



PRESS RELEASE

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For Immediate Release

Perennial Posts a Loss in 1Q 2019

*Expected to be profitable in 2Q 2019 post-completion of divestment of Chinatown Point Mall;
Close to 10 strata-office units at 111 Somerset sold during Open House period*

Singapore, 7 May 2019 – Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Group**”) registered a 1Q 2019 loss after tax and minority interest of S\$26.9 million mainly due to higher finance costs and expensing of initial startup and operating costs for Perennial International Health and Medical Hub (“**PIHMH**”) in Chengdu and The Capitol Kempinski Hotel Singapore, which started operating in early 2019. 1Q 2019 Revenue of S\$24.9 million was 66.3% higher than the same period last year mainly attributable to revenue from Capitol Singapore and PIHMH, and higher fee income from our management businesses, while 1Q 2019 Earnings Before Interest and Tax (“**EBIT**”) was S\$4.7 million.

1Q 2019 Financial Results Summary

	1Q 2019 (S\$M)	1Q 2018 (S\$M)	Change (%)
Revenue	24.9	14.9	66.3
EBIT	4.7	24.4	(80.9)
(Loss) / Profit	(26.9)	5.1	Nm

Real Estate Business

At 111 Somerset, with the improving office market sentiment, the strata-sale of the office units in Somerset Tower gained traction with over 10 units sold between S\$2,586 and S\$2,890 per square foot (“**sq ft**”) to-date. The total year-to-date gross strata sales amounted to S\$28.3 million. In addition, the new two-storey retail podium on Levels 1 and 2 of the development has commenced operations progressively since end-March 2019. Other than Fairprice Finest supermarket, the wide selection of food and beverage (“**F&B**”), and lifestyle choices provide office workers, shoppers and residents in the Orchard Road precinct with added convenience. On Levels 3 and 4, Spaces, an Amsterdam co-working space operator’s flagship facility in Orchard Road, and some medical and healthcare-related tenants have also commenced operations.

Separately, Capitol Singapore registered a to-date total committed occupancy of 84% and expects to achieve over 90% by 3Q 2019.

On 27 March 2019, the Urban Redevelopment Authority (“**URA**”) announced the Draft Master Plan 2019 which allows for certain developments to enjoy an uplift in gross plot ratio (“**GPR**”), coupled with additional GPR under the CBD Incentive Scheme which encourages the conversion of existing commercial developments to integrate hotel and residential usage. Under this new masterplan, AXA Tower’s gross floor area could potentially increase by approximately 46.5%, from 1.05 million sq ft to 1.55 million sq ft. The Group seeks to actively pursue this redevelopment scheme to incorporate office, hotel and residential components to maximise the value of the development for all of our stakeholders.

In line with the Group’s capital recycling strategy, the Group recently divested its 50.64% effective interests in entities that own the retail mall and four strata office units (together “**Chinatown Point Mall**”) in Chinatown Point based on an agreed property price of S\$520 million, which translates to S\$2,450 per sq ft on total net lettable area of Chinatown Point Mall. Based on a total consideration of S\$225 million, Perennial’s proportionate stake of the net proceeds to be received is expected to be approximately S\$125.3 million and its share of the divestment gain is approximately S\$17.2 million. Perennial’s wholly-owned subsidiary will continue in its role as the property manager of Chinatown Point Mall post-completion of the transaction, providing a stable recurring income for the Group.

In China, PIHMH registered an increase in committed occupancy to 92.8% as at 31 March 2019. Anchor tenant Gleneagles Chengdu Hospital has commenced fitting-out works and is expected to commence operations in 2H 2019.

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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 about 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 largescale mixed-use integrated developments. Four of Perennial’s developments, Chengdu East High Speed Railway (“**HSR**”) Integrated Development, Xi’an North HSR Integrated Development, Tianjin South HSR Integrated Development and Kunming South HSR Integrated

Development, 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 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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