

PRESS RELEASE

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For Immediate Release

Perennial Registered 3Q 2018 PATMI of S\$48.3 million

The Capitol Kempinski Hotel Singapore opened for stays on 1 October 2018; Berthold and Frieda, two new Kempinski F&B concepts, to open at Capitol Singapore

Singapore, 7 November 2018 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a total profit after tax and minority interest (“**PATMI**”) of S\$48.3 million in 3Q 2018, higher than the S\$16.9 million registered in 3Q 2017. The increase was mainly attributable to net fair value gain, which was partially offset by higher net finance costs due to the consolidation of Capitol Singapore’s debt and loans to fund new investments, and the expensing off of interest costs relating to Perennial International Health and Medical Hub (“**PIHMH**”) in Chengdu following its completion.

Revenue of S\$22.2 million for 3Q 2018 was marginally higher than S\$20.4 million in 3Q 2017. The increase was mainly attributable to the revenue from Capitol Singapore and PIHMH which started contributing since 2Q 2018, acquisition fee earned from the healthcare joint venture, and improved performance from Perennial Qingyang Mall and Perennial Jihua Mall in China. However, the increase was partially offset by the absence of a one-off fee recognised from the United Engineers Limited (“**UEL**”) transaction in 3Q 2017. EBIT of S\$247.5 million in 3Q 2018 was significantly higher than S\$37.5 million in 3Q 2017, mainly due to fair value gain of S\$241.9 million from the valuation of two plots on Beijing Tongzhou Integrated Development Phase 1, following the receipt of construction permits.

The Group’s total PATMI of S\$62.1 million for the nine months ended 30 September 2018 was lower than S\$72.7 million registered in the same period last year due to the absence of a one-off gain from the divestment of a 20.2% equity stake in TripleOne Somerset, UEL transaction fee, and higher finance costs.

As at 30 September 2018, the Group’s Net Debt to Equity Ratio stood at 0.75 times.

Financial Results Summary

	3Q 2018 (S\$M)	3Q 2017 (S\$M)	Change (%)	9M 2018 (S\$M)	9M2017 (S\$M)	Change (%)
Revenue	22.2	20.4	8.7	55.3	58.5	(5.5)
EBIT	247.5	37.5	nm	313.9	156.1	101.1
PATMI	48.3	16.9	185.3	62.1	72.7	(14.6)

Real Estate Business

The Capitol Kempinski Hotel Singapore, which is part of Capitol Singapore, opened for stays on 1 October 2018. To extend the Kempinski experience beyond the hotel to the air-conditioned Galleria connecting the hotel to the rest of Capitol Singapore, the Galleria was renamed 'Arcade@Kempinski' and will house Berthold Delikatessen ("**Berthold**") and Frieda, two new Kempinski Food and Beverage ("**F&B**") concepts, and other European concepts. Berthold, named in honour of Kempinski's founder Berthold Kempinski, is an essential pitstop for freshly baked pastries, confectionaries and gourmet coffee. Frieda, named after Berthold Kempinski's daughter, will present German and Austrian cuisine with a contemporary flair. Occupying over 6,100 square feet in total net lettable area, Berthold and Frieda are expected to commence operations in 4Q 2018.

At TripleOne Somerset, works at the retail podium are expected to complete by 4Q 2018. The revamped podium is expected to commence operations progressively from 1Q 2019. Separately, AXA Tower's committed occupancy improved quarter-on-quarter from 90.8% to 92%, delivering a steady stream of income.

In China, construction works at Xi'an North High Speed Railway ("**HSR**") Integrated Development and Beijing Tongzhou Integrated Development progressed well. In addition, the Chinese Government recently announced the rezoning of Xi'an North HSR Station and its vicinity from being part of Weiyang District to a Xi'an Economic and Technological Development Zone. The plan to create a one-stop integrated HSR City will bode well for Xi'an North HSR Integrated Development which is adjacent to the station.

Healthcare Business

Perennial's eldercare business arm, Shanghai RST Chinese Medicine Co. Ltd ("**Renshoutang**") continued to make headways in China. In Zhenjiang, Renshoutang strengthened its presence by securing three new Public-Private Partnership projects in Jurong (句容) District. The three projects, being Jurong Guozhuang Yixian Eldercare Centre, Maoshan Park Eldercare Centre and Maoshan Eldercare Centre, are expected to yield a total of 954 beds. Together with two existing eldercare and retirement homes in Zhenjiang, namely Zhenjiang Yixian Eldercare and Retirement Home and Zhenjiang Jurong Eldercare and Retirement Home, Renshoutang will potentially operate a total portfolio of 1,764 beds in the city by 2020.

Separately, Renshoutang expanded its footprint in Shanghai with the soft launch of the 768-bed Renshoutang Fengxian Second Welfare Home on 8 October. With 668 eldercare beds and 100 nursing beds, the home comprises three six-storey blocks spanning a total gross floor area of 34,000 square metres. It is the first government-built-privately-operated facility and the largest integrated eldercare, medical care and rehabilitation care facility in Fengxian District. The home is also well-equipped with advanced medical facilities, a holistic suite of amenities such as a library, food halls offering customised menus, art and craft rooms, and also green open spaces for exercise and gardening.

To-date, Renshoutang operates 5,866 beds and has a committed pipeline of over 7,105 beds and a potential pipeline of over 13,500 beds.

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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 and Ghana with a combined portfolio spanning over 58 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Three of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development and Tianjin South HSR Integrated Development, are regional healthcare and commercial hubs which are situated adjacent to three of the country's key interchange HSR stations and incorporate medical, healthcare and eldercare facilities. 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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