



## PRESS RELEASE

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For Immediate Release

### Perennial Real Estate Holdings Registers 9M 2016 Total PATMI of S\$9.5 million

*Strata sale of AXA Tower office space transacted at above S\$2,550 per sq ft;  
AXA Tower's two largest anchor tenants renewed leases, further strengthened recurring income*

Singapore, 8 November 2016 – Perennial Real Estate Holdings Limited (“**Perennial Real Estate Holdings**” or the “**Group**”) registered a total profit after tax and minority interest (“**PATMI**”) of S\$0.4 million in 3Q 2016 and S\$9.5 million in 9M 2016.

The Group's 3Q 2016 revenue of S\$35.1 million was higher than the S\$22.9 million registered in the same period last year. The increase was mainly contributed by the strata sales of office space at TripleOne Somerset in Singapore, but was offset by lower rental revenue from the same development, as expiring leases were not renewed in preparation for the asset enhancement works and strata sales which commenced in 2Q 2016.

Earnings before interest and tax (“**EBIT**”) for 3Q 2016 of S\$15.8 million was lower than the S\$18.8 million recorded in the same period last year due to the absence of a one-off investment income received in 3Q 2015. Excluding the one-off investment income, 3Q 2016 EBIT would be higher largely due to strata sales and higher share of results from associates and joint ventures, which own operational malls in Singapore and China and the Group's China medical and healthcare businesses.

Overall, the Group's 3Q 2016 total PATMI of S\$0.4 million was lower than the S\$4.8 million recorded in the same period last year, mainly attributable to higher interest expenses as well as the absence of the one-off investment income. Interest expenses rose as more loans were taken to finance new investments and some of which have started to provide new income streams to the Group.

	3Q 2016 (S\$M)	3Q 2015 (S\$M)	Change (%)	9M 2016 (S\$M)	9M 2015 (S\$M)	Change (%)
Revenue	35.1	22.9	53.2	88.7	89.3	(0.7)
EBIT	15.8	18.8	(15.6)	60.5	61.1	(1.0)
PATMI	0.4	4.8	(91.1)	9.5	17.0	(44.1)

## Real Estate Business

TripleOne Somerset has officially launched the strata sale of its offices space and medical suites at Somerset Tower, one of its two office towers, in August 2016. A few office units were transacted at an average price of above S\$2,600 per square feet (“**sq ft**”). In addition to the office show suite, a sales gallery and a window display fronting Somerset Road were established to market the retail, medical and office space available for lease/sale. Separately, renovation works to facilitate the strata sale of office space and upgrading works at the common corridor and lift area on two levels at Somerset Tower have been completed. A number of strata unit owners and/or tenants have moved in and commenced operations.

At AXA Tower, the main construction contract has been awarded and the total construction cost for the extensive enhancement works is not expected to exceed S\$150 million. The complete suite of works include increasing the retail footprint, building a two-storey annex block measuring 32,000 sq ft to house medical suites, and enhancing the main office lobby, security features and drop-off points. Phase one of the upgrading works, which include the installation of security turnstiles, has commenced. The office lifts will be progressively upgraded with the Destination Control System to reduce waiting time and integrated with the security turnstiles.

Concurrently, the strata sale of office space and medical suites have commenced at AXA Tower and a few office units have been transacted at an average price of above S\$2,550 per sq ft. In addition, AXA Insurance and BOC Aviation, the top two anchor tenants at AXA Tower which together take up a total of about 16.3% of the total net lettable office area, have renewed their leases, further strengthening the recurrent income flow for the Group.

In China, the committed occupancy at Perennial International Health and Medical Hub (“**PIHMH**”) in Chengdu stands at 57.7%. The 280,000 square metres (“**sqm**”) development is expected to receive its Temporary Occupation Permit by the first half of 2017 and commence operations progressively from 2Q-3Q 2017.

Perennial International Specialist Medical Centre (“**Specialist Medical Centre**”), an 11,000 sqm facility to be located at Block A2 of PIHMH and managed by Perennial, has successfully secured over 260 medical specialists from renowned hospitals across various China cities. The hospitals include the First Hospital of China Medical University, Shenyang (中国医科大学附属第一医院, 沈阳), Third Military Medical University, Chongqing (第三军医大学, 重庆), Beijing Xiuzhong Specialist Skin Medical Group (北京秀中皮肤科医生集团), Beijing Caidai Medical Group (北京彩带医生集团), West China Hospital, Sichuan (四川华西医院), Chengdu City No.1 People's Hospital (成都市第一人民医院), Chengdu Western Hospital (成都市西区医院), Chengdu Xinhua Hospital (成都市新华医院), Beijing Fuwai Hospital (北京阜外医院), Beijing Anzhen Hospital (北京安贞医院) and Beijing Tian Tan Hospital (北京天坛医院). The Specialist Medical Centre will comprise a wide range of specialist departments, including Gynaecology and Paediatrics, Oncology, Internal Medicine and Surgery, Cardiovascular, Ophthalmology, and Ear, Nose and Throat.

At Chengdu Plot D2, part of the Chengdu East HSR Integrated Development, five towers have topped out and the last tower is expected to top out by the end of the year. The completed towers will be progressively handed over to Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) and the first phase of Chengdu Xiehe Home is expected to commence operations in 2Q 2017.

Construction works at Beijing Tongzhou Integrated Development continued to progress well. On 3 October 2016, the Group announced that loans amounting to RMB6.4 billion (approximately S\$1.3 billion) have been successfully secured from the Bank of China, Beijing Branch to finance the development and project-related costs of Phase 1 and Phase 2 of Beijing Tongzhou Integrated Development.

At Zhuhai Hengqin Integrated Development, comprising office, serviced apartment, hotel and retail components, the excavation and lateral support works have been completed. In addition, the main construction contract for the integrated development has been awarded and the total development cost for the project is not expected to exceed RMB2.6 billion. All four permits (*Land Use Right Certificate, Land Use Planning Permit, Construction Planning Permit and Building Construction Permit*) for the integrated development have also been received. The hotel is expected to commence operations in 2Q 2020.

## **Healthcare Services Business**

### Eldercare and Senior Housing

On 13 September 2016, the Group had, through its wholly owned subsidiary, entered into an Investment Agreement to acquire an equity interest of 49.9% in Shanghai RST Chinese Medical Co., Ltd (上海人寿堂国药有限公司) (“**Renshoutang**”) via a capital injection of RMB735.5 million (approximately S\$148 million) (“**Transaction**”). Renshoutang is the largest integrated Eldercare operator in Shanghai with an existing portfolio of over 2,400 beds, and has access to a committed pipeline and pipeline under negotiation of over 5,700 beds and 16,000 beds respectively. Renshoutang is set to be the largest Eldercare services operator in the affluent and populous Yangtze River Delta Region in the next few years. Upon expected completion of the Transaction in 1Q 2017, Perennial will be the largest single shareholder of Renshoutang.

Chengdu Xiehe Home would mark Renshoutang’s first facility outside of the Shanghai market. Chengdu Xiehe Home, which will comprise a retirement home, a rehabilitation home and a nursing home, is expected to have a bed capacity of about 1,050 in the first phase. Marketing activities is on track to commence in 4Q 2016.

### Hospital/Medical Services

At St. Stamford Modern Hospital, Guangzhou (“**St. Stamford Modern Hospital**”), renovation works and retrofitting of the new extension block have commenced and are expected to complete in 4Q 2016. The new two-storey extension block is expected to comprise a comprehensive suite of facilities and services which include several VIP rooms, a CT scan room, as well as dental, aesthetics and Traditional Chinese Medicine services.

As part of the plan to further elevate the standard of medical care and service at St. Stamford Modern Hospital, the RMB20 million accredited NanoKnife treatment facility was established at the main block of the hospital. The cutting-edge technology treatment facility places St. Stamford Modern Hospital in the forefront of precision treatment and adds to the list of options available for minimally invasive treatment.

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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 and Ghana with a combined portfolio spanning over 45 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 mall.

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**Issued by Perennial Real Estate Holdings Limited**

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