

PRESS RELEASE

8 May 2018
For Immediate Release

Perennial Registered 1Q 2018 Total PATMI of S\$5.1 million

Perennial International Health and Medical Hub in Chengdu set to open on 1 June 2018

FairPrice Finest to open largest wellness-centric store in Orchard precinct at TripleOne Somerset

Singapore, 8 May 2018 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a total profit after tax and minority interest (“**PATMI**”) in 1Q 2018 of S\$5.1 million, lower than the S\$38.7 million registered in the same period last year. The decrease was mainly due to the absence of a one-off gain from the divestment of a 20.2% equity stake in TripleOne Somerset, partially mitigated by higher share of results from associates and joint ventures. Excluding the one-off gain, 1Q 2018 PATMI was higher than the same period last year.

Similarly, in view of TripleOne Somerset’s divestment, the Group’s 1Q 2018 revenue of S\$14.9 million was lower than 1Q 2017 of S\$20.2 million and Earnings Before Interest and Tax (“**EBIT**”) of S\$24.4 million was lower than 1Q 2017 of S\$61.4 million. Both 1Q 2018 revenue and EBIT were higher excluding the effects of the TripleOne Somerset’s transaction.

As at 31 March 2018, the Group’s Net Debt to Equity Ratio (“**DE Ratio**”) was 0.58 times (31 December 2017: 0.57 times). The pro forma DE Ratio following the completion of the acquisition of the 50% stake in Capitol Singapore today stands at 0.70 times.

1Q 2018 Financial Results Summary

	1Q 2018 (S\$M)	1Q 2017 (S\$M)	Change (%)
Revenue	14.9	20.2	(26.1)
EBIT	24.4	61.4	(60.2)
PATMI	5.1	38.7	(86.7)

Real Estate Business

In Singapore, the asset enhancement initiatives at TripleOne Somerset and AXA Tower are progressively taking shape and set to strengthen their appeal to tenants and visitors.

At TripleOne Somerset, FairPrice Finest and Spaces were secured as anchor retail and office tenants respectively. The FairPrice Finest store will occupy about 11,570 square feet (“sq ft”) at the new two-level retail podium which is expected to receive its temporary occupation permit in 2H 2018. It will be uniquely positioned to focus on wellness, featuring a wellness zone at the store front, an integrated pharmacy, a wide range of organic food products as well as an activity area to host health and wellness-related workshops. With 25% of the store dedicated to a wellness-oriented product range, which is at least 40% larger than all other FairPrice outlets in the Orchard Road precinct, the store will be well positioned to capture the growing demand from consumers for health and wellness products. Separately, more than 35,000 sq ft of office net lettable area has been leased to Spaces, a co-working concept by IWG, a global leading provider of flexible workplace solutions. As Spaces’ flagship facility in the prime Orchard Road precinct and its largest site when it commences operations in mid-2019, it will cater to the trend towards a flexible lifestyle-driven workspace environment.

At AXA Tower, new end-of-trip facilities, which include shower rooms at Basement 2 and bicycle parking at Level 1, are expected to be rolled out in 2H 2018 to provide tenants with green transportation options and encourage sustainability. Testament to the quality of the development, total office committed occupancy continued to improve, increasing quarter-on-quarter from 88.8% to 90.8% as at 31 Mar 2018. The Group will continue to explore en-bloc sale opportunities to capitalise on the buoyant Singapore office market and optimise shareholder returns.

The settlement agreement in relation to Capitol Singapore was concluded today with the completion of the acquisition of Chesham Properties Pte Ltd’s 50% stake in Capitol Singapore by Perennial. With full ownership of Capitol Singapore, the Group is in the process of finalising the appointment of the operator for the hotel component from a shortlisted group of established and renowned five-star brands/operators and will announce details in due course.

In China, the Group is gearing up for the official opening on 1 June 2018 of Perennial International Health and Medical Hub (“PIHMH”) at Chengdu East High Speed Railway (“HSR”) Integrated Development, which will be Perennial’s first integrated real estate and healthcare signature showcase.

To date, PIHMH has achieved a total committed occupancy of 87.6%. Mini-anchor tenants, such as Perennial International Specialist Medical Centre, BGI Perennial Genomics Diagnostic Imaging Centre, St. Stamford Plastic Surgery and Aesthetic Hospital and AND Maternal and Child Health Centre, all of which are also Perennial’s healthcare businesses, have completed or are nearing completion of fitting-out works at their premises and are on track to commence operations on 1 June 2018. Mini-anchor tenant Care Alliance Rehabilitation Hospital of Chengdu soft opened in 4Q 2017 and St. Stamford Plastic Surgery and Aesthetic Hospital is preparing to soft open next in May 2018.

At Xi'an North HSR Integrated Development, Perennial's second HSR healthcare integrated mixed-use development, construction works continued to made good progress. On Plot 4, façade cladding works have commenced on the three topped-out towers, while earth excavation works are ongoing on Plot 5, which is positioned for medical and healthcare usage. The intra-city connectivity of the development will also be further enhanced in the years ahead, as the Xi'an North HSR Station will be directly connected to Xi'an Xianyang International Airport and Heshao Village with the new east extension of Xi'an Subway Line 14. Construction on the extension started in April 2018 and is slated for completion in June 2021.¹

Healthcare Business

In April 2018, Shanghai RST Chinese Medicine Co. Ltd ("**Renshoutang**") was awarded the contract to operate the 768-bed Fengxian Second Welfare Home for five years by the Shanghai Fengxian People's Government, strengthening Renshoutang's leadership position in its core market of Shanghai. Other than being the first and largest facility in Fengxian District to provide integrated eldercare, medical care and rehabilitation care services, it will also be the first government-built-privately-operated facility in the district.

Located at No. 89 Wanghe Road, Fengxian Second Welfare Home is about 3 kilometres ("**km**") from the Nanqiao New Town Subway Station, served by Subway Line 5 South Extension Line, and about 48 km from the Shanghai Train Station, 42 km from the Shanghai Hongqiao International Airport and 58 km from the Shanghai Pudong International Airport. The facility will comprise three six-storey blocks spanning a total gross floor area of 34,000 square metres and will be equipped with advanced medical facilities and a holistic suite of amenities such as a library, food halls offering customised menus, art and craft rooms, and green open spaces for exercise and gardening. It will also be equipped with advanced medical facilities, equipment and digital technology to support the medical and rehabilitation needs of residents. Fengxian Second Welfare Home is expected to open in 3Q 2018.

Renshoutang currently operates 3,656 beds and has a committed pipeline of about 8,520 beds, of which 4,021 beds are expected to come on stream this year. In addition, Renshoutang has a potential pipeline of over 13,500 beds.

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¹Source: Huashang Net news article dated 1 March 2018 (<http://news.hsw.cn/system/2018/0301/963453.shtml>).

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About Perennial Real Estate Holdings Limited (www.perennialrealestate.com.sg)

Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia and Ghana with a combined portfolio spanning about 54 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Two of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development and Xi'an North HSR Integrated Development, are regional commercial hubs which are situated adjacent to two of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other landmark projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

In Singapore, Perennial has invested in and manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as CHIJMES, Capitol Singapore, AXA Tower, TripleOne Somerset, House of Tan Yeok Nee and Chinatown Point.

Issued by Perennial Real Estate Holdings Limited

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