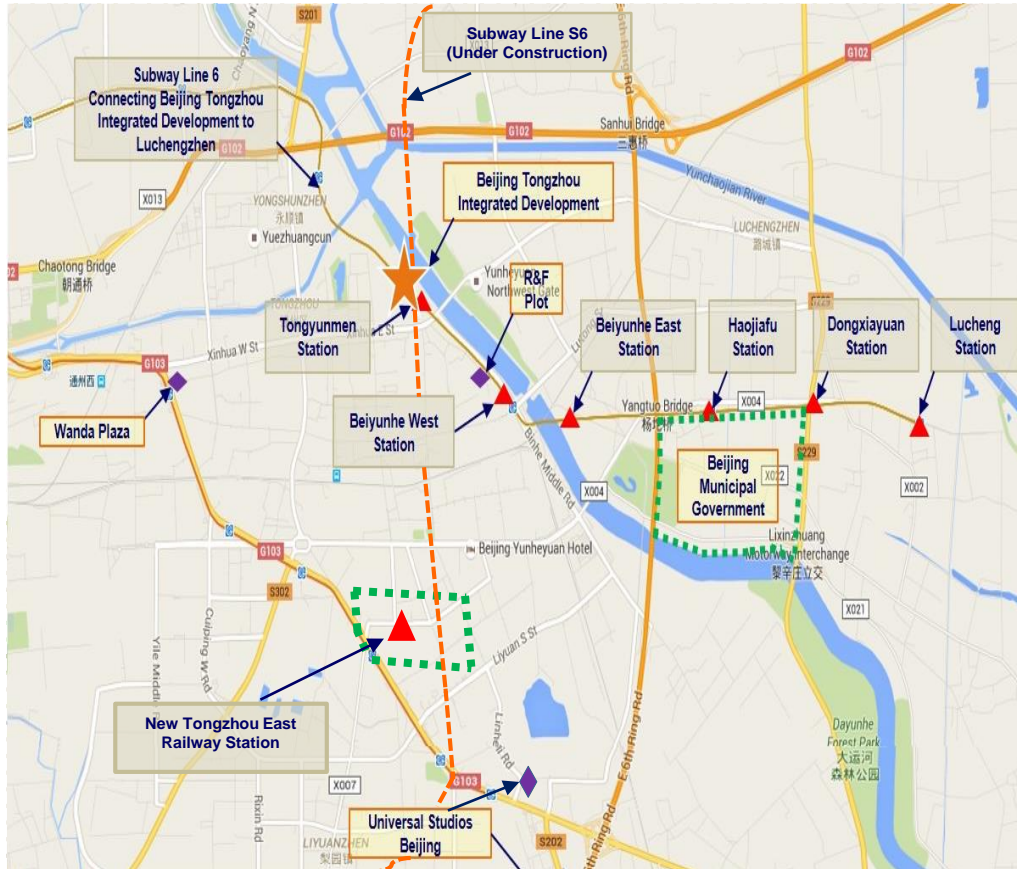
- Excavation works for the development is expected to complete in 2H 2016.
- Structural underground works for Subway S6 line construction is progressing well and has reached basement level.
- Two construction contracts have been awarded to two different parties for Phase 1 and Phase 2 respectively.

On-Site Photos



Beijing Tongzhou District- Further Plans To Enhance Transportation Infrastructure

Expands Transportation Network to Support Expected Surge in Commuter Traffic Ahead of Universal Studios Beijing's Opening in 2020



- With the opening of Universal Studios Beijing in 2020¹, the annual visitor traffic volume in the Beijing Tongzhou vicinity is projected to exceed 10 million to as high as 15 million².
- Plans are underway to enhance the transportation infrastructure network within the vicinity of Universal Studios Beijing, which is about ~9 km from Perennial's Beijing Tongzhou Integrated Development.
- Subway Line 7 extension and BaTong Line South extension will connect to Universal Studios Beijing¹.
- Subway Line S6, which directly links to Beijing Tongzhou Integrated Development, would be connected to Subway Line 7 and Batong Line¹.
- Jing-Tang intercity railway, expected to start construction in 4Q 2016, will locate its starting terminal at the new Tongzhou East Railway Station, which is ~8km from Beijing Tongzhou Integrated Development³.
- Recent launch prices for new apartments in close proximity to the integrated development, such as the R&F plot, has soared to as high as RMB40,000 to RMB60,000 psm.

1. Source: The Beijing News. Dated 3 May 2016.
2. Source: Beijing Tongzhou Official Website.
3. Source: Beijing Government Official Website.

Construction Works Progressing On-schedule

Artist's Impression



- Construction of foundation works continued to progress on-site. Anchor cable and piling works have commenced for Plot 4.
- Plot 4 and Plot 5 are expected to commence operations in 2018 and 2019 respectively.

On-Site Photos



Xi'an North HSR Integrated Development - Set to Enjoy Enhanced Connectivity in Shaanxi Province

Xi'an North HSR Station Positioned as Core Regional Transportation Hub as Part of Shaanxi's Government RMB500 billion Upgrading Plans¹



Perennial has a presence in these cities.



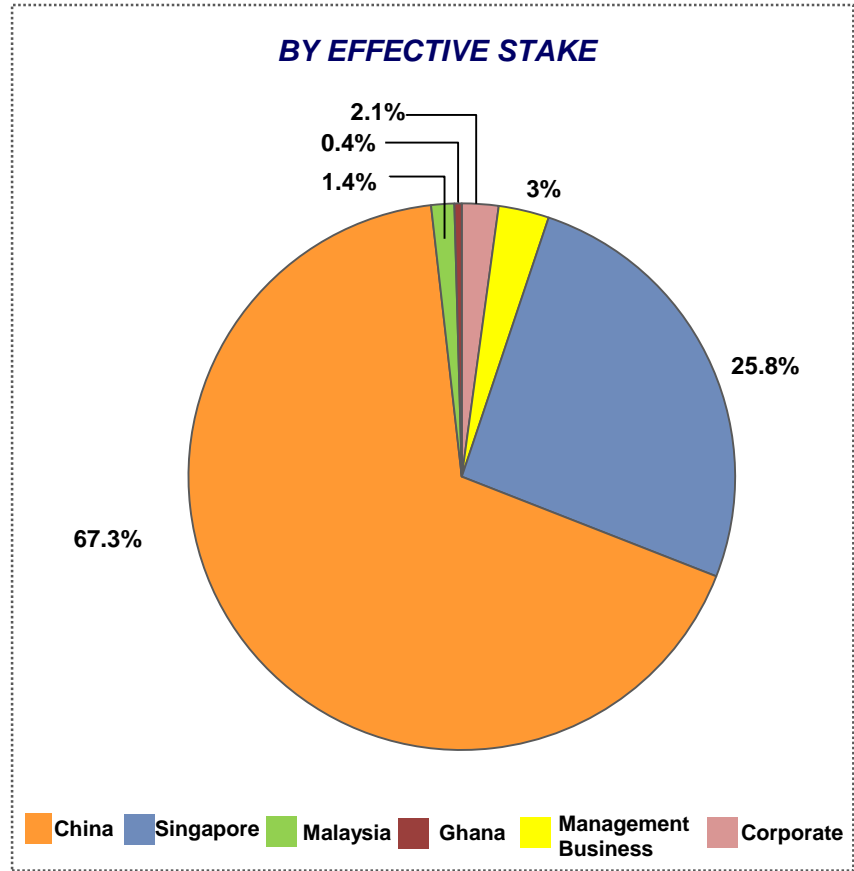
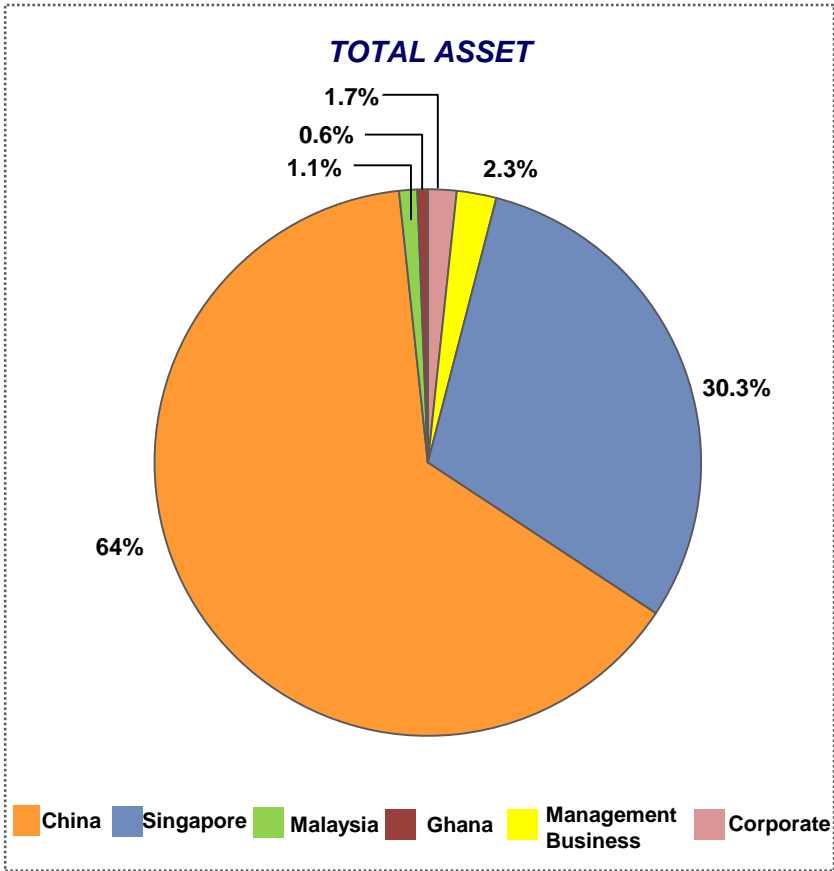
- Shaanxi Transportation Authority announced a RMB500 billion 5-year plan to modernise the transportation network in Shaanxi Province, with Xi'an North High Speed Railway ("HSR") Station positioned as the core regional transportation Hub¹.
- The expanded Xi'an integrated transportation network would allow commuters to reach nearby cities in 3-hours, and Yangtze Delta, Pearl Delta and Beijing-Tianjin-Hebei (Jing-Jin-Ji) in 4 to 6-hours². The Xi'an-Chengdu line is expected to commence operations by the end of 2017³.
- The intercity railway, which connects Xi'an North HSR Station to the Xi'an Xianyang International Airport, is expected to commence operations in 2019³.
- Perennial's Xi'an North HSR Integrated Development is set to benefit from the increased infrastructure investment and enhanced connectivity.

1. Source: CARNOC Website dated 7 April 2016
 2. Source: Xi'an Government Website dated 16 March 2016.
 3. Source: WCC Daily Website dated 21 April 2016.

STRATEGIC HIGHLIGHTS

Total Asset Composition

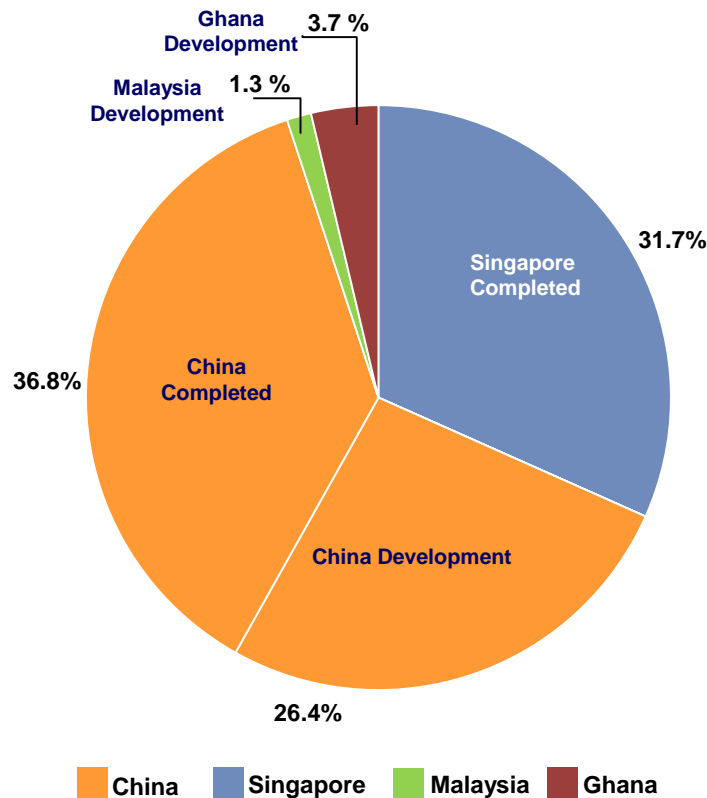
Strategically-Focused on Two Key Markets – Effective Stake China (~67%) and Singapore (~26%)



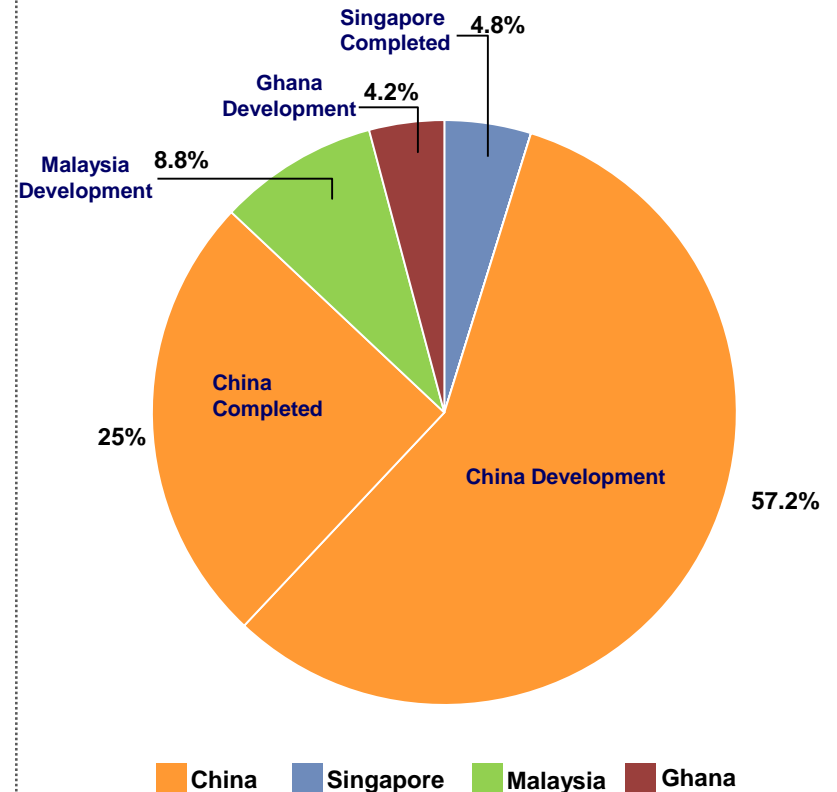
Total Property Composition – By Property Value and By GFA

Singapore Portfolio 100% Completed with Residential Component of Capitol Singapore Achieving TOP in Feb16
Completed Assets which Account for ~69% of Property Value Provide Income Stability

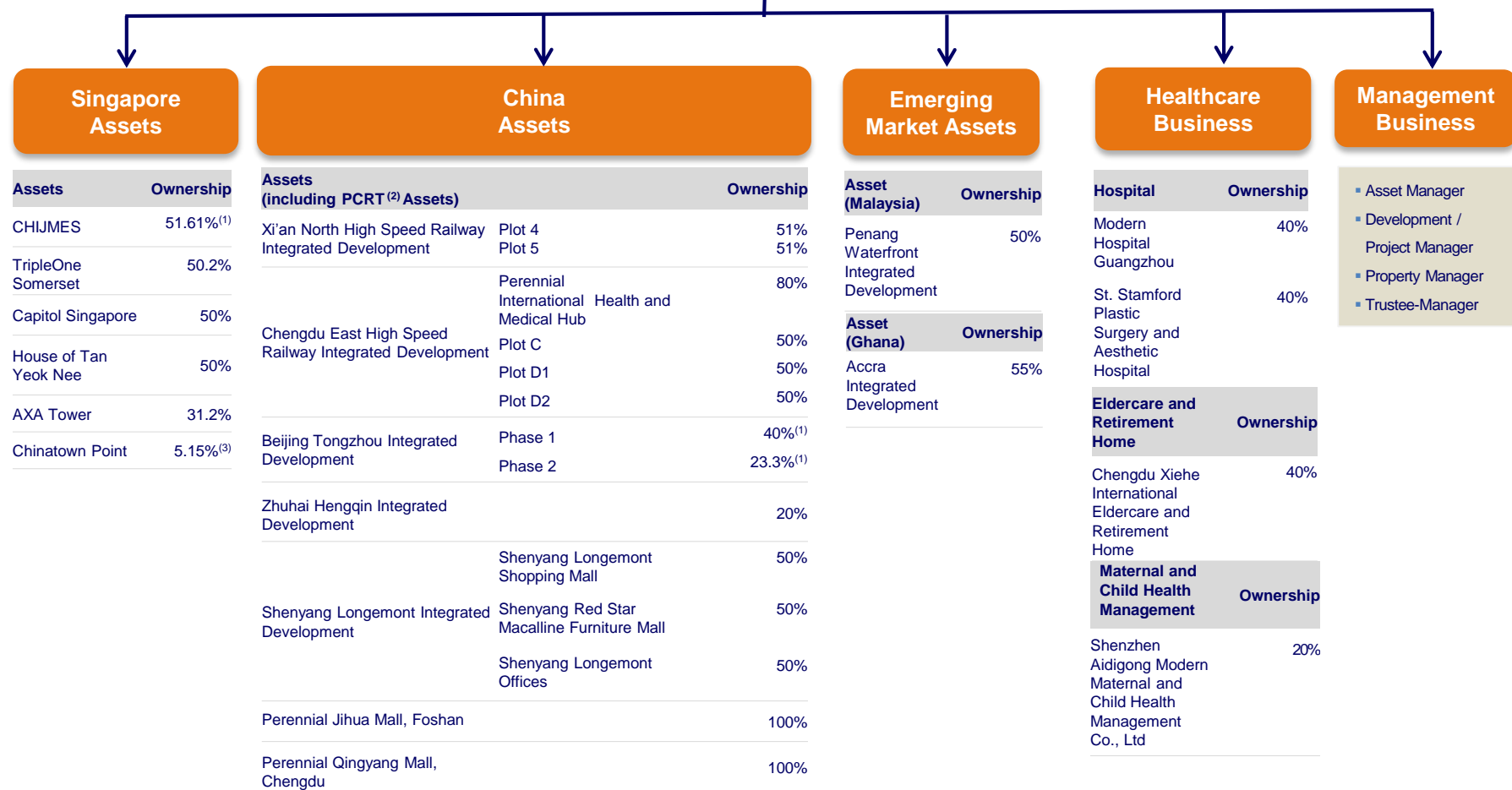
TOTAL PROPERTY VALUE
(Effective Stake Basis)



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



Perennial's Business Structure



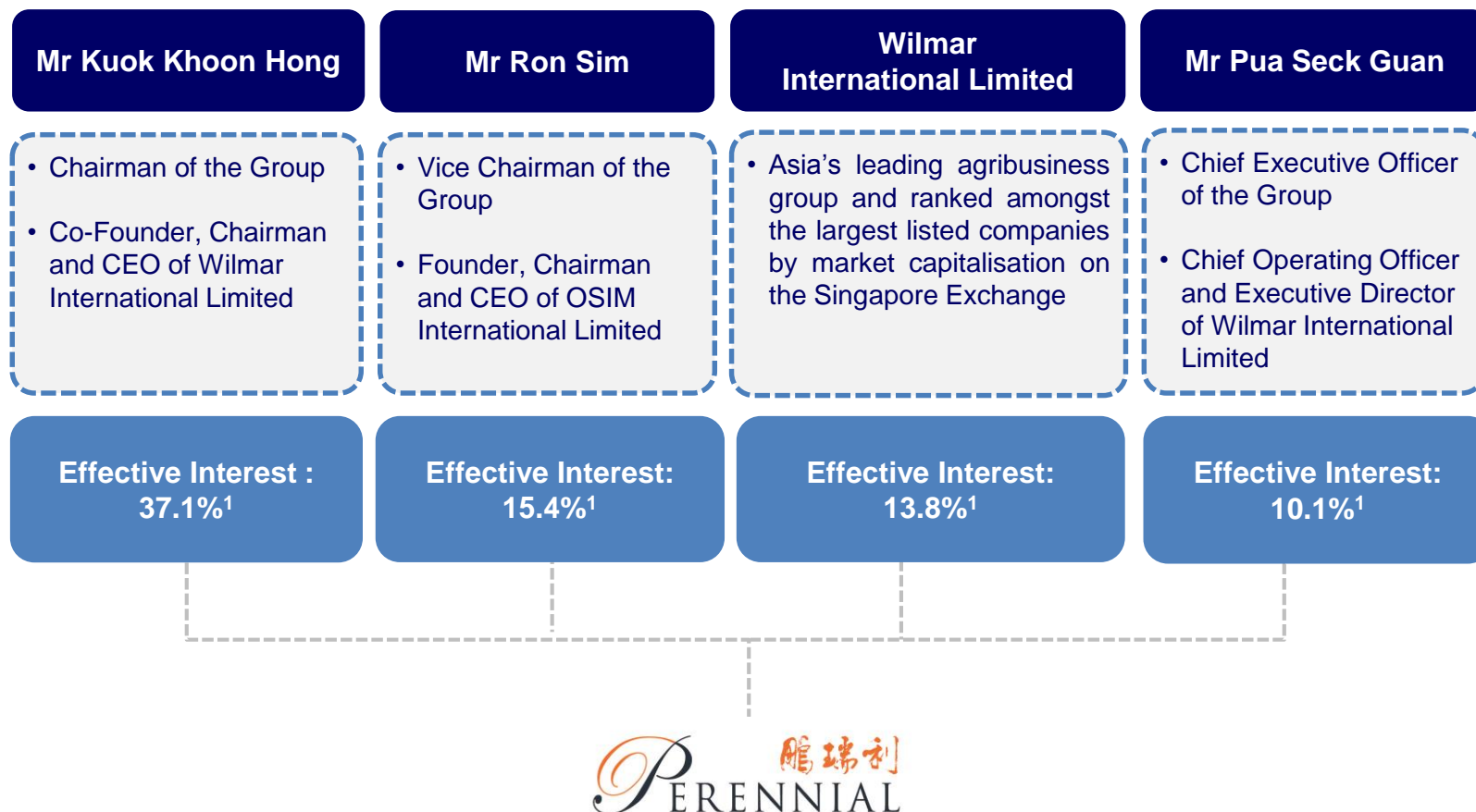
1 Approximate percentage.

2 Following the completion of the compulsory acquisition, PCRT has become a subsidiary of Perennial. PCRT has been delisted from the SGX-ST with effect from 9.00a.m. on 5 February 2015.

3 On 4 March 2016, Perennial acquired an additional effective interest of about 3.68% in Chinatown Point, comprising the retail mall and four strata office units. As a result, Perennial's effective interest in the property increased from approximately 1.47% to 5.15%

Strong Long Term Sponsors with Extensive Network and Business Experience

Perennial's Four Key Sponsors Own an Aggregate Effective Ownership of 76.4%¹



1. As at 31 March 2016.

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