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For Immediate Release

Perennial Registers 4Q 2019 PATMI of S\$38.5 million

- *Capitol Singapore's retail component completes repositioning exercise with over 92% committed occupancy*
- *111 Somerset in Singapore sold 27 strata office units with gross sales amounting to approximately S\$68.4 million in 4Q 2019*

Singapore, 20 February 2020 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a revenue of S\$33.1 million in 4Q 2019, 44% higher than S\$23 million in 4Q 2018. The increase in revenue was mainly attributable to higher revenue from Capitol Singapore, CHIJMES, Perennial Qingyang Mall, Perennial International Health and Medical Hub (“**PIHMH**”) and higher fee income.

Earnings before interest and tax (“**EBIT**”) for 4Q 2019 of S\$74.6 million was 19.7% higher than 4Q 2018 of S\$62.3 million. The increase was largely due to higher fair value gains from China projects as a result of higher rental achieved by the operational malls and advancement in construction works for development projects, as well as higher share of results from associates/joint ventures. Overall, total profit after tax and minority interest (“**PATMI**”) for 4Q 2019 was S\$38.5 million, 140.8% higher than S\$16 million in 4Q 2018.

FY2019 revenue of S\$124.2 million was 58.7% higher than S\$78.3 million in FY2018. The increase was mainly due to the inclusion of the full 12 months revenue of both Capitol Singapore and PIHMH as compared to seven months in FY2018, and an increase in revenue from both assets as their operations continue to be ramped up. Higher fee income from management business also contributed to the increase.

EBIT for FY2019 was S\$136 million, 63.9% lower than S\$376.2 million in FY2018. The decrease was mainly due to lower fair value gains which was S\$68.9 million in FY2019 as compared to S\$332.3 million in FY2018. In FY2018, two plots on Beijing Tongzhou Integrated Development Phase 1 were reclassified to investment properties from development properties, as the plots were identified for lease following the receipt of construction permits. PATMI for FY2019 was S\$3.8 million, 95.1% lower than S\$78.1 million in FY2018.

4Q 2019 and FY2019 Financial Results Summary

	4Q 2019 (S\$M)	4Q 2018 (S\$M)	Change (%)	12M 2019 (S\$M)	12M 2018 (S\$M)	Change (%)
Revenue	33.1	23.0	44.0	124.2	78.3	58.7
EBIT	74.6	62.3	19.7	136.0	376.2	(63.9)
PATMI	38.5	16.0	140.8	3.8	78.1	(95.1)

As at 31 December 2019, the Group's Net Debt to Equity Ratio was 0.74 times (FY2018: 0.72 times). A first and final dividend of 0.2 cent per share has been proposed (FY2018: 0.4 cent per share), subject to shareholders' approval. The dividend payment date will be announced at a later date.

The Group's medical and healthcare-related services business in China registered strong growth, with its portfolio of total operating beds increasing 25.4% to reach 8,003 beds from 6,382 beds a year earlier. The increase was mainly driven by Renshoutang, the Group's eldercare and senior housing business arm, which added 1,797 in-patient beds to the portfolio. To-date, Renshoutang has a presence in seven cities across China with an operating portfolio of over 7,700 beds and a committed pipeline of over 7,600 beds. Going forward, the Group will continue to focus on two main healthcare business segments in China, being *Hospitals and Medical Centres*, and *Eldercare and Senior Housing*.

Mr Pua Seck Guan, Chief Executive Officer of Perennial, said, "FY2019 has been a year of calibration on all fronts of our business, ranging from the repositioning of Capitol Singapore, opening of 111 Somerset retail podium, fine-tuning of the asset plan of PIHMH and high speed railway ("HSR") projects in Xi'an, Tianjin and Kunming and refinement of our healthcare business model, to the divestment of entire stakes in Chinatown Point mall, United Engineers Limited and Aidigong as part of our capital recycling initiatives. We will now focus on driving the performance of our newly operational and enhanced assets and strengthening our balance sheet via the strata sale of office and medical spaces at 111 Somerset, en bloc sale of AXA Tower and residential sales of the projects in Singapore, Malaysia and Indonesia."

Mr Pua added, "The current COVID-19 outbreak has affected the businesses of our tenants in China and Singapore. If the situation continues for a protracted period, we expect the financial performance of our operating assets in those countries to be adversely impacted. We take a long term view on China and will forge ahead with our integrated real estate and healthcare business strategy. We also aim to differentiate ourselves as a premier healthcare cum eldercare player in China with unparalleled knowledge, expertise and experience in investing and operating hospitals and medical centres, as well as eldercare and senior housing."

Real Estate Business

The Group completed the repositioning exercise for the retail component of Capitol Singapore in 4Q 2019, welcoming a stable of new international and local brands and achieving a committed occupancy of over 92%. At CHIJMES, the popular F&B and lifestyle destination continued to register full committed occupancy to deliver a stable stream of income. In addition, footfall at the development increased 5.6% year-on-year.

In FY2019, a total of 48 office units were sold between S\$2,555 and S\$2,900 per square foot (“**sq ft**”) and a total of two medical units were sold at more than S\$4,000 per sq ft at 111 Somerset. The total year-to-date gross strata sales amounted to approximately S\$127.1 million.

AXA Tower’s committed occupancy remained strong at approximately 94%. The prime development is well-poised to benefit from Urban Redevelopment Authority’s Draft Master Plan 2019 which will potentially provide an uplift in gross plot ratio (“**GPR**”), and additional GPR should it integrate hotel and residential usage under the new Central Business District Incentive Scheme. Overall, AXA Tower’s existing gross floor area could increase by approximately 46.5%, from 1.05 million sq ft to 1.55 million sq ft. The Group will continue to explore en bloc sale opportunities with potential buyers to capitalise on the buoyant Singapore office market.

The Group’s first pure-play residential investment, being the former Goodluck Garden site, is expected to be launched in 2020, subject to market conditions. The freehold development is expected to comprise four blocks of 9-storey and nine blocks of 5-storey with 633 residential units, as well as two commercial units.

At PIHMH, the Group’s first operational HSR regional and healthcare hub in China, the 350-bed Gleneagles Chengdu Hospital commenced operations in October 2019. In view of the demand for space by healthcare and healthcare-related operators, retail space on Basement 1 and 2 were converted for medical usage. As a result of the work in progress, the total committed occupancy as at 31 December 2019 stood at approximately 86%. PIHMH also registered higher footfall starting from December 2019 after the opening of a new basement link way which directly connects to the adjacent Chengdu East HSR Railway Station.

With the experience gleaned from operating PIHMH, the Group is now focused on implementing its second generation HSR regional healthcare and commercial hub in Xi’an, Tianjin and Kunming. The refined asset plan at these developments will feature enhanced integration between the various medical and healthcare, hospital, eldercare, hospitality and retail components, while being seamlessly connected to the adjacent HSR stations. Construction works are progressing well at all three developments.

Separately, development works at Beijing Tongzhou Integrated Development and Zhuhai Hengqin Integrated Development are also making good progress, with the latter expected to obtain its occupation permit in early 2020.

Outside of its core markets, the Group’s projects in Malaysia and Indonesia are expected to commence residential sales at its projects in 2020, subject to market conditions. To further diversify the Group’s investments and add a new engine of growth to complement its asset portfolio, the Group also made its maiden foray into Myanmar and Sri Lanka.

Healthcare Business

In FY2019, the Group continued to grow its asset-light healthcare business, particularly in the *Eldercare and Senior Housing* segment via Renshoutang. Seven new facilities were opened in Shanghai, Changzhou and Jurong which yielded over 1,700 beds. The newly opened facilities included the first integrated eldercare and retirement, nursing and rehabilitation facility with dedicated dementia care wing in Shanghai, comprising Shanghai Renshoutang Eldercare Home 上海人寿堂颐养院 (eldercare), Shanghai Renshoutang Wenjin Nursing Home 上海人寿堂文锦护理院 (nursing care) and Shanghai Changning Xijiao Eldercare Home 上海长宁区逸仙西郊养老院 (dementia care).

Renshoutang is also set to establish a new industry benchmark with its recently developed ‘Smart Eldercare and Health Management’ system which has the capability to generate health assessment and monitoring reports of residents in Renshoutang’s eldercare and retirement facilities. Residents and their family members can access the details via a proprietary mobile application. The smart health solution has been successfully piloted at three Renshoutang facilities and will be progressively rolled out to other facilities in 2020.

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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, Indonesia, Myanmar, Sri Lanka and Ghana with a combined portfolio spanning over 65 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City, are regional healthcare and commercial hubs which are situated adjacent to four of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development, Zhuhai Hengqin Integrated Development, Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

In Singapore, Perennial has invested in and/or manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as Capitol Singapore, CHIJMES, AXA Tower, 111 Somerset, Chinatown Point and House of Tan Yeok Nee.

Issued by Perennial Real Estate Holdings Limited

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