

PERENNIAL REAL ESTATE HOLDINGS LTD



FINANCIAL RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2019

 PERENNIAL

All statements contained in this presentation which are not statements of historical fact constitute “forward looking statements”. These forward-looking statements, including without limitation, those regarding Perennial Real Estate Holding Limited’s financial position and results, business strategy and plans and objectives of management for future operations involve known and unknown risks, uncertainties and other factors which may cause Perennial Real Estate Holdings Limited’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this presentation, you are advised not to place undue reliance on these statements.

FINANCIAL HIGHLIGHTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

Income Statement (1Q 2019 vs 1Q 2018)

Explanation of Key Income Line Items

S\$'000	1Q 2019	1Q 2018	Change
	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018	%
Revenue	24,861	14,945	66.3
Earnings Before Interest & Tax (“ EBIT ”)	4,658	24,443	(80.9)
Profit After Tax less Minority Interest (“PATMI”)	(26,931)	5,144	Nm

Revenue

- Revenue for 1Q 2019 increased by 66.3% mainly attributable to revenue from Capitol Singapore which was consolidated since May 2018, revenue from Perennial International Health and Medical Hub (“**PIHMH**”) and higher fee income from our management businesses.

EBIT

- EBIT for 1Q 2019 decreased by 80.9% mainly due to the absence of a one-off gain recognised by one of the associated companies. This was mitigated by better performance from management businesses due to higher fee income.

PATMI

- PATMI for 1Q 2019 decreased mainly due to the absence of a one-off gain and higher net finance costs. Finance costs increased with the consolidation of Capitol Singapore’s debt and new loans to fund new investments and higher interest rates. In addition, interest expenses in respect of PIHMH previously capitalised were expensed off on completion.

Income Statement (1Q 2019 vs 1Q 2018)

Revenue and EBIT by Segment

	REVENUE			EBIT			Note
	1Q 2019	1Q 2018	Change	1Q 2019	1Q 2018	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Singapore	9,205	3,153	191.9	695	21,960	(96.8)	1
China	10,902	8,920	22.2	4,238	4,316	(1.8)	2
Management Businesses	6,673	4,773	39.8	3,049	1,914	59.3	3
Corporate and Others	19	24	(20.8)	(3,085)	(3,509)	12.1	
Eliminations	(1,938)	(1,925)	0.7	(238)	(238)	-	
	24,861	14,945	66.3	4,659	24,443	80.9	

Notes:

- (1) The increase in revenue was mainly due to the consolidation of Capitol Singapore's revenue. 1Q 2019 EBIT was significantly lower as 1Q 2018 EBIT included a one-off gain. Excluding the one-off gain, 1Q 2019 EBIT would be marginally lower by 8.6% compared to that of 1Q 2018.
- (2) The higher revenue was mainly attributable to revenue stream from PIHMH which commenced operations in 2Q 2018.
- (3) The increase in revenue and EBIT from the management businesses were mainly due to higher fees earned which included the acquisition fee and management fees from the healthcare joint venture.

CAPITAL MANAGEMENT & KEY FINANCIAL INDICATORS

Capital Management and Key Financial Indicators

Key Financial Ratios

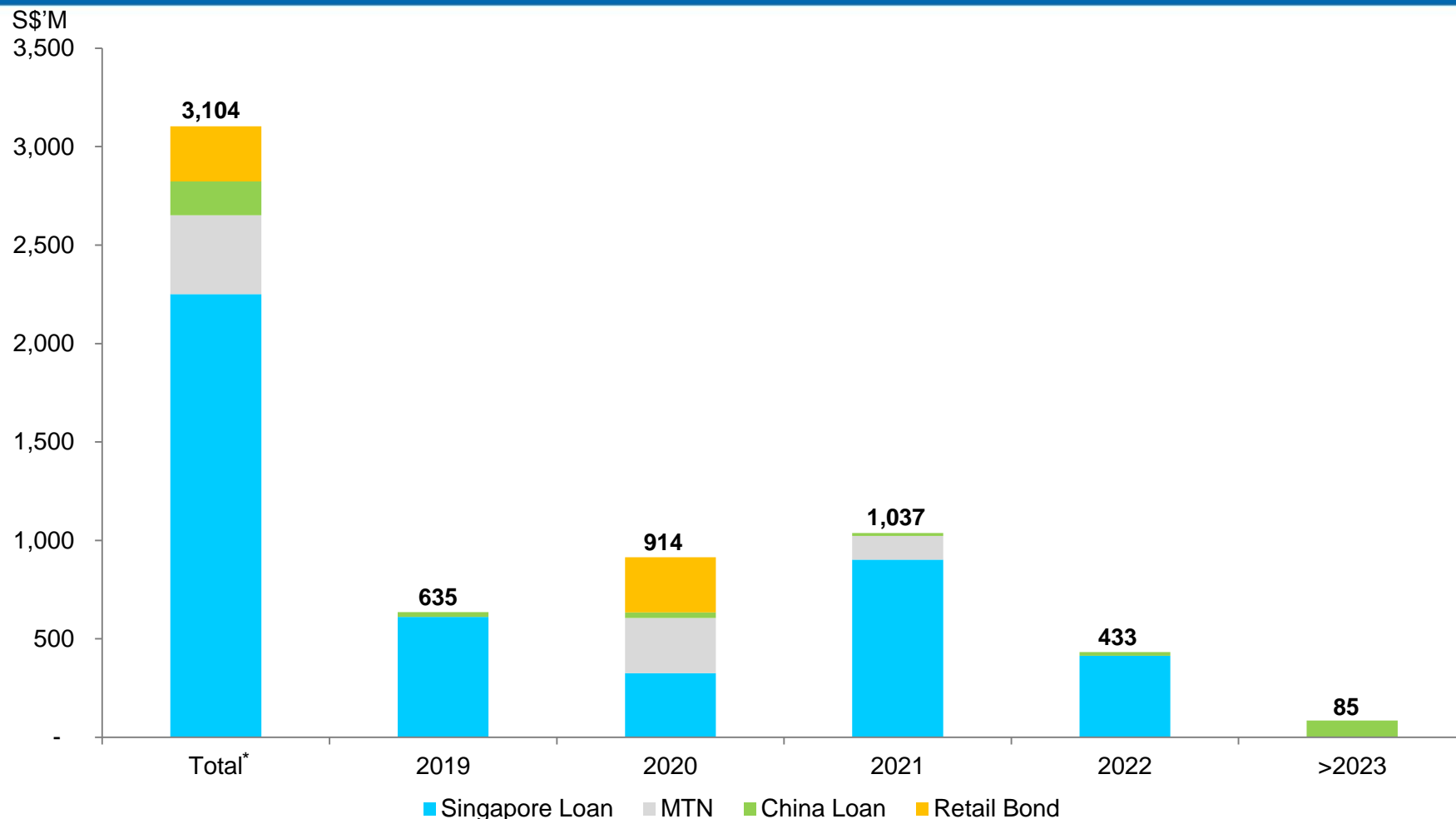
	As at 31 Mar 2019	As at 31 Dec 2018
Net Debt (S\$' 000)	3,025,085	2,861,206
Total Equity (S\$' 000)	4,008,110	3,976,378
Net Debt to Equity Ratio	0.75	0.72
NAV per Share ¹ (S\$)	1.655	1.644
Debt-Weighted Average Term to Expiry (years)	1.85	1.92

	For The Quarter Ended 31 Mar 2019	For The Quarter Ended 31 Mar 2018
Earnings per Share (cents)	(1.62)	4.70
Weighted Average Interest Rate (p.a.)	4.0%	3.8%

Note

1. The higher Net Asset Value per Share was due to translation gain arising from the appreciation of RMB against SGD during the period.

Debt Maturity Profile – As at 31 March 2019



* Being gross amount, without amortised transaction costs

1. In March 2019, Perennial redeemed S\$125 million of 4.90% p.a. fixed rate notes (“**MTN**”).
2. The Singapore loans due in 2019 comprise S\$170 million of secured loans and S\$441 million of unsecured loans. Out of the S\$484 million secured and unsecured loans due in 1H 2019, S\$119 million have been refinanced and S\$365 million are in the process of being refinanced. The remaining loans are due in 4Q 2019.

BUSINESS REVIEW - REAL ESTATE (SINGAPORE)

111 Somerset – New Retail Podium Commenced Operations

Levels 1 and 2 Present a Myriad of F&B and Lifestyle Choices,
Offering Convenience to Office Workers, Shoppers and Residents in the Orchard Road Precinct

Now Open



FairPrice Finest



Pu3 Restaurant



EAT.



Glyph Supply Co.



Kyoaji



Fruit Paradise



Kara-Men Ajisen



Maison Kayser

Opening Soon



Imperial Treasure Steamboat



So Good Bakery and Cafe



328 Katong Laksa



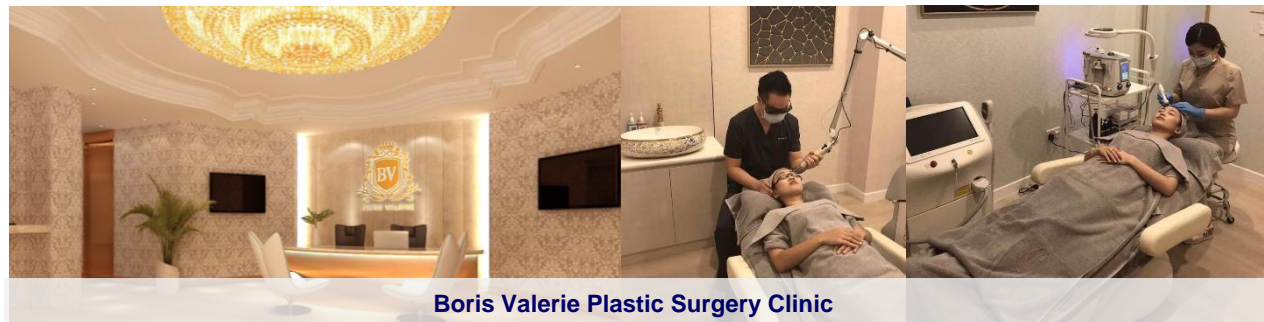
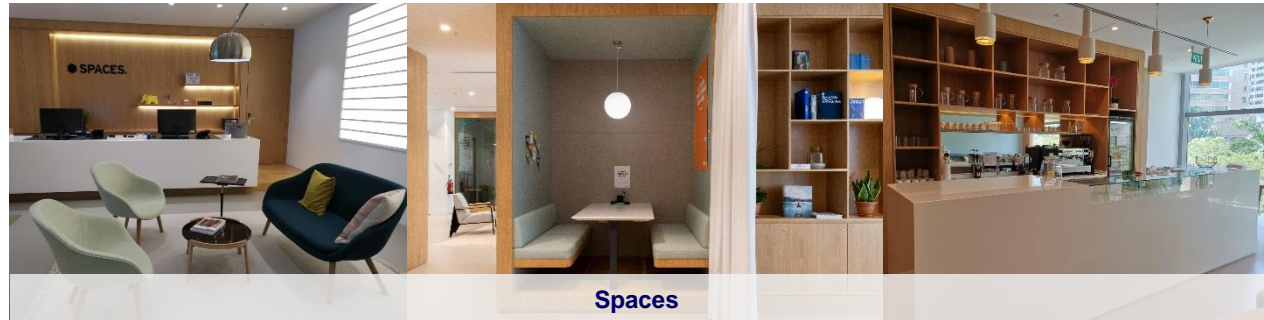
Eishikan Learning School

- The new 72,500 sq ft in net lettable area two-storey retail podium has commenced operations progressively since March 2019.
- Tenants which have commenced operations include FairPrice Finest, Kyoaji, Pu3 Restaurant, Fun Toast, Glyph Supply Co., Old Tea Hut, Fruit Paradise, Jewel Fruits and Juice Bar, Green Ba, EAT., Top Tea, Coney Donut, Sindy Durian, Pasta House, G Chop, Kara-Men Ajisen and Maison Kayser.
- Returning tenant Imperial Treasure Steamboat, and other food and beverage tenants, including 328 Katong Laksa and So Good Bakery and Cafe, as well as Eishikan Learning School – a Japanese enrichment centre – will further add on to the attractive offerings.

111 Somerset – Close to 10 Strata-office Units Sold During Open House Period

Spaces Co-Working Space Operator's Flagship Facility in Orchard Precinct Commenced Operations

- 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 to-date. The total year-to-date gross strata sales amounted to S\$28.3 million.
- On Levels 3 and 4 of 111 Somerset, Spaces, a co-working space concept from Amsterdam, as well as medical and healthcare-related tenants, including the over 8,000 sq ft Boris Valerie Plastic Surgery Clinic and KE Beauty, have commenced operations.



Capitol Singapore – Repositioning Drives Strong Retail Tenant Take-up Rate

Total Committed Occupancy Expected to Exceed 90% by 3Q 2019;
Variety of New Tenants to Enhance the Retail Component's Offerings

- Registered a to-date total committed occupancy of 84% and expects to achieve over 90% by 3Q 2019.
- New tenants secured in 1Q 2019 include Burger King, a popular fast food joint, Spicy Rock, a spicy-themed Japanese casual dining, Kei Style Sushi, a Japanese Omakase restaurant, and Eccellente, a premium grocery store.
- Icebreaker Merino, a merino wool outdoor clothing brand from New Zealand, commenced operations on B2.



Eccellente

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

AXA Tower – Poised to Benefit from URA’s Draft Master Plan 2019

Potentially Increases Existing GFA by ~46.5% from 1.05 Million sq ft to 1.55 Million sq ft



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

- On 27 March 2019, the Urban Redevelopment Authority (“URA”) announced the Draft Master Plan 2019 to boost live-in population within the city’s central area and enable more people to stay in the vicinity of their workplaces.
- Other than an uplift in gross plot ratio (“GPR”), some sites also enjoy additional GPR should they fulfil the new CBD Incentive Scheme which encourages the conversion of existing commercial developments to integrate hotel and residential usage.
- The change in plot ratio guideline and incentive scheme could potentially increase AXA Tower's existing gross floor area (“GFA”) by approximately 46.5%, from 1.05 million sq ft to 1.55 million sq ft.
- We will actively pursue this redevelopment scheme to incorporate office, hotel and residential components to maximise the value for our Shareholders.
- With over 5 km of cycling paths expected to add to the existing 22 km network in the Central Area by 2021, new end-of-trip facilities on Basement 2 including bicycle parking, lockers and shower facilities have commenced operations in April, making active mobility more conducive.

Divestment of 50.64% Stake in Chinatown Point

Divestment of Majority Stake Supports Capital Recycling Strategy;
Appointment as Property Manager Provides Recurrent Income Stream



- On 22 April 2019, Perennial together with its consortium of investors, has through Perennial Chinatown Point LLP, entered into a share purchase agreement with PAR Chinatown Point Pte. Ltd., a wholly-owned vehicle of a fund which is managed by Pan Asia Realty Advisors (Singapore) Pte. Ltd., a joint venture between Mitsubishi Estate Co., Ltd, and CLSA, to fully divest its 100% interests in entities that own the retail mall and four strata office units (together “**Chinatown Point Mall**”) in Chinatown Point, at a consideration of S\$225 million.
- The consideration was based on an agreed property price of S\$520 million, which translates to S\$2,450 per square foot on total net lettable area of Chinatown Point Mall. 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.
- Following the completion, Perennial’s wholly-owned subsidiary, Perennial (Singapore) Retail Management Pte. Ltd., will continue in its role as the property manager of Chinatown Point Mall.

BUSINESS REVIEW - REAL ESTATE (CHINA)

Perennial International Health and Medical Hub, Chengdu – One-Stop Destination for All Healthcare and Medical Needs



Total Committed Occupancy of ~92.8% with New Tenants Secured



- Total committed occupancy for Perennial International Health and Medical Hub (“**PIHMH**”) increased to approximately 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.
- New medical and healthcare-related tenants coming onboard include a Chiropractic clinic, Yunyingzhijia Overseas Medical and Beibeien Health Management.
- Other non-medical and healthcare-related tenants include Suning, one of the leading electronic appliances retailers in China who will take up an over 2,200 sqm space, and Elmont Children's Art Training, Argent Forest Beauty, Little Rascal Children's Playland, Guji Restaurant and Qiqi Specialty Noodles House.

THANK YOU

Investor Relations and Media Contact

Ms. Tong Ka-Pin

DID : (65) 6602 6828

HP : (65) 9862 2435

Email: tong.ka-pin@perennialrealestate.com.sg

Website: www.perennialrealestate.com.sg