



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS
FOR PERENNIAL'S SEVENTEENTH ANNUAL GENERAL MEETING**

Perennial Real Estate Holdings Limited (“**Perennial**” or the “**Company**”) held its Seventeenth Annual General Meeting (“**AGM**”) via electronic means this afternoon at 2.30pm.

The Company would like to thank Shareholders for submitting the questions ahead of the AGM. As there were many questions of similar nature received, the Company will not be providing responses to every question. Instead, substantial and relevant questions have been grouped together and addressed based on the broad topics below:

1. COVID-19 Impact
2. Financials
3. Business-related
4. Offer

The Company’s responses are detailed in **Appendix A**.

BY ORDER OF THE BOARD

Wong Chuen Shya
Company Secretary

26 June 2020
Singapore

COVID-19 Impact

Question	Response
How has COVID-19 affected the Company's performance?	<p>In Singapore, the operating assets were impacted but were mitigated by the property tax rebates and job support grants received from the government. Generally, eligible retail tenants received a total of four months of rental rebates, with the government subsidising two months, and the Company topping up another two months amounting to S\$2.5 million. Office tenants were granted slightly over one month of rental rebate by the government. Separately, the sale launch of Forett at Bukit Timah has been pushed back to 2H 2020, subject to market conditions.</p> <p>In China, business has gradually picked up to 70% to 80% of pre-pandemic level since the easing of lock-down in 2Q 2020. On the development front, construction works at our projects in various cities were delayed for about two months, but all works have since resumed, save for our project in Beijing which has recently halted work again due to an outbreak in the city.</p>
To what extent are bad debts and provisions expected due to COVID-19?	To help tenants tide over the challenging period, the Company implemented measures such as instalment payment plan for rentals. For 1H 2020, the Company expects to register bad debts of about S\$0.5 million.

Financials

Question	Response
What is the effective interest rate paid on the debt of the Company? Are there plans to reduce the interest rates of the Company's loans given the current low interest rate environment?	<p>The weighted average interest rate is about 4% in FY2019 and we expect it to be lower with the swap offer rate trending down. Last year, the one month SOR ranged from 1.4% to 1.9% but the rate started decreasing since February this year and is currently about 0.1%.</p> <p>About 75.3% of our loans are on floating rate and the interest rates of these loans will correspondingly be lower in the current low interest rate environment.</p>
Will the Company be able to meet all of its debt obligations due in FY2020?	<p>The Company has redeemed the S\$280 million retail bonds due on 29 April 2020.</p> <p>The Company has also recently announced on 8 June 2020 that it has secured a loan facility totalling S\$425 million which will be utilised to redeem the medium-term notes when they fall due in July and August 2020.</p> <p>As for the rest of the borrowings which are mainly bilateral unsecured bank facilities, the Company has either refinanced or repaid, leaving a balance of S\$380 million which will be refinanced when the facilities are due in 4Q 2020.</p>

Referring to page 173 in the Annual Report 2019, can the Company disclose the revenue of Renshoutang and Perennial HC Holdings Pte Ltd for FY2019?	Renshoutang's revenue for FY2019 was S\$55.7 million. Perennial HC Holdings Pte Ltd has no revenue as it owns projects which are under development.
--	---

Business-related

Question	Response
Is the performance of Perennial International Health and Medical Hub ("PIHMH") in Chengdu meeting management's expectations?	<p>The Company is pleased to have achieved a committed occupancy of approximately 86% as at 31 December 2019. The opening of Gleneagles Hospital Chengdu in end 2019 will provide the property with a steady stream of income.</p> <p>With the conversion of retail spaces on Basements 1 and 2 to medical spaces to meet the increasing demand by medical and healthcare-related tenants, the property will require another one to two years to stabilise.</p>
Can the Company provide more details on Chengdu East High Speed Railway Integrated Development Plot D2 ("Chengdu Plot D2")? When is it expected to become operational?	Chengdu Plot D2, with six blocks which have topped out, is expected to comprise hotel, eldercare, long lease apartments and complementary retail components. The development is expected to commence operations progressively from 2H 2021.
Please share on the execution timeline of the Zhuhai Hengqin Integrated Development.	<p>The Zhuhai Hengqin Integrated Development is expected to obtain its Temporary Occupation Permit in 3Q 2020 and will comprise apartments, retail, office and hotel components.</p> <p>The apartments are expected to be launched for sale in 3Q 2020, while the retail and office components are expected to commence operations by the end of 2021. Separately, the hotel component is targeted to commence business in 2Q 2022.</p>
At Capitol Singapore, the Company still has a number of unsold units at Eden Residences and sales have so far been disappointing. What are the Company's plans regarding the unsold units?	<p>To date, about half of the Eden Residences units have been sold. Positioned as an ultra-luxurious residential development with relatively large units, each of the unit is priced at over S\$10 million. The Company intends to sell half of the remaining units, while keeping the other half as long lease apartments to be serviced by the adjacent The Capitol Kempinski Hotel Singapore.</p> <p>Earlier, viewing activities have been affected in view of movement control and travel restrictions. With the move into Phase 2 re-opening and the gradual easing of overseas travel restrictions, preview by potential buyers have started to pick up momentum.</p>

	The Company also intends to prepare a number of show suites of different configurations to cater to overseas prospects who tend to prefer fully furnished apartments for immediate occupancy.
--	---

Offer

Question	Response
All questions relating to the Offer	<p>On 12 June 2020, United Overseas Bank Limited (“UOB”) as the lead financial adviser to Primero Investment Holdings Pte. Ltd. (the “Offeror”) and DBS Bank Ltd. (“DBS”, and together with UOB, the “Financial Advisers”) as the financial adviser to the Offeror, announced for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer (“Offer”) for all the issued and paid-up ordinary shares (“Shares”) in the capital of Perennial Real Estate Holdings Limited (the “Company”), excluding Shares held in treasury. Further information in relation to the Offer is set out in the Offer Announcement, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.</p> <p>As announced by the Company on 19 June 2020, the Company has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd as Independent Financial Adviser (“IFA”) to advise the directors of the Company who are considered independent for the purposes of the Offer (“Independent Directors”). A circular containing the advice of the IFA and the recommendation of the Independent Directors (the “Offeree Circular”) will be sent to Shareholders within 14 days from the date of despatch of the formal offer document to be issued by UOB and DBS, for and on behalf of the Offeror, in connection with the Offer.</p> <p>[Save as already announced, the Company does not have any further updates for Shareholders in relation to the Offer.] In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA which will be set out in the Offeree Circular.</p> <p>For all enquiries relating to the Offer, please contact the financial advisers to the Offer during office hours:</p> <p>United Overseas Bank Limited Tel: (65) 6539 7066 DBS Bank Ltd. Tel: (65) 6878 6212</p>

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, Myanmar, Sri Lanka and Ghana with a combined portfolio spanning approximately 68 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 large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City, 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/or 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.