

PERENNIAL REAL ESTATE HOLDINGS LTD



ANNUAL GENERAL MEETING

24 APRIL 2018

MR. PUA SECK GUAN

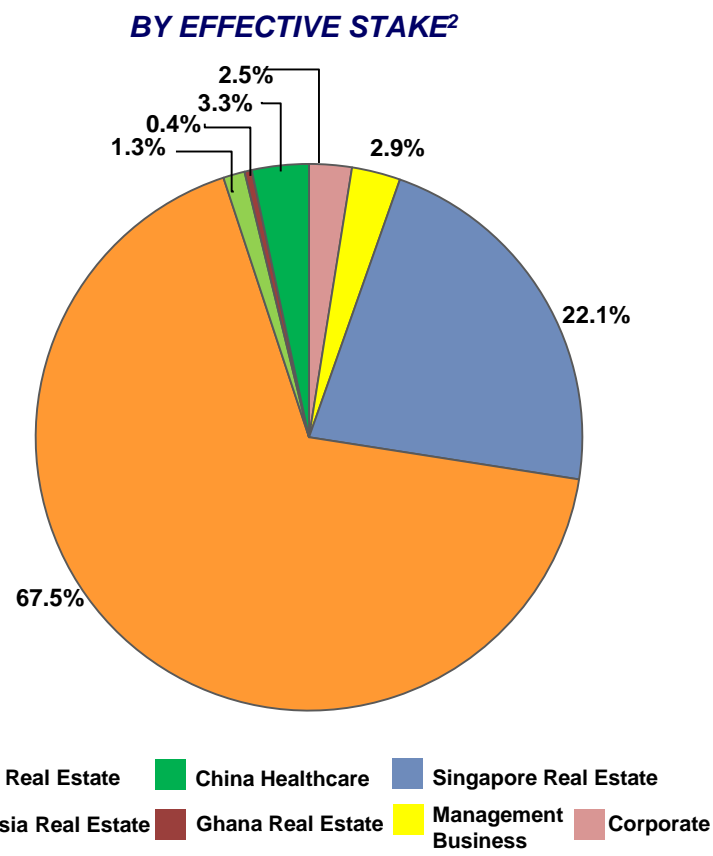
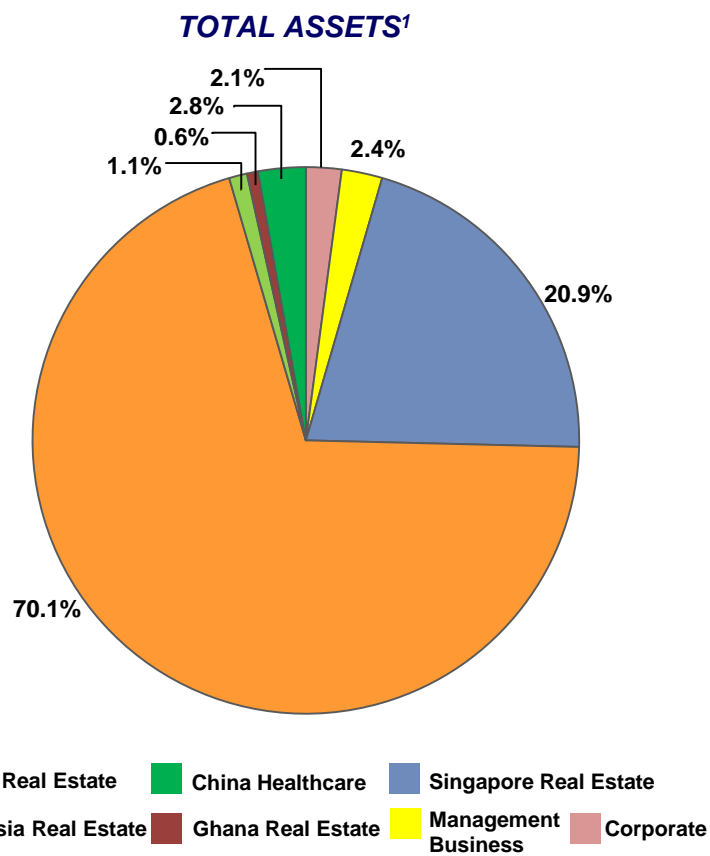
CHIEF EXECUTIVE OFFICER



PORTFOLIO HIGHLIGHTS

Total Asset Composition – By Business (As at 31 December 2017)

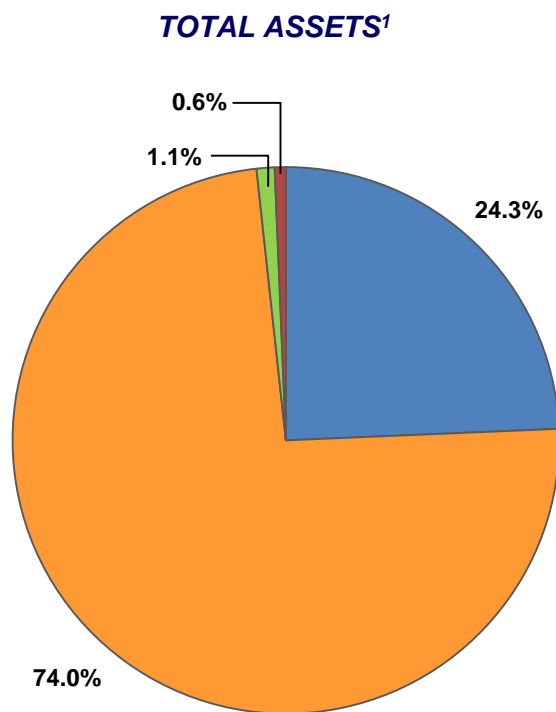
Real Estate Business Complemented by Asset-Light Healthcare Business;
China Healthcare Effective Stake Grew From 0.6% (FY2016) to 3.3% (FY2017)



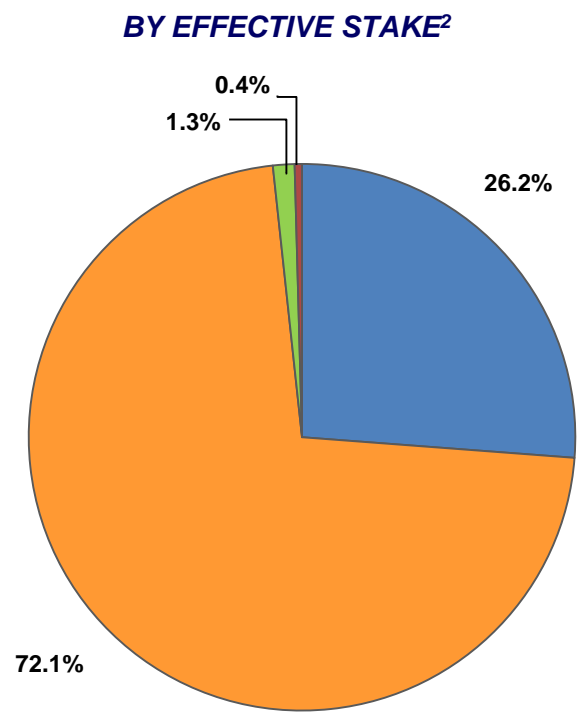
1. Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
2. Represents assets computed via the Company's shareholdings.

Total Asset Composition – By Country (As at 31 December 2017)

China & Singapore Remained as Core Markets with Slightly Higher Weightage on China;
Effective Stake China (~72%:FY2017 / ~68%:FY2016) and Singapore (~26%:FY2017 / ~30%:FY2016)



China Singapore Malaysia Ghana



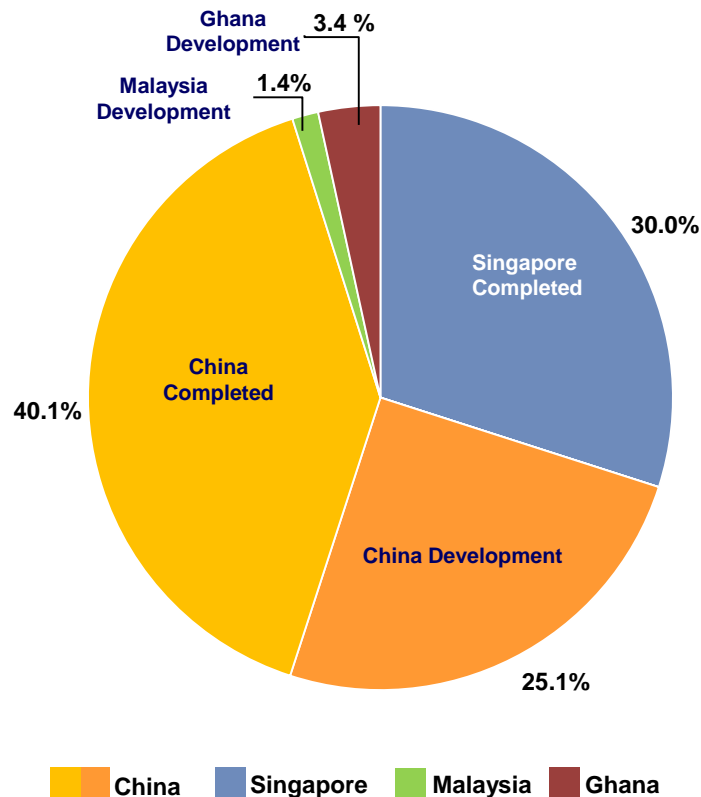
China Singapore Malaysia Ghana

1. Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
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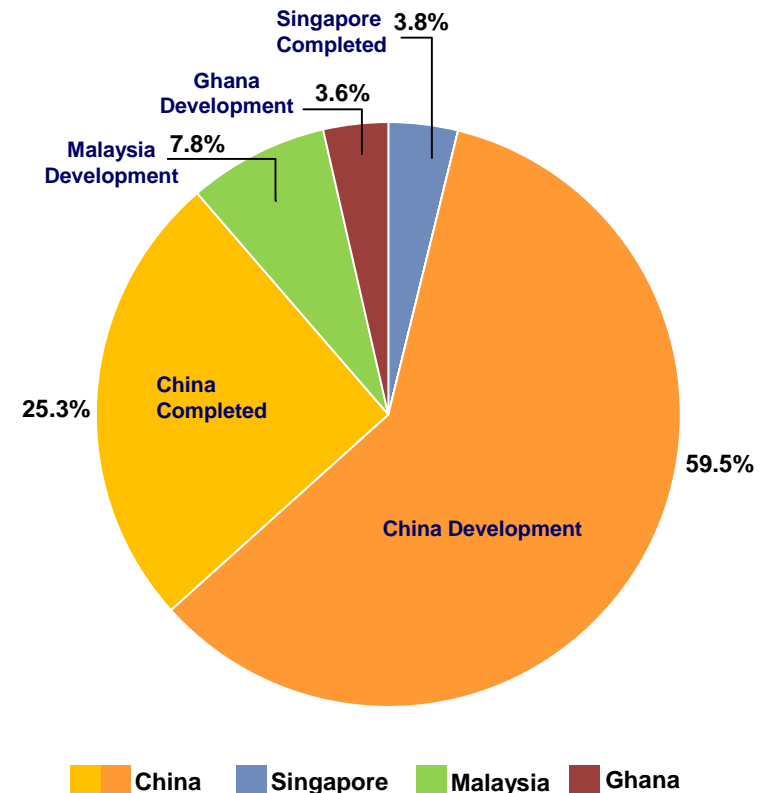
Total Real Estate Portfolio Composition – By Total Property Value and By Total GFA

Completed Assets which Account for ~70% of Property Value Provide Income Stability
China Developments Account for ~25% of Property Value & ~60% of GFA Present Significant Growth Potential

TOTAL PROPERTY VALUE
(Effective Stake Basis)



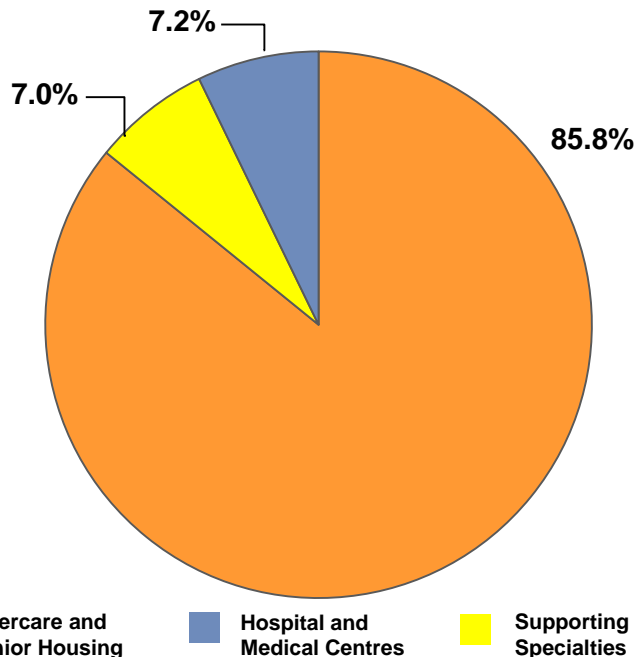
TOTAL GROSS FLOOR AREA ("GFA")
(Attributable GFA Basis)



China Healthcare Business – Total Operating Beds Composition

Scaling Up the Owner and Operator Model, with Eldercare and Senior Housing Leading the Way

CHINA
Total Operating Beds
(By Business Segments)

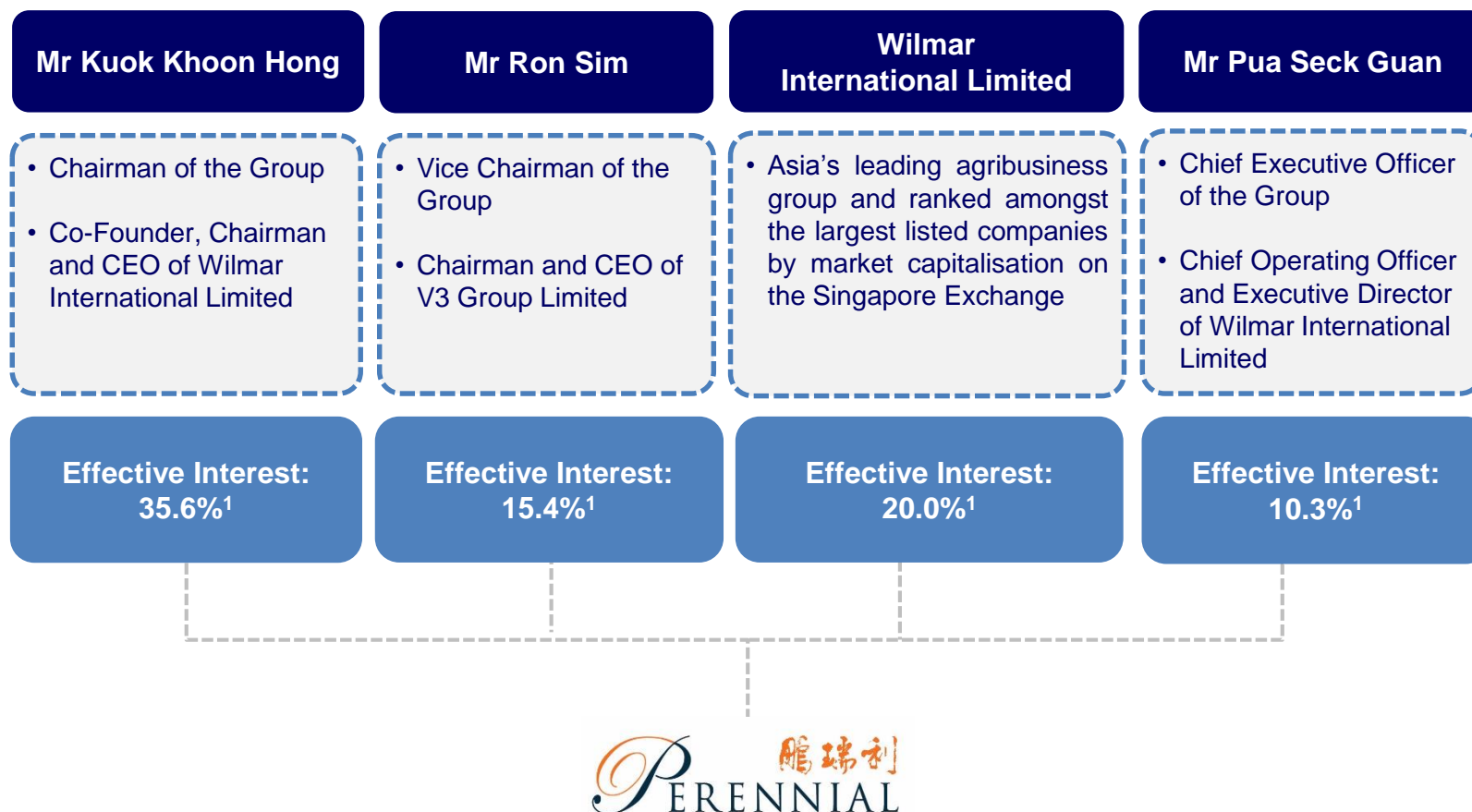


Suite of Medical and Healthcare-Related Services	No. of Operating Beds (As at 31 Dec FY2017)	No. of Operating Beds (As at 31 Dec FY2016)	Change
Eldercare and Senior Housing ¹	3,577	2,425	1,152
Hospital/ Medical Centres ²	300	300	No change
Supporting Specialties ³	290	140	150
Total	4,167	2,865	1,302

1. Relates to Renshoutang.
2. Relates to St. Stamford Modern Hospital, Guangzhou.
3. Relates to Aidigong, which provides maternal and child health management services.

Perennial's Reputable and Committed Sponsors

Perennial's Four Key Sponsors Own an Aggregate Effective Ownership of 81.3%¹



1. As at 31 December 2017.

FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

Income Statement (FY2017 vs FY2016) – Explanation of Key Income Line Items

S\$'000	FY2017	FY2016	Change
	1 Jan 2017 to 31 Dec 2017	1 Jan 2016 to 31 Dec 2016	%
Revenue	74,505	110,191	(32.4)
Earnings Before Interest & Tax ("EBIT")	219,611	111,231	97.4
Profit After Tax less Minority Interest ("PATMI")	100,299	35,053	186.1
<u>Analysis of PATMI</u>			
Operating PATMI	48,074 ⁽¹⁾	305	Nm
Net Fair Value Gain	52,225 ⁽²⁾	34,748	56.4
Total PATMI	100,299	35,053	186.1

Note:

(1) Includes the gain from the divestment of partial stake in TripleOne Somerset.

(2) Mainly revaluation gains from certain China projects.

*Nm denotes Not Meaningful

Proposed FY2017 Dividend

Proposed Dividend Details	
Name of Dividend	First and Final Tax-Exempt
Type of Dividend	Cash
Dividend per Share	1.0 cent (0.4 cent for FY2016)
Books Closure Date	4 May 2018
Date Payable	18 May 2018

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

Key Financial Ratios

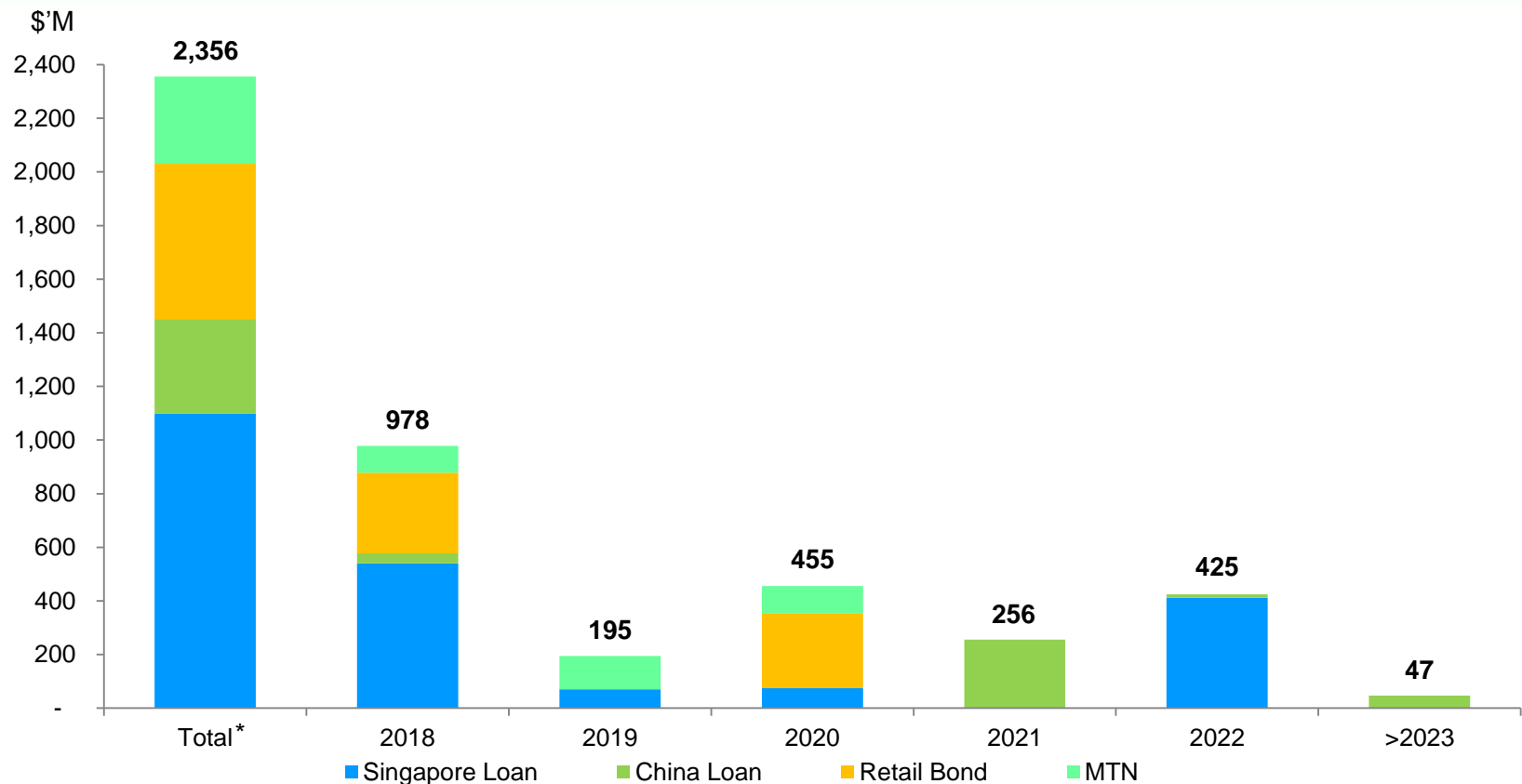
	As at 31 Dec 2017	As at 31 Dec 2016
Net Debt (S\$' 000)	2,233,083	2,489,275
Total Equity (S\$' 000)	3,915,878	3,781,916
Net Debt to Equity Ratio	0.57 ¹	0.66
NAV per Share (S\$)	1.663	1.631
Debt-Weighted Average Term to Expiry (years)	2.17	1.75

	FY2017	FY2016
Earnings per Share ² (cents)	6.02	2.11
Weighted Average Interest Rate (p.a.)	3.8%	3.3%

Notes

1. The improved debt-to-equity ratio was attributable to the deconsolidation of TripleOne Somerset following the divestment of a 20.2% stake on 31 March 2017, partially offset by new loans and borrowings to fund investments.
2. Impact of treasury shares has been taken into consideration to derive earnings per share and NAV.

Debt Maturity Profile – As at 31 December 2017

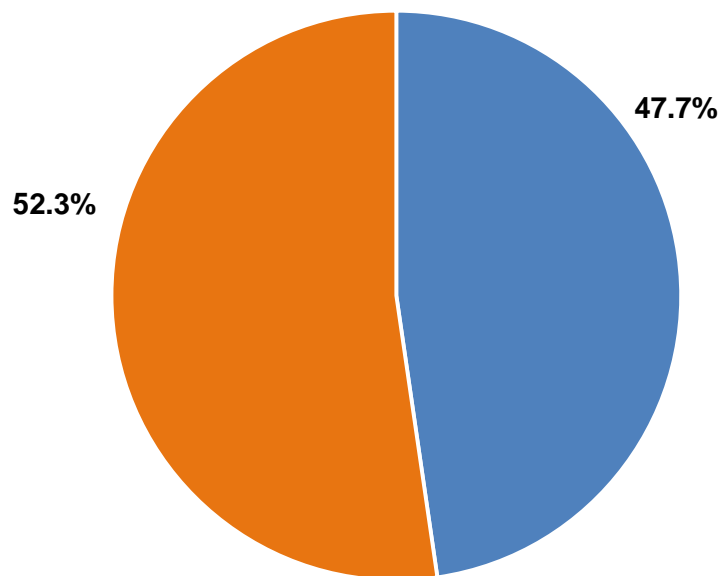


* Being gross amount, without amortised transaction costs

1. The borrowings due in 2018 mainly relate to secured loans of S\$327 million, Multicurrency Debt Issuance Programme (“**MTN**”) of S\$100 million, Retail Bonds of S\$300 million and unsecured loans of S\$251 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 MTN.

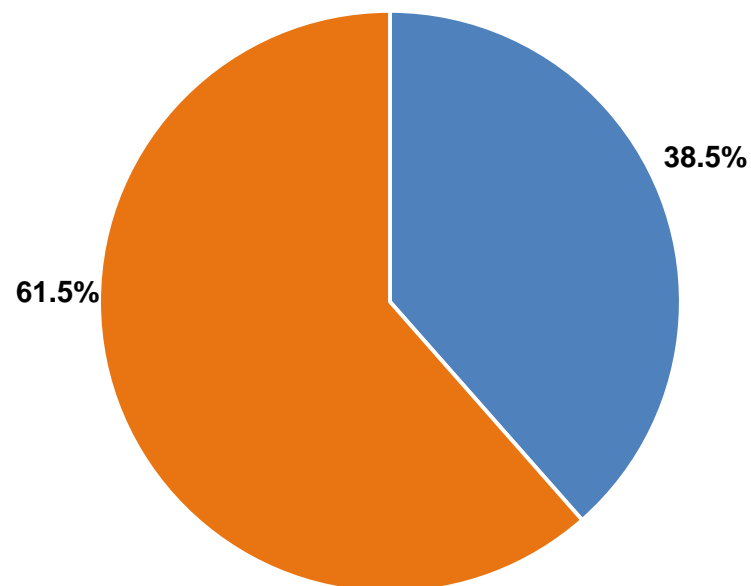
Loan Portfolio Balanced between Secured and Unsecured Loans;
Close to 40% of Total Borrowings are on Fixed Interest Rates

Loans



Unsecured Secured

Interest Rates



Floating Fixed

BUSINESS REVIEW - REAL ESTATE (SINGAPORE)

Recycled Capital to Maximise Recurring Income Stream and Enjoy Partial Capital Appreciation Gain



- In March 2017, completed the divestment of a 20.2% stake in TripleOne Somerset at a consideration of ~S\$101 million, translating to a divestment price of S\$2,200 per square foot. Booked a pre-tax divestment gain of ~S\$35.5 million.
- Retained a 30% stake for recurring income and rental upside from enhancement works



- Acquired an additional effective interest of 5.49% in Chinatown Point (“CTP”) for S\$8.48 million. Remained largest investor, with total stake increasing from 45.15% to 50.64%.
- CTP’s registered total committed occupancy of 93.4% as at 31 Dec 2017, of which 98% of these tenants by net lettable area have commenced business. New brands introduced include KAZO, HeeTea and Tendon Kohaku.
- Linked underground to Chinatown MRT Interchange Station, CTP stands to enjoy increased footfall as 16 new subway stations on the Downtown Line opened in Oct 2017, facilitating direct travel from Singapore’s eastern areas
- Exploring value creation opportunities through potential enhancement works.

TripleOne Somerset, Singapore – Balanced Strata Sales and Leasing Strategy

Gourmet Marketplace Concept for New Retail Podium; FY2017 Total Strata Sales at ~S\$41M



Artist's Impressions of Retail Podium



- S\$120M asset enhancement initiative ongoing with the new two-level retail podium expected to receive temporary occupation permit by 2H 2018.
- Positioned as a gourmet marketplace, the retail podium will offer one of the largest food and takeaway options, complemented by a variety of specialty food, health, wellness and lifestyle options.
- Registered total strata sales of ~S\$41M in FY2017 at an average price of S\$2,726 psf. Including the units handed over in the same period, the average price would be S\$2,665 psf.
- Total committed occupancy stood at 75.1% as at 31 Dec 2017. Renewals and new tenants, such as AIA Financial Advisers and Temasek Management Services, collectively account for 27.3% of total office net lettable area.
- Full suite of asset enhancement works expected to progressively complete by 2019.



Upgraded Office Lobby



Façade

AXA Tower – Balanced Strata Sales and Leasing Strategy

Good Leasing Interest with Strong Renewal Rate and Multiple Requests for Expansions



Post-AEI AXA Tower

- S\$140M asset enhancement initiative ongoing. Completed the implementation of the Destination Control System which is integrated with the security turnstiles for all the lifts in Jan 2018.
- Work has commenced to construct a new street-level office lobby and a two-storey annex block for medical suites.
- Registered total strata sales of ~S\$17M in FY2017 at an average price of S\$2,376 psf. Including the units handed over in the same period, the average price would be S\$2,563 psf.
- Total office committed occupancy stood at 88.8% as at 31 Dec 2017. Renewals and new tenants, such as Goodyear Orient Company, collectively account for 47.4% of total office net lettable area.
- A number of existing tenants such as Lazada and Go-Jek have committed to expand their space at AXA Tower. Anchor tenant Lazada will expand their footprint by 3.6 times, taking up 16.6% of total office net lettable area progressively.
- Full suite of asset enhancement works expected to progressively complete by 2019.

CHIJMES – A Popular Destination for Dining and Entertainment

Year-on-Year Committed Occupancy Increased from 90.3% to 95.9%



- Year-on-year, total committed occupancy increased from 90.3% to 95.9%, of which about 86% of these tenants by net lettable area have commenced business.
- Ongoing enhancements, including the installation of air coolers and ambient lighting at the lawn and basement courtyard, to create a unique and comfortable alfresco atmosphere.
- Hosted various iconic events throughout the year, including the Courtside@CHIJMES fringe event for the Women's Tennis Association Finals Singapore, CHIJMES' Christmas Market and InterNations networking session in 4Q 2017.
- Upcoming new F&B and lifestyle tenants such as New Ubin Seafood, Natureland Spa, Bold Gym and Shun Sakurai to enhance variety of dining options and complementary offerings at CHIJMES.

BUSINESS REVIEW – REAL ESTATE (CHINA)

Chengdu East HSR Integrated Development – First Integrated Real Estate & Healthcare Signature Showcase

Regional Healthcare Hub Located At Key Transportation Nexus of Southwest China



- The Chengdu East High Speed Railway (“**HSR**”) Integrated Development is directly linked to the Chengdu East HSR Station, which is the largest transportation hub in Southwest China.
- Chengdu East HSR Station currently has an average daily passenger load of about 200,000, which is projected to increase twofold to approximately 400,000 passengers daily by 2030.¹

1. Source: <http://city.newssc.org/system/20180130/002357227.htm>

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

To-Date Committed Occupancy stands at 84.6% for the 280,000 sqm Healthcare-centric Development



- Total to-date committed occupancy stands at 84.6%, with the development registering a year-on-year increase from ~60% in FY2016 to 76.7% in FY2017.
- Perennial International Health and Medical Hub (“**PIHMH**”) now hosts one international hospital as an anchor tenant and five medical/healthcare-related mini-anchor tenants, including Chengdu BGI Perennial Genomics Diagnostic Imaging Centre, a joint venture between BGI Genomics and Perennial.
- Other new non-medical tenants secured include Jenny@Eataly, a gourmet grocery retailer which will open its flagship store at PIHMH, Skechers, a footwear brand, as well as Chai Yue, a popular local restaurant.
- One of the mini-anchor tenants, Care Alliance Rehabilitation Hospital of Chengdu, soft-opened in 4Q 2017, while the other mini-anchor and anchor tenants are at various stages of fitting out and expected to commence operations in 1H 2018.
- Ramping up leasing with a focus on complementary medical and retail-related tenants.

Perennial International Health and Medical Hub, Chengdu – Holistic Medical and Healthcare-Related Offerings



Anchor and Mini-Anchor Medical Tenants will Progressively Commence Operations in 2018

Mini-Anchor Tenants	Operator	Target Opening
Care Alliance Rehabilitation Hospital of Chengdu First foray into Chengdu and largest hospital in Southwest China for Care Alliance, an established Sino-Swedish medical group with vast experience in rehabilitative care, a world-class medical team and advanced management technology.	Care Alliance	Soft opened in 4Q 2017
Perennial International Specialist Medical Centre A majority Perennial-owned and managed specialist medical centre concept that will comprise a wide range of specialist departments, including gynaecology, paediatrics, oncology, internal medicine and surgery, cardiology, ear, nose & throat and ophthalmology.	Perennial Healthcare	1H 2018
St. Stamford Plastic Surgery and Aesthetic Hospital First facility in Chengdu for St. Stamford International Medical. Provide plastic surgery, aesthetic medical and dental services by highly qualified local and international doctors.	St. Stamford International Medical	
AND Maternal and Child Health Centre, Chengdu Set to become the largest maternal and child health centre in Chengdu. Provide a comprehensive suite of specialised post natal and neonatal services for new mothers and newborns.	Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd	
Chengdu BGI Perennial Genomics Diagnostic Imaging Centre First joint venture between BGI Genomics and Perennial. Provide a broad range of medical imaging and health screening services for health management and clinical diagnosis	BGI Genomics 华大基因	
Anchor Tenant		
Chengdu ParkwayHealth Hospital Provide specialised care and clinical services, including obstetrics and gynaecology, paediatrics, cardiology, orthopaedics, ophthalmology, and internal medicine.	IHH Healthcare Berhad	2H 2018

Perennial International Health and Medical Hub – Care Alliance Rehabilitation Hospital of Chengdu

Care Alliance's Largest Hospital in Southwest China Soft-Opened in 4Q 2017



Perennial International Health and Medical Hub, Chengdu – Perennial's Suite of Medical and Healthcare Offering



Perennial International Specialist Medical Centre



Foyer



Reception Area



Lobby



Consultation Room



Waiting Area

St. Stamford Plastic Surgery and Aesthetic Hospital



Lobby



Laser Beauty Centre



Plastic Surgery Centre



Anti-Ageing Centre



Oral Beauty Centre

AND Maternal and Child Health Centre



Reception Room



Nursing Room



Sun Room



Hair Salon



Postpartum Recovery Area

BGI Perennial Genomics Diagnostic Imaging Centre



Foyer



Hallway



CT Scan Room



MRI Room



Consultation Room

Chengdu East HSR Integrated Development Plot D2 – Development Progress Update

Completed External Façade Works for All Six Towers



- External façade works for all six towers on plot D2 have been completed.
- Fitting out works for Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) in one block is in progress. The home is expected to commence operations in 2Q to 4Q 2018, subject to securing the necessary approvals.
- Finalising the most appropriate usage plans and securing the necessary approvals for the other five blocks to support the various communities in the precinct with the impending opening of Perennial International Health and Medical Hub and Chengdu Xiehe Home.

Beijing Tongzhou Integrated Development – Development Progress Update

Construction Permits Obtained for Four out of Six Plots



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



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

- Construction permits for four out of six plots have been obtained, with permits for the remaining two plots in Phase 1 in process.
- Due to Beijing's ban on winter construction aimed at improving air quality, construction at the site has been suspended and is expected to resume in March 2018.¹
- Expected completion of Phase 1 and Phase 2 has been pushed back to 2021 and 2020 respectively due to environmental-related regulatory considerations.



On-Site Photo

1. Source: <https://www.reuters.com/article/us-china-pollution/chinese-capital-bans-winter-construction-to-improve-air-quality-idUSKCN1BS05X>

Beijing Tongzhou District – Set to Become a Bustling ‘Sub-Centre’ of Beijing



Zoned for Administration, Commercial Services and Cultural Tourism

- 0.4 million people projected to move to Tongzhou District by 2019 as it becomes Beijing's new municipal administration centre. Various functions of the Beijing municipal government are already in the process of relocating.¹
- Historically, Tongzhou District was the starting point for the Beijing-Hangzhou Grand Canal. The site is set to be restored for cultural tourism.²

Positioned as a World-Class Liveable City

- To be developed as a green and environmentally-friendly city, the Tongzhou District plans to build a charging port every 2km by 2020 to provide for electric vehicles in the district. Clean energy buses will also be deployed.³
- New campus of Renmin University of China, one of China's best universities, will be completed by 2025 and enroll up to 22,000 students.⁴

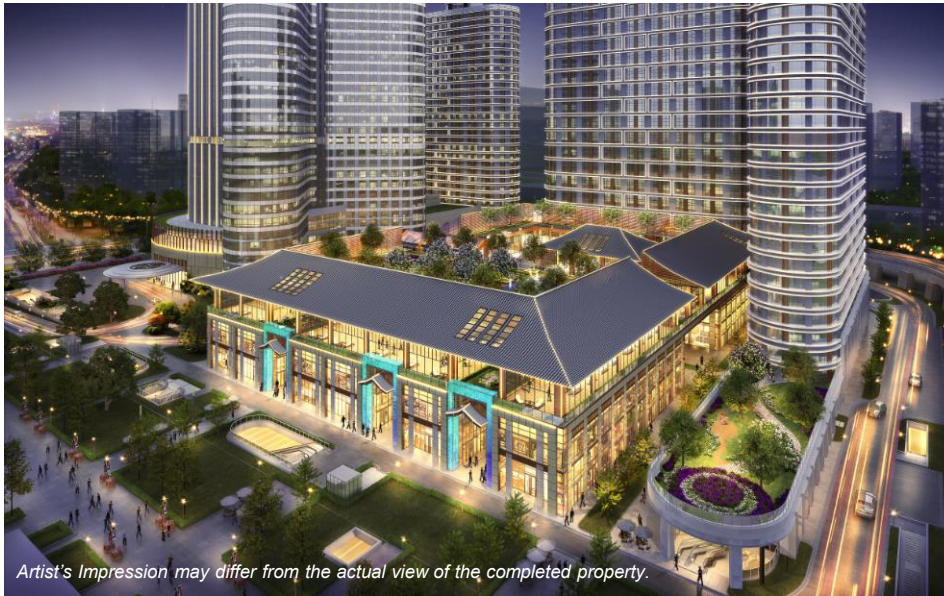
Enhanced Connectivity

- The new Beijing Suburban Railway Subcentre Line spanning 38.8 km commenced operations on 31 Dec 2017, connecting west Beijing to Tongzhou in 48min and central Beijing to Tongzhou in 28min.⁵
- 10 out of the 21 subway lines Beijing is currently planning will pass through Tongzhou District.³

1. Source: <http://bj.house.163.com/17/1227/06/D6L4829N0007823B.html>
2. Source: <http://www.chinadaily.com.cn/a/201711/26/WS5a276c28a3107865316d3c8e.html>
3. Source: https://news.cctn.com/news/3141544d33637a6333566d54/share_p.html
4. Source: http://www.xinhuanet.com/english/2017-10/02/c_136655237.htm
5. Source: <http://news.hongzhouban.com/17/1220/wjy110510.html>

Xi'an North HSR Integrated Development – Development Progress Update

Three Towers on Plot 4 have Topped Out; Written Approval Obtained for Healthcare Usage for Plot 5



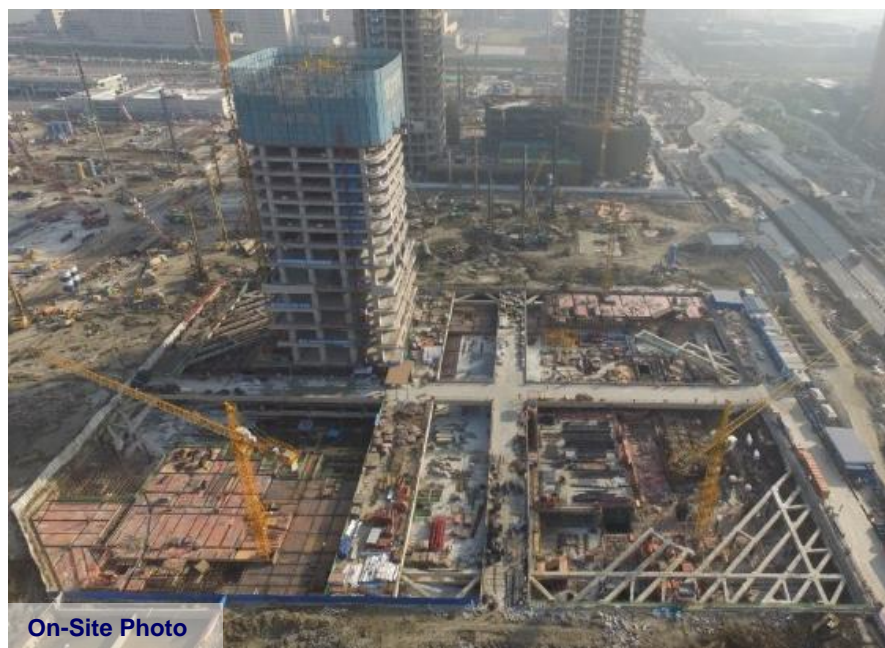
- Three towers on Plot 4 have topped out, while construction is ongoing for another two towers.
- Secured written approval to designate Plot 5 for medical and healthcare usage and in process of obtaining other planning approvals.
- Plot 4 and Plot 5 are expected to complete construction in 2019 and 2020 respectively.
- The Xi'an-Chengdu high speed railway line commenced full operations in Dec 2017, reducing travel time between Xi'an and Chengdu from 16 to 3 hours.¹



1. Source: <http://www.straitstimes.com/asia/east-asia/chinas-newest-high-speed-rail-line-cuts-through-historical-sites-legendary-mountains?login=true>

Zhuhai Hengqin Integrated Development – Development Progress Update

Construction Works Continued to Make Good Progress



- Construction of hotel and serviced apartment tower has reached Level 17, while foundation works for retail podium and office tower are in progress
- Presale for the residential and office components is slated for 2H 2018, subject to regulatory approval and market conditions.
- Economic growth set to accelerate with major infrastructural developments nearing completion such as the Hong Kong-Zhuhai-Macau Bridge¹, part of the larger Greater Bay Area development blueprint for the Hong Kong-Macau-Guangdong region.²
- The development is expected to complete in 2020.

1. Source: <http://www.straitstimes.com/asia/east-asia/hong-kong-zhuhai-macau-bridge-to-open-in-q2-of-2018>

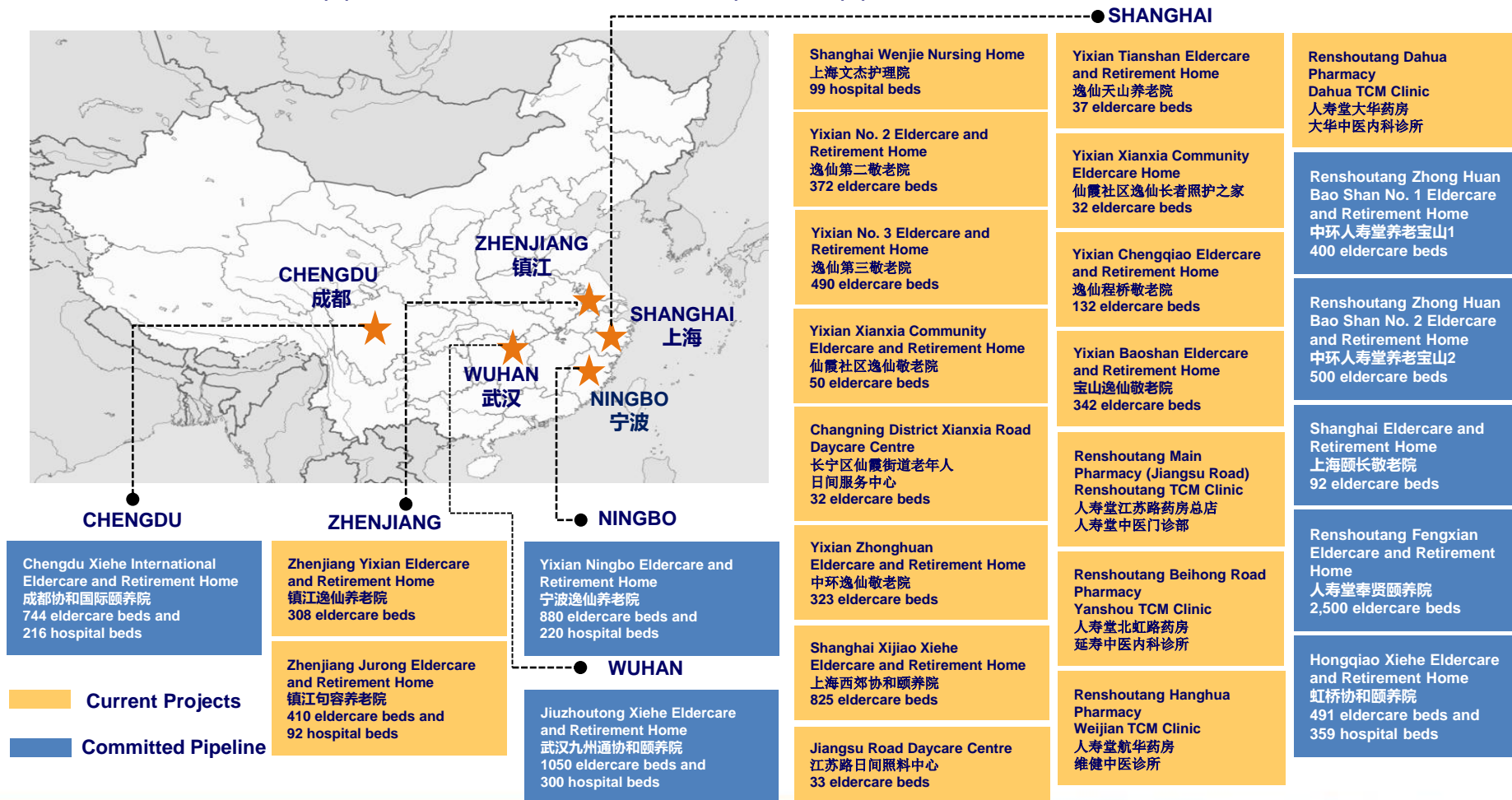
2. Source: <http://english.cctv.com/2018/01/26/ARTIuaVnR6SiYX7I0vk7kLq180126.shtml>

BUSINESS REVIEW – HEALTHCARE

Renshoutang – Perennial's Fastest Growing Healthcare Business Line

Capacity Expanded Significantly from 2,425 beds at end-2016 to 3,577 beds at end-2017

- Renshoutang, the largest private integrated eldercare services operator in Shanghai, currently operates 3,577 beds. It also has a committed pipeline of about 7,750 beds and a potential pipeline of over 13,500 beds.



Renshoutang – Strategic Three-Pronged Approach To Achieve Scale

Set to Become The Largest Integrated Eldercare Operator in the Yangtze River Delta Region

① Leasing Model

- Lease and operate facilities owned by local governments and third parties.



Zhenjiang Yixian Eldercare and Retirement Home

② PPP Model

- Partner local governments through Public-Private-Partnership (“PPP”) model to lease and jointly operate facilities.



Wuhan Jiuzhoutong Eldercare and Retirement Home

③ Acquisition Model

- Operate facilities that are owned by Renshoutang, Perennial or Perennial-syndicated joint ventures.



Hongqiao Xiehe Eldercare and Retirement Home, Shanghai

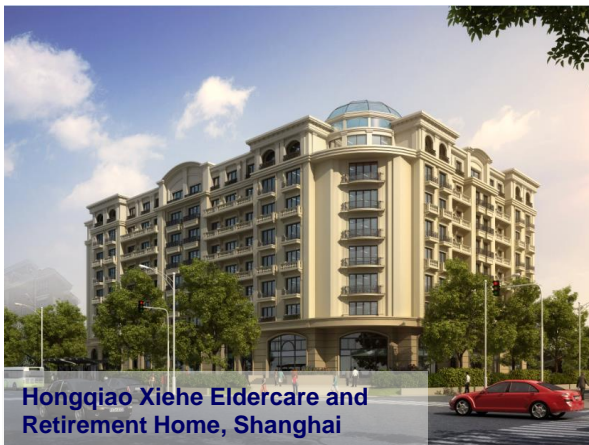
Renshoutang – Set to Become One of The Largest Eldercare Operators

Opened Three New Facilities in FY2017, With Another Three Commencing Operations in FY2018

In FY2017, Newly-Opened Facilities Grew Capacity by 1,152 Beds to 3,577



In FY2018, Capacity Expected to Increase Further by 3,132 Beds



Renshoutang – Pioneering a Seamlessly Integrated Senior Living Experience

Offering the Elderly a Comfortable Living Environment in Retirement



Hongqiao Xiehe Eldercare and Retirement Home, Shanghai



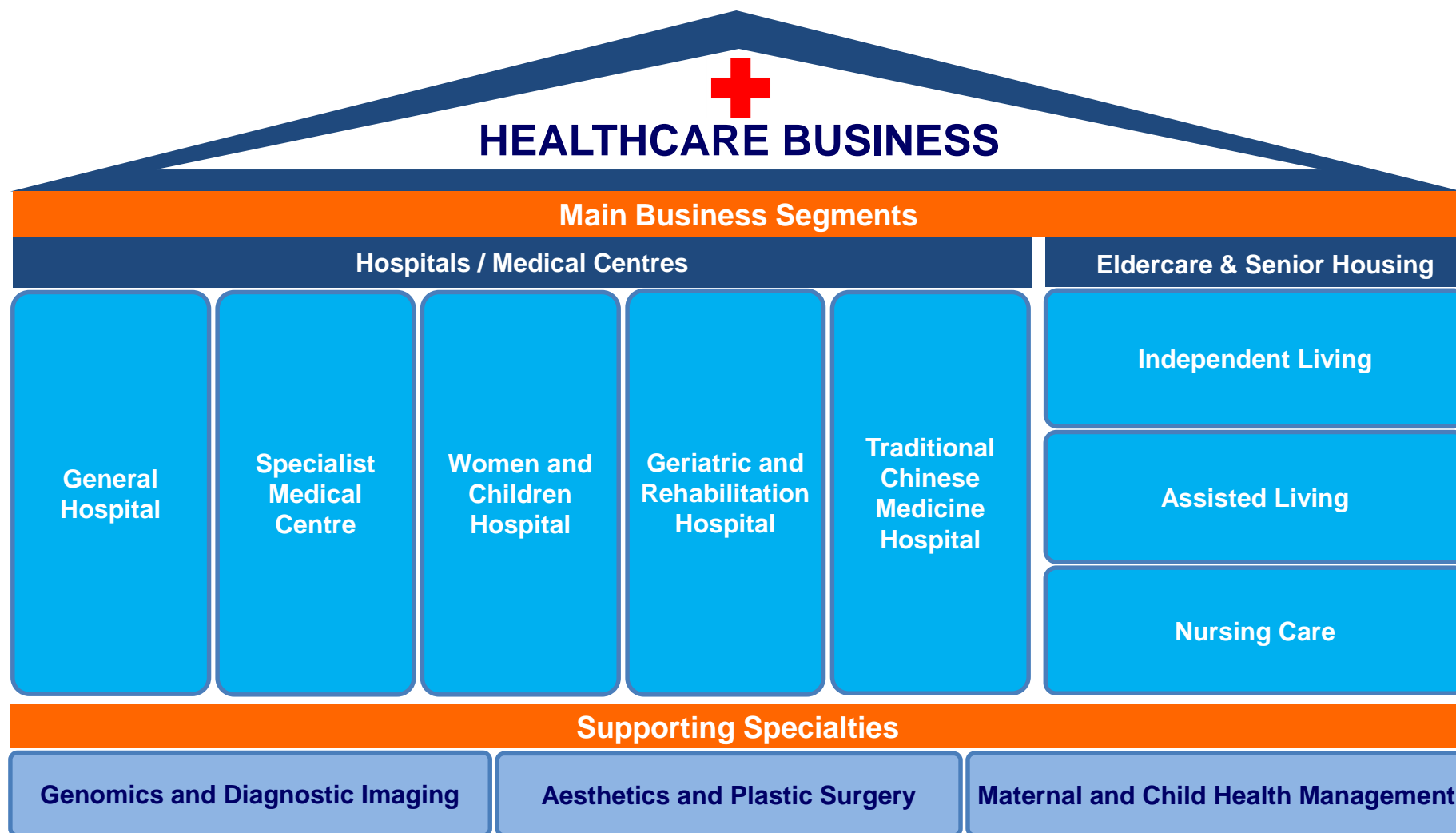
Wuhan Jiuzhoutong Xiehe Eldercare and Retirement Home



Chengdu Xiehe Home



Envision to Become an International Healthcare and Medical Services Provider in China



STRATEGIC INITIATIVES

Investment Strengthens Perennial's Position in the Core Markets of Singapore and China

- On 13 July 2017, Perennial led a consortium with Yanlord Land Group Limited ("**Yanlord**") to acquire a 33.5% stake in United Engineers Limited ("**United Engineers**") at S\$2.60 per United Engineers share, triggering mandatory offers for the remaining shares in United Engineers at the same price.
- United Engineers is one of Singapore's pioneer companies with key business activities in property rental and hospitality, property development, and engineering, distribution and manufacturing.
- The consortium also acquired a 10% stake in WBL Corporation Limited ("**WBL**") at S\$2.07 per WBL share. WBL, an unlisted public company, is a subsidiary of United Engineers.
- Perennial holds an effective stake of 32.5% in the consortium, while two of its sponsors, being Mr Kuok Khoon Hong and Wilmar International Limited, hold 7.5% and 5.0% respectively. The remaining stakes are held by Yanlord (49%) and Heng Yue Holdings Limited (6%).
- At the end of the transaction, the consortium owned 33.67% in United Engineers and 10% in WBL for a total consideration of approximately S\$617 million.
- The acquisition strengthens Perennial's position in the core markets of Singapore and China, as United Engineers' property businesses are mainly in those markets.
- The investment also allows Perennial to leverage on the combined skillsets and on-ground delivery capabilities of the consortium partners and work with the management team of United Engineers to unlock the value of United Engineers' income-producing assets through selective enhancement works.

US\$1.2 Billion JV Vehicle to Invest in HSR Healthcare Integrated Mixed-use Developments in China

Potentially Grow Perennial's HSR Portfolio to Up to Eight Projects with Total GFA of Over 4 Million Sqm



- On 3 Jan 2018, Perennial established an up to US\$1.2 billion joint venture (“JV”) vehicle with first close of US\$500 million to invest in High Speed Railway (“HSR”) Healthcare Integrated Mixed-use Developments in China’s tier one or strong tier two cities and provincial capitals.
- Perennial holds a 45% stake in the JV vehicle and the remaining stakes in the Perennial-syndicated consortium comprises Shun Tak Holdings Limited (30%), Bangkok Bank Public Company Limited (10%), BreadTalk Group Limited (5%), Mr Kuok Khoon Hong (4%), S1F Pte Ltd (4%), and Wilmar International Limited (2%).
- Positioned as one-stop regional healthcare hubs, the developments will feature core medical and healthcare facilities, specialised hospitals as well as medical centres, eldercare and nursing homes. They will also comprise hotels, retail, serviced apartments, offices to support the surrounding communities.
- The JV provides an ‘asset-light’ platform to accelerate the growth of Perennial’s integrated real estate and healthcare business model in China and drives income contribution from the management businesses over time.

LOOKING FORWARD

- Launch Perennial's signature integrated real estate and healthcare showcase, Chengdu East High Speed Railway Integrated Development, which comprises the upcoming Perennial International Health and Medical Hub and the Chengdu Xiehe Home on Plot D2.
- Build on our integrated real estate and healthcare strategy and grow our portfolio of High Speed Railway Healthcare Integrated Mixed-use Developments in China by leveraging on the up to US\$1.2 billion Perennial-syndicated joint venture vehicle to invest in potential sites.
- Grow our medical and healthcare-related business in China in two main segments, being *Hospitals and Medical Centres* and *Eldercare and Senior Housing*, as well as supporting specialties.
- Explore development projects or completed assets at reasonable valuations with the potential for value enhancement in Singapore.
- Monitor the timely execution of ongoing construction and enhancement works in Singapore, China and other markets.
- Manage our capital prudently and optimise our cash flow and capital efficiency.

THANK YOU