



PRESS RELEASE

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For Immediate Release

Perennial Real Estate Holdings Records 1H 2016 Total PATMI of S\$9.1 million

*Strata sale of TripleOne Somerset office units transacted at above S\$2,600 per sq ft
Introduce specialist medical centre in Chengdu to cater to demand for private medical care*

Singapore, 5 August 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\$594,000 in 2Q 2016 and S\$9.1 million in 1H 2016.

Revenue of S\$24.1 million in 2Q 2016 was largely contributed by CHIJMES and TripleOne Somerset in Singapore, as well as Perennial Jihua Mall and Perennial Qingyang Mall in China. This is lower than the S\$39.3 million registered in the same period last year, mainly due to the absence of a one-off acquisition fee of S\$11.7 million received in 2Q 2015 and lower rental revenue from TripleOne Somerset, 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 2Q 2016 of S\$18.6 million was lower than the S\$25.1 million recorded in same period last year. Excluding the one-off acquisition fee received in 2Q 2015, 2Q 2016 EBIT would be higher largely due to investment income received, higher foreign exchange gain, and higher share of results on account of the Group’s share of results from operational malls and newly acquired medical and healthcare businesses.

Overall, the Group’s 2Q 2016 total PATMI of S\$594,000 was significantly lower than the S\$8.8 million recorded in the same period last year mainly due to the absence of the one-off acquisition fee received in 2Q 2015.

The Group registered a total PATMI of S\$9.1 million in 1H 2016, which was lower than the S\$12.2 million achieved in the same period last year. This was mainly due to the absence of the one-off acquisition fee received in 2Q 2015 which was offset by a fair value gain of S\$7.5 million on the revaluation of Chengdu East High Speed Railway (“HSR”) Integrated Development Plot D2 (“**Chengdu Plot D2**”) in 1Q 2016. EBIT for 1H 2016 was however marginally higher at S\$44.7 million as compared to the S\$42.3 million achieved in 1H 2015.

	2Q 2016	2Q 2015	Change ⁽¹⁾	1H 2016	1H 2015	Change
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	%	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	%
Revenue	24,088	39,297	(38.7)	53,574	66,351	(19.3)
EBIT	18,626	25,084	(25.7)	44,656	42,327	5.5
PATMI	594	8,772	(93.2)	9,066	12,190	(25.6)

(1) The decrease in Revenue, EBIT and PATMI was mainly due to the absence of a one-off acquisition fee in respect of AXA Tower which was acquired in 2Q 2015.

Mr Pua Seck Guan, Chief Executive Officer of Perennial Real Estate Holdings, said, “Despite the relatively weak market sentiment, strata sales at TripleOne Somerset has started to gain momentum with the first few office units sold at a reasonable price of above S\$2,600 per sq ft. We intend to intensify our strata sale efforts at TripleOne Somerset and AXA Tower, while balancing the leasing commitments at these properties to ensure a stable stream of recurrent income.”

Mr Pua added, “Our integrated real estate and healthcare business strategy is starting to take shape in China, particularly at Chengdu East HSR Integrated Development, where Perennial International Health and Medical Hub and Chengdu Xiehe International Eldercare and Retirement Home (“**Chengdu Xiehe Home**”) will start contributing to the top line next year. With the elevation of Beijing Tongzhou District’s status as the new sub-centre of Beijing, Beijing Tongzhou Integrated Development is well-poised to benefit from the tremendous growth in the district, further driving the asset’s value creation upside versus its book cost. As we intend to strengthen our position as an integrated real estate and healthcare company in China, we are actively pursuing suitable opportunities that can add to or deepen our existing business lines in both real estate and healthcare.”

Real Estate Business

In Singapore, TripleOne Somerset commenced asset enhancement works on its retail podium where a luxurious food market and food hall concept will be introduced. In June 2016, Somerset Tower, one of two office towers at the integrated development, pre-launched the strata sale of its office space and medical suites. A few units were transacted at an average price of above S\$2,600 per square feet (“**sq ft**”). The sales proceeds from the strata sales will be recognised upon handover of the strata units to the buyers in the coming quarters. The official launch of the strata sale is targeted in late August 2016.

At AXA Tower, while plans are underway to pre-launch the strata sale of the office space and medical suites, leasing demand remains strong. In 1H 2016, about 64,050 sq ft of office space was leased by new and existing tenants, contributing to a strong recurring income stream. In the meantime, the office lifts will be progressively upgraded in phases, with the first phase expected to start in 3Q 2016, and integrated with the new security turnstiles system to be installed at the lobby.

In China, the committed occupancy at Perennial International Health and Medical Hub (“**PIHMH**”) in Chengdu has grown to about 56%, with new tenants secured including a food court and a locally renowned seafood supermarket (西海道). Separately, a specialist medical centre concept will be introduced at PIHMH to cater to the strong demand for private medical care in China. Perennial International Specialist Medical Centre (“**Specialist Medical Centre**”) will occupy about 11,000 square metres in gross floor area on Levels 1 to 3 at Block A2. The Specialist Medical Centre, which will have a good mix of local and foreign specialists, is expected to comprise a wide range of specialist departments, including Gynaecology and Paediatrics, Oncology, Internal Medicine and Surgery, Cardiovascular, Ophthalmology, and Ear, Nose and Throat. The Group will be managing the Specialist Medical Centre, including the medical facilities and patients’ appointments and services. PIHMH, part of the Chengdu East HSR Integrated Development, is expected to commence operations in 2Q 2017.

Construction works at Chengdu Plot D2, part of the Chengdu East HSR Integrated Development, are progressing well and the completed towers are expected to be handed over to Chengdu Xiehe Home in phases starting from end 2016.

At Beijing Tongzhou Integrated Development, excavation works have been completed. The Construction Permits are expected to be received by end 2016. More importantly, the recent announcement by the Beijing government to re-position Beijing Tongzhou District from its initial status as a subsidiary administrative centre to a sub-centre of the city will further accelerate the district’s urbanisation rate and at the same time, intensify the transportation infrastructural network required to support the growth. Beijing Tongzhou Integrated Development is well-positioned to ride on these positive developments.

Healthcare Services Business

Eldercare and Senior Housing

The marketing show suites of Chengdu Xiehe Home, which will comprise a retirement home, a rehabilitation home and a nursing home housed in three blocks at Chengdu Plot D2, were completed in June 2016. Marketing activities will kick-off in 4Q 2016 and Chengdu Xiehe Home is expected to commence operations in 2017.

Maternal and Child Health Management

AND Maternal and Child Health Centre, Shunyi, Beijing commenced operations in June 2016. The opening of this first centre in Beijing, which provides specialised postnatal and neonatal care services for new mothers and their newborns at a package price range of between RMB49,800 to RMB888,800, extends the

business's reach to cater to affluent consumers in Northern China. This is the third operational centre, with the first two centres operating under the same brand name located in Shenzhen.

Hospital/Medical Services

A new brand name, St. Stamford International Medical ("**St. Stamford**"), was launched for the Group's joint venture ("**JV**") with a subsidiary of China Boai Medical to own, develop and manage hospital and medical services in China. The JV partners intend to grow St. Stamford's portfolio to over 20 hospital projects in China's first-tier and second-tier provincial capital cities in the next five years.

On 3 July 2016, St. Stamford Modern Hospital, Guangzhou ("**Modern Hospital**"), previously known as Modern Hospital Guangzhou, was officially rebranded and launched as the first medical facility that is owned and managed by St. Stamford. Modern Hospital is one of the leading private general and cancer hospitals in Guangzhou and several South East Asian markets. It is also the first China-Singapore JV Joint Commission International ("**JCI**") - accredited hospital in China, making it an ideal platform to grow the St. Stamford brand name locally and regionally.

To further elevate Modern Hospital's local and international standing, a series of initiatives will be rolled-out progressively. These initiatives include setting up a RMB20 million accredited NanoKnife treatment facility, forging partnerships with internationally renowned medical and research institutions and medical specialists, establishing an international medical advisory board, investing in new and advanced technology to provide better quality care, strengthening capabilities in breast cancer treatment, upgrading hospital facilities to provide top-notch services in a comfortable environment, and integrating best practices and medical systems based on the Singapore-model.

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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 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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