

# Perennial Real Estate Holdings Ltd



Financial Results For the First Quarter  
Ended 31 March 2018

 PERENNIAL  
The logo features a stylized 'P' in a serif font, followed by the Chinese characters '鵬瑞利' in a traditional style, and the word 'PERENNIAL' in a bold, sans-serif font below.

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 2017

# Income Statement (1Q 2018 vs 1Q 2017) – Explanation of Key Income Line Items



S\$'000	1Q 2018	1Q 2017	Change
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	%
<b>Revenue</b>	<b>14,945</b>	<b>20,229</b>	<b>(26.1)</b>
Earnings Before Interest & Tax (“ <b>EBIT</b> ”)	24,443	61,448	(60.2)
<b>Profit After Tax less Minority Interest (“PATMI”)</b>	<b>5,144</b>	<b>38,662</b>	<b>(86.7)</b>

## Revenue

- The decrease was mainly due to the absence of revenue from TripleOne Somerset as a result of deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. Excluding TripleOne Somerset’s revenue contribution, 1Q 2018 revenue was 10.1% higher, mainly attributable to Perennial Qingyang Mall, Chengdu.

## EBIT

- The decrease was mainly due to the absence of a one-off divestment gain from the sale of the 20.2% equity stake in TripleOne Somerset and the resultant re-measurement gain on the 30% retained stake, totalling approximately S\$55.7 million. Excluding this divestment and re-measurement gain, 1Q18 EBIT would be higher and the increase was contributed by higher share of results from Yanlord Perennial Investment Singapore Pte Ltd and Chinatown Point LLP in Singapore and Shenyang Summit Real Estate Development Co Ltd, in China.

## PATMI

- The decrease in PATMI was mainly due to the absence of the TripleOne Somerset’s divestment gain. Excluding that, PATMI was higher mainly due to higher share of results of associates and joint ventures.

# Income Statement (1Q 2018 vs 1Q 2017) – Revenue and EBIT by Segment



	REVENUE			EBIT			Note
	1Q 2018	1Q 2017	Change	1Q 2018	1Q 2017	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Singapore	3,153	10,203	(69.1)	21,960	61,816	(64.5)	1
China	8,920	7,569	17.8	4,316	5,025	(14.1)	2
Management Businesses	4,773	4,929	(3.2)	1,914	773	147.6	3
Corporate and Others	24	14	71.4	(3,509)	(5,821)	(39.7)	4
Eliminations	(1,925)	(2,486)	(22.6)	(238)	(345)	(31.0)	
	<b>14,945</b>	<b>20,229</b>	<b>(26.1)</b>	<b>24,443</b>	<b>61,448</b>	<b>(60.2)</b>	

## Notes:

- (1) The decrease in revenue was mainly due to the absence of revenue from TripleOne Somerset as a result of the deconsolidation. 1Q 2017 EBIT was mainly contributed by the gain from the divestment of a 20.2% equity stake in TripleOne Somerset totalling approximately S\$55.7 million. Excluding the divestment gain, 1Q 2018 EBIT would be higher by S\$15.8 million and was contributed by higher share of results from an associate.
- (2) The higher revenue was attributable to improved performance of Perennial Qingyang Mall, Chengdu. Variance at EBIT level was due to unrealised foreign exchange loss in 1Q 2018.
- (3) The increase in EBIT from the management businesses was mainly due to unrealised foreign exchange gain in 1Q 2018.
- (4) The improvement in EBIT was mainly attributable to lower foreign exchange loss on USD monetary asset.

# Capital Management & Key Financial Indicators

# Capital Management and Key Financial Indicators



## Key Financial Ratios

	As at 31 Mar 2018	As at 31 Dec 2017	Profoma D/E with Capitol Transaction
Net Debt (S\$' 000)	2,297,642	2,233,083	2,836,000
Total Equity (S\$' 000)	3,987,198	3,915,878	4,071,000
Net Debt to Equity Ratio	0.58	0.57	0.70
Net Asset Value (“NAV”) per Share (S\$)	1.692	1.663	
Debt-Weighted Average Term to Expiry (years)	2.09	2.17	

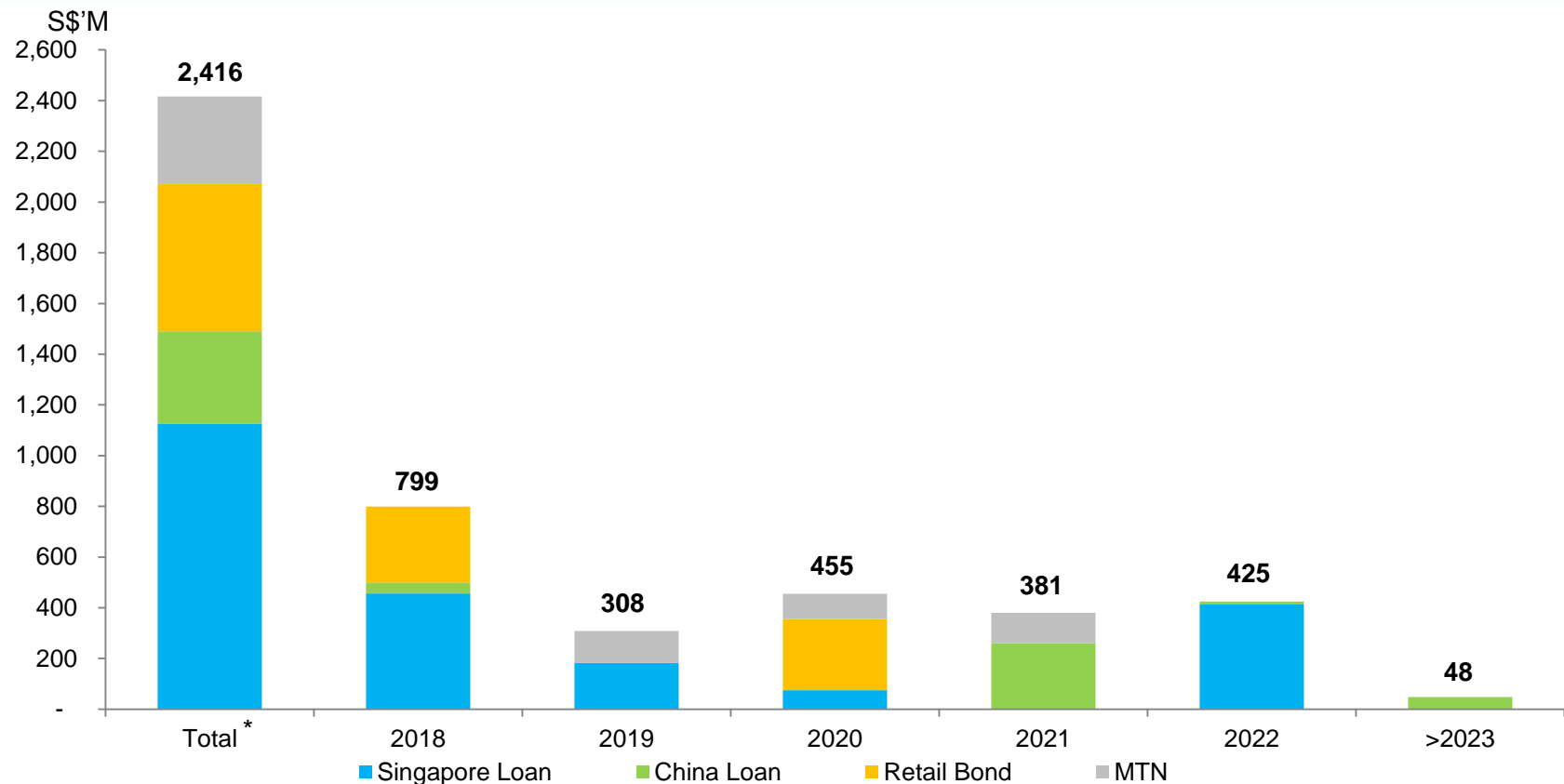
  

	For the Quarter ended 31 Mar 2018	For the Quarter ended 31 Mar 2017
Earnings per Share <sup>1</sup> (cents)	0.31	2.32
Weighted Average Interest Rate (p.a.)	3.9%	3.7%

Notes:

1. Impact of treasury shares has been taken into consideration to derive Earnings Per Share and NAV.

# Debt Maturity Profile – As at 31 March 2018



\* Being gross amount, without amortised transaction costs

1. The borrowings due in 2018 mainly relate to secured loans of S\$330 million, Retail Bonds of S\$300 million and unsecured loans of S\$169 million.
2. In January 2018, Perennial issued S\$120 million of 3.90% p.a. fixed rate notes due in 2021 under its S\$2 billion Multicurrency Debt Issuance Programme (“**MTN**”).



# Business Review - Real Estate (Singapore)

# TripleOne Somerset – New Tenants Set to Reinvigorate Integrated Development

## Secured FairPrice Finest and Spaces Co-Working Space as Anchor Tenants

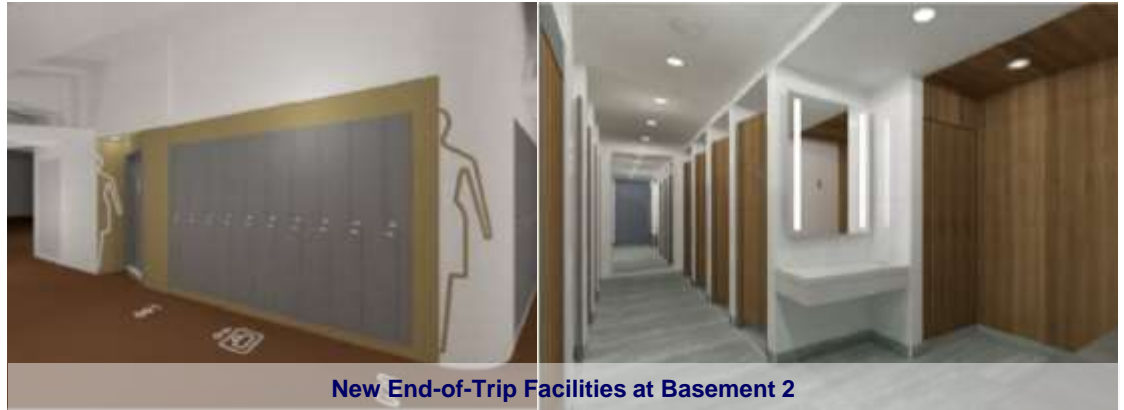


*Artist's Impressions may differ from the actual view of the completed property*

- Secured anchor tenant FairPrice Finest, which will occupy 11,568 sq ft at the new two-level retail podium which is expected to receive temporary occupation permit by 2H 2018.
- Uniquely positioned to focus on wellness, the upscale grocery store will feature 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. The wellness-oriented product range at the store will be at least 40% larger than all other FairPrice outlets in the Orchard Road precinct, with 25% of the store dedicated to such products and services.
- Secured Spaces, a co-working concept by IWG, a global leading provider of flexible workplace solutions, which will open its flagship facility in the Orchard Road precinct. It will be Spaces' largest facility when it commences operations in mid-2019 and will cater to the growing demand for a flexible lifestyle-driven workspace environment.
- Spaces will occupy over 35,000 sq ft spanning two floors and host a wide variety of meeting rooms, conferencing facilities and event spaces offering creative working environments. Its event spaces will serve as great venues for medical and healthcare-related launches and events, and tie in well with TripleOne Somerset's medical and healthcare theme.

# AXA Tower – Enhancing Sustainability Building Features

## Growth in Total Committed Occupancy Supported by Strong Office Demand



*Artist's Impressions may differ from the actual view of the completed property*

- Works on the new two-storey medical annex block, retail podium and office common areas are progressing well and have reached various stages of completion.
- New end-of-trip facilities are expected to be rolled out in 2H 2018. They include shower rooms at Basement 2 and bicycle parking at Level 1 to provide tenants with green transportation options and added convenience.
- Total office committed occupancy improved quarter-on-quarter from 88.8% to 90.8% as at 31 Mar 2018, with new tenants secured including Hyundai Engineering and Construction, Accera Pte Ltd and Gravifield Energy Trading Pte Ltd.
- Continue to explore en-bloc sale with potential parties to achieve optimal returns for shareholders.

# Capitol Singapore – Conclusion of the Settlement Agreement

## Acquired Chesham's 50% Stake to Own 100% Stake in Capitol Singapore



- The acquisition of Chesham Properties Pte Ltd 's (“**Chesham**”) 50% stake in Capitol Singapore was completed today, with Perennial owning 100% of Capitol Singapore.
- The sale of Chesham's 50% stake was completed at a cash consideration of S\$129 million based on a property price of S\$1,028 million, which is 2.6% above Capitol Singapore's 2017 property valuation of ~S\$1,001.8 million.
- Finalising the appointment of the operator for the hotel component from a shortlisted group of established and renowned five-star brands/operators. Details will be announced when appropriate.

# JV with Qingjian Group – Develop Former Goodluck Garden Freehold Site

## Maiden Foray into Pure-Play Residential Development



- In April 2018, Perennial entered into a 40-60 joint venture (“**JV**”) with Qingjian Group of Companies (“**Qingjian Group**”), comprising subsidiaries of Hong Kong-listed CNQC International Holdings Limited (“**CNQC**”) and its minority partners, to jointly develop a freehold residential site with a land area of ~360,130 square feet (“**sq ft**”) at No. 32 to 46, Toh Tuck Road, Singapore (the “**Site**”).
- The Site was sold collectively to subsidiaries of CNQC for S\$610 million (“**Acquisition Price**”). Perennial’s capital commitment (based on the Acquisition Price and stamp duty payable) for its 40% stake in the JV amounts to ~S\$96.5 million, which will be funded by a combination of internal cash and/or bank borrowings.
- Zoned for residential use with a gross plot ratio of 1.4 times, the Site has a maximum permissible gross floor area (“**GFA**”) of ~504,182 sq ft or 554,605 sq ft (based on maximum permissible GFA and including 10% bonus balcony GFA).
- The Acquisition Price translates to a land price of ~S\$1,210 per sq ft per plot ratio (based on maximum permissible GFA).
- Due to a high development baseline, no development charge is payable for the 10% bonus balcony GFA, providing certainty to the land price which works out to a lower S\$1,100 per sq ft per plot ratio.
- The Site is situated in close proximity to Beauty World Mass Rapid Transit Station, Buikit Timah Plaza and Bukit Timah Shopping Centre, and a five-minute drive to the upcoming Jurong Lake District and 25-minute drive to the Central Business District.

# Business Review - Real Estate (China)

# Chengdu East HSR Integrated Development – Bird's Eye View



Perennial International Health and Medical Hub

Perennial International Specialist Medical Centre

St. Stamford Plastic Surgery & Aesthetic Hospital

AND Maternal & Child Health Centre

BGI Perennial Genomics Diagnostic Imaging Centre

3/4/5-Star Hotels & Serviced Apartments

Plot C – Offices & Retail

Plot D1 – Offices/SOHO and Retail

Plot D2 – Eldercare & Senior Housing, Retail & SOHO

Chengdu Xiehe Home

Operational Chengdu East High Speed Railway Station

Long Distance Bus Interchange

26 Train Platforms

Intra-City Bus Interchange

- Perennial's Non-Healthcare Real Estate
- Perennial's Healthcare Real Estate
- Perennial's Healthcare Businesses

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



Regional Medical Hub to Officially Open on 1 June 2018



- Achieved to-date committed occupancy of 87.6%.
- Medical and healthcare-related mini-anchor tenants, such as Perennial International Specialist Medical Centre, St. Stamford Plastic Surgery and Aesthetic Hospital, BGI Perennial Genomics Diagnostic Imaging Centre and AND Maternal and Child Health Centre, which are also Perennial's healthcare businesses, are on track to commence operations on 1 June 2018.
- New retail tenants secured include multi-brand sporting goods retailer Jing Lang Ti Yu 劲浪体育, kids clothing brands Anita Kids and Yishion Kids as well as food and beverage tenant Burano Italian Restaurant.
- Perennial International Health and Medical Hub is on track to officially open on 1 June 2018.



# Perennial International Health and Medical Hub, Chengdu – Marketing and Promotional Activities



## Active Engagement of Potential Visitors Ahead of Opening



Snapshots of Medical and Healthcare-Related Services and Offerings



Opening Promotion

- Marketing activities focused on showcasing Perennial International Health and Medical Hub as a Medical Mall, with integrated medial and retail offerings.
- Promotional outreach to potential visitors through popular platforms in China such as WeChat, a messaging, social media and mobile payment app; and various news sites including CDTV (无限成都), Sina News and Basha时尚.



Snapshots of Complementary Food and Retail Offerings

# Xi'an North HSR Integrated Development – Development Progress Update

## Tower Façade Cladding Works Have Started on Plot 4; Excavation Works Ongoing on Plot 5



- On Plot 4, three towers have topped out and façade cladding works have begun. Construction on another tower has reached seven storeys and foundation works for the last tower have been completed.
- On Plot 5, which recently secured approval for medical and healthcare usage, earth excavation works are ongoing.
- Construction on the east extension of Xi'an Subway Line 14, which will connect Heshao Village and Xi'an Xianyang International Airport via Xi'an North HSR Station, started in April 2018 and is expected to complete in June 2021.<sup>1</sup>



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

# Business Review - Healthcare

## Perennial's First Specialist Medical Centre Concept To Officially Open at PIHMH on 1 June 2018

- Perennial International Specialist Medical Centre is on track to officially open on 1 June 2018 at Perennial International Health and Medical Hub (“**PIHMH**”) within the Chengdu East High Speed Railway Integrated Development.
- Comprising 60 consultation rooms, it will be one of the first specialist medical centre concepts in China hosting doctors from a wide range of specialties.
- To ensure a premium standard of service, all medical and administrative staff are currently undergoing a rigorous training programme. The centre will be also be equipped with advanced medical equipment to serve patients.



New Medical Equipment



Staff Training



New Medical Equipment



Staff Training



# St. Stamford Plastic Surgery and Aesthetic Hospital at Perennial International Health and Medical Hub, Chengdu



## Preparation for Soft Opening in May 2018

- St. Stamford Plastic Surgery and Aesthetic Hospital, which will comprise 36 beds and provide plastic surgery, aesthetic medical and dental services, is expected to soft open in May 2018 at Perennial International Health and Medical Hub located within Chengdu East High Speed Railway Integrated Development.
- The application for the Certificate of Statutory Completion is currently in progress.



Reception Hall



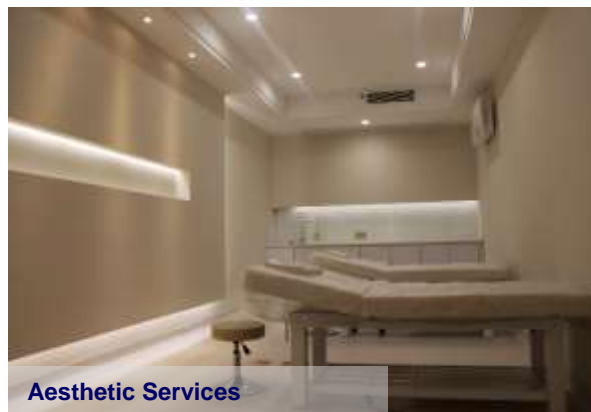
Operating Theatre



Waiting Area



Consultation Room



Aesthetic Services



Dental Services

# Renshoutang Strengthens Foothold in Shanghai with Presence Extended into Fengxian District

## 768-bed Fengxian Second Welfare Home will be the District's First and Largest Integrated Eldercare, Medical Care and Rehabilitation Care Facility

- In April 2018, Shanghai RST Chinese Medicine Co., Ltd (“**Renshoutang**”) was awarded the contract to operate the Fengxian Second Welfare Home for five years by the Shanghai Fengxian People’s Government. It will be the first government-built-privately-operated facility in the Fengxian District.
- Expected to open in 3Q 2018, the facility comprises three six-storey blocks spanning a total gross floor area of 34,000 sqm. It 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.
- Located at No. 89 Wanghe Road, the facility is ~3km from the Nanqiao New Town Subway Station, served by Subway Line 5 South Extension Line. It is ~48 km from the Shanghai Train Station, ~42km from the Shanghai Hongqiao International Airport and ~58km from the Shanghai Pudong International Airport.



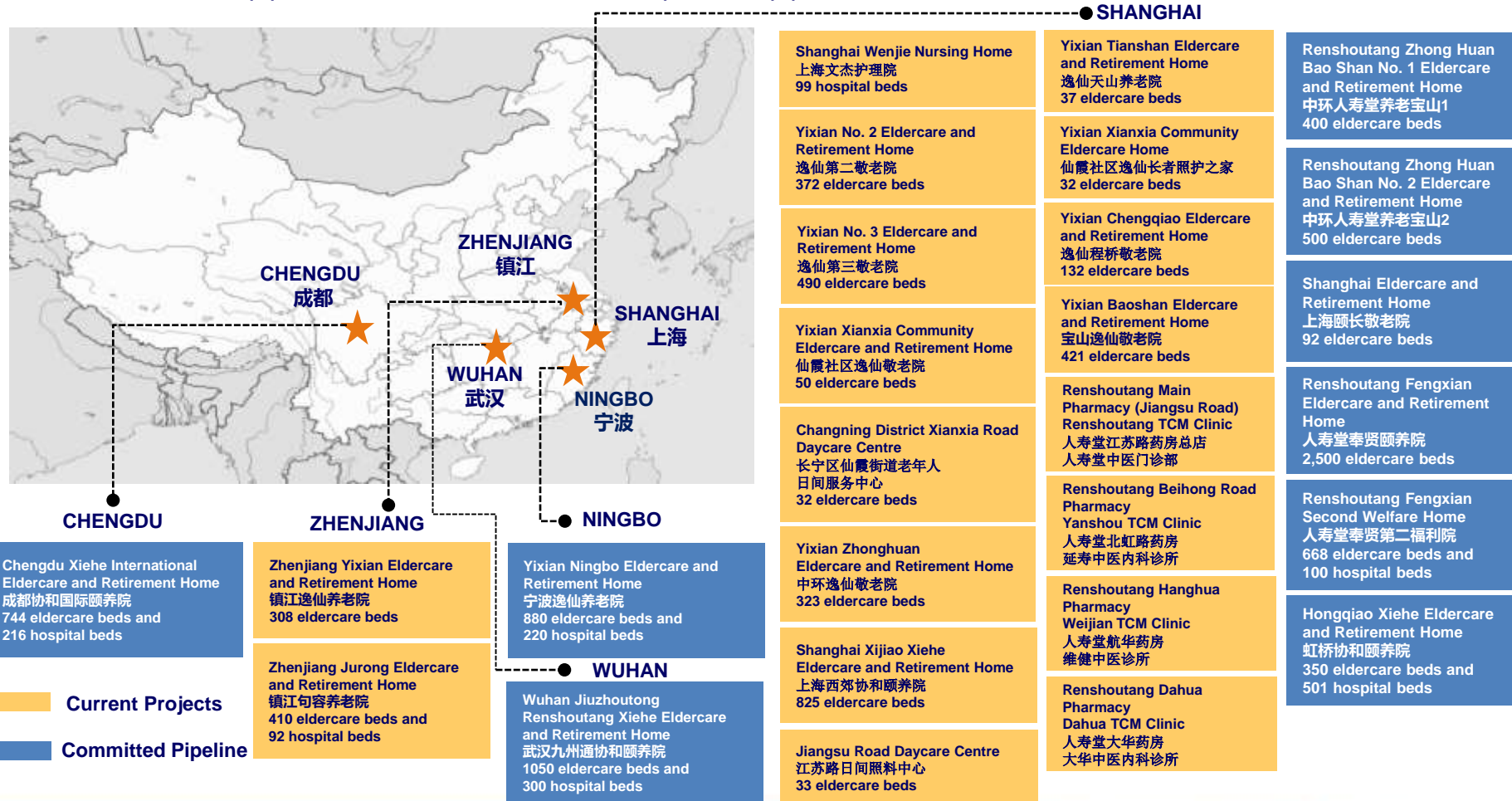
Artist's Impressions may differ from the actual view of the completed property

# Eldercare and Senior Housing – Perennial’s Fastest Growing Healthcare Business Line



**Focused on Leasing, Public-Private-Partnership and Acquisition Models to Achieve Scale**

- Renshoutang, the largest private integrated eldercare services operator in Shanghai, currently operates 3,656 beds. It also has a committed pipeline of about 8,520 beds and a potential pipeline of over 13,500 beds.



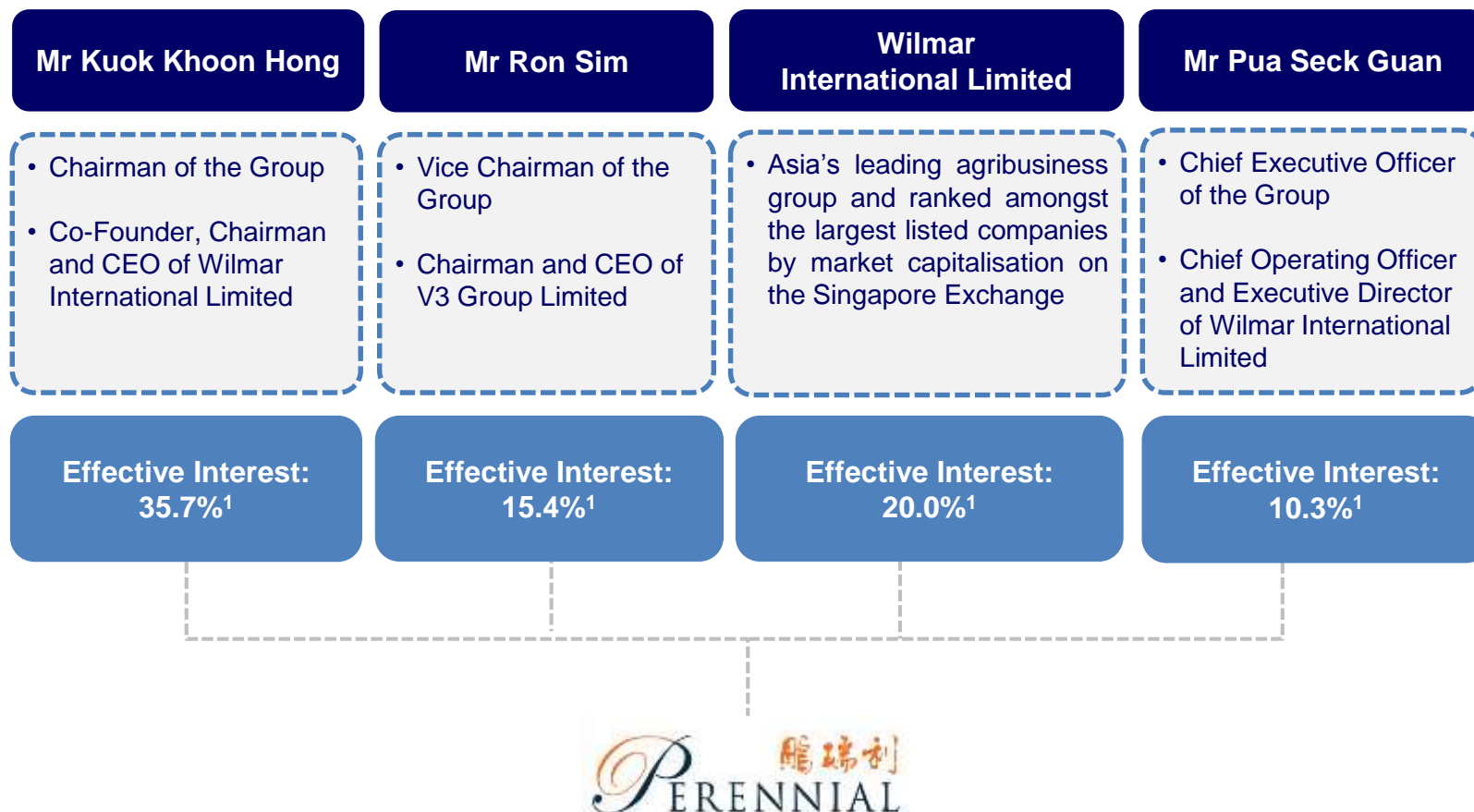
# CORE SPONSORS' HOLDINGS



# Perennial's Reputable and Committed Sponsors



Perennial's Four Key Sponsors Own an Aggregate Effective Ownership of 81.4%<sup>1</sup>



1. As at 31 December 2017.

*THANK YOU*

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