



PRESS RELEASE

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For Immediate Release

Perennial's 3Q 2017 Total PATMI Increased Significantly to S\$16.9 million

Renshoutang opened two eldercare facilities in new market Zhenjiang with over 800 beds and acquired two sites in Shanghai which will yield over 3,350 beds in the next few years

Singapore, 7 November 2017 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a total profit after tax and minority interest (“**PATMI**”) of S\$16.9 million in 3Q 2017, which was significantly higher than the S\$425,000 recorded in the same period last year. The increase was mainly due to the Group’s effective share of results from its associated company, Yanlord Perennial Investment (Singapore) Pte. Ltd. (“**YPIS**”), which launched an offer for United Engineers Limited (“**UEL**”) shares and closed the offer with a stake of 33.5% in UEL (the “**UEL Transaction**”).

Revenue of S\$20.4 million in 3Q 2017 was lower than the S\$35.1 million registered in the same period last year, largely due to the absence of revenue from TripleOne Somerset as a result of the deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. The remaining 30% equity stake in TripleOne Somerset has since been accounted for as an associate. The decrease in revenue was partially offset by higher management business income largely attributable to the one-off consultancy fees earned from the UEL Transaction.

Earnings before interest and tax (“**EBIT**”) for 3Q 2017 of S\$37.5 million was significantly higher than the S\$15.8 million registered in the same period last year due to the UEL Transaction, where the share of results from YPIS included a gain on bargain purchase of S\$25.9 million arising from its acquisition of UEL shares. The increase in EBIT was partially offset by foreign exchange losses.

As at 30 September 2017, the Group’s Net Debt to Equity Ratio stood at 0.59 times.

The Group achieved a total PATMI of S\$72.7 million for the nine months ended 30 September 2017, which was significantly higher than the S\$9.5 million registered in the same period last year.

	3Q 2017 (S\$M)	3Q 2016 (S\$M)	Change (%)	Nine Months 2017 (S\$M)	Nine Months 2016 (S\$M)	Change (%)
Revenue	20.4	35.1	(41.8)	58.5	88.7	(34.0)
EBIT	37.5	15.8	137.1	156.1	60.5	158.0
PATMI	16.9	0.4	nm	72.7	9.5	nm

Real Estate Business

In Singapore, major enhancement works at TripleOne Somerset and AXA Tower are ongoing and expected to progressively complete by 2019. The Group is also proactively managing the strata sale and leasing activities at both developments. At TripleOne Somerset, the total strata sales to-date amount to approximately S\$39.4 million, with a number of strata office units transacted at an average price of about S\$2,731 per square foot. At AXA Tower, the Group is exploring enbloc sale of the entire development with a few potential parties, while more existing tenants have taken up additional space in the building.

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

At Perennial International Health and Medical Hub, part of Chengdu East HSR Integrated Development, the total committed occupancy increased to about 65%. One of the mini anchor tenants, Gu Lian Rehabilitation and Nursing Centre, has completed fitting-out works, while works continued to be in progress for the rest, such as St. Stamford Plastic Surgery and Aesthetic Hospital, Perennial International Specialist Medical Centre, AND Maternal and Child Health Centre and BGI (华大基因). A number of retail and food and beverage tenants have also taken over their units in preparation for renovation works. The development is expected to commence operations progressively from 4Q 2017.

At Xi’an North HSR Integrated Development, majority of the works on Plot 4 have surpassed Level 10, with one block already at Level 22 and another at Level 29. At Beijing Tongzhou Integrated Development, construction works have reached Level 10 on one plot and Basement 1 on another plot, while the construction permit has been obtained for the third of the six plots of land.

Healthcare Business

In China, Shanghai RST Chinese Medicine Co. Ltd. (“**Renshoutang**”) expanded its operating presence beyond its stronghold in Shanghai with the opening of two new facilities in Zhenjiang. Zhenjiang Jurong Yixian Eldercare and Retirement Home, with eldercare and medical facilities, hosts a total of 502 beds, including 92 nursing care beds. Zhenjiang Yixian Eldercare and Retirement Home on the other hand houses 308 eldercare beds. Together, the two homes added over 800 beds to Renshoutang’s operating portfolio, increasing Renshoutang’s total number of operational beds to 3,577 beds.

Renshoutang also further strengthened its foothold in Shanghai with two new acquisitions in the first-tier city.

- The first acquisition at RMB813 million was for a site of about 7,800 square metres (“**sqm**”), located on Hongqiao Road at Changning District, with a total gross floor area (“**GFA**”) of about 36,712 sqm, which translates to approximately RMB22,145 per sqm GFA. The site, which comprises two completed buildings, being a nine storey main block and a seven storey annex block, will be upgraded and developed into Hongqiao Xiehe Eldercare and Retirement Home with eldercare and medical facilities. The home will comprise a total of 850 beds, including 359 nursing care beds. The site is conveniently located next to the Shanghai Zoo Station, which is served by Subway Line 10, about three kilometres (“**KM**”) from the Shanghai Hongqiao International Airport (“**Hongqiao Airport**”) and the Hongqiao Train Station, and about 10KM from the city centre. The facility is expected to commence operations in 3Q 2018.
- The second acquisition at RMB222 million was for a site of about 70,200 sqm, located in Fengxian District, with a total GFA of about 98,150 sqm, which translates to about RMB2,262 per sqm GFA. The site comprises a few blocks of completed five storey buildings and several stand-alone villas with a total built-up area of about 32,500 sqm, and room for further expansion to about 65,600 sqm. The site will be upgraded and developed into Renshoutang Fengxian Eldercare and Retirement Home, which will house a total of 2,500 beds. The site is ideal for senior housing, being about 5KM from the beach and about 48KM and 58KM from the Hongqiao Airport and Shanghai Pudong International Airport respectively. The facility is expected to commence operations in 2020.

As at 30 September 2017, Renshoutang has a committed pipeline of about 7,750 beds and a potential pipeline of over 13,500 beds. The strong demand for quality integrated eldercare facilities and supportive government policies are expected to put Perennial's eldercare business on a strong growth trajectory.

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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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