

PRESS RELEASE

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For Immediate Release

Perennial's 1Q 2017 Total PATMI Increased 356% to S\$38.7 million

Strata sale at TripleOne Somerset and AXA Tower gaining momentum

Healthcare business well-poised to grow with strong pipeline

Singapore, 8 May 2017 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a total profit after tax and minority interest (“**PATMI**”) of S\$38.7 million in 1Q 2017, which is about 356% higher than the S\$8.5 million recorded in the same period last year. The increase was mainly due to the divestment gain from the sale of a 20.2% stake in TripleOne Somerset and the remeasurement gain from the retained 30% stake in the same property.

Revenue of S\$20.2 million in 1Q 2017 was lower than the S\$29.5 million registered in the same period last year, largely due to lower project management fees and lower rental revenue from TripleOne Somerset as the property has commenced asset enhancement works to facilitate the strata sale of the office space and medical suites.

Earnings before interest and tax (“**EBIT**”) for 1Q 2017 of S\$61.4 million was significantly higher than the same period last year, mainly contributed by the partial divestment and remeasurement gains from TripleOne Somerset totaling approximately S\$55.7 million. The increase in EBIT was partially offset by lower share of results from joint ventures, arising from a one-off adjustment from a lease restructuring at Shenyang Red Star Macalline Furniture Mall, lower investment income, and foreign exchange loss.

As at 31 March 2017, the Group's Net Debt to Equity Ratio stands at 0.51 times following the partial divestment of TripleOne Somerset. The Group has also refinanced the CHIJMES loan of S\$196 million which was due in April 2017.

	1Q 2017 (S\$M)	1Q 2016 (S\$M)	Change (%)
Revenue	20.2	29.5	(31.4)
EBIT	61.4	26.0	136.1
PATMI	38.7	8.5	356.4

Real Estate Business

In Singapore, asset enhancement works are underway at TripleOne Somerset and AXA Tower. The strata sale of office space and medical suites at both buildings are also progressing well. Since the launch of the strata sales in 3Q 2016, a number of strata office units have been transacted at an average price of about S\$2,700 per square foot (“**sq ft**”) and S\$2,559 per sq ft at TripleOne Somerset and AXA Tower respectively. To-date, the total strata sales at TripleOne Somerset and AXA Tower amount to about S\$17.7 million and S\$41.0 million respectively.

In China, construction works at Chengdu East High Speed Railway (“**HSR**”) Integrated Development, Beijing Tongzhou Integrated Development and Xi’an North HSR Integrated Development made good progress.

At Perennial International Health and Medical Hub (“**PIHMH**”), part of Chengdu East HSR Integrated Development, some units have been progressively handed over to medical tenants for fitting out since end-April 2017. The total committed occupancy stands at about 60% and the development is expected to commence operations progressively from 4Q 2017.

On Chengdu East HSR Integrated Development Plot D2, the last of six towers has topped out and three towers have completed façade cladding works. Chengdu Xiehe International Eldercare and Retirement Home, which is expected to commence operations in one tower in the first phase, has ramped up marketing efforts and received its first batch of deposits from prospective residents.

Healthcare Business

In end March 2017, Perennial completed the acquisition of a 49.9% stake in RST Shanghai Chinese Medicine Co. Ltd. (“**Renshoutang**”) to become the single largest shareholder of one of the largest private eldercare services operators in Shanghai. The completion of the acquisition also provides a new stream of income for the Group.

Earlier in February 2017, Renshoutang entered into its first public-private-partnership (“**PPP**”) with Jointown Pharmaceutical Group Co., a Shanghai-listed Wuhan pharmaceutical group, and the Wuhan Municipal Government to jointly operate the Wuhan Jiuzhoutong Xiehe Eldercare and Retirement Home (“**Jiuzhoutong Xiehe Home**”) at Tower B of Wuhan Social Welfare Institution. Jiuzhoutong Xiehe Home is expected to comprise 876 eldercare beds and 201 nursing beds, making it the largest eldercare with medical care facility in Wuhan city. The PPP marked Renshoutang’s first foray into Central China and sets the stage for similar collaborative format in new markets.

Separately, in April 2017, the new 342-bed Yixian Baoshan Eldercare and Retirement Home commenced operations and welcomed its first residents, further strengthening Renshoutang’s leading presence in Shanghai. To-date, Renshoutang operates 2,767 beds and has a committed pipeline of about 5,900 beds which are expected to be launched by end 2017. In addition, Renshoutang has a potential pipeline of over 15,400 beds.

In late March 2017, Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd (“**Aidigong**”) soft launched its new 136-bed AND Maternal and Child Health Centre, Shekou in Shenzhen. To-date, Aidigong operates 276 beds in Shenzhen and Beijing, with a pipeline of 80 beds to be launched at an upcoming centre in PIHMH in 4Q 2017.

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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 and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

Perennial is a dominant commercial developer with sizeable integrated developments in China, of which two are regional commercial hubs adjacent to the two largest high speed railway stations in the country, being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development. 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.

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