

**PRESS RELEASE**

**7 August 2019**  
**For Immediate Release**

**Perennial Registers 2Q 2019 PATMI of S\$2.2 million**

*Capitol Singapore achieves over 90% committed occupancy*

Singapore, 7 August 2019 – Perennial Real Estate Holdings Limited (“Perennial” or the “Group”) registered a total profit after tax and minority interest (“PATMI”) of S\$2.2 million in 2Q 2019, lower than the S\$8.6 million registered in the same period last year mainly due to higher net finance cost attributed to the higher interest rates and additional loans drawn to fund new investments. In addition, interest expenses in respect of Perennial International Health and Medical Hub (“PIHMH”) in Chengdu previously capitalised were expensed off on completion of the project.

The Group’s 2Q 2019 revenue of S\$27.6 million was higher than 2Q 2018 of S\$18.1 million. The significant increase was mainly attributable to the revenue contributions from Capitol Singapore and PIHMH for the full three months in 2Q 2019, as well as higher fee income from the Group’s management businesses. With Capitol Singapore and PIHMH securing over 90% committed occupancy to-date, their contributions to the revenue line are expected to grow as more tenants commence operations over time.

The Group’s 2Q 2019 earnings before interest and tax (“EBIT”) of S\$34.9 million was lower than 2Q 2018 of S\$41.9 million, mainly due to the absence of fair value gain from the revaluation of PIHMH, which was offset by higher share of results from associates, in particular, the gain on divestment of Chinatown Point in 2Q 2019.

For 1H 2019, the Group reported a loss after tax and minority interest of S\$24.8 million, lower than the S\$13.8 million registered in 1H 2018. As at 30 June 2019, the Group’s Net Debt to Equity Ratio was 0.76 times (31 December 2018: 0.72 times).

**Financial Results Summary**

	2Q 2019 (S\$M)	2Q2018 (S\$M)	Change (%)	1H 2019 (S\$M)	1H2018 (S\$M)	Change (%)
Revenue	27.6	18.1	52.4	52.5	33.1	58.7
EBIT	34.9	41.9	(16.8)	39.6	66.4	(40.4)
PATMI / (Loss)	2.2	8.6	(74.9)	(24.8)	13.8	(279.5)

Mr Pua Seck Guan, Chief Executive Officer, said, “Our focus on driving operating performance in 1H 2019 has seen Capitol Singapore’s transformation taking shape with over 90% committed occupancy, 111 Somerset’s office strata sale gaining good momentum, and the Singapore office portfolio registering a strong tenancy rate. The fine-tuning of the operating model at PIHMH, our first integrated real estate and healthcare signature project in Chengdu, has also yielded positive results with all of the medical spaces fully taken up. In the next half year, we will continue to actively explore divestment opportunities to unlock value for our shareholders.”

### **Singapore Real Estate Business**

To-date, Capitol Singapore has achieved a total committed occupancy of 90.2%. The repositioning exercise undertaken at the prime integrated property is fast taking shape as new tenants, such as Wu Pao Chun and Burger King, commenced operations in 2Q 2019. The opening of the Capitol Milk Bar at Arcade@The Capitol Kempinski, the air-conditioned walkway connecting The Capitol Kempinski Hotel Singapore to the rest of the integrated development, added to the gourmet street’s food and beverage (“**F&B**”) offerings by Berthold Delikatessen (German delicatessen) and Frieda Restaurant (German cuisine). Four new F&B concepts, comprising Chalerm Thai (Thai cuisine), La Scala Ristorante (Italian cuisine), El Teatro Tapas (Spanish Cuisine) and Kei Style (Japanese cuisine) are expected to open by 4Q 2019, further strengthening the F&B options for locals and tourists in the Civic District.

At 111 Somerset, the strata-sale of office and medical units continued to gain momentum with about 18 office units sold at between S\$2,555 and S\$2,890 per square foot (“**sq ft**”), and one medical unit sold at more than S\$4,000 per sq ft in 1H 2019. The total year-to-date gross strata sales amounted to approximately S\$48 million. As at 30 June 2019, the new two-storey retail podium registered a committed occupancy of 74.5%. Tenants which commenced operations in 2Q 2019 included Imperial Treasure Steamboat and Jones the Grocer.

Separately, both CHIJMES and AXA Tower registered a high committed occupancy of 98.9% and 96% respectively as at 30 June 2019, providing a steady stream of income for the Group.

### **China Real Estate Business**

PIHMH, part of Chengdu East High Speed Railway (“**HSR**”) Integrated Development, registered a total committed occupancy of 92.8% as at 30 June 2019. The medical spaces at the regional healthcare and commercial hub have been fully leased out. New medical and healthcare-related tenants secured included a blood analysis laboratory, a traditional Chinese medicine hospital, an eye hospital and an orthopaedic clinic. Anchor tenant Gleneagles Chengdu Hospital is progressively completing its fitting-out works and expected to commence operations by October 2019.

Construction works at Xi’an North HSR Integrated Development and Beijing Tongzhou Integrated Development continued to make good progress, while preparation works are underway to apply for the necessary permits to kick-start construction works at Tianjin South HSR Integrated Development and Kunming South HSR Integrated Development in 1H 2020.

## **China Healthcare Business**

Shanghai RST Chinese Medicine Co. Ltd ("**Renshoutang**"), Perennial's eldercare business arm, opened the 400-bed Changzhou Jintan Eldercare and Retirement Home, its first eldercare facility in the city of Changzhou, further strengthening its presence in East China.

Separately, in its stronghold city of Shanghai, Renshoutang progressively opened the 808-bed Renshoutang Wenjin Nursing Home in Hongqiao since end-July 2019. The facility unveiled Renshoutang's first integrated senior housing in China with a dedicated dementia ward, apart from its typical eldercare and nursing care wards. Renshoutang also secured an agreement to manage an upcoming 440-bed facility measuring approximately 18,400 square metres in gross floor area. The new Shanghai Huacao Eldercare and Retirement Home is expected to commence operations in 1Q 2020. To-date, Renshoutang operates about 7,000 beds and has a committed pipeline of over 8,000 beds.

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### **About Perennial Real Estate Holdings Limited ([www.perennialrealestate.com.sg](http://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, Indonesia, Myanmar and Ghana with a combined portfolio spanning over 65 million square feet in gross floor area. Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Tianjin South HSR Integrated Development and Kunming South HSR Integrated Development, are regional healthcare and commercial hubs which are situated adjacent to four of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development, Zhuhai Hengqin Integrated Development, Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

In Singapore, Perennial has invested in and/or manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as Capitol Singapore, CHIJMES, AXA Tower, 111 Somerset, Chinatown Point and House of Tan Yeok Nee.

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### **Issued by Perennial Real Estate Holdings Limited**

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