

PERENNIAL REAL ESTATE HOLDINGS LTD



FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

Income Statement (3Q 2019 vs 3Q 2018)

Explanation of Key Income Line Items

S\$'000	3Q 2019	3Q 2018	Change
	1 Jul 2019 to 30 Sep 2019	1 Jul 2018 to 30 Sep 2018	%
Revenue	38,683	22,229	74.0
Earnings Before Interest & Tax (“ EBIT ”)	21,806	247,494	(91.2)
Profit/(Loss) After Tax less Minority Interest (“PATMI”)	(9,931)	48,264	(120.6)

Revenue

- Revenue for 3Q 2019 was higher by 74.0%, mainly attributable to improved revenue contribution from Perennial International Health and Medical Hub (“**PIHMH**”) and Capitol Singapore which included the sale of a unit in Eden Residences Capitol, offset by lower management fee due to absence of a one-off acquisition fee.

EBIT

- EBIT for 3Q 2019 decreased by 91.2% as 3Q 2018 included a fair value gain of two plots on Beijing Tongzhou Integrated Development Phase 1. The decrease was mitigated by the gain on divestment of our 20% stake in Aidigong. Excluding the fair value gain in 3Q 2018 and divestment gain in 3Q 2019, EBIT would be higher by S\$5.8 million in 3Q 2019, due primarily to better performance of PIHMH and Perennial Qingyang Mall, Chengdu, as well as higher share of results from healthcare associates and joint ventures.

PATMI/(Loss)

- The loss was mainly due to lower EBIT and higher finance costs. Finance costs increased due to higher interest rates.

Income Statement (3Q 2019 vs 3Q 2018)

Revenue and EBIT by Segment



	REVENUE			EBIT			Note
	3Q 2019	3Q 2018	Change	3Q 2019	3Q 2018	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Singapore	22,350	6,623	237.5	1,240	2,981	(58.4)	1
China	12,941	11,306	14.5	22,560	247,905	(90.9)	2
Management Businesses	5,675	6,615	(14.2)	1,358	1,014	33.9	3
Corporate and Others	11	14	(21.4)	(3,114)	(4,168)	(25.3)	
Eliminations	(2,294)	(2,329)	(1.5)	(238)	(238)	-	
	38,683	22,229	74.0	21,806	247,494	(91.2)	

Notes:

- (1) The increase in revenue was mainly due to the higher revenue contribution from Capitol Singapore, including the sale of a unit in Eden Residences Capitol. The decrease in EBIT was mainly attributable to the higher property related costs, including set up costs of new food and beverage outlets.
- (2) The higher revenue was mainly attributable to the improved revenue contribution from PIHMH, Perennial Qingyang Mall, Chengdu and Perennial Jihua Mall, Foshan in 3Q 2019 as compared to 3Q 2018. The lower EBIT in 3Q 2019 was mainly due to the absence of fair value gain of two plots on Beijing Tongzhou Integrated Development Phase 1 in 3Q 2018, mitigated by the gain on divestment of our 20% stake in Aidigong in 3Q 2019. Excluding the fair value gain in 3Q 2018 and divestment gain in 3Q 2019, EBIT would be higher by S\$6.2m in 3Q 2019, due primarily to better performance of PIHMH and Perennial Qingyang Mall, Chengdu, as well as higher share of results from healthcare associates and joint ventures.
- (3) The decrease in revenue from the management businesses was mainly due to the absence of acquisition fees earned from the healthcare joint venture in 3Q 2018.

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

Key Financial Ratios

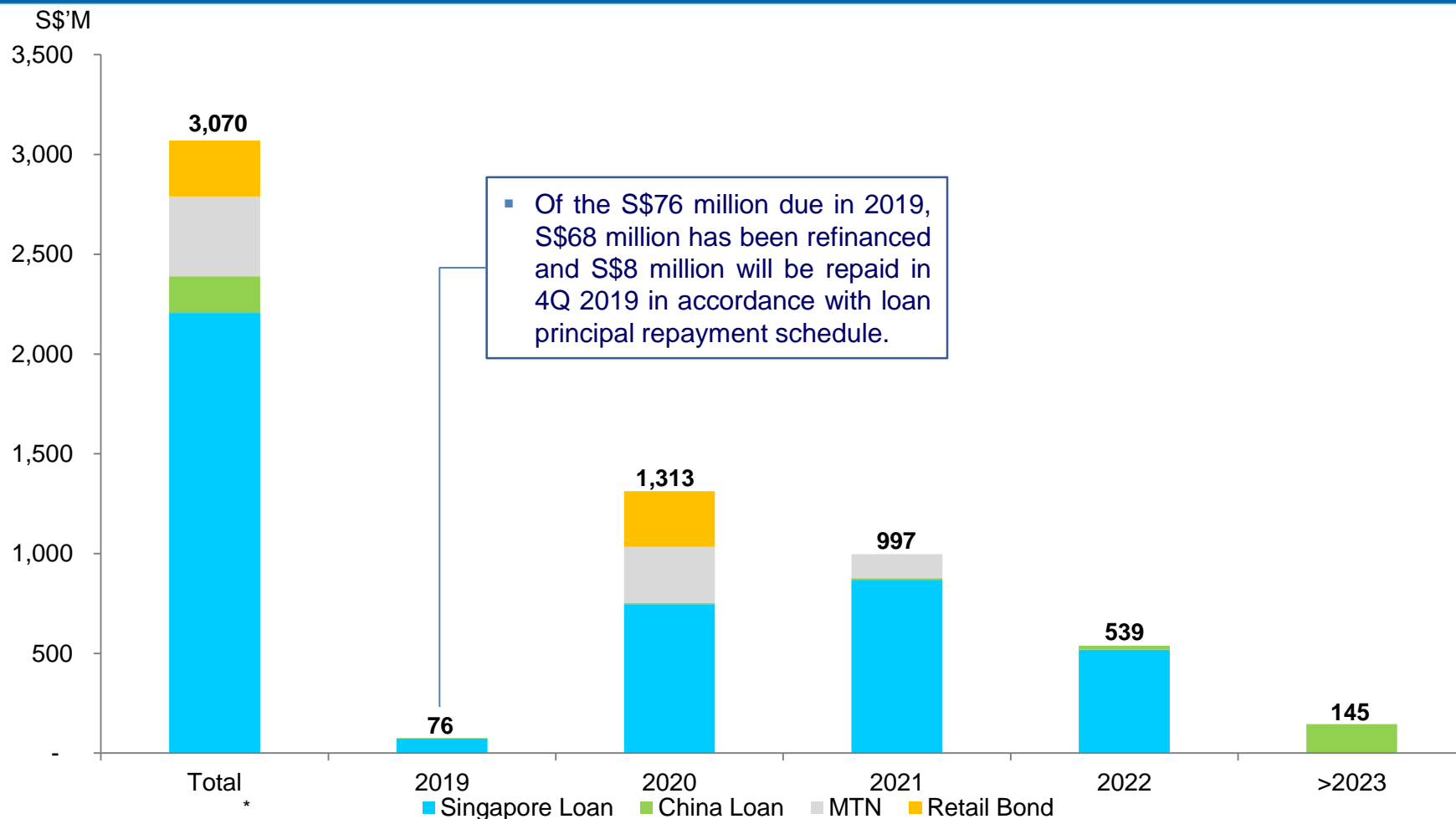
	As at 30 Sep 2019	As at 31 Dec 2018
Net Debt (S\$' 000)	2,961,332	2,861,206
Total Equity (S\$' 000) ⁽¹⁾	3,826,497	3,976,378
Net Debt to Equity Ratio	0.77	0.72
NAV per Share ¹ (S\$) ⁽¹⁾	1.570	1.644
Debt-Weighted Average Term to Expiry (years)	1.75	1.92

	For the Nine Months ended 30 Sep 2019	For the Nine Months ended 30 Sep 2018
Earnings per Share (cents)	(2.09)	3.73
Weighted Average Interest Rate (p.a.)	4.0%	3.8%

Note

1. The lower Equity and Net Asset Value per Share were mainly due to translation loss arising from the depreciation of RMB against SGD during the period.

Debt Maturity Profile – As at 30 September 2019



* Being gross amount, without amortised transaction costs

1. Of the S\$76 million due in 2019, S\$68 million has been refinanced and S\$8 million will be repaid in 4Q 2019 in accordance with loan principal repayment schedule. Refinancing for S\$122 million originally due in 4Q2019 was completed in 3Q 2019.

BUSINESS REVIEW - REAL ESTATE (SINGAPORE)

Capitol Singapore – Occupancy Continues to Grow as Revamp Takes Shape

New Tenants Add Vibrancy to Capitol Singapore's Offerings

- Achieved total committed occupancy of 91.5% as at 30 September 2019.
- New tenants which have commenced operations include Dyson's new concept store, Eccellente by HAOmart – a new-to-market upscale supermarket, NOW Bakery – a new-to-market roll cake dessert spot, Maxi Mango – a popular specialty mango ice cream store from the Philippines, AOE – audio visual equipment supplier, and Xiang Guo Li La – a Chinese mala concept kiosk.
- The Capitol Kempinski Hotel Singapore's three new Food and Beverage establishments - Chalm Thai, La Scala Ristorante and El Teatro Tapas at the Arcade@The Capitol Kempinski, have also commenced operations.



Capitol Singapore – New Dyson Concept Store Commenced Operations

Dyson Opened its First-in-Singapore Concept Store Featuring a Demonstration cum Service Centre

- Dyson, a renowned home technology company from United Kingdom, has leased about 2,000 square feet of space to operate its first-in-Singapore concept store featuring a demonstration and service centre. Known as the Dyson Demo Store – Owner Centre, it is located on Level 1 and opened on 25 October 2019.
- Dyson is a leading designer and manufacturer of household appliances such as its vacuum cleaners, air purifiers and fans. Its iconic products include the Dyson V11™ bagless cord-free vacuum cleaners, Dyson Cool™ bladeless fans and the Dyson Supersonic™ hair dryer. The concept store showcases the latest and widest range of Dyson's retail products and merchandise
- As part of the experiential retail package, customers can also look forward to the interactive experience at the new demonstration cum service centre.



CHIJMES – Well-Positioned as a Top F&B and Lifestyle Destination

Strong Committed Occupancy Close to 100%;
Continued to be Venue of Choice for Premier Lifestyle Events



- Achieved total committed occupancy of 99.7% as at 30 September 2019.
- New tenants which commenced operations included The Tippy Den – a new go-to bar and restaurant, and Mister Wu – a contemporary tea house.
- CHIJMES continued to play host to premier lifestyle events in the quarter, including the well-received Singapore Night Festival which presented Waves of Time by Chips & Toon – a facade projection on the back of CHIJMES Hall.



111 Somerset – Strong Momentum for Strata Sale of Office Units

Retail Podium Attracts Higher Footfall as New Tenants Commence Business

- The new two-storey retail podium registered a total committed occupancy of close to 75% as at 30 September 2019. New retail tenants which have commenced business included Han's Cafe & Cake House, Kumon Learning Centre, Eishinkan Learning School, Medi Beaute, Red Team Hair Salon, Iconic Boutique, and Naoki Yoshihara Hair Dressing.
- Riding on the strong momentum for strata sale of office units, 13 office units and two medical units were sold in 3Q 2019, with total gross sales amounting to approximately S\$40.75 million. In October 2019, another 24 office units were sold, with total gross sales amounting to approximately S\$60.9 million.
- Year-to-date, a total of 47 office and medical units were sold at an average sale price of S\$2,754 per square foot, with total gross sales amounting to approximately S\$119.6 million.

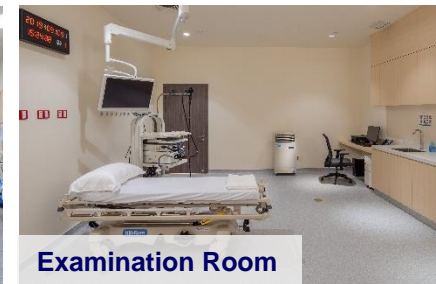


BUSINESS REVIEW - REAL ESTATE (CHINA)

Perennial International Health and Medical Hub, Chengdu – New International Hospital Commenced Operations

Anchor Tenant Gleneagles Chengdu Hospital Soft-Opened with Medical Conference and Tour

- The 350-bed Gleneagles Chengdu Hospital, the anchor tenant at Perennial International Health and Medical Hub, soft-opened on 26 October 2019.
- Measuring over 55,000 sqm and in close proximity to the adjacent Chengdu East High Speed Railway Station, the facility is poised to serve the healthcare and medical needs of the residents in Chengdu City and the Sichuan Province.
- On its opening day, an international medical conference was held and distinguished medical professionals were led on a tour around the new facility.



Construction at Various Stages of Progress

Xi'an North HSR Integrated Development

- On Plot 4, construction for the hotel tower and retail podium block reached Level 26 and ground level respectively. The remaining three towers are undergoing façade cladding works.
- On Plot 5, piling work is underway.



Tianjin South HSR Integrated Development

- Two of three plots of land have obtained their respective building planning permits.
- Obtained approval to set up a General Hospital.



Perennial Kunming South HSR International Healthcare and Business City

- Ground-breaking ceremony was held in September 2019 and graced by Ms Zhou Hongbin, Deputy Mayor of Kunming Municipal People's Government.



BUSINESS REVIEW - HEALTHCARE (CHINA)

Renshoutang – Shanghai Hongqiao's First Integrated Eldercare Facility

Shanghai Wenjin Nursing Home Officially Appointed as Geriatrics Research Centre

- The 808-bed integrated eldercare facility, comprising Shanghai Renshoutang Eldercare and Retirement Home (eldercare), Shanghai Renshoutang Wenjin Nursing Home (nursing care) and Shanghai Changning Xijiao Retirement Home (dementia care), has fully commenced operation
- The facility welcomed its first residents during the quarter. New value-added services offered at the facility include diets which are customised according to the season and the elderly's health condition, and digital health monitoring systems which include smart mattresses and health monitoring watches.
- Shanghai Renshoutang Wenjin Nursing Home was also recently appointed as a Geriatrics Research Centre by the Shanghai Traditional Chinese Medicine (TCM) Geriatrics Institute. The establishment of the research centre promotes exchanges between Renshoutang and the Shanghai TCM Geriatrics Institute to elevate the quality of eldercare services for the community.



Geriatrics Research Centre



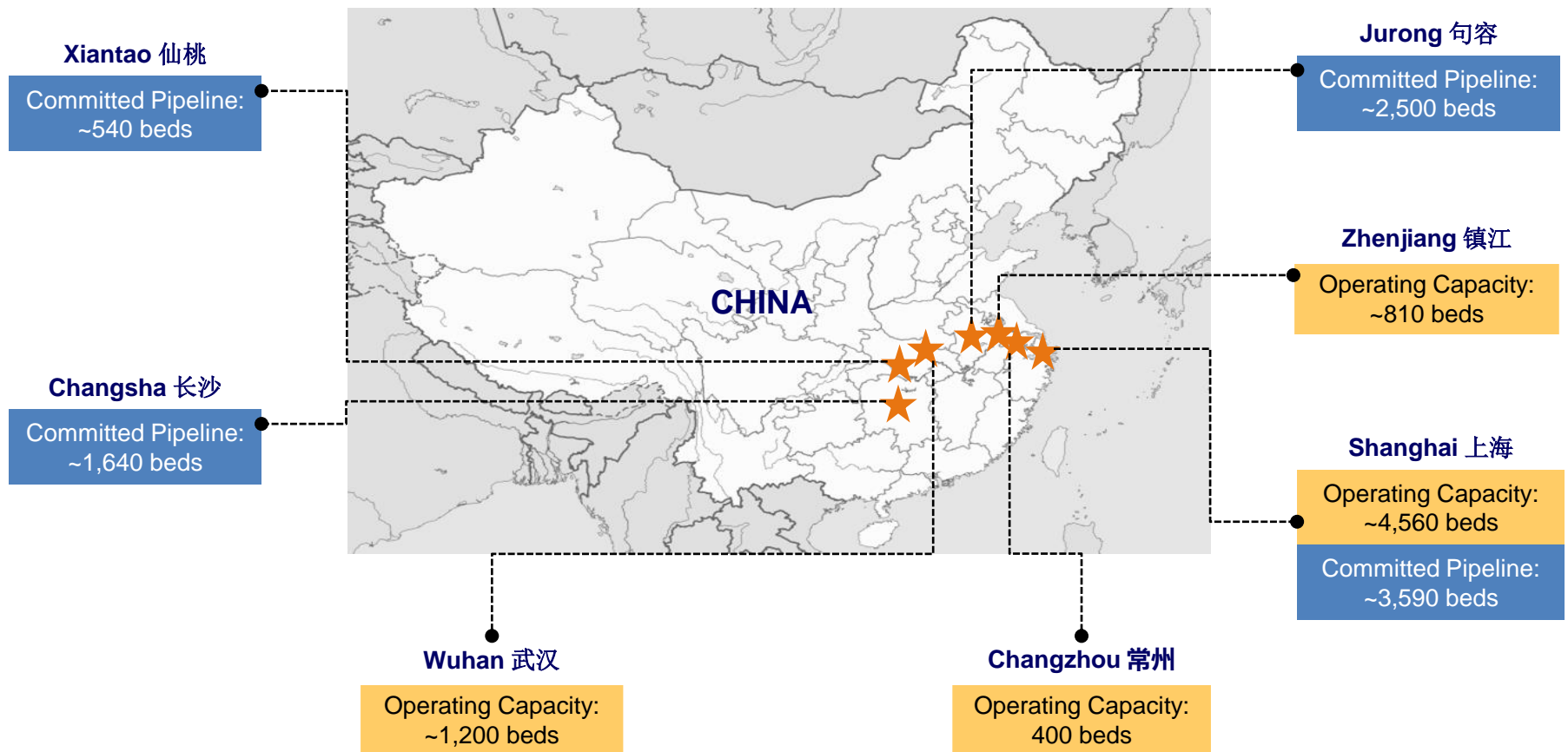
Digital Health Monitoring Systems



Renshoutang – Set to Become One of The Largest Eldercare Operators

Presence in Seven Cities Across China with Current Operating Capacity of about 7,000 Beds

- Renshoutang, the largest private integrated eldercare services operator in Shanghai, currently **operates about 7,000 beds**. It also has a **committed pipeline of over 8,000 beds**.



THANK YOU

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