A GRAND VISION,
OUR BLOSSOMING OPPORTUNITIES

PERENNIAL HOLDINGS PRIVATE LIMITED ANNUAL REPORT 2020

CORPORATE PROFILE

Perennial Holdings Private Limited ("**Perennial**") is an integrated real estate and healthcare company headquartered 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 and Sri Lanka with a combined portfolio spanning approximately 80 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider in China with three core business segments, being hospitals and medical centres, integrated healthcare hubs, as well as eldercare and senior housing. Perennial's integrated eldercare services include nursing care, medical care, rehabilitation care and dementia care, and it has a presence in ten Chinese cities with over 10,000 operating beds and a committed pipeline of approximately 5,000 beds.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Five 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, Perennial Kunming South HSR International Healthcare and Business City and Hangzhou West HSR Integrated Development, are situated adjacent to five of the country's largest HSR stations, majority of which are regional healthcare and commercial hubs which comprise medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development and Shenyang Longemont Integrated Development.

In Singapore, Perennial has invested in and/or manages prime iconic properties, such as Capitol Singapore, CHIJMES, AXA Tower, Chinatown Point, House of Tan Yeok Nee, Perennial Business City and Caldecott Hill site, located in the Civic District, Central Business District, Orchard Road precinct, Jurong Lake District and premium residential areas.

VISION

To be a leading global integrated real estate and healthcare company committed to enriching the lives of those we serve and delivering value to all of our stakeholders.

MISSION

To build a sustainable business, establish strong lasting relationships, and create long-term growth for our shareholders.

CORE VALUES

TEAMWORK
We value and empower our people, embrace diversity and work in unity to achieve our corporate goals.

INTEGRITY
We believe in fair business practices and uphold a high standard of integrity, moral conduct and governance in our dealings with internal and external parties.

EXCELLENCE
We are passionate about our work, innovative and entrepreneurial in spirit, and push the boundaries in pursuit of outstanding performance.

SUSTAINABILITY
We are socially, environmentally and economically responsible and treat our stakeholders with respect and compassion.

企业介绍

鹏瑞利集团有限公司(以下简称“**鹏瑞利集团**”)总部位于新加坡,是一家集房地产和医疗健康于一体的综合性集团公司。作为集持有、开发和管理于一体的房地产公司,鹏瑞利集团主要投资于大规模的综合性房地产开发项目,投资遍布于中国、新加坡、马来西亚、印尼、缅甸和斯里兰卡,物业总建筑面积超过740万平方米。

同时、鹏瑞利集团亦是中国地区医疗健康服务产业所有者、运营商和医疗健康服务提供商,旗下有三大核心业务板块,分别是医院和医疗中心、综合医疗健康中心、养老护理和老年公寓。鹏瑞利集团综合养老服务包括养老护理、医疗护理、康夊护理和认知症照护等,覆盖中国10个城市,现有床位超过10,000个,计划新增约5,000个。

在中国,鹏瑞利是一家商业房地产开发商,拥有大型综合开发项目。其中五个鹏瑞利项目分别毗邻中国五个高铁站,包括成都东站综合项目、西安北站综合项目、鹏瑞利国际健康商旅城(天津南站)、鹏瑞利国际健康商旅城(昆明南站)、杭州西站综合项目,其中大部分项目是区域型医疗商业中心,配备了医疗健康和养老护理设施。

在新加坡,鹏瑞利集团投资并/或管理位于市中心行政区、中央商业区、乌节路核心地段、裕廊湖区和其他高级住宅地段的标志性优质项目,包括首都新加坡、赞美广场、安盛保险大厦、唐城坊、陈旭年宅第、鹏瑞利商务城和加利谷山地块。

愿景

成为一家全球领先的综合性房地产和医疗健康公司,致力于丰富我们服务对象的生活,并提供价值给我们所有的利益相关者。

使命

建立可持续发展业务,树立稳固持久的关系,并为股东创造长期利益增长。

核心价值

团队精神
我们重视我们的员工,接受人才多样性,并以团结一心的态度实现我们共同的企业目标。

正直
我们相信公平的商业惯例,在与内部和外部各方打交道时秉承高标准的诚信、道德操守和治理。

卓越
我们秉持对工作的热忱,保持创新和进取的精神以突破界限、追求卓越的表现。

可持续性
我们对社会、环境和经济负责,并以最尊敬的心对待我们的利益相关者。


The Capitol Kempinski Hotel
CAPITOL















CONTENTS

A GRAND VISION,
OUR BLOSSOMING OPPORTUNITIES

FY2020 ushered in a significant chapter in Perennial's growth story, as it embarked on its journey as a private company. Its strengthened consortium of shareholders bring with them deep insights, extensive networks and business experience in various markets. Their leadership opens windows of opportunities for Perennial to drive and accelerate growth, bringing it closer to realising its vision of becoming a leading global integrated real estate and healthcare company.

A NEW BEGINNING, EXPANDING OUR HORIZONS

Perennial's pursuit for growth led it to new horizons on numerous fronts. It made its first foray into new asset classes, introduced a new core healthcare business segment and expanded its presence by bolstering its China real estate portfolio. Leveraging on its strong fundamentals and track record as well as disciplined investment strategy, Perennial is well-positioned to explore untapped opportunities for long-term growth.


PERENNIAL
SHAW THEATRE
company&name
Marks & Spencers
New Furniture

A FOCUSED STRATEGY, ENERGISING OUR PORTFOLIO

Perennial remains steadfast in its integrated real estate and healthcare strategy, and completed several acquisitions and consolidations in the year to align and strengthen its portfolio. On the healthcare front, Perennial grew its footprint in China by opening new facilities while its real estate portfolio was strengthened by the acquisition of transit-oriented developments, further augmenting its strategy of owning, developing and managing large-scale integrated developments in close proximity or seamlessly connected to key transportation hubs.


PERENNIAL
鹏瑞利医疗健康中心
INTERNATIONAL HEALTH AND MEDICAL HUB

A LONG-TERM COMMITMENT, FRAMING OUR FUTURE

Sustainability has been, and will continue to be, an integral pillar of Perennial's growth strategy. Perennial remains committed to the sound stewardship of our businesses through responsible practices and sustainability efforts, as it strives to make a positive, long-term impact on its employees, communities and the environment.

CHAIRMAN'S STATEMENT

FY2020 proved to be an anomalous year and a true test of resilience for businesses, as the impact of the COVID-19 pandemic was felt globally. Even as we entered FY2021 with major economies showing signs of a cautious recovery, the aftermath of the pandemic continued to reverberate as new variants and outbreaks posed challenges to full reopening efforts for many countries.

In spite of the turbulent environment, our resilient portfolio of assets observed an encouraging recovery as the year progressed. We remained steadfast in the pursuit of our integrated real estate and healthcare business strategy, which helped us to weather the uncertainty and, over and above all, achieve what we had set out to accomplish for the year.

A MILESTONE YEAR

In the financial year, the privatisation exercise of Perennial took centre stage and we officially embarked on our journey as a private company on 14 September 2020. The Company's substantial shareholders remained predominantly unchanged, being myself, Wilmar International Limited, Mr Ron Sim and Mr Pua Seck Guan, with the addition of HOPU Investments, which is founded and chaired by Mr Fang Fenglei.

Together, with our strengthened capital position, business networks and investment insights, we will continue to augment our strategic focus on transit-oriented developments by acquiring and developing large-scale integrated developments close to key transportation hubs in China. Concurrently, as we grow our healthcare business in China, particularly in the integrated medical and eldercare space, we are setting our sights on replicating our established integrated model there in Singapore and other markets in which we have a presence. Forays into new Southeast Asian markets will also be pursued as part of our growth plans.

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COMMITMENT TO SUSTAINABILITY

Although we have delisted from the Singapore bourse, we remain committed to incorporating environmental, social and governance considerations into our business decisions. We will continue to issue our sustainability report annually based on the internationally recognised Global Reporting Initiative Standards, and align our decision making with the two United Nations Sustainable Development Goals, being Climate Action (Goal 13) and Peace, Justice and Strong Institutions (Goal 16), which were adopted since last year.

We also remain committed to upholding a high level of ethical and corporate governance standards. The gender diversity of the reconstituted board of directors ("**Board**") was strengthened when we welcomed our first female director to the Board post-delisting.

For FY2020, we are pleased to have achieved nearly all of our sustainability targets set out for the year, except for some works which are still in progress due to restrictions arising from the COVID-19 pandemic. In tandem with our growing healthcare business, we have also expanded our sustainability reporting scope with the addition of another eldercare property in China to provide stakeholders with a broader perspective of Perennial's business interactions with the community at large.

LOOKING AHEAD

The remaining year looks fraught with uncertainty as the world continues its battle with COVID-19. However, the past year has shown that mutual support is key to helping one another navigate this crisis. We will keep pledging our support for our tenants, business partners and employees, who have generously reciprocated in kind. With a new road lying ahead for Perennial, we will seize every suitable opportunity and work towards our vision of becoming a leading global integrated real estate and healthcare company.

WORD OF THANKS

I would like to extend my deepest gratitude to the Directors who have stepped down post-delisting, being Mr Eugene Lai, Mr Ooi Eng Peng, Mr Lee Suan Hiang and Mr Chua Phuay Hee, for their wise counsel and dedication to bring Perennial to where it is today. My thanks also goes to all the institutional, corporate and retail shareholders as well as various stakeholders who supported Perennial throughout its listed journey.

Lastly, I would like to express my heartfelt appreciation towards my fellow Directors and Perennians for their unwavering commitment and invaluable contributions to the Company.

Mr Kuok Khoon Hong
Chairman
22 July 2021

主席致辞

2020财年注定是非同寻常的一年，也是对企业韧性的一次真正考验，因为这一年全球都受到了新冠肺炎疫情的冲击。当我们迈入2021财年，尽管主要经济体显示出谨慎复苏的迹象，但由于全球出现了新变异病毒且疫情卷土重来，许多国家在实施全面重启时面临重重挑战，这场疫情依然继续影响着我们。

尽管当前的环境动荡不安，但随着时间推移，我们的稳健资产组合出现了令人鼓舞的反弹。我们仍然坚定不移地实施房地产和医疗健康业务综合发展策略，这不仅协助我们渡过了不明朗时期，而且推动我们实现了2020财年设定目标。

里程碑式的一年

在2020财年，鹏瑞利的私有化举措是集团的工作重点，我们于2020年9月14日正式成为一家私营公司。公司的大股东基本保持不变，包括我本人、丰益国际、沈财福先生、潘锡源先生，以及新增由方风雷先生创立及担任主席的厚朴投资。

凭借强大的资本实力、商业网络和投资洞察力，我们将通过收购和开发毗邻中国主要交通枢纽的大型综合项目，继续强化以公共交通为导向的房地产开发的战略重点。同时，随着我们大力拓展在中国的医疗健康业务，特别是综合医疗和老年护理领域，我们正着眼于在新加坡以及本公司已有业务布局的其他市场复制此成熟的综合业务模式。进军东南亚新市场也将是我们增长计划的一部分。

重视可持续发展

虽然鹏瑞利已经从新加坡交易所退市，但我们仍然致力于将环境、社会和治理因素纳入商业决策。我们将继续根据国际公认的全球报告倡议组织的标准，每年发布可持续发展报告，并确保我们的决策与联合国可持续发展的两个目标保持一致，我们自去年开始采用这两个目标，即气候行动（目标13）以及和平、正义与强大机构（目标16）。

我们继续致力于维持高水平的道德和企业治理标准。在退市后重组的董事会中，我们迎来了第一位女性董事的加入，加强了董事会的性别多元化。

我们仍然坚定不移地实施房地产和医疗健康业务综合发展策略，这不仅协助我们渡过了不明朗时期，而且推动我们实现了2020财年设定目标。

在2020财年，除了因新冠肺炎疫情限制导致一些工作未完成，我们几乎实现了为该年度设定的所有可持续发展目标，对此我们深感自豪。随着医疗健康业务的增长，我们也扩大了可持续发展报告的范围，在中国新增了一个养老护理物业，进而为利益相关者提供一个更广泛的视角，了解鹏瑞利与整个社区的商业互动。

展望未来

随着全球继续努力抗击新冠疫情，今年下半年依然充满不确定性。然而，过去的一年表明，相互支持是协助彼此度过这一场危机的关键。我们将继续承诺支持我们的租户、业务伙伴和员工，长期以来，他们一直与我们互信互惠。如今，鹏瑞利踏上了新的征途，我们将把握每一个适合的机会，努力实现成为全球领先的房地产和医疗健康综合性公司的愿景。

致谢

我想借此机会对退市后卸任的董事们致以最诚挚的谢意，包括赖俊陆先生、黄永平先生、李泉香先生和蔡培熙先生，感谢他们的睿智建议和奉献精神，为鹏瑞利取得今天的成就做出了积极贡献。同时，我还要感谢所有的机构、企业和散户股东，以及在鹏瑞利上市过程中给予鼎力支持的所有利益相关者。

最后，我想对公司的各位董事和鹏瑞利员工表示衷心的谢意，感谢他们对公司的坚定付出和辛勤贡献。

郭孔丰先生
主席
2021年7月22日

CEO'S STATEMENT

FY2020 marked a new chapter in Perennial's growth journey as an integrated real estate and healthcare company as it transited from a listed entity to a private entity amid an unprecedented year dominated by the COVID-19 pandemic.

Dear Stakeholders,

FY2020 marked a new chapter in Perennial's growth journey as an integrated real estate and healthcare company as it transited from a listed entity to a private entity amid an unprecedented year dominated by the COVID-19 pandemic. Despite the challenging global business environment and lockdowns declared in our core markets of Singapore and China, we successfully completed a series of major corporate exercises and project launches, seizing many opportunities that came our way.

Undeniably, our privatisation exercise marked the most significant corporate activity in the year. The addition of HOPU Investments, who brings with it valuable insights on the China market, deep understanding of fund management and extensive networks of global institutional investors, strengthens our ability to pursue growth in depth and breadth, as we look to deepen our presence in our core markets, venture into new asset classes and expand our footprint in Asia.

The completion of the privatisation exercise also saw a change in the composition of the Board of Directors ("**Board**"), with Mr Kuok Khoon Hong and Mr Ron Sim remaining as Chairman and Vice Chairman respectively, while welcoming three new members, being Mr Fang Fenglei, as Co-Vice Chairman, Ms Teo La-Mei, as our first female Director, and Mr Lau Teck Sien, as an alternate Director to Mr Fang. Together, they bring a wealth of experience and industry insights to our boardroom and their stewardship will be greatly valuable in Perennial's pursuit for long-term growth.

In the year, our transit-oriented development ("**TOD**") strategy remains our core focus of growth in China and we recalibrated our portfolio with the divestment of our entire stake in Zhuhai Hengqin Integrated Development for a share swap of an additional stake in Beijing Tongzhou Integrated Development. We also acquired an additional stake in Xi'an North High-Speed Railway ("**HSR**") Integrated Development, further augmenting our HSR portfolio in China.

Particularly in FY2020, when market volatility was high, active capital management was even more imperative. To strengthen our balance sheet and sharpen our focus on core assets, we undertook a number of capital recycling initiatives. We fully divested our equity stake in 111 Somerset and partially divested our equity stake in AXA Tower. We also commenced the sale of residential units at Forett at Bukit Timah in Singapore and The Sanctuary Collection in Greater Jakarta, Indonesia.

Towards the end of the year, we announced two major transactions in Singapore, marking our first foray into the asset classes of business park, where we led a consortium to acquire the former Big Box property in Jurong East with plans to redevelop it into Perennial Business City, and luxury landed residences, where we led a consortium to acquire the prestigious Caldecott Hill site for redevelopment into Good Class Bungalows.

On the healthcare front, we continued to actively pursue both our Hospitals and Medical Centres as well as Eldercare and Senior Housing business segments, with the latter making significant headway in achieving growth. With the experience garnered from operating Perennial International Health and Medical Hub ("**PIHMH**") and our extensive network of relationships formed with medical institutions and groups in China, we further redefined our healthcare business by introducing a third core segment, being Integrated Healthcare Hubs.

This not only brings us in greater alignment with China's efforts to develop its domestic healthcare industry but also affords us strategic exposure to the country's growing healthcare market. With Perennial's strong track record in operating regional healthcare and commercial hubs, we are well-poised to capitalise on new growth opportunities as we continue to strengthen and diversify our footprint in the healthcare space.

PERFORMANCE AND CAPITAL MANAGEMENT

In FY2020, Perennial's revenue was S$111.2 million, which was 10.5% lower than the S$124.2 million recorded in FY2019. The lower revenue was mainly due to the impact of COVID-19, which included lower revenue from The Capitol Kempinski Hotel Singapore, lower occupancy rate at Capitol Singapore and CHIJMES in Singapore, as well as Perennial Jihua Mall and PIHMH in China. Higher rental rebates granted to tenants of Capitol Singapore and CHIJMES also contributed to the lower revenue in FY2020.

In the year, our transit-oriented development ("TOD") strategy remains our core focus of growth in China and we recalibrated our portfolio with the divestment of our entire stake in Zhuhai Hengqin Integrated Development for a share swap of an additional stake in Beijing Tongzhou Integrated Development. We also acquired an additional stake in Xi'an North High-Speed Railway ("HSR") Integrated Development, further augmenting our HSR portfolio in China.

Earnings before interest and tax ("**EBIT**") for FY2020 decreased by S$24.3 million to S$111.7 million from S$136.0 million in FY2019. The lower EBIT was mainly due to higher other income derived from gain on disposal of equity stakes in 111 Somerset, AXA Tower and Zhuhai Hengqin Integrated Development, as well as remeasurement gain and bargain purchase for Beijing Tongzhou Integrated Development Phase 2, which was offset by lower fair value gains and the payout of the Employee Share Option Scheme following the termination of the scheme post-delisting.

Overall, Perennial recorded an FY2020 profit after tax and minority interest of S$19.0 million, which was higher than the S$3.8 million in FY2019 mainly due to lower finance costs and reversal of provision for income tax in prior years, offset by the lower EBIT.

As at 31 December 2020, the Group's net debt-to-equity stood at 0.66 times, lower than the 0.74 times registered in FY2019. The decrease was attributable to a reduction in debt of approximately S$98.8 million, coupled with an increase in equity due to foreign currency translation gain arising from the appreciation of RMB against the SGD.

As global economies continue to grapple with the adverse impact of the COVID-19 pandemic, we expect our financial performance this year to reflect the cautious market outlook. Nevertheless, we will remain prudent and will continue to proactively manage our capital position. We are thankful for the ongoing support from our network of financial institutions who have stood alongside us through the years and during our privatisation exercise.

REAL ESTATE BUSINESS REVIEW

Singapore

In FY2020, the global economy felt the far-reaching repercussions of the COVID-19 pandemic. Singapore's gross domestic product fell by 5.8% on a year-on-year basis, down from a 0.7% growth in 2019. From 7 April to 1 June 2020 ("**Circuit Breaker**"), most businesses, including non-essential retail, non-essential services and construction, came to a standstill. However, following the implementation of two rounds of relaxation measures and the subsequent economic recovery, Perennial's retail tenants saw positive revenue reversion in December 2020 as compared to pre-COVID-19 levels at the start of the year, while commercial and office properties remained resilient throughout 2020 due to committed leases.

At Capitol Singapore, committed occupancy remained strong at over 90% as at 31 December 2020. Meanwhile, CHIJMES refreshed its tenant mix to further establish itself as a preferred dining and lifestyle venue, attracting steady crowds despite the post-Circuit Breaker backdrop. Rental support was extended to tenants at both properties while the launch of an online delivery platform also helped them tide over the Circuit Breaker.

At AXA Tower, we led a consortium of investors to divest a 50% stake in AXA Tower to a subsidiary ("**Alibaba Singapore**") of Alibaba Group Holding Limited at an agreed property price of S$1.68 billion. We also formed a new entity with the same consortium to own the remaining 50% stake in AXA Tower. Overall, our effective stake in AXA Tower was reduced from 31.2% to 10%.

The new Perennial-led consortium also entered into a joint venture ("**JV**") agreement with Alibaba Singapore to redevelop AXA Tower into an iconic landmark in Singapore's Central Business District ("**CBD**"), with plans to increase its gross floor area ("**GFA**") by approximately 46.5%, from 1.05 million square feet ("**sq ft**") to 1.55 million sq ft. Redevelopment works are expected to commence by the end of 2021.

We further reconstituted our portfolio in Singapore by fully divesting our 30% stake in 111 Somerset to the 70% shareholder, Simply Swift Limited, for S$155.8 million, achieving a gain on disposal of S$27.7 million.

Separately, Forett at Bukit Timah, the first private residential launch post-Circuit Breaker, was met with a positive market reception with over one-third of its units sold at launch.

The Perennial-led acquisitions of the former Big Box property and Caldecott Hill site were completed in 1Q 2021. The 606,645 sq ft former Big Box property was acquired for S$118 million, with Perennial taking an effective 63% stake. We also unveiled plans to invest over S$70 million to redevelop it into the new Perennial Business City within Jurong Lake District, the slated second CBD of Singapore. Asset enhancement works will be progressively completed from 4Q 2021, raising the property's existing GFA from 1.4 million sq ft to 1.5 million sq ft.

As for the Caldecott Hill site, the 752,021 sq ft plot was acquired for S$281 million, with Perennial taking an effective 50% stake. The site sits within a prime Good Class Bungalow enclave and will be redeveloped into luxury landed residences to ride on the appetite of high-net-worth homebuyers and investors.

China

In 1H 2020, the Chinese market bore the brunt of COVID-19's adverse impact but staged a strong turnaround as the year progressed, to become the only major world economy to record positive growth in 2020.

PIHMH, Perennial's signature one-stop regional healthcare and commercial hub, registered a 37% year-on-year increase in footfall despite market headwinds, as its comprehensive suite of medical and healthcare-related services gained consumer recognition and industry accolades. It was awarded the "2020 China Branded Shared Medical City" at the 3rd Shanghai Medical Exchange Conference in October 2020 for its contribution to the development of shared medical services in China.

To achieve the dual objectives of replicating our established regional healthcare and commercial hub model and growing our newly defined Integrated Healthcare Hubs healthcare business segment, we formed a 60-40 JV management partnership with Nenking Group, whose ready portfolio of assets allows us to expedite the rollout of our integrated healthcare and commercial hubs in the Greater Bay Area. The upcoming Perennial-Nenking International Health and Medical Hub ("**PNIHMH**") located in Foshan will be Perennial's second regional healthcare and commercial hub. At a time when domestic appetite for high-quality integrated healthcare offerings is on the rise, PNIHMH is well-positioned to serve this growing demand when it commences operations in FY2022.

CEO'S STATEMENT

In a move to strengthen our TOD portfolio, we divested our entire 20% stake in Zhuhai Hengqin Integrated Development for a share swap of an additional 12.9% stake in Beijing Tongzhou Integrated Development Phase 2, increasing our effective stake from 23.3% to 36.2%. Beijing Tongzhou Integrated Development Phase 1 and Phase 2 are expected to complete construction works in 2023 and 2022 respectively.

To further bolster our TOD strategy in China, we acquired an additional 14.7% stake in Xi'an Perennial Chengtou West Real Estate Co., Ltd, which is developing Plot 4 of the Xi'an North HSR Integrated Development, increasing Perennial's stake in Plot 4 from 51% to 65.7%.

Separately, development works are progressing smoothly at our second-generation HSR regional healthcare and commercial hubs – Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City. The healthcare-centric integrated developments will comprise medical, eldercare, hotel and commercial components, while being seamlessly connected to their adjacent HSR stations.

Both developments have obtained their Construction Commencement Permits in FY2020. Perennial Kunming South HSR International Healthcare and Business City is slated to achieve partial structural top-up in 2021, while Perennial Tianjin South HSR International Healthcare and Business City is expected to be completed progressively from 2022. Upon completion, they will further strengthen Perennial's standing as a dominant TOD player with a strong healthcare focus in China.

Other Markets

Despite 2020 being a challenging year for the residential market, Tanglin Parc, the first cluster of The Sanctuary Collection in Greater Jakarta, was almost fully sold. A second residential cluster, Newton Springs, was launched in 1Q 2021, while a third is currently being designed and planned.

In Penang, construction works for the retail mall, convention centre, hotel and office components of The Light City have commenced in the year. Plans are underway to begin the works for the first residential phase, Mezzo The Light City, which was recently launched for sale in 1Q 2021.

In FY2020, Renshoutang, Perennial's Eldercare and Senior Housing business arm, recorded a strong performance. Our portfolio of operating beds grew robustly by 32.7%, from 7,724 beds to 10,248 beds, as a result of the opening of three new facilities in Huacao, Changsha and Hengshan.

HEALTHCARE BUSINESS REVIEW

In FY2020, Renshoutang, Perennial's Eldercare and Senior Housing business arm, recorded a strong performance. Our portfolio of operating beds grew robustly by 32.7%, from 7,724 beds to 10,248 beds, as a result of the opening of three new facilities in Huacao, Changsha and Hengshan.

To cater to the high demand for nursing beds in China, Renshoutang has also been working alongside the Chinese government to convert a number of eldercare beds in its older eldercare facilities, such as Shanghai Xijiao Xiehe Eldercare Home and Yixian No. 3 Eldercare Home, to nursing beds.

By the end of the year, Renshoutang has expanded its market share in China to operate a total of 30 eldercare facilities, with over 10,000 operating beds and a committed pipeline of approximately 5,000 beds. In 2021, Renshoutang is slated to open three more facilities, with another five in the pipeline. We will continue to leverage on our strategic three-pronged leasing, public-private partnership and acquisition model to further establish ourselves as a leading healthcare and eldercare player in China.

FY2020 marked the first full year of operations for Gleneagles Hospital Chengdu, an anchor tenant at PIHMH. Despite the challenging backdrop of the COVID-19 pandemic, the hospital grew its outpatient volume for the year while strengthening its slate of surgical capabilities in the areas of orthopaedics and general surgery through partnerships with renowned visiting consultant surgeons.

At Perennial International Specialist Medical Centre, one of China's first specialist medical concepts, occupancy rate reached 94% in FY2020 as it diversified its medical and healthcare services offerings and welcomed new tenants such as Coral Regenerative Medical Centre for Osteoarthropathy, Chengdu Bakang Scar Rehabilitation Centre and Little Grass Eye Hospital.

Plans are underway to expand the medical centre and cater to increased rental demand from new healthcare tenants such as specialist hospitals, a health screening centre and a geriatric health management centre.

Over time, we expect our healthcare business to deliver growing management business revenue streams through the three core segments of Hospitals and Medical Centres, Integrated Healthcare Hubs as well as Eldercare and Senior Housing.

SUSTAINABILITY

While Perennial has been delisted from the Singapore bourse, we remain committed to our sustainability goals and have taken the step of publishing our FY2020 Sustainability Report as part of this report.

In FY2020, we expanded our sustainability reporting scope to include Shanghai Hongqiao Renshoutang Nursing Home. This extension provides stakeholders with a broader perspective of Perennial's business interactions with the community at large and reaffirms our commitment towards creating a positive impact on environmental, social and governance fronts.

In a bid to minimise our environmental footprint, efforts to reduce energy consumption are ongoing and we have completed the replacement of all LED light fittings at retail areas for almost all properties in Singapore and China. We will also continue to stay abreast of the latest methods of tracking water consumption, including the strategic installation of water meters at selected water outlets in all assets. Separately, to encourage community recycling efforts, Perennial Qingyang Mall in Chengdu hosted a 10-day recycling event, attracting over 3,000 participants to donate 400kg of reusable items for the underprivileged.

On the Corporate Social Responsibility ("**CSR**") front, our total contribution in FY2020, including cash and in-kind sponsorships, amounted to over $1.9 million.

In light of the COVID-19 pandemic, our CSR efforts in FY2020 were largely focused on pandemic-related initiatives. When China's COVID-19 situation escalated in 1Q 2020, we leveraged on our global network to procure 20,000 N95 masks, donating them to the Shanghai Charity Fund as well as the Red Cross Society of Chenghua District and community homes in Chengdu. Similarly, Perennial tapped on its established healthcare logistics network in China and worked with an overseas partner to procure and donate five million surgical masks to Singapore's National Council of Social Service, which distributed the masks to welfare homes, disability homes, and children and young persons' homes. As of the date of donation on 24 May 2020, the contribution marked the largest surgical mask donation in Singapore.

In Chengdu, Perennial Qingyang Mall continued its flagship 'Give the Children a Warm Winter' campaign to fundraise and collect learning supplies to meet the education needs of disadvantaged children in the rural Daba Mountains.

The spirit of volunteerism was unwavering among Perennial's staff as they championed our corporate values with their commitment to charitable causes. Besides coordinating the donation of masks, our staff in Singapore and China also actively volunteered their time to participate in various CSR initiatives held at Perennial's properties in different markets.

In FY2020, we expanded our sustainability reporting scope to include Shanghai Hongqiao Renshoutang Nursing Home. This extension provides stakeholders with a broader perspective of Perennial's business interactions with the community at large and reaffirms our commitment towards creating a positive impact on environmental, social and governance fronts.

As part of our sustainability strategy to bring value to stakeholders and achieve long-term business growth, we are firmly committed to high standards of corporate governance. We will continue to improve our governance framework and policies, and uphold high standards of discipline, conduct and ethics.

LOOKING AHEAD

2021 is already shaping up to be a momentous year for the Group as we embarked on a name change, from Perennial Real Estate Holdings Pte Ltd to Perennial Holdings Private Limited, to better reflect our integrated real estate and healthcare business strategy.

In Singapore, our focus this year will be on commencing works at two major redevelopment projects, AXA Tower and Perennial Business City, and unlocking their value through the optimisation of GFA and incorporation of green features to cater to sustainability-conscious tenants.

In China, we intend to grow our HSR portfolio to eight to ten integrated developments and fully capitalise on the country's comprehensive HSR network, the largest HSR system of its kind in the world.

In March 2021, we led a consortium of investors to successfully tender for a plot of land adjacent to the south square of the upcoming Hangzhou West HSR Station at a land tender price of RMB2,873.3 million and took an effective 11.1% stake in the project. Measuring over 10.2 million sq ft in GFA, Hangzhou West HSR Integrated Development will be our fifth HSR project in China and is slated for completion in 2025.

Preparations are also underway to launch the sale of the residences at Beijing Tongzhou Integrated Development in 1Q 2022.

We will continue to focus on implementing our second-generation regional healthcare and commercial hubs in close proximity to HSR networks, and align ourselves with the growth of China's domestic healthcare industry and rising consumer demand for integrated healthcare and eldercare offerings.

With China's healthcare and eldercare market expected to reach RMB16,000 billion in 2030, Perennial will actively seek new investment and development opportunities in our three core healthcare business segments to drive long-term growth and deepen our presence in China to strengthen our existing portfolio of healthcare assets.

We will continue to focus on implementing our second-generation regional healthcare and commercial hubs in close proximity to HSR networks, and align ourselves with the growth of China's domestic healthcare industry and rising consumer demand for integrated healthcare and eldercare offerings.

We also intend to replicate our established China integrated medical and eldercare model in Singapore, and will collaborate with relevant local government institutions and hospitals to establish a presence in the country.

As the global economy emerges from the shadow of COVID-19, Perennial will seek ways to unlock and maximise the value of our portfolio and invest in developments with promising value-creation prospects. We will continue to stay at the forefront of opportunities that lie ahead, as we take greater strides towards realising our vision to be a leading global integrated real estate and healthcare company.

ACKNOWLEDGEMENTS

On behalf of our Board of Directors, I would like to extend my deepest gratitude to those who stood shoulder to shoulder with us amid the unprecedented challenges of the past year. In particular, I wish to thank our shareholders, tenants, customers, partners, analysts and the media community, as well as our dedicated staff for their unwavering support and continued confidence in Perennial.

Mr Pua Seck Guan
Chief Executive Officer
22 July 2021

首席执行官致辞

2020财年，作为一家房地产和医疗健康综合性公司，鹏瑞利开启了新篇章。这一年，全球因新冠疫情而动荡不安，鹏瑞利完成了从上市公司到私有化的转变。

尊敬的利益相关者们，

2020财年，作为一家房地产和医疗健康综合性公司，鹏瑞利开启了新篇章。这一年，全球因新冠疫情而动荡不安，鹏瑞利完成了从上市公司到私有化的转变。虽然全球商业环境充满挑战，我们的核心市场（新加坡和中国）采取封锁和管控措施，但我们圆满完成了一系列工作任务，并启动了多个重要项目，紧紧抓住了市场机遇。

毋庸置疑，私有化是我们在2020年最重要的企业工作。厚朴投资的加入，为我们带来了对中国市场的宝贵见解、对基金管理的深刻理解，以及广泛的全球机构投资者关系网络，让我们能更好地纵向和横向发展，帮助我们深化在核心市场的业务，同时开拓新资产领域，扩大我们在亚洲的业务版图。

私有化完成后，董事会的组成也发生了变化，郭孔丰先生和沈财福先生依然分别担任主席和副主席，同时迎来三名新成员，即联合副主席方风雷先生、我们的首位女董事张兰玫女士，以及方风雷先生的候补董事刘德贤先生。他们为董事会带来了丰富的经验和独到的行业见解。在他们的睿智领导下，鹏瑞利的前景将更加广阔。

年内，我们的中国业务继续秉持"公共交通导向型开发(TOD)"策略，通过出售珠海横琴综合项目的全部股权，置换获得北京通州综合项目的额外股权，对我们的资产组合进行了调整。此外还收购了西安北站综合项目的额外股权，进一步扩大在中国高铁领域的资产组合。

2020财年市场波动剧烈，因此积极主动的资本管理显得格外重要。为了强化资产负债表，更加专注于核心资产，我们采取了一系列投资回收举措。我们出售了111 Somerset的全部股权和安盛保险大厦（AXA Tower）的部分股权。此外，也开始销售住宅，包括新加坡的福瑞轩(Forett at Bukit Timah）和印尼大雅加达地区The Sanctuary Collection。

年底，我们宣布新加坡的两项重大交易，标志着我们首次涉足商业园区和豪华住宅领域。由我们牵头的财团收购了裕廊东的Big Box商场，将改建成"鹏瑞利商务城"；还收购了位置绝佳的加利谷山地块，未来将打造为优质洋房区。

在医疗健康方面，我们继续积极发展医院和医疗中心以及养老护理和老年公寓两大业务板块，其中老年公寓的业务增长显著。

年内，我们的中国业务继续秉持"公共交通导向型开发(TOD)"策略，通过出售珠海横琴综合项目的全部股权，置换获得北京通州综合项目的额外股权，对我们的资产组合进行了调整。此外还收购了西安北站综合项目的额外股权，进一步扩大在中国高铁领域的资产组合。

凭借运营鹏瑞利国际医疗健康中心积累的经验，加上与中国各大医疗机构和集团建立的广泛关系网络，我们推出了第三个核心业务板块，即"综合医疗中心"，进一步优化我们的医疗健康业务。

此举不仅让我们紧跟中国大力发展国内医疗健康行业的规划发展方向，也落实了我们在日益壮大的中国医疗健康市场的战略布局。依靠鹏瑞利在区域医疗健康和商业枢纽方面的优秀运营业绩，我们有能力把握新的增长机遇，继续强化医疗健康业务，实现多元化发展。

业绩和资本管理

2020财年，鹏瑞利实现营收1亿1120万新元，比2019财年的1亿2420万新元低10.5%。营收下降的主要原因是受新冠疫情的影响，新加坡首都凯宾斯基酒店的营收减少，新加坡首都大厦、赞美广场和中国鹏瑞利季华广场、鹏瑞利国际医疗健康中心的出租率下降。新加坡首都大厦和赞美广场租户的租金减免额增加，也是2020财年营收下降的原因之一。

2020财年息税前利润为1亿1170万新元，比2019财年的1亿3600万新元少2430万新元。息税前利润下降的主要原因是其他收益提高，包括出售111 Somerset、安盛保险大厦和珠海横琴综合项目股权的收益，以及北京通州综合项目二期重新估值和低价收购产生的收益；同时，公允价值收益下降，加上退市后员工期权计划终止导致的支付款项，对前者起到一定的抵消作用。

总体上，鹏瑞利2020财年的除税及少数权益后利润为1900万新元，高于2019年财年的380万新元，主要原因在于财务成本下降，调减以前年度预提所得税，但被息税前利润的降幅抵消一部分。

截至2020年12月31日，集团的净股本负债率为0.66倍，低于2019财年的0.74倍。净股本负债率下降的原因是债务减少约9880万新元，同时，人民币相对于新元升值带来外币折算收益，带动了股本上升。

目前，全球经济体依然面临新冠疫情的负面影响，我们预计今年的财务业绩将反映出谨慎的市场前景。尽管如此，我们将保持审慎态度，继续积极主动地管理资本。多年来，合作的金融机构一直与我们并肩同行，尤其是在私有化期间，鹏瑞利感谢它们一如继往的支持。

房地产业务回顾

新加坡

2020财年，新冠疫情对全球经济产生了深远的影响。新加坡国内生产总值同比下降5.8%，而2019年增长0.7%。从2020年4月7日至6月1日，新加坡实行"断路器"阻断措施，大部分企业，包括非必要零售业、非必要服务业和建筑业，均陷入停滞。然而，经过两轮放松管控和随后的经济复苏，鹏瑞利零售商业的租户在2020年12月的营收已经恢复至年初新冠疫情前夕的水平之上，同时，由于签订了承诺租约，商业和办公物业的收入在整个2020年保持稳定。

新加坡首都大厦，截至2020年12月31日，承诺租用率依然高于90%。与此同时，赞美广场调整了租户结构，巩固了其作为首选餐饮和时尚生活场所的地位，尽管阻断措施的余波仍在，但依然吸引到了稳定的客流。集团为这两个物业的租户提供租金支持，同时推出线上外卖平台，帮助租户克服阻断措施带来的影响。

在安盛保险大厦方面，我们牵头的投资者财团按照约定的物业价值（即16.8亿新元），向阿里巴巴集团控股有限公司的子公司（"阿里巴巴新加坡"）出售了安盛保险大厦的50%股权。还与同一财团成立了一家新实体，持有安盛保险大厦剩余的50%股权。总体上，我们在安盛保险大厦中持有的有效股权从31.2%降至10%。

由鹏瑞利牵头的新财团还与阿里巴巴新加坡签订合资协议，共同将安盛保险大厦重新开发成新加坡中央商务区的地标性建筑，按照规划，总楼面面积将增加约46.5%，从105万平方英尺增至155万平方英尺。大厦的重新开发工作预计于2021年底动工。

我们进一步调整了在新加坡的资产组合，以1亿5580万新元的价格，将我们在111 Somerset中的30%股权全部出售给持股70%的股东Simply Swift Limited，该笔交易实现收益2770万新元。

此外，作为阻断措施措施结束后第一个推出的私宅项目，福瑞轩的市场反响良好，推出当日即售出超过三分之一的单位。

由鹏瑞利牵头的Big Box商场和加利谷山地块收购项目于2021年第一季度完成。Big Box商场占地面积60万6645平方英尺，收购价1亿1800万新元，鹏瑞利持有的有效股权为63%。该商场位于裕廊湖区，按规划将成为新加坡的第二个中央商务区。我们计划投资超过7000万新元，将该商场改建成"鹏瑞利商务城"。改造工程将从2021年第四季度起陆续完工，届时该商场的总楼面面积将从140万平方英尺增至150万平方英尺。

加利谷山地块占地面积75万2021平方英尺，收购价为2亿8100万新元，鹏瑞利持有的有效股权为50%。该项目位于优质洋房区黄金地段，以后将重新开发成豪华有地住宅，以满足高端客群的自住和投资需求。

中国

2020年上半年，中国市场受到新冠疫情的严重冲击，但随后强劲反弹，成为2020年全球唯一实现正增长的主要经济体。

作为鹏瑞利标志性的一站式区域医疗健康和商业枢纽，鹏瑞利国际医疗健康中心的全面医疗健康服务获得了消费者的认可和行业赞誉，在总体不利的市场环境下，客流量仍同比增长37%。在2020年10月举行的第三届上海品牌医疗合作交流大会上，鹏瑞利国际医疗健康中心荣获"2020年中国品牌共享医疗城"称号，以表彰其对中国共享医疗服务业发展的贡献。

为实现我们的双重目标，即复制成熟的区域医疗健康和商业枢纽模式，发展新成立的综合医疗健康中心业务板块，我们与能兴集团成立了合资管理公司，分别持股60%和40%。能兴集团拥有庞大的资产组合，让我们能够在粤港澳大湾区加速布局综合医疗健康和商业中心。即将于佛山开业的鹏瑞利能兴国际医疗健康中心将成为鹏瑞利的第二个区域医疗健康和商业枢纽。在中国对优质综合性医疗健康服务的需求不断增加之际，鹏瑞利能兴国际医疗健康中心于2022财年投入使用后，将完全有能力满足这一不断增长的需求。

为了强化公共交通导向型开发（TOD）资产组合，我们出售了珠海横琴综合项目的全部20%股权，换取北京通州综合项目二期的额外股权，将我们的有效股权从23.3%提高至36.2%。北京通州综合项目一期和二期预计分别于2023年和2022年完工。

首席执行官致辞

为支持在中国的TOD发展战略，我们进一步收购了西安鹏瑞利城投站西置业有限公司的14.7%股权。该公司负责开发西安北站综合项目的第4地块。收购完成后，鹏瑞利集团在第4地块中所占的股权从51%提高至65.7%。

另外，我们的第二代高铁站区域医疗健康和商业枢纽开发工作也进展良好，其中包括鹏瑞利国际健康商旅城–天津南站综合项目和鹏瑞利国际健康商旅城–昆明南站综合项目。这些以医疗健康业态为核心的综合项目将涵盖医疗、养老、酒店和商业等业态，同时与毗邻的高铁站无缝连接。

这两个项目均已于2020财年获得建筑施工许可证。鹏瑞利国际健康商旅城–昆明南站综合项目计划于2021年完成部分结构封顶，而鹏瑞利国际健康商旅城–天津南站综合项目预计从2022年起陆续完工。完工后，它们将进一步强化鹏瑞利在中国医疗健康TOD领域的领先地位。

其他市场

虽然住宅市场在2020年面临较大挑战，但大雅加达地区的The Sanctuary Collection项目推出的第一批住宅Tanglin Parc已经几乎售罄。第二批住宅Newton Springs已于2021年第一季度推出，第三批正在设计和规划中。

在马来西亚槟城，The Light City的零售商场、会展中心、酒店和办公楼已经于今年动工。住宅部分的第一期，即Mezzo The Light City，已于2021年第一季度开始销售，目前正处于施工规划阶段。

医疗健康业务回顾

2020财年，作为鹏瑞利旗下养老护理和老年公寓业务的代表，人寿堂取得亮眼成绩。在华漕、长沙和衡山的新院开业后，我们的总床位数从7724个增至10248个，增幅达32.7%。

为满足中国对护理床位的旺盛需求，人寿堂还与中国政府合作，将上海西郊协和颐养院和逸仙第三养老院等老院址的部分养老床位改造成护理床位。

截至年底，人寿堂在中国的市场份额明显增长，共运营30家养老机构，现有床位超过1万个，未来将新推出约5000个床位。2021年，人寿堂计划再开设3家新院，后续还有5家待推出。我们将继续按照租赁、公私合作和收购"三管齐下"的模式，进一步提升鹏瑞利作为中国领先医疗健康和养老企业的地位。

2020财年是成都鹰阁医院的第一个完整运营年份。该医院是鹏瑞利国际医疗健康中心的重要租户之一。虽然有新冠疫情的影响，但医院2020年门诊接诊人次实现正增长，并通过与知名外科专家顾问合作，提升了其在整形外科和普通外科领域的手术能力。

作为中国首批名医馆之一，鹏瑞利国际名医馆2020财年的出租率达94%，主要得益于名医馆的医疗和健康服务进一步多元化，以及珊瑚医疗•再生医学关节病治疗中心、成都疤康和小青草眼科医院等新租户的进驻。

2020财年，作为鹏瑞利旗下养老护理和老年公寓业务的代表，人寿堂取得亮眼成绩。在华漕、长沙和衡山的新院开业后，我们的总床位数从7724个增至10248个，增幅达32.7%。

我们计划扩建该医疗健康中心，以满足专科医院、体检中心和老年医院健康管理中心等新租户的租赁需求。

随着时间推移，我们的医疗健康业务将通过旗下的医院和医疗中心、综合医疗健康中心以及养老护理和老年公寓三大核心板块，带来持续增长的收入。

可持续发展

虽然鹏瑞利已经从新加坡交易所退市，但我们对可持续发展目标的承诺保持不变，并将《2020财年可持续发展报告》作为本年报的一部分予以发布。

2020财年，我们的可持续发展报告范围进一步扩大，将上海虹桥人寿堂颐养院纳入其中。此举让利益相关者能够更全面地了解鹏瑞利业务与所在社群的互动关系，重申我们致力于在环境、社会和治理方面发挥积极影响的承诺。

为最大程度减少对环境的负面影响，我们正在努力减少能耗，已经对新加坡和中国几乎所有物业零售区LED灯具的更换完毕。我们还将继续升级耗水量跟踪技术，包括在旗下各物业的部分出水口安装水表等。此外，为鼓励社群循环利用资源，成都鹏瑞利青羊广场举行了为期10天的物品回收再利用活动，吸引了超过3000名参与者，为弱势群体捐赠了400公斤的可重复使用物品。

在企业社会责任方面，我们在2020财年的捐赠总额超过190万新元，其中包括现金和实物赞助。

考虑到新冠疫情，我们在2020财年的企业社会责任活动主要关注疫情救助措施。2020年第一季度中国的新冠疫情形势升级时，我们利用集团的全球业务网络，

采购了2万个N95口罩，并捐赠给上海慈善基金会、成都成华区红十字会和成都市各社区福利院。此外，鹏瑞利也利用在中国的成熟医疗物流网络，并与海外伙伴合作，向新加坡国家福利理事会捐赠了500万个外科口罩，由后者分发给福利院、残疾人疗养院和儿童及青少年之家。截至2020年5月24日，这是新加坡最大规模的外科口罩捐赠。

在成都，鹏瑞利青羊广场继续开展旗舰公益活动“温暖相伴，一路有你”，通过募集善款和学习用品，助力大坝山区贫困儿童的教育事业。

鹏瑞利的员工继续发扬志愿服务精神，投身各种慈善活动，践行我们的企业价值观。除了协调口罩的捐赠，我们在新加坡和中国的员工还以志愿者的身份，积极参与各地鹏瑞利物业举行的企业社会责任活动。

根据为利益相关者创造价值、实现业务长期增长的可持续发展战略，我们坚定致力于最高标准的企业治理。我们将继续改善治理框架和制度，秉持最高的纪律、操守和道德标准。

展望未来

2020年对鹏瑞利而言将是乘风破浪的一年。集团从“鹏瑞利置地集团有限公司”更名为“鹏瑞利集团有限公司”，以反映我们综合发展房地产和医疗健康业务的战略。

我们将继续专注于建设毗邻高铁站网络的第二代区域医疗健康和商业枢纽，把握中国国内医疗行业高速成长、综合性医疗健康和养老服务消费需求不断提高等趋势带来的机遇。

在新加坡，我们今年的工作重点是安盛保险大厦和鹏瑞利商业城两大重新开发项目破土动工，通过优化总楼面面积来实现增值，并融入绿色环保理念，吸引重视可持续发展的租户。

中国拥有全世界最大的高铁系统。在中国，我们计划将高铁站项目总数提升至8至10个，以充分利用中国庞大的高铁站网络。

2021年3月，我们牵头的投资者财团通过土地拍卖，成功中标即将建成的杭州西高铁站的毗邻地块，中标价格为28亿7330万人民币，我们在该项目中持有的有效股权为11.1%。杭州西站综合项目总楼面面积超过1020万平方英尺，这将是我们在中国的第五个高铁站项目，预计于2025年完工。

我们也正在进行计划于2022年第一季度开始的北京通州综合项目公寓销售筹备工作。

我们将继续专注于建设毗邻高铁站网络的第二代区域医疗健康和商业枢纽，把握中国国内医疗行业高速增长、综合性医疗健康和养老服务消费需求不断提高等趋势带来的机遇。

中国医疗健康和养老市场的规模预计在2030年将达到16万亿人民币。鹏瑞利将积极寻找集团三大核心业务板块的投资和项目开发机会，推动集团的长期增长，深化我们在中国的业务，强化现有的医疗健康资产组合。

我们还计划将中国成熟的医养结合模式复制到新加坡，与当地政府部门和医院合作，开拓在新加坡的业务。

2020财年，我们的可持续发展报告范围进一步扩大，将上海虹桥人寿堂颐养院纳入其中。此举让利益相关者能够更全面地了解鹏瑞利业务与所在社群的互动关系，重申我们致力于在环境、社会和治理方面发挥积极影响的承诺。

随着全球经济逐步走出新冠疫情的阴影，鹏瑞利将努力释放并提升资产组合的价值，投资于能创造价值、前景乐观的开发项目。我们将继续积极把握未来的发展机遇，努力实现成为全球领先综合性房地产和医疗健康公司的愿景。

致谢

我谨代表董事会，向过去一年在前所未有的艰难挑战中始终与我们并肩奋战的所有人致以最诚挚的感谢。在此，我特别感谢全体股东、租户、客户、合作伙伴、分析师、媒体和辛勤的员工对鹏瑞利坚定不移的鼎力支持和一如继往的信任。

潘锡源先生
首席执行官
2021年7月22日

OUR PRESENCE

Real Estate and Healthcare businesses with a presence in six countries, including 16 cities across China

REAL ESTATE BUSINESS

Total Gross Floor Area of Approximately

80

MILLION

Square Feet in Six Countries

with Five Prime HSR Regional Healthcare and Commercial Hubs in China

HEALTHCARE BUSINESS

Over

10,000

Operating Beds in China

Approximately

5,000

Committed Pipeline of Beds in China

REAL ESTATE

MYANMAR

Mixed-use Development

REAL ESTATE

SRI LANKA

Mixed-use Development

REAL ESTATE

MALAYSIA

The Light City

REAL ESTATE

INDONESIA

The Sanctuary Collection

LEGEND

Real Estate Components

- Retail
- Office/SOHO
- Hotel/Serviced Apartment
- Residential
- Healthcare
- Business Park
- Event Venue/ Convention Centre

REAL ESTATE

CHINA

Eight large-scale integrated developments connected to major transportation hubs in first-tier and second-tier provincial capitals and two suburban malls

CHENGDU

Chengdu East HSR Integrated Development

Perennial International Health and Medical Hub
Plot C
Plot D1
Plot D2

Perennial Qingyang Mall

XI'AN

Xi'an North HSR Integrated Development

Plot 4
Plot 5

TIANJIN

Perennial Tianjin South HSR International Healthcare and Business City

KUNMING

Perennial Kunming South HSR International Healthcare and Business City

HANGZHOU

Hangzhou West HSR Integrated Development

BEIJING

Beijing Tongzhou Integrated Development

Phase 1
Phase 2

SHENYANG

Shenyang Longemont Integrated Development

Shenyang Longemont Shopping Mall
Shenyang Mall
Shenyang Longemont Offices

FOSHAN

Perennial Jihua Mall

Perennial-Nenking International Health and Medical Hub

HEALTHCARE

CHINA

Three key business segments in China spanning 12 cities

HOSPITALS AND MEDICAL CENTRES

Perennial International Specialist Medical Centre
Chengdu

INTEGRATED HEALTHCARE HUBS

Perennial International Health and Medical Hub
Chengdu

Perennial-Nenking International Health and Medical Hub
Foshan

ELDERCARE AND SENIOR HOUSING

Renshoutang
Changsha, Changzhou, Jurong, Kunming, Shanghai, Suzhou, Tianjin, Wuhan, Xiantao, Zhenjiang

REAL ESTATE

SINGAPORE

Five developments located within the Central Business District, Civic District, Orchard Road Precinct and Jurong Lake District, and directly connected or in close proximity to Mass Rapid Transit Stations. Two residential developments located in prime suburban districts.

Capitol Singapore
CHIJMES
AXA Tower
Perennial Business City

Caldecott Hill Site
House of Tan Yeok Nee
Forett at Bukit Timah

OUR MILESTONES

2014

Commencement of Business

- Commenced business on 28 October 2014 as a real estate company with a presence in Singapore and China following the reverse takeover of St. James Holdings Limited. Listing was transferred from Catalist to the Mainboard of Singapore Exchange Securities Trading Limited ("**Singapore Exchange**") on 26 December 2014.

2015

Strategic Move into China Healthcare Business

- Repositioned a development retail asset in Chengdu as Perennial International Health and Medical Hub ("**PIHMH**") to introduce healthcare asset class within integrated developments.

Strengthened Singapore Real Estate Portfolio

- Syndicated a consortium of investors to acquire AXA Tower at an agreed property price of S$1.17 billion and acquired a 31.2% equity interest in the property.

Maiden Foray into Malaysia

- Entered into a 50-50 Joint Venture ("**JV**") with IJM Land Berhad to acquire and develop an over MYR3 billion (approximately S$1 billion) waterfront integrated development in Penang.

The Light City, Penang

2016

Strengthened Healthcare Business in China

- Introduced one of China's first specialist medical centre concepts at PIHMH. It is also Perennial's first owned-and-managed specialist medical centre in the country.

- Acquired an effective interest of 49.9% in Shanghai Renshoutang Eldercare Group Co., Ltd. ("**Renshoutang**"), the largest integrated eldercare services operator in Shanghai, to become its largest single shareholder.

Shanghai Hongqiao Renshoutang Nursing Home

2018

Augmented Singapore Real Estate Portfolio

- Acquired the remaining 50% interest in Capitol Singapore to wholly-own the over S$1 billion integrated development.

Capitol Singapore

- Entered into pure-play residential development in Singapore, through a JV with Qingjian Group of Companies, to jointly develop Forett at Bukit Timah (former Goodluck Garden site).

Bolstered China Real Estate and Healthcare Business

- PIHMH, a first-of-its-kind, one-stop medical, healthcare and retail integrated development adjacent to the Chengdu East High Speed Railway ("**HSR**") Station, commenced operations.

Perennial International Health and Medical Hub, Chengdu

- Led a consortium of partners to establish an up to US$1.2 billion (approximately S$1.6 billion) JV, which invests in HSR Healthcare and Commercial Developments in China. Perennial holds a 45% stake in the JV.

- JV invests in Perennial Tianjin South HSR International Healthcare and Business City, adjacent to the Tianjin South HSR Station, and Perennial Kunming South HSR International Healthcare and Business City, adjacent to the Kunming South HSR Station, at a land tender price of RMB718 million (approximately S$150.3 million) and RMB341.5 million (approximately S$67.6 million) respectively.

Perennial Tianjin South HSR International Healthcare and Business City

Perennial Kunming South HSR International Healthcare and Business City

- Acquired an additional 14.7% stake in Plot 5 (Perennial Xi'an East) of the Xi'an North HSR Integrated Development, increasing Perennial's stake from 51% to 65.7%.

Maiden Foray into Indonesia

- Entered into a JV with an effective 40% stake, with the remaining stake held by other parties to jointly develop The Sanctuary Collection, a residential development in Sentul Selatan, Greater Jakarta.

The Sanctuary Collection, Greater Jakarta

Commitment to Sustainability

- Commenced sustainability reporting based on Global Reporting Initiative Framework.

2019

Established Presence in New Markets of Sri Lanka and Myanmar

- Entered into a JV with an effective 40% stake, with the remaining 60% stake held by other parties to invest in a piece of freehold land in Batticaloa, Sri Lanka.
- Entered into a 50-50 JV with Mandalay Taungthaman Development Limited to develop a mixed-use development in Mandalay. The JV will partner the Mandalay Regional Government in a public-private partnership on the development.

2020

Expanded Presence in Sri Lanka

- Led and syndicated a consortium of investors and entered into a JV holding an effective stake of 25% to invest in a mixed-use development in Colombo, Sri Lanka.

Strengthened Focus on Transit-Oriented Developments ("TOD") in China

- Acquired an additional 14.7% stake in Plot 4 (Perennial Xi'an West) of the Xi'an North HSR Integrated Development, increasing Perennial's stake from 51% to 65.7%.

Xi'an North HSR Integrated Development

Active Capital Recycling Strategy

- Fully divested 30% stake in 111 Somerset for S$155.8 million.
- Led consortium of investors to divest a 50% stake in AXA Tower to a subsidiary ("**Alibaba Singapore**") of Alibaba Group Holding Limited at an agreed property price of S$1.68 billion. Formed new entity with the same consortium of investors to own the remaining 50% stake in AXA Tower and enter into a JV agreement with Alibaba Singapore for the redevelopment of AXA Tower.

AXA Tower, Singapore

Renewed Focus on Vision with Privatisation

- Substantial shareholders, Mr Kuok Khoon Hong, Wilmar International Limited, Mr Ron Sim and Mr Pua Seck Guan, partnered with HOPU Investments, to privatise Perennial at S$0.95 per share. The Company was delisted from the Singapore Exchange on 14 September 2020.

Strategic Portfolio Reconfiguration

- Divested entire 20% stake in Zhuhai Hengqin Integrated Development for a share swap of an additional 12.9% stake in Beijing Tongzhou Integrated Development Phase 2, increasing Perennial's effective stake from 23.3% to 36.2%.

Enhanced Sustainability Efforts

- Adopted two United Nations Sustainable Development Goals, namely Goal 13 (Climate Action) and Goal 16 (Peace, Justice and Strong Institutions).

Beijing Tongzhou Integrated Development

2021

Forged a New Integrated Identity

- Underwent a name change from Perennial Real Estate Holdings Pte Ltd to Perennial Holdings Private Limited to better reflect its integrated real estate and healthcare business strategy as Perennial charts its growth towards its vision to become a leading global integrated real estate and healthcare company.

Maiden Foray into Business Park Space

- Acquired former Big Box located in the Jurong Lake District, slated to be Singapore's second Central Business District, for S$118 million with plans to redevelop the 1.4 million square feet ("**sq ft**") property into Perennial Business City.

Perennial Business City, Singapore

First Foray into Luxury Landed Residences in Singapore

- Acquired the prestigious 752,021 sq ft Caldecott Hill site for S$281 million to redevelop into Good Class Bungalows.

Enlarged TOD Portfolio in China

- Led a consortium of partners to invest in Hangzhou West HSR Integrated Development which is adjacent to the upcoming Hangzhou West HSR Station at a land tender price of RMB2,873.3 million (S$591.3 million).

Hangzhou West HSR Integrated Development

OUR BUSINESS MODEL

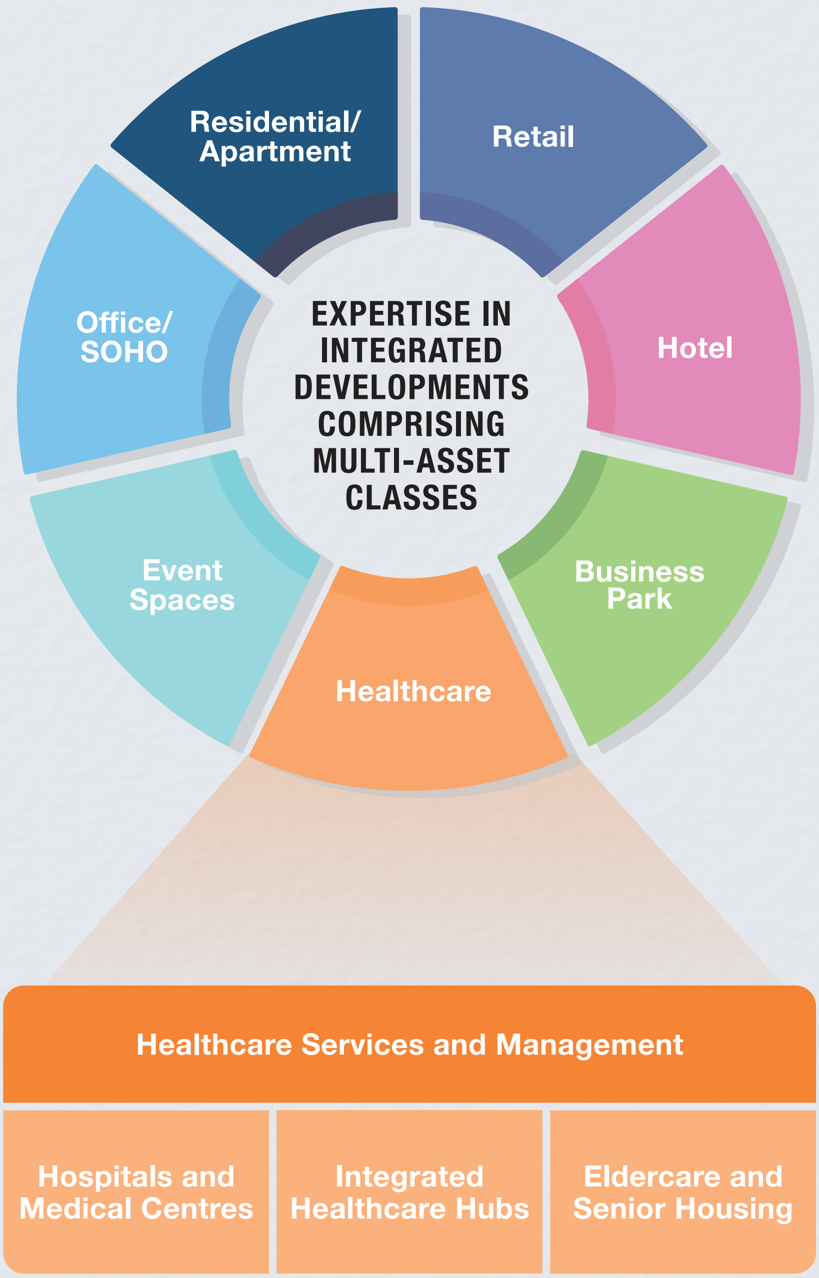
As a leading integrated real estate and healthcare company, Perennial adopts a synergistic business model, with the aim of enriching the lives of those it serves and creating long-term value for all of its stakeholders.

WHAT WE DO

REAL ESTATE
- OWNER
- DEVELOPER
- MANAGER

HEALTHCARE
- OWNER
- OPERATOR
- PROVIDER

OUR BUSINESSES



WHAT SETS US APART

Integrated Play

Our integrated real estate and healthcare business strategy allows us to create synergy throughout our value chain. As owner, developer and manager of our real estate and as owner, operator and provider of healthcare services, we are uniquely positioned to extract and capture the full value of multiple income streams, strengthening our ability to create sustainable value over time.

Strategic Locations

We focus on integrated developments that are strategically positioned in high growth cities and in close proximity to transportation hubs. The prime location and excellent connectivity of our developments position us well to serve the burgeoning local population and catchment from neighbouring cities.

Fully In-house Integrated Platform

Our established and fully integrated real estate and healthcare business platform is well-supported by an in-house management team with real estate management, capital management and healthcare management capabilities. The integrated platform enhances Perennial's ability to gain access to strategically located prime land plots, facilitates the extraction of value across the entire real estate value chain for different asset classes, and seamlessly incorporates the physical and operational requirements of Perennial's healthcare business to maximise the value of both the real estate portfolio and the healthcare and medical services business.

Access to Network and Resources

Perennial's shareholders have extensive networks and business experience in China, Singapore and other markets, and experience in partnering with management teams to drive growth. They comprise:

- Mr Kuok Khoon Hong: Chairman of Perennial and Co-Founder, Chairman and Chief Executive Officer of Wilmar International Limited ("**Wilmar**")
- Wilmar: Asia's leading agribusiness group and ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange
- Mr Ron Sim: Co-Vice Chairman of Perennial and Chairman of V3 Group Limited, a leading Asian luxury group in the lifestyle and wellness business
- HOPU Investments: A leading Asian alternative asset management firm with principal offices across Asia, helmed by Founder and Chairman Mr Fang Fenglei, who is also Co-Vice-Chairman of Perennial
- Mr Pua Seck Guan: Chief Executive Officer and Executive Director of Perennial, and Chief Operating Officer and Executive Director of Wilmar

OUR INTEGRATED STRATEGY

STRATEGIC PRIORITIES

REAL ESTATE

ACQUIRE, OWN AND DEVELOP LARGE-SCALE MIXED-USE DEVELOPMENT PROJECTS IN MAJOR CITIES WHICH ARE IN CLOSE PROXIMITY TO TRANSPORTATION HUBS

ACQUIRE ASSETS WHICH CAN BE REPOSITIONED AND REDEVELOPED TO EXTRACT EMBEDDED VALUE

ADOPT STRATA-SALE/ LONG-TERM HOLD STRATEGY TO BETTER MANAGE FUND FLOWS, WHILE MAXIMISING VALUE FROM OPERATING LONG-TERM ASSETS

IMPLEMENTING OUR STRATEGY

CHINA

- Target large-scale mixed-use greenfield development projects strategically positioned in first-tier and second-tier provincial capitals and in close proximity to transportation hubs.
- Large-scale iconic mixed-use projects provide complementary advantages and enhance Perennial's resilience against any future policies for specific asset classes.

SINGAPORE

- Acquire properties which can be repositioned or redeveloped to create value.
- Selectively acquire completed operational assets which will augment the stream of recurring income and provide further income stability.

CHINA, SINGAPORE AND OTHER MARKETS

- Perennial will adopt a strata-sale or en bloc sale strategy for parts of the development for capital recycling purposes and to optimise the return on equity, with the remaining parts to be held for the long term.
- Tap on additional sources of capital, recycle capital and reduce external financing requirements.
- Retain an interest in long-term assets to enjoy the benefits of potential uplift in asset valuations as well as recurring future income from these operational assets.

STRATEGIC HIGHLIGHTS

See Page 58 > Chengdu East HSR Integrated Development, China

See Page 60 > Xi'an North HSR Integrated Development, China

See Page 62 > Perennial Tianjin South HSR International Healthcare and Business City, China

See Page 64 > Perennial Kunming South HSR International Healthcare and Business City, China

See Page 66 > Hangzhou West HSR Integrated Development, China

See Page 68 > Beijing Tongzhou Integrated Development, China

See Page 49 > AXA Tower, Singapore

See Page 51 > Perennial Business City, Singapore

See Page 49 > AXA Tower, Singapore

See Page 50 > Forett at Bukit Timah, Singapore

See Page 66 > Hangzhou West HSR Integrated Development, China

See Page 68 > Beijing Tongzhou Integrated Development, China

See Page 75 > The Light City, Penang, Malaysia

See Page 75 > The Sanctuary Collection, Greater Jakarta, Indonesia

Our integrated strategy facilitates the maximisation of value of both the real estate portfolio and healthcare and medical services businesses. We are guided by our overarching acquisition/investment principles: Strategic Location, Disciplined Acquisitions and Investments, Proactive Value Creation, Active Asset Management, Optimal Cashflow Management and Prudent Capital Management.

ACHIEVE FIRST-MOVER ADVANTAGE IN HIGH GROWTH AND UNTAPPED EMERGING MARKETS

OTHER MARKETS

- Leverage on shareholders' extensive networks, resources and expertise in the emerging markets.
- Focus on acquiring urban renewal or rejuvenation projects which require international expertise.
- Optimise capital structure through a combination of onshore and offshore funding.

See Page 75	> The Light City, Penang, Malaysia
See Page 75	> The Sanctuary Collection, Greater Jakarta, Indonesia

INTRODUCE HEALTHCARE REAL ESTATE AS AN ASSET CLASS IN LARGE-SCALE INTEGRATED DEVELOPMENTS

CHINA AND SINGAPORE

- Healthcare real estate within large-scale integrated developments creates synergy between the various components, thus enhancing the value of the entire integrated development.

See Page 59	> Chengdu East HSR Integrated Development, China – Perennial International Health and Medical Hub
See Page 60	> Xi'an North HSR Integrated Development, China
See Page 62	> Perennial Tianjin South HSR International Healthcare and Business City, China
See Page 64	> Perennial Kunming South HSR International Healthcare and Business City, China
See Page 51	> Perennial Business City, Singapore

HEALTHCARE

INVEST IN OR FORM STRATEGIC PARTNERSHIPS WITH ESTABLISHED LOCAL AND FOREIGN HEALTHCARE OR MEDICAL-RELATED OPERATORS TO SCALE UP THE BUSINESS

CHINA

- Partner reputable local and foreign healthcare or medical-related operators with extensive local and international networks and strong operating track records with the aim to provide a holistic range of medical and healthcare services.

See Page 59	for Partnerships or Investments: > Tenant-Landlord relationship, such as Gleneagles Hospital Chengdu as an anchor tenant at Perennial International Health and Medical Hub
See Page 83	> Investment in Shanghai Renshoutang Eldercare Group Co., Ltd.

BOARD OF DIRECTORS

MR KUOK KHOON HONG, 71

Chairman and Non-Executive Director

Date of First Appointment:
27 October 2014

Length of Service as Director (as at 31 December 2020)
6 years 2 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)

- Chairman and Executive Director of Wilmar International Limited
- Director of Shree Renuka Sugars Limited
- Director of Watawala Plantations PLC
- Director of Yihai Kerry Arawana Holdings Co., Ltd

PRESENT PRINCIPAL COMMITMENT(S)

- Chairman and Chief Executive Officer of Wilmar International Limited

OTHER COMMITMENT(S)

- Chairman and Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)
- Director of Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS

- Chairman of Perennial Real Estate Holdings Limited (Delisted)

PAST PRINCIPAL COMMITMENT(S)

- Managing Director of Kuok Oils & Grains Pte Ltd
- Director of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Business Administration, National University of Singapore

MR RON SIM, 62
Co-Vice-Chairman and Non-Executive Director

Date of First Appointment:
27 October 2014

Length of Service as Director (as at 31 December 2020)
6 years 2 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)
- Nil

PRESENT PRINCIPAL COMMITMENT(S)
- Chairman and Chief Executive Officer of V3 Group Limited

OTHER COMMITMENT(S)
- Co-Vice-Chairman and Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)
- Director of Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS
- Director of Perennial Real Estate Holdings Limited (Delisted)
- Director of Jumbo Group Limited

PAST PRINCIPAL COMMITMENT(S)
- Founder, Chairman and Chief Executive Officer of OSIM International Pte Ltd
- Director of Sentosa Development Ltd
- Advisory Board Member of Singapore Management University Lee Kong Chian School of Business
- Advisory Board Member of International Enterprise Singapore
- Advisory Board Member of National University of Singapore Business School Advisory Board
- Committee Member of NTU Enterprise Committee
- Member of Ministry of Trade and Industry Singapore Economic Review Sub-Committee

AWARDS
- Best Chief Executive Officer Award, Singapore Corporate Awards 2012
- Businessman of the Year Award, Singapore Business Awards 2003
- Entrepreneur of the Year Award, Ernst & Young 2003

MR FANG FENGLEI, 70
Co-Vice-Chairman and Non-Executive Director

Date of First Appointment:
15 October 2020

Length of Service as Director (as at 31 December 2020)
3 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)
- Independent Non-Executive Director of Phoenix Media Investment (Holdings) Limited

PRESENT PRINCIPAL COMMITMENT(S)
- Chairman of HOPU Investment Management Co Ltd
- Chairman of Beijing Gao Hua Securities Company Limited
- Director of Goldman Sachs Gao Hua Securities Company Limited

OTHER COMMITMENT(S)
- Co-Vice-Chairman and Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)
- Director of Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS
- Nil

PAST PRINCIPAL COMMITMENT(S)
- Non-Executive and Non-Independent Director of Global Logistic Properties Ltd (now known as GLP Holdings Limited)
- Non-Executive Director of China Mengniu Dairy Company Limited
- Independent Non-Executive Director of Central China Real Estate Limited
- Deputy Chief Executive Officer of China International Capital Corporation (CICC)
- Chief Executive Officer of BOC International Holdings Ltd
- Chief Executive Office of ICEA Finance Holdings Ltd
- Chairman of Goldman Sachs Gao Hua Securities Company

ACADEMIC AND PROFESSIONAL QUALIFICATIONS
- Bachelor of Arts Degree, Sun Yat-sen University, China
- Executive Education Certificate from Harvard Business School's Advanced Management Program

BOARD OF DIRECTORS

MS TEO LA-MEI, 61
Non-Executive Director

Date of First Appointment:
15 October 2020

Length of Service as Director (as at 31 December 2020)
3 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)
- Executive Director of Wilmar International Limited

PRESENT PRINCIPAL COMMITMENT(S)
- Group Legal Counsel and Company Secretary of Wilmar International Limited

OTHER COMMITMENT(S)
- Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)
- Director of Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)
- Member of the Corporate Governance & Regulatory Interest Group in the Singapore International Chamber of Commerce

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS
- Nil

PAST PRINCIPAL COMMITMENT(S)
- Director of Shangri-La Hotel Limited
- Legal Counsel and Company Secretary for the Shangri-La Hotel Limited Group of Companies
- Legal Counsel and Company Secretary for the Kuok (Singapore) Limited Group of Companies

ACADEMIC AND PROFESSIONAL QUALIFICATIONS
- Bachelor of Laws (Honours) Degree, National University of Singapore

MR LAU TECK SIEN, 49
Alternate Director to Mr Fang Fenglei

Date of First Appointment:
15 October 2020

Length of Service as Director (as at 31 December 2020)
3 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)
- Independent Director of BHG Retail REIT

PRESENT PRINCIPAL COMMITMENT(S)
- Director of HOPU (Singapore) Services Pte. Ltd.
- Director of HOPU (Hong Kong) Investment Consultancy Company Limited
- Partner/Chief Executive Officer of HOPU Investments Co., Ltd

OTHER COMMITMENT(S)
- Board Member, Triwater Investment Management Company Limited
- Board Member, Inspiration GP Limited
- Board Member, Amber Leading Fund GP Company Limited
- Board Member, GLP China (Hong Kong) Limited
- Alternate Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS
- Nil

PAST PRINCIPAL COMMITMENT(S)
- Managing Director (China) at Temasek International Pte. Ltd.
- Senior Manager at UOB Asset Management Ltd
- Vice President and Deputy General Manager of UOB Beijing Branch

ACADEMIC AND PROFESSIONAL QUALIFICATIONS
- Bachelor of Business Degree, Nanyang Technological University, Singapore

MR PUA SECK GUAN, 57

Chief Executive Officer and
Executive Director

Date of First Appointment:
27 October 2014

Length of Service as Director (as at 31 December 2020)
6 years 2 months

PRESENT DIRECTORSHIP(S) IN LISTED COMPANY(IES)

- Executive Director of Wilmar International Limited
- Director of Yihai Kerry Arawana Holdings Co., Ltd

PRESENT PRINCIPAL COMMITMENT(S)

- Chief Executive Officer and Executive Director of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited)
- Chief Operating Officer (Part-Time) and Executive Director of Wilmar International Limited

OTHER COMMITMENT(S)

- Director of Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)
- Member of Singapore-China Business Council of Singapore Business Federation
- Member of Singapore-Sichuan Trade and Investment Committee
- Member of Singapore-Guangdong Collaboration Council
- Member of Singapore-Tianjin Economic & Trade Council

PAST DIRECTORSHIP(S) IN OTHER LISTED COMPANY(IES) HELD OVER THE PRECEDING FIVE YEARS

- Executive Director and Chief Executive Officer of Perennial Real Estate Holdings Limited (Delisted)
- Director of United Engineers Limited

PAST PRINCIPAL COMMITMENT(S)

- Vice-Chairman and President of Perennial Real Estate Holdings Pte Ltd
- Chief Executive Officer and Executive Director of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust
- Chief Executive Officer of DLF International Pte Ltd
- Chief Executive Officer and Executive Director of CapitaMall Trust Management Limited, manager of CapitaMall Trust (presently known as CapitaLand Mall Trust Management Limited)
- Co-Chief Executive Officer of CapitaLand Financial Limited
- Chief Executive Officer of CapitaLand Retail Limited
- Deputy Chief Executive Officer and Managing Director of Retail of CapitaLand Commercial Limited
- Member of Board of Trustees of International Council Shopping Centers
- Member of Consultative Committee of National University of Singapore Department of Real Estate

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Master of Science in Civil Engineering, Massachusetts Institute of Technology, United States of America
- Bachelor of Science in Building (First Class Honours), National University of Singapore

MANAGEMENT TEAM

01 Ms Joanna Low
02 Dr Khoo Chow Huat
03 Ms Dawn Tan
04 Mr Daniel Chong
05 Ms Tong Ka-Pin
06 Mr Lim Kong Cheng
07 Ms Tan Boon Pheng
08 Ms Chong Lee Lee
09 Ms Yeoh Szu Wooi
10 Mr Roy Lim
11 Ms Jasmine Chua
12 Mr Deon Lv
13 Mr Wu Yufeng
14 Mr Kenneth Teo
15 Mr Jon Song
16 Mr Chen Zhihao
17 Ms Juliet Choo
18 Ms Teo Mui Gek
19 Ms Phyllis Yan

01 MS JOANNA LOW
Chief Financial Officer

Ms Low is responsible for all finance-related functions of Perennial Holdings Private Limited ("**Perennial**", and together with its subsidiaries, the "**Group**"), including financial reporting and operations, corporate finance and treasury, financial planning and risk management.

Ms Low has over 20 years of investment, asset management and leasing experience in the real estate industry. Earlier, she was Chief Investment Officer of Perennial where she oversaw the investment function of the Group and worked with the investment and finance teams to maximise the Group's financial resources to deliver its objectives. In addition, she was responsible for managing the investment and business development of the Group's real estate and healthcare businesses in China and led the North China portfolio.

Prior to that, Ms Low was Senior General Manager (North China) and Senior General Manager (South China) of Perennial and Head of Investment and Asset Management of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust.

Earlier, she was the Director of Retail (Head of North China Retail) in Savills Property Services (Beijing) Co., Ltd. She also held positions as Vice President, Fund and Asset Management of Perennial Real Estate Pte Ltd, General Manager, Raffles City Singapore at CapitaLand Retail Limited and Investment and Asset Manager of CapitaMall Trust Management Limited (presently known as CapitaLand Mall Trust Management Limited).

Ms Low holds a Master of Commerce (Advanced Finance) from the University of New South Wales, Australia, and a Bachelor of Business from the Queensland University of Technology, Australia.

02 DR KHOO CHOW HUAT
Chief Executive Officer, Healthcare

Dr Khoo assists Mr Pua Seck Guan, Chief Executive Officer ("**CEO**") of Perennial to lead the development and operations of Perennial's healthcare business in China.

Dr Khoo has over 24 years of strategic, operational and investment management experience in Singapore, Malaysia and China.

Dr Khoo was previously Chief Operating Officer (China) of Perennial. Prior to joining Perennial, Dr Khoo was based in China as the General Manager of Raffles Hospital Chongqing under the Raffles Medical Group. Earlier he was based in Malaysia and held concurrent positions as the Deputy Managing Director, Sunway Group Healthcare Services and CEO of the 600-bed Sunway Medical Centre, one of the largest private tertiary hospitals in Southeast Asia.

Prior to that, Dr Khoo held various positions including Group CEO of Orange Valley Healthcare, one of the largest eldercare operators in Singapore with six nursing homes and more than 1,000 beds, and CEO of Mount Alvernia Hospital and Assisi Hospice. He was also previously with the Singapore Administrative Service, and held various senior positions in the People's Association, Ministry of Health, Ministry of Home Affairs and Ministry of Information and the Arts.

Dr Khoo holds a Doctorate in Business Administration from Manchester Business School, United Kingdom ("**UK**"), a Master of Business Administration jointly awarded by Northwestern University (Kellogg School of Management) and Hong Kong University of Science and Technology and a Bachelor of Arts (First Class Honours) in Chemistry from the University of Cambridge, UK. He is also a Chartered Management Accountant.

03 MS DAWN TAN
Chief Operating Officer, Singapore & Regional (excluding China)

Ms Tan oversees the operations of Perennial's projects in Singapore and regional markets (excluding China).

Ms Tan has more than 28 years of property management experience. The properties that she oversaw and managed in Singapore include Wisma Atria, Ngee Ann City, Capitol Singapore, 112 Katong, Chinatown Point, CHIJMES, VivoCity, Clarke Quay and The Star Vista.

Prior to joining Perennial, Ms Tan held various positions including General Manager of YTL Starhill Global Property Management Pte Ltd, General Manager of Capitol Investment Holdings Pte Ltd, Senior Vice President of Perennial Real Estate Pte Ltd, General Manager and Retail Director of CapitaLand Retail Limited.

Ms Tan holds a Bachelor of Science in Estate Management from the National University of Singapore and a Graduate Diploma in Business Administration from the Singapore Institute of Management.

04 MR DANIEL CHONG
Managing Director, Real Estate China

Mr Chong assists the CEO in providing overall guidance to Perennial's real estate business teams in China to support Perennial's strategic growth plans and manages the on-going development of the company's large-scale integrated high speed railway projects.

Mr Chong has almost 15 years of experience in the China real estate industry in the areas of business development, property development, asset management and property management. Prior to joining Perennial, Mr Chong was with Keppel Land China, where he started as City Head overseeing various cities, including Tianjin, Wuxi, Jiangyin, Suzhou and Changzhou, and subsequently became Regional Head of Eastern China (Shanghai and JiangSu Provinces). He last held the designation of Headquarters Functional Head in Retail, Co-living and Senior Living.

Mr Chong holds a Bachelor of Business (Majors in Marketing and Economics & Finance) from Curtin University.

05 MS TONG KA-PIN
Chief Corporate Officer

Ms Tong oversees the corporate functions of the Group including Investor Relations and Corporate Communications ("**IRCC**"), Corporate Marketing ("**CM**") and Legal and Corporate Secretariat.

Ms Tong has over 19 years of IRCC, CM, corporate branding and events management experience. Earlier, she also oversaw the Legal and Corporate Secretariat function of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust, Perennial Real Estate Holdings Pte Ltd and Perennial Real Estate Pte Ltd.

Ms Tong was previously the Head of IRCC and CM of Perennial. Earlier, she also held positions including Senior Vice President, IRCC and CM of Perennial Real Estate Holdings Pte Ltd, Head, IRCC and CM of Perennial China Retail Trust Management Pte Ltd and Senior Vice President, IRCC and CM of Perennial Real Estate Pte Ltd.

Ms Tong also previously held concurrent positions as Head, IRCC of CapitaLand Mall Trust Management Limited and Head, IRCC and CM of CapitaLand Retail Limited. Earlier, she was the Assistant Vice President, Investor Relations of United Overseas Bank Limited.

Ms Tong holds a Master of Commerce (Advanced Finance) from the University of New South Wales, Australia and a Bachelor of Arts from the National University of Singapore. She has completed the Executive Development Program at Wharton, University of Pennsylvania, United States of America ("**USA**").

06 MR LIM KONG CHENG
Head, Project Management

Mr Lim oversees the project development and management of Perennial's assets. He has direct oversight of project budget, cash flow and resource allocation to enhance the efficiency of projects delivery.

He is also involved in providing strategic and technical leadership for the acquisition of new developments.

Mr Lim has over 25 years of experience in project development and management, particularly in high-end offices, condominiums, hotels, resorts and retail malls.

Mr Lim was previously seconded to Capitol Investment Holdings Pte Ltd for over five years as Project Director to oversee and manage the development of Capitol Singapore. Earlier, he held the position of Senior Vice President, Project Development at Perennial Real Estate Pte Ltd and Perennial Real Estate Holdings Pte Ltd.

Prior to that, he was seconded by Perennial Real Estate Pte Ltd to DLF Cybercity Developers Pte Ltd in New Delhi as Senior Vice President for one and a half years.

Mr Lim previously held senior positions at Hotel Properties Limited, where he managed the development of prime projects such as the Canary Riverside mixed-use development

MANAGEMENT TEAM

in the UK, Four Seasons Resorts in Bali and Maldives as well as the Parrot Cay Resort in Turks and Caicos.

He was also with Lippo Incheon Pte Ltd, where he managed the planning of a new township in Incheon, South Korea.

Mr Lim holds a Master of Science in Management Science from the Imperial College of Science and Technology, UK and a Bachelor of Science in Civil Engineering (First Class Honours) from the University College London, UK.

07 MS TAN BOON PHENG

Head, Design Management

Ms Tan oversees the creative and strategic planning, design and development of new and completed projects in Perennial.

Ms Tan has over 28 years of project design experience with expertise in retail, residential, integrated and transit-oriented developments (TOD). Ms Tan was previously Head, Project and Design Management of Perennial Real Estate Holdings Pte Ltd. Earlier, she was Senior Vice President, Project and Design Management of Perennial Real Estate Pte Ltd.

Prior to that, Ms Tan was Vice President, Project Design and Development Management of CapitaLand Mall Asia Limited, where she was responsible for the design management of all developments across Singapore, China, India, and South East Asia as the Head of Design Management.

Ms Tan holds Dual Master Degrees in City Planning and Urban Design from the University of Pennsylvania, USA and a Bachelor of Architecture (Honours) from the University of New South Wales, Australia.

Ms Tan is registered with the Board of Architects, Singapore.

08 MS CHONG LEE LEE

Head, Human Resources

Ms Chong oversees the development and management of human resource ("**HR**") functions across Perennial.

Ms Chong has over 25 years of professional experience, including more than 12 years in HR supporting operations in Singapore, China, India, Middle East and Africa. Her HR experience includes HR business partnership, compensation and benefits, talent acquisition, employee engagement, HR strategy, HR operations, as well as HR policies and processes.

Prior to joining Perennial, Ms Chong was Senior Vice President, Head of Group Human Resource with Hyflux Limited. Earlier, Ms Chong started her career as an Engineer at Philips Electronics Singapore, where she held various positions including a five year stint as Senior HR Business Partner.

Ms Chong holds a Bachelor of Engineering (Honours) in Mechanical and Production from Nanyang Technological University, as well as a Master of Business from Victoria University of Australia.

09 MS YEOH SZU WOOI

Senior General Manager, Investment & Asset Management (Singapore)

Ms Yeoh is responsible for the asset management and business development of Perennial's business in Singapore. She is also involved in acquisitions and divestments as well as strategic partnerships to grow Perennial's presence in Singapore.

Ms Yeoh has over 20 years of experience in real estate investment, asset management and corporate finance in Singapore and Malaysia. Ms Yeoh was previously Vice President, Investment and Asset Management (Singapore) of Perennial. Earlier, she held the same position at Perennial Real Estate Holdings Pte Ltd and Perennial Real Estate Pte Ltd.

Prior to that, Ms Yeoh was Assistant Vice President in the corporate finance department of Mitsubishi UFJ Securities (Singapore), Limited. She also previously held positions at The Nikko Merchant Bank (Singapore), HwangDBS Investment Bank Berhad and Alliance Investment Bank Berhad.

Ms Yeoh holds a Bachelor of Science in Finance from The Queen's University of Belfast, UK.

10 MR ROY LIM

Senior Vice President, Investment, Asset and Development Management (Regional)

Mr Lim is responsible for the development and management of Perennial's portfolio of assets in overseas markets. He also leads business development and expansion into new markets.

Mr Lim has over 12 years of experience in investment and asset management. Mr Lim was previously Deputy Head, Investment and Asset Management of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust. Prior to that, he was with the investment and asset management team of Perennial Real Estate Pte Ltd.

Earlier, he was Manager, Investment and Asset Management of CapitaLand Mall Trust Management Limited. Mr Lim also previously worked with the Singapore Government's Ministry of Law and the Ministry of Information, Communications and the Arts.

Mr Lim holds a Master of Engineering and a Bachelor of Arts from the University of Cambridge, UK. Mr Lim is a CFA charterholder.

11 MS JASMINE CHUA

Vice Chairman, China Retail Management

Ms Chua assists the CEO in providing overall guidance to the retail teams for Perennial's operational retail malls and retail development projects in China.

Ms Chua has over 25 years of experience in the real estate industry in the areas of asset management and operations of retail, commercial and integrated developments in Asia. Prior to joining Perennial, Ms Chua was with the CapitaLand Group ("CapitaLand") for 21 years, of which for almost 10 years, she was based in China as Managing Director of Retail Management overseeing the business and growth of the Group's iconic Raffles City integrated portfolio and other commercial assets. She was part of the pioneer leadership team in CapitaLand who introduced the shopping mall concept into China's first to fourth tier cities, and played a pivotal role in establishing its retail operating platform in China.

Earlier, Ms Chua was the Retail Director of ION Orchard and was also involved in the retail management of other Singapore assets including Raffles City, Tampines Mall, Clarke Quay and Plaza Singapura, as well as overseas assets such as Gurney Plaza in Malaysia. More recently, as Senior Vice President, Retail (Singapore & International) at CapitaLand, she was responsible for managing relationships with global retailers and bringing new-to-market brands into CapitaLand malls across the region.

Ms Chua holds a Master of Science in Real Estate and a Bachelor of Science in Estate Management (Honours) from the National University of Singapore. She has been an Advisory Board Member of International Council of Shopping Centre (ICSC) Asia-Pacific since 2015.

12 MR DEON LV

General Manager, Construction and Development (China), Xi'an North High Speed Railway Integrated Development and Hangzhou West High Speed Railway Integrated Development

Mr Lv oversees the development and construction management of Perennial's portfolio of projects in China. Concurrently, he is the General Manager of Xi'an North High Speed Railway Integrated Development and Hangzhou West High Speed Railway Integrated Development.

Mr Lv has over 30 years of real estate development and management experience, with strong expertise in the development and construction of integrated developments comprising retail, residential, hotel and office components. His real estate experience includes overseeing all aspects of the development process comprising project development, cost control, material procurement, marketing and property management for various projects in Shanghai, Suzhou, Tianjin and Dalian.

Prior to joining Perennial, Mr Lv held various key positions as General Manager and Chief Engineer in established real estate companies such as CapitaLand (China) Investments Limited, Shanghai Summit Real Estate Development Limited and Orient Overseas Development Limited.

Mr Lv graduated from Shanghai Textile Architecture College, China, majoring in industrial and civil construction.

13 MR WU YUFENG

Head of Business Development (China)
General Manager (East China)
Executive Director, Hangzhou West High Speed Railway Integrated Development

Mr Wu is responsible for the expansion of Perennial's new investments projects in China and manages large transactions of the projects. He also oversees the development and management of Perennial's real estate business and identifies new business opportunities in East China. Concurrently, he is the Executive director of Hangzhou West Hangzhou West High Speed Railway Integrated Development.

Mr Wu has over 11 years of experience in the finance and banking industry, and eight years of project development, investment and financing experience in the real estate industry.

Prior to joining Perennial, Mr Wu was Vice President of Shanghai Summit Group and was responsible for business development, project investment and financing. He has completed multiple cross-border transactions, including an overseas investment of USD2 billion, investments in multiple REITS and managed controlling interests in two Singapore REITS. He had also completed the registration of a RMB10 billion tranche of Medium-term Notes and Corporate Bonds in China, of which RMB4.5 billion was issued. Mr Wu has significant credit analysis experience with his early work experience as a credit and financial consultant in Shanghai Pudong Development Bank.

Mr Wu holds a Bachelor Degree in Investment Management from Shanghai University, China.

14 MR KENNETH TEO
General Manager (South China)

Mr Teo oversees the development and management of Perennial's real estate business and identifies new business opportunities in South China.

Mr Teo has over 20 years of business development and international marketing experience, ranging from agri-commodities, technology business, infrastructure development, healthcare and education sectors.

Prior to joining Perennial, Mr Teo held positions as Regional Group Director (West China) with Enterprise Singapore (previously known as International Enterprise Singapore) and concurrent Consul (Commercial) under the Singapore Consulate-General (Chengdu). He has previously held positions including Divisional Director (Precision Engineering) Technology Group, Centre Director (South China) and concurrent appointment of Vice-Consul (Commercial) under Singapore Consulate- General (Guangzhou). He has also held various senior appointments with institutions under the Ministry of Education.

Mr Teo holds a Master of Science in Information Studies and a Bachelor of Business from the Nanyang Technological University, Singapore. He is also a member of the Singapore Institute of Directors.

15 MR JON SONG
General Manager (North China)

Mr Song oversees the development and management of Perennial's real estate business and identifies new business opportunities in North China.

Mr Song has over 13 years of experience in real estate investment, business development and asset management.

Prior to joining Perennial, Mr Song was Senior Vice President and Head of Global Projects with Tai United Holdings Limited. Before that, he was the Director of Business Development with Keppel Land China Limited. Prior to that, he held positions as Manager, Business Development & Asset Management with The Ascott Limited, as well as Centre Director (East China) with Enterprise Singapore.

Mr Song holds Dual Bachelor of Arts Degrees with Honours in Economics and Public Policy Studies from the University of Chicago, USA.

16 MR CHEN ZHIHAO
General Manager, Project

Mr Chen oversees the development and management of Perennial's real estate business and identifies new business opportunities in Kunming.

Mr Chen has over 10 years of strategic business development and international marketing experience ranging from the development of projects in the healthcare, eldercare, power generation and water infrastructure sectors.

Prior to joining Perennial, Mr Chen was with Enterprise Singapore as Deputy Director of Healthcare and Biomedical Group focusing on Medtech cluster. Earlier, he was Regional Director West China and was involved in the implementation of aviation related projects under the Chongqing Connectivity Initiative. Prior to that, he was Senior Manager in the Environmental and Infrastructure Solutions Group.

Mr Chen holds a Bachelor of Business Management from the Singapore Management University of Singapore.

17 MS JULIET CHOO
Deputy Head, Project Management

Ms Choo assists the Head of Project Management in the project development and management of Perennial's assets in China.

Ms Choo has over 25 years of project and design management experience with strong expertise in integrated developments comprising high end retail, residential, hotel and office.

Ms Choo was previously seconded to Capitol Investment Holdings Pte Ltd for four and a half years as Vice President, Project Design Management, to oversee and manage the development of Capitol Singapore. Earlier, Ms Choo held senior positions at CapitaLand Mall Asia Limited, where she managed the development of prime projects such as ION Orchard and Star Vista in Singapore as well as Raffles City in China. Prior to that, she was with Surbana International Consultants Pte Ltd, where she was involved in the development of Royal Complex, a large-scale integrated development in Abu Dhabi.

Ms Choo holds a Bachelor of Architecture from the National University of Singapore. Ms Choo is registered with the Board of Architects, Singapore.

18 MS TEO MUI GEK
Head, Interior Design

Ms Teo oversees the interior design planning and management of development and operational projects in Perennial.

Ms Teo has over 20 years of interior and tenancy design management experience in retail, residential, senior care and healthcare projects. She was previously Vice President of Design & Project Management of Perennial Real Estate Holdings Pte Ltd and Head of Tenancy Design Management of Perennial Real Estate Pte Ltd.

Prior to that, Ms Teo was with CapitaMalls Asia Limited (formally also known as CapitaLand Retail Limited), concurrently as Manager, Design Management (Singapore) and Manager, Tenancy Design Management (Regional), where she was responsible for project design management for Singapore, China, Malaysia, Japan and India malls. She was also posted to China for almost three years as Head of Tenancy Design, where she was responsible for setting up and providing guidance to the team, and overseeing the tenancy design management for all development and operational malls in China.

Earlier, Ms Teo worked at several private architecture firms, where she managed projects ranging from residential, conservation, commercial and retail.

Ms Teo holds a Bachelor of Arts (Architecture) from Deakin University, Australia.

19 MS PHYLLIS YAN
Head, Legal and Corporate Secretariat

Ms Yan oversees the legal and corporate secretariat functions of Perennial.

Ms Yan has over sixteen years of private practice and in-house legal experience and has been involved in dispute resolution work as well as corporate transactions. She has advised on joint ventures, asset acquisitions, cross-border transactions, trademark applications and financial services regulatory and compliance matters.

Ms Yan practised at Ramdas & Wong and Drew & Napier LLP, before joining Raffles Medical Group Limited and thereafter Changi Airports International Pte Ltd. Prior to joining Perennial, she was with NETS for nine years and last held the position of Group Head, Legal and Corporate Secretariat.

Ms Yan holds a Bachelor of Laws (Honours) from the National University of Singapore and is an Advocate and Solicitor of the Supreme Court of Singapore. She is a member of the Singapore Academy of Law.

SHAREHOLDING INFORMATION

As at 22 July 2021

Notes:

(1) Mr Kuok Khoon Hong is deemed interested in the 607,031,816 shares in PGPL held by HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Kuok Hock Swee & Sons Sdn. Bhd., Pearson Investments Limited, Jaygar Holdings Limited, KPW Investments Limited and KMH Investments Limited.

(2) Wilmar International Limited ("**Wilmar**") is deemed interested in the 333,028,874 shares in PGPL held by WCA Pte. Ltd., a wholly-owned subsidiary of Wilmar.

(3) Mr Fang Fenglei is deemed interested in the 292,009,385 shares in PGPL held by Beaufort Investment Global Company Limited.

(4) Mr Ron Sim is deemed interested in the 256,711,699 shares in PGPL held by V3 Assets Pte. Ltd..

(5) Mr Pua Seck Guan is deemed interested in the 172,927,594 shares in PGPL held by PSG Holdings Pte. Ltd..

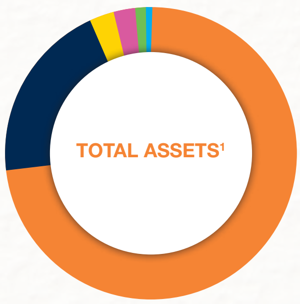
BUSINESS OVERVIEW

Perennial's real estate business as an owner, developer and manager spans six countries, namely, Singapore, China, Malaysia, Indonesia, Myanmar and Sri Lanka. Its portfolio comprises 13 integrated developments and eight retail, commercial and residential developments with a total gross floor area ("**GFA**") of approximately 80 million square feet. Perennial's healthcare services business as an owner, operator and provider in China focuses on three core segments, being hospitals and medical centres, integrated healthcare hubs, as well as eldercare and senior housing. It has a presence in ten cities across China with over 10,000 operating beds as at 31 December 2020.

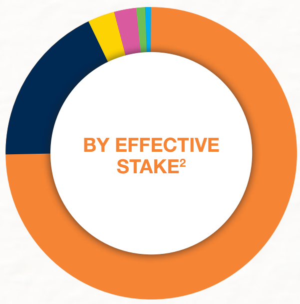
PORTFOLIO ANALYSIS

Total Assets Composition by Business

In FY2020, the real estate business accounted for majority of assets held on the balance sheet, comprising 94.5% (FY2019: 92.3%) of total assets (on an effective stake basis). Perennial's China real estate business, constituting a significant portion of high speed railway ("**HSR**") regional healthcare and commercial hubs, accounted for 74.9% (FY2019: 64.1%) of total assets (on an effective stake basis).



China Real Estate	73.1%
Singapore Real Estate	20.2%
China Healthcare	2.5%
Management Business	2.4%
Other Markets Real Estate[3]	1.3%
Corporate	0.5%



China Real Estate	74.9%
Singapore Real Estate	18.5%
China Healthcare	2.6%
Management Business	2.4%
Other Markets Real Estate[3]	1.1%
Corporate	0.5%

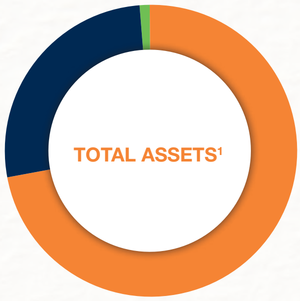
1 Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.

2 Represents assets computed via the Company's shareholdings.

3 Other Markets relates to assets in Malaysia, Indonesia, Myanmar and Sri Lanka.

Total Assets Composition by Country

In FY2020, Perennial remained focused on its core markets of China and Singapore, which accounted for 77.0% (FY2019: 72.3%) and 21.7% (FY2019: 26.7%) of total assets respectively, and 78.8% (FY2019: 68.7%) and 20.1% (FY2019: 30.4%) of total assets (on an effective stake basis) respectively. The increase in China market's weightage was due to higher rental and advancement of construction works at a number of development projects.



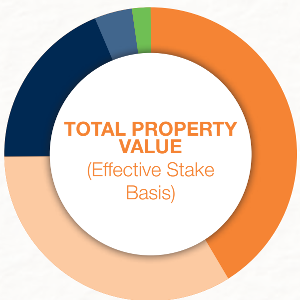
China	77.0%
Singapore	21.7%
Other Markets[3]	1.3%

China	78.8%
Singapore	20.1%
Other Markets[3]	1.1%

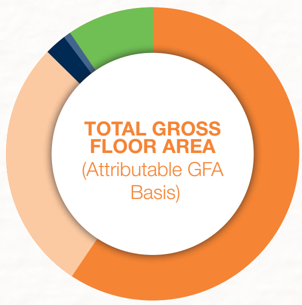
Total Property Value versus Total Gross Floor Area

As at 31 December 2020, Perennial's completed projects in Singapore and China collectively accounted for about 52.8% (FY2019: 52.6%) of total property value (on an effective stake basis). This provided a stable stream of income for the Company. Forett at Bukit Timah, Perennial's first pure-play residential project, accounted for the entire 4.2% (FY2019: 3.8%) (on an effective stake basis) of Singapore development.

China development projects accounted for 40.9% (FY2019: 41.8%) of total property value (on an effective stake basis) and 59.4% (FY2019: 56.8%) of total GFA (on an attributable GFA basis), representing significant future growth potential in China. The higher property value was largely due to works completed in development projects during the year.



China (Development)	40.9%
China (Completed)	33.8%
Singapore (Completed)	19.0%
Singapore (Development)	4.2%
Other Markets (Development)[3]	2.1%



China (Development)	59.4%
China (Completed)	27.9%
Singapore (Completed)	2.3%
Singapore (Development)	0.6%
Other Markets (Development)[3]	9.8%

1 Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards.
2 Represents assets computed via the Company's shareholdings.
3 Other Markets relates to assets in Malaysia, Indonesia, Myanmar and Sri Lanka.

BUSINESS STRUCTURE

PERENNIAL 鹏瑞利

REAL ESTATE BUSINESS

China

Integrated Developments		Ownership
Chengdu East High Speed Railway Integrated Development	Perennial International Health and Medical Hub	80%
	Plot C	50%
	Plot D1	50%
	Plot D2	50%
Xi'an North High Speed Railway Integrated Development	Plot 4	65.7%
	Plot 5	65.7%
Shenyang Longemont Integrated Development	Shenyang Longemont Shopping Mall	50%
	Shenyang Mall	50%
	Shenyang Longemont Offices	50%
Perennial Tianjin South High Speed Railway International Healthcare and Business City		45%
Perennial Kunming South High Speed Railway International Healthcare and Business City		45%
Hangzhou West High Speed Railway Integrated Development		11.1%[1]
Beijing Tongzhou Integrated Development	Phase 1	40%[1]
	Phase 2	36.2%[1]

Retail Malls	Ownership
Perennial Jihua Mall, Foshan	100%
Perennial Qingyang Mall, Chengdu	100%

Singapore

Integrated Developments	Ownership
Capitol Singapore	100%
AXA Tower	10%
Retail Malls/ Commercial	
CHIJMES	51.6%[1]
House of Tan Yeok Nee	50%
Residential	
Caldecott Hill Site	50%
Forett at Bukit Timah	40%
Business Parks	
Perennial Business City	63%

Other Markets

Integrated Developments	Ownership
The Light City, Penang, Malaysia	50%
Mixed-use Development in Mandalay, Myanmar	50%
Mixed-use Development in Colombo, Sri Lanka	25%
Residential	
The Sanctuary Collection in Sentul Selatan, Greater Jakarta, Indonesia	40%

HEALTHCARE BUSINESS

Hospitals/ Medical Centres	Ownership
Perennial International Specialist Medical Centre	90%
Eldercare and Senior Housing	**Ownership**
Shanghai Renshoutang Eldercare Group Co., Ltd.	49.9%

MANAGEMENT BUSINESS

- Asset Management
- Development/ Project Management
- Property Management
- Hospital Management
- Hotel Management

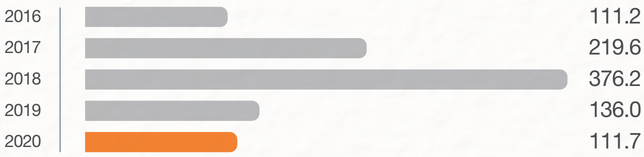
1 Approximate percentage.

FINANCIAL HIGHLIGHTS

REVENUE (S$'m)

FY2020 revenue decreased by 10.5% mainly due to the impact arising from COVID-19, which includes lower revenue from The Capitol Kempinski Hotel Singapore, lower occupancy rate from Capitol Singapore, CHIJMES, Perennial Jihua Mall and Perennial International Health and Medical Hub. Higher rental rebates granted to Capitol Singapore and CHIJMES' tenants also contributed to the lower revenue in FY2020.

EARNINGS BEFORE INTEREST AND TAX ("EBIT") (S$'m)

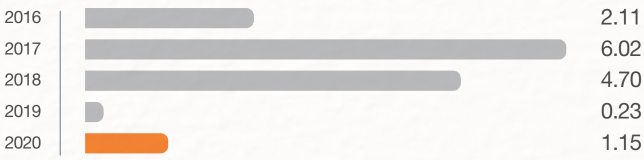


FY2020 EBIT decreased by 17.8% mainly due to lower fair value gains and Employee Share Option Scheme paid out in FY2020. Fair value gains at the EBIT level totalled S$2.1m in FY2020 as compared to S$66.4m in FY2019. The decrease was mitigated by remeasurement gain and bargain purchase for Beijing Tongzhou Integrated Development Phase 2 acquisition, as well as gain on disposal of Zhuhai Hengqin Integrated Development, 111 Somerset and AXA Tower.

PROFIT AFTER TAX AND MINORITY INTEREST ("PATMI") (S$'m)

PATMI increased by S$15.2m in FY2020 due to lower finance costs, higher other income derived from gain on disposal of 111 Somerset, AXA Tower and Zhuhai Hengqin Integrated Development, as well as remeasurement gain and bargain purchase for Beijing Tongzhou Integrated Development Phase 2, which was offset by lower fair value gains.

EARNINGS PER SHARE ("EPS") (cents)

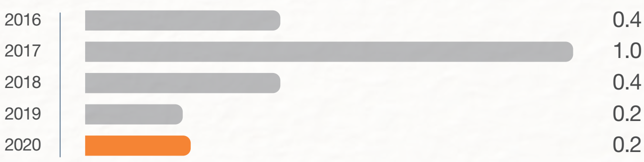


FY2020 EPS increased by 0.92 cents to 1.15 cents, as a result of higher PATMI.

TOTAL ASSETS (S$'b)

FY2020 total assets increased by 2.9% due mainly to the increased investments into a joint venture, remeasurement of the equity of Beijing Tongzhou Integrated Development Phase 2 and appreciation of the Chinese Renminbi (RMB) which resulted in higher translation assets value.

DIVIDEND PER SHARE (cents)



Proposed dividend of 0.24 cent per share for FY2020.

GEARING RATIO (times)

Net gearing (Debt-to-Equity ratio) decreased to 0.66x due to reduction in debt coupled with increase in equity due to foreign currency translation gain arising from the appreciation of RMB against the Singapore Dollar (SGD).

NET ASSET VALUE ("NAV") PER SHARE (S$)

NAV per share increased by 7.9% from S$1.584 in 31 December 2019, mainly attributable to increase in foreign currency translation reserves due to the appreciation of RMB against the SGD by 5.2% for the year.

FINANCIAL REVIEW

	Revenue			EBIT		
	FY2020 S$'000	FY2019 S$'000	Change %	FY2020 S$'000	FY2019 S$'000	Change %
Singapore	**42,655**	56,225	(24.1)	**64,508**	7,921	Nm
China	**48,492**	50,902	(4.7)	**55,702**	137,108	(59.4)
Management Businesses	**31,893**	31,797	0.3	**12,519**	14,668	(14.7)
Corporate and Others	**737**	72	Nm	**(4,891)**	(6,258)	(21.8)
Eliminations	**(12,597)**	(14,775)	(14.7)	**(16,090)**	(17,455)	(7.8)
	111,180	124,221	(10.5)	**111,748**	135,984	(17.8)

Perennial's revenue for FY2020 was S$111.2 million or 10.5% lower than the S$124.2 million recorded in FY2019. The lower revenue in FY2020 was mainly due to the impact from COVID-19, which included lower revenue from The Capitol Kempinski Hotel Singapore, lower occupancy rate from Capitol Singapore, CHIJMES, Perennial Jihua Mall and Perennial International Health and Medical Hub ("**PIHMH**"). Higher rental rebates granted to tenants of Capitol Singapore and CHIJMES also contributed to the lower revenue in FY2020.

SINGAPORE

In FY2020, the Singapore assets contributed a revenue of S$42.7 million or 38.4% of total revenue. The revenue from Singapore assets decreased mainly due to the lower contribution from The Capitol Kempinski Hotel Singapore, lower rental from retail operations as well as rental rebates granted to Capitol Singapore and CHIJMES tenants to tide through COVID-19.

Despite the lower revenue, Singapore assets' Earnings Before Interest and Tax ("**EBIT**") at S$64.5 million was comparatively higher mainly arising from the gain on disposal of 111 Somerset and AXA Tower in 2Q 2020.

On 29 May 2020, the Group disposed its entire equity interests in Perennial Somerset Investors Pte. Ltd. and its subsidiaries for a total consideration of S$155.8 million, resulting in a gain on disposal of over S$27.7 million included in the consolidated statement of profit or loss for the year ended 31 December 2020. On 30 June 2020, the Perennial-led consortium, Perennial Shenton Investors Pte. Ltd. ("**PSI**") divested its 50% stake in Perennial Shenton Holdings Pte. Ltd. ("**PSH**") to an external party based on an agreed property price of S$1.68 billion, resulting in a share of gain on disposal of over S$50.3 million. Concurrently, PSI also transferred the remaining 50% equity interest in PSH to a new entity, PRE 13 Pte. Ltd., in which Perennial reinvested 20% equity interest. As a result, Perennial holds an effective interest of 10% in PSH.

CHINA

China, being one of our core markets, contributed about 43.6% of Perennial's revenue. Revenue from our China operations decreased by S$2.4 million to S$48.5 million in FY2020 (FY2019: S$50.9 million), primarily attributable to the lower occupancy rates and higher rental rebates in Perennial Jihua Mall and PIHMH.

EBIT from China assets was significantly lower by S$81.4 million largely due to the lower fair value gains, mitigated by remeasurement gain & bargain purchase for Beijing Tongzhou Integrated Development Phase 2 acquisition as well as gain on disposal of Zhuhai Hengqin Integrated Development. Fair value gains at the EBIT level totalled S$2.1 million in FY2020 as compared to S$66.4 million in FY2019.

In China, Perennial's healthcare business is growing steadily. China's healthcare business is expected to grow over time with the expansion of Perennial's eldercare and nursing homes offering integrated dementia care, TCM and rehabilitation services being the key drivers.

In 4Q 2020, Perennial's subsidiary, Perennial Hengqin Investment Group Pte. Ltd., disposed its entire equity interests in Nation Mind Development Limited for a total cash consideration of RMB928.1 million (approximately S$189.1 million), resulting in a gain on disposal of S$9.8 million included in the consolidated statement of profit or loss for the year ended 31 December 2020.

In the same quarter, Perennial's subsidiary, Perennial China Investment Holdings Pte. Ltd. also acquired 25.8% equity interest in Perennial Tongzhou Holdings Pte. Ltd. ("**PTH**"), for a cash consideration of RMB652.1 million (approximately S$132.9 million). As a result, the Group's equity interest in PTH increased from 46.6% to 72.4%. The remeasurement to fair value of the Group's pre-existing 46.6% interest in PTH resulted in a gain of S$3.1 million, where the Group recognised a gain on bargain purchase amounting to S$22.9 million.

The transactions provided the Group with some divestment gain and proceeds for capital recycling.

MANAGEMENT BUSINESSES

Revenue for Perennial's fee-based management business has slightly increased by S$0.1 million to S$31.9 million in FY2020 (FY2019: S$31.8 million). The increase was mainly due to the higher management fee from the Perennial HC Holdings Pte Ltd.

EBIT in management business decreased by S$2.2 million to S$12.5 million (FY2019: S$14.7 million) mainly due to the Employee Share Option Scheme ("**ESOS**") paid out in FY2020.

PATMI

For the year under review, Perennial recorded a Profit After Tax and Minority Interest ("**PATMI**") of S$19.0 million. The higher PATMI in FY2020 as compared to FY2019 was due to lower finance costs, higher other income derived from gain on disposal of 111 Somerset, AXA Tower and Zhuhai Hengqin Integrated Development, as well as remeasurement gain and bargain purchase for Beijing Tongzhou Integrated Development Phase 2 which was offset by lower fair value gains.

TOTAL ASSETS

Total assets as at 31 December 2020 of S$7.8 billion were S$221.9 million or 2.9% higher than 31 December 2019, mainly due to the increased investments in a joint venture, remeasurement of the equity of Beijing Tongzhou Integrated Development Phase 2 and appreciation of the Chinese Renminbi ("**RMB**") resulting in higher translation of asset value.

China and Singapore remain Perennial's core markets with assets in these two countries accounting for approximately 77% and 22% of total assets respectively.

As at 31 December 2020, Perennial's investment properties held by subsidiaries included Perennial Jihua Mall, Perennial Qingyang Mall, PIHMH, Xi'an North High Speed Railway ("**HSR**") Integrated Development Plot 4 and two plots on Beijing Tongzhou Integrated Development Phase 1 in China, as well as CHIJMES and Capitol Singapore (excluding Eden Residences and The Capitol Kempinski Hotel Singapore).

Perennial's investment in associated companies and joint ventures included mainly investments in Shenyang Longemont Shopping Mall, Shenyang Mall, Shenyang Longemont Offices, Chengdu East HSR Integrated Development Plots C and D and Beijing Tongzhou Integrated Development Phase 2, all of which are in China, AXA Tower and House of Tan Yeok Nee in Singapore, The Light City in Penang, Malaysia, The Sanctuary Collection in Sentul Selatan, Indonesia as well as investments into eldercare management services through Shanghai Renshoutang Eldercare Group Co., Ltd. Projects held by Perennial HC Holdings Pte Ltd, a Perennial-led joint venture which invests in, acquires and develops large scale and predominantly healthcare integrated mixed used developments which are connected to HSR stations in China, such as Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City, are also part of Perennial's investment in joint ventures.

Development properties comprised mainly Xi'an North HSR Integrated Development Plot 5, Plot 13 of Beijing Tongzhou Integrated Development Phase 1 and Eden Residences in Capitol Singapore.

SHAREHOLDERS' EQUITY

Perennial's reserves comprised revenue reserves, capital reserves, foreign currency translation reserve and other reserves such as equity compensation reserve, reserve for own shares and statutory reserve. The increase in reserves was mainly attributable to the increase in foreign currency translation reserves due to the appreciation of the RMB against the Singapore Dollar ("**SGD**") by 5.2% for the year.

LOANS AND BORROWINGS

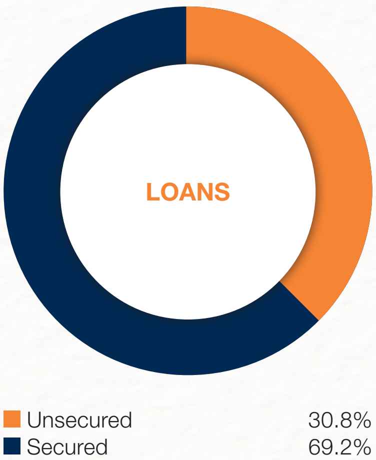
As at 31 December 2020, Perennial's gross borrowings stood at S$2.9 billion. The net borrowings were S$2.7 billion after taking into account the cash and cash equivalents of approximately S$123.2 million.

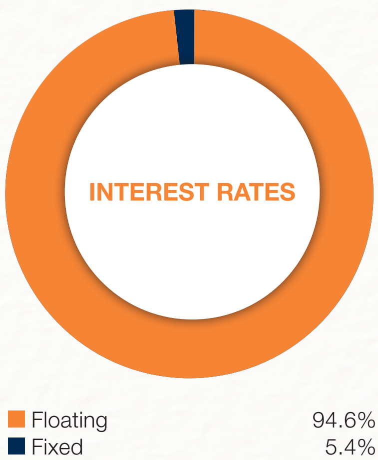
The increase in short term borrowings from 31 December 2019 was due to the maturing of two secured bank loans and a fixed rate notes totalling S$913.25 million in 2021. In addition, a number of the unsecured bank facilities were due for renewal in 2020.

During the year, several bank facilities were drawn down to finance new investments, repay indebtedness and meet working capital requirements of the Group. Proceeds from capital recycling were mainly used to pare down the borrowings. As a result, the net debt as at end December 2020 of S$2.7 billion was much lower than 31 December 2019. The net debt-equity ratio stood at 0.66x as at the end of 2020 (31 December 2019: 0.74x), with the decrease attributable to reduction in debt of approximately S$98.8 million, coupled with increase in equity due to foreign currency translation gain arising from the appreciation of RMB against the SGD.

Of the total debt, about 69.2% was secured. In terms of interest rate, about 94.6% of the borrowings was on floating rate while the balance 5.4% was on fixed rate.

Loans And Interest Rates FY2020





FINANCIAL REVIEW

CAPITAL MANAGEMENT

As at 31 December 2020, Perennial had a total asset size of S$7.8 billion supported by a strong equity base of S$4.2 billion and a debt of S$3.6 billion. Perennial adopts a prudent capital management approach and actively monitors its cash flows, funding needs and debt maturity profile on an ongoing basis. Over the years, Perennial has built up and increased its network of banking institutions. With the support of these financial institutions, Perennial was able to tap on the bank facilities to further its strategic and investment objectives. Perennial has also diversified its sources of funding beyond the conventional bank borrowings and has tapped the debt market such as issuances of medium term notes ("**MTN**").

In FY2020, Perennial executed its capital recycling strategy by divesting its entire stake in 111 Somerset and its 31.2% stake in AXA Tower whilst reinvesting a 10% effective stake in it to generate cash proceeds for the Group.

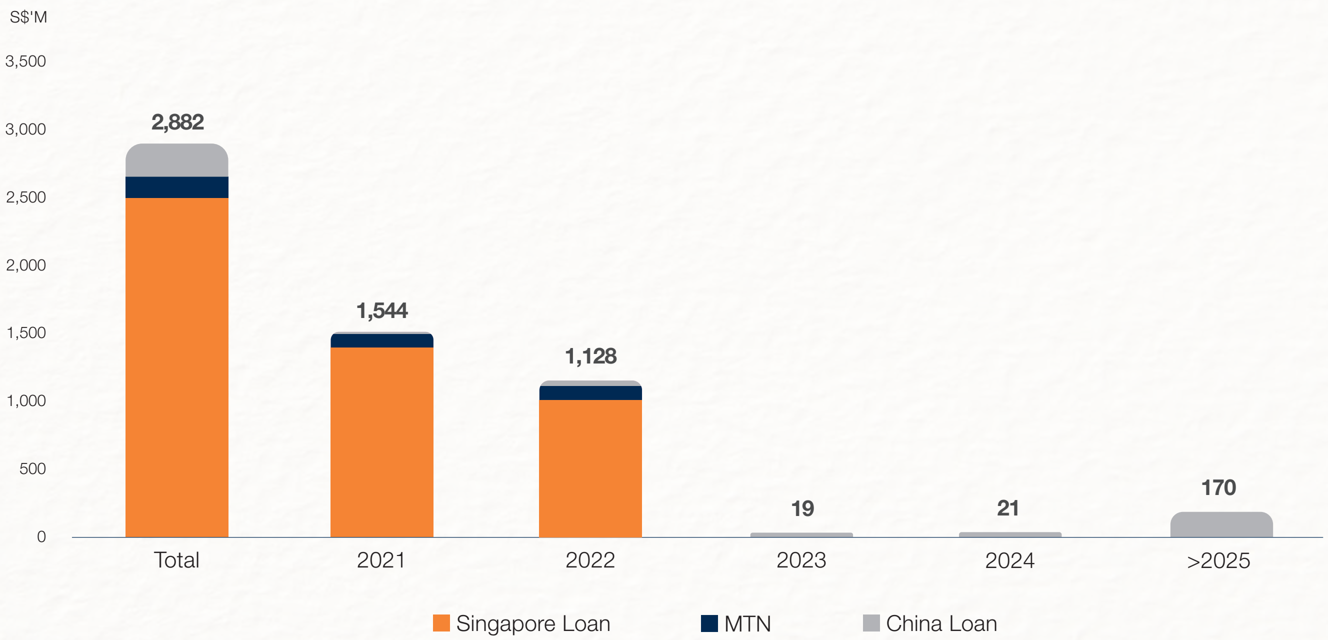
DEBT PROFILE

Perennial's borrowings are predominantly denominated in SGD with 91.5% in SGD and 8.5% denominated in RMB. Where practicable, Perennial will borrow in the same functional currencies required of its overseas projects to achieve a natural foreign currency hedge.

The weighted average interest rate on its borrowings for the financial year was about 2.9% (2019: 4.0%) per annum while the weighted average debt maturity profile as at end December 2020 is 1.35 years.

About S$1.5 billion of loans will be maturing in 2021. The loans due in 2021 comprised secured loans of S$0.8 billion and unsecured loans and MTNs totalling S$0.7 billion. Perennial has commenced discussions with the respective lenders to refinance the loans which are coming due in the next six months. On 12 January 2021, S$76.25 million of MTN were fully redeemed. As at the date of this report, Perennial has renewed S$1,155.9 million of loan maturing in 2021.

Debt Maturity Profile (As at 31 December 2020)



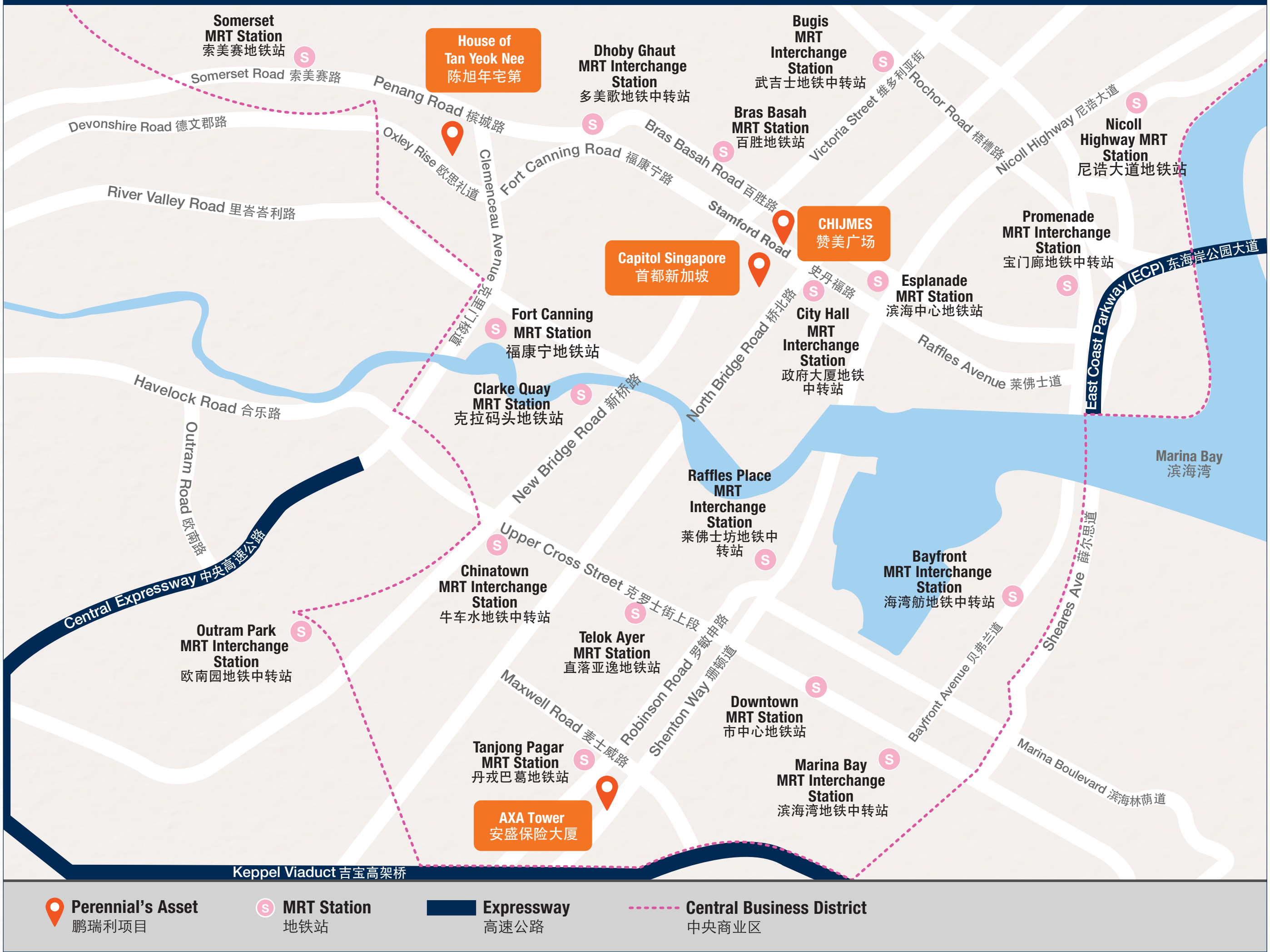
5-YEAR FINANCIAL SUMMARY

	2020	2019	2018	2017[1]	2016
Profit or Loss (S$ million)					
Revenue	**111.2**	124.2	78.3	74.5	110.2
Earnings Before Interest and Tax	**111.7**	136.0	376.2	219.6	111.2
Profit After Tax and Minority Interest	**19.0**	3.8	78.1	100.3	35.1
Financial Position (S$ million)					
Investment properties	**3,524.7**	3,378.7	3,349.5	1,659.7	1,372.0
Development properties	**1,138.1**	1,094.1	1,088.1	1,704.5	2,757.9
Associates and joint ventures	**2,345.1**	2,254.5	2,491.5	2,471.4	1,993.5
Cash and cash equivalents	**123.2**	119.8	76.9	111.7	226.2
Other assets	**645.8**	708.0	664.3	757.4	696.8
Total assets	**7,776.9**	7,555.1	7,670.3	6,704.7	7,046.4
Equity attributable to owners of the Company	**2,840.1**	2,632.4	2,732.6	2,767.3	2,716.6
Total borrowings	**2,869.8**	2,968.6	2,938.1	2,344.8	2,715.5
Non-controlling interests and other liabilities	**2,067.0**	1,954.1	1,999.6	1,592.6	1,614.3
Total equities & liabilities	**7,776.9**	7,555.1	7,670.3	6,704.7	7,046.4
Financial Ratios					
Earnings per share (cents)	**1.15**	0.23	4.70	6.02	2.11
Net assets value per share (S$)	**1.709**	1.584	1.644	1.663	1.631
Return on equity (%)	**0.7**	0.1	2.9	3.6	1.3
Return on total assets (%)	**1.5**	1.8	5.2	3.2	1.6
Debt equity ratio (net of cash) (times)	**0.66**	0.74	0.72	0.57	0.66
Interest cover (times)	**1.4**	1.4	4.5	4.5	2.0
Dividend					
Ordinary dividend per share (cents)	**0.2**	0.2	0.4	1.0	0.4

Note

1 The Group has adopted the new Singapore Financial Reporting Standards (International) (SFRS I) framework and has applied SFRS(I) with January 2017 as the transition date.

Strong Presence In Singapore's CBD, Civic District and The Orchard Road Precinct



OVERVIEW

In Singapore, Perennial owns and/or manages a diversified real estate portfolio comprising integrated, retail, office, residential and business park developments. Its integrated, retail and office developments are all strategically located within the Civic District, Central Business District ("**CBD**") and Orchard Road precinct. These include integrated developments Capitol Singapore and AXA Tower, retail development CHIJMES, and office development House of Tan Yeok Nee. Both of Perennial's residential developments, Forett at Bukit Timah and Caldecott Hill Site, are situated in premium residential areas. Perennial's sole business park project, Perennial Business City, is located in the Jurong Lake District, slated to be Singapore's second CBD. All properties are directly connected or in close proximity to Mass Rapid Transit ("**MRT**") stations. As at 31 December 2020, Perennial's five properties, excluding Perennial Business City and Caldecott Hill Site which were acquired in 1Q 2021, have a total property value (on a 100% basis) in excess of S$3.6 billion.

In 2020, Singapore's Gross Domestic Product ("**GDP**") fell by 5.8% on a year-on-year basis, down from a 0.7% growth in 2019.[1] Singapore entered a mandatory stay-home period from 7 April to 1 June ("**Circuit Breaker**"). During this period, most businesses, including non-essential retail, non-essential services and construction, came to a standstill with largely only food and beverage ("**F&B**") tenants allowed to operate on a takeaway and delivery basis. Subsequently, two rounds of relaxation of measures were implemented on 19 June and 28 December respectively. The economy grew 9.5% and 2.1% for 3Q and 4Q respectively on a quarter-on-quarter seasonally adjusted basis, supported by the phased resumption of activities post-Circuit Breaker, as well as the rebound of major economies after lockdowns.[1]

As the economy recovered, Perennial's retail tenants saw positive revenue reversion in December 2020 as compared to pre-COVID-19 levels at the start of the year, while commercial and office properties remained resilient throughout 2020 due to committed leases.

1 Department of Statistics Singapore: Ministry of Trade and Industry Press Release dated 4 January 2021.

In FY2020, Perennial carried out several major transactions, including the divestment of 111 Somerset in April 2020, where it divested its entire 30% stake in 111 Somerset to the 70% shareholder, Simply Swift Limited, at a consideration of S$155.8 million.

Amid the uncertain economic backdrop caused by COVID-19, Singapore has emerged as a safe harbour for the world's super wealthy with its stability and business-friendly reputation. The property market has seen an influx of tycoons seeking residency with their families, and Perennial is well-poised to capitalise on this wave of interest with its portfolio of premium residential developments.

Foreign investment is also on the rise, with businesses committing investments totalling S$17.2 billion[2] in 2020. International tech companies are also increasingly establishing a presence in Singapore. This bodes well for Perennial's portfolio of commercial developments that are strategically located, and affirms Perennial's timely entry into the business park sector.

BUSINESS PARK

Perennial Business City

In December 2020, a Perennial-led consortium acquired the former Big Box property in Jurong East for S$118 million. The transaction, which was completed in February 2021, marks Perennial's maiden foray into the business park[3] asset class.

Over S$70 million is expected to be invested in the redevelopment of the former Big Box into the new Perennial Business City. Asset enhancement works will progressively complete from 4Q 2021, raising the property's existing GFA from 1.4 million sq ft to 1.5 million sq ft. Perennial has kickstarted the process of engaging potential tenants from high-value industries, including infocommunications technology, biomedical sciences and fast-moving consumer goods, as well as financial institutions, with a focus to secure pre-committed leases ahead of its opening.

INTEGRATED DEVELOPMENTS

AXA Tower

In May 2020, a Perennial-led consortium carried out the divestment of a 50% stake in AXA Tower to Chinese e-commerce giant, Alibaba Group Holding Limited's Singapore subsidiary, Alibaba Singapore based on an agreed property value of S$1.68 billion. Following the divestment, the Perennial-led consortium formed a joint venture with Alibaba Singapore to redevelop the building, whereby its GFA is expected to be increased by approximately 46.5% from 1.05 million sq ft to 1.55 million sq ft. Redevelopment works are scheduled to commence by the end of 2021.

Capitol Singapore

Capitol Singapore maintained a strong committed occupancy of over 90% as at 31 December 2020 despite the adverse impact of COVID-19 on the economy. Other than assistance provided through rental support, an online F&B delivery platform was also launched to help tenants tide through the Circuit Breaker. In addition, a number of advertising and promotional campaigns were executed, including novel dining experiences in whimsical bubble domes at the Outdoor Plaza which aligned with safe distancing measures. The creative dining initiative was extremely well-received by the public and drew positive media coverage, both locally and regionally.

Capitol Singapore, HopScotch

In 1H 2021, Capitol Singapore also welcomed and secured new tenants such as HolyCrab, So Good Char Chan Tang, Hopscotch and Gen.K Jewelry.

Capitol Singapore will continue to fine-tune its tenant mix by bringing in differentiated retail and F&B concepts to create a distinctive dining and shopping experience for all patrons, and together with Capitol Theatre and The Capitol Kempinski Hotel Singapore, enhance the overall synergy within the integrated development. Perennial also seeks to strengthen Capitol Singapore's positioning as a charming lifestyle destination in the city by engaging in placemaking initiatives in the Civic District.

Perennial Business City

Capitol Singapore, So Good Char Chan Tang

2 CNA article, dated 20 January 2021.
3 Subject to successful rezoning with Urban Redevelopment Authority ("URA") and other relevant authorities to change the current land use under URA's Masterplan 2019 from Business 1 (White) to Business Park.

BUSINESS REVIEW:
> Real Estate – Singapore

CHIJMES

RETAIL
CHIJMES

In 2020, CHIJMES refreshed its slate of dining and lifestyle offerings by introducing new tenant concepts such as Tin Box Retro & Jazz Club. The vibrant tenant mix attracted a steady crowd of working professionals, cosmopolitan individuals and expatriates, despite the post-Circuit Breaker backdrop.

In 2021, CHIJMES will focus on further establishing itself as the definitive venue for dining out in Singapore. Asset enhancement initiatives have commenced, such as the introduction of additional lighting, greenery and flowers to create a better ambience in the Outdoor Refreshment Areas. The property will continue to work with its existing tenants to improve products and optimise space usage within their units. At the same time, CHIJMES will continue to bring in new concepts to strengthen the tenant mix, engage in refurbishment where necessary to ensure sustained vibrancy and collaborate closely with Capitol Singapore to jointly execute placemaking projects.

RESIDENTIAL
Caldecott Hill Site

In December 2020, Perennial replenished its residential development pipeline with the acquisition of the 752,021 sq ft Andrew Road hilltop site that formerly housed the Caldecott Broadcast Centre. The prime and sizeable plot sits in the heart of the prestigious Caldecott Hill Good Class Bungalow Area, presenting itself as an exceptionally rare opportunity for redevelopment. The site will be redeveloped into Good Class Bungalows to leverage on the resilient private residential market.

Forett at Bukit Timah

In August 2020, Forett at Bukit Timah, a 633-unit freehold condominium project undertaken through a joint venture with Qingjian Group of Companies, was launched for sale, achieving 30% sales on its launch weekend[4]. A key highlight of the launch was the first-of-its-kind 'virtual balloting', which garnered over 23,000 log-ins. The project was also one of the first significant development sales launch immediately after the Circuit Breaker. As at end December 2020, a total of 316 units had been sold, translating to an overall take-up rate of approximately 50%. With interest in private residential properties remaining strong, the sale of the remaining units will continue to be ramped up. Construction work had also gradually resumed post-Circuit Breaker and the development is expected to achieve temporary occupation permit in April 2023.

STRATEGIC PRIORITIES IN FY2021

This year, Perennial will focus on unlocking the value of two major redevelopment projects, being AXA Tower and Perennial Business City, through the optimisation of GFA and incorporating green features to meet the demands of sustainability-conscious tenants.

Perennial will also evaluate suitable opportunities to unlock the value of its mature assets in order to invest into new growth opportunities as part of its capital recycling strategy. It will also explore opportunistic developments with good value-creation prospects, with the aim to expand its footprint in Singapore through the acquisition of existing properties or by participating in land tenders.


Forett at Bukit Timah show suite

4 The Business Times article, dated 11 August 2020.

CAPITOL SINGAPORE
首都新加坡

Capitol Singapore, a landmark integrated mixed-use development, houses a premier retail mall, the iconic Capitol Theatre, the luxurious Eden Residences Capitol and The Capitol Kempinski Hotel Singapore.

Strategically located in the heart of Singapore's Civic District and surrounded by historic landmarks, Capitol Singapore comprises three conservation buildings, namely Stamford House, Capitol Building and Capitol Theatre. It is directly connected to the City Hall MRT Interchange Station, which serves the North-South Line and East-West Line.

Eden Residences Capitol sits atop the retail mall and residents at the prestigious address enjoy remarkable views of the Marina Bay area and beyond. The beautifully restored and conserved Capitol Theatre houses one of Southeast Asia's largest single screens with over 970 plush seats. Equipped with an advanced rotational floor system, the multi-functional theatre can host a variety of events, from conferences to concerts and glamorous red-carpet events. The Capitol Kempinski Hotel Singapore is a harmonious blend of timeless heritage with modern luxury. It houses 157 spacious guest rooms and suites in the restored Capitol Building and Stamford House, and features leading international restaurant 15 Stamford by Alvin Leung, a two-Michelin star celebrity chef.

CHIJMES
赞美广场

CHIJMES, formerly the Convent of the Holy Infant Jesus ("**CHIJ**"), is home to two gazetted National Monuments, namely the CHIJ Chapel (presently known as CHIJMES Hall) and Caldwell House.

This prime property is strategically located in the heart of Singapore's Civic District with close proximity to the City Hall MRT Interchange Station, which serves the North-South Line and East-West Line. It is also easily accessible via the Bras Basah MRT Station which serves the Circle Line.

The landmark development, with beautiful courtyards, charming alfresco dining areas and vibrant atmosphere is testament to the tasteful conservation of CHIJMES. CHIJMES houses a plethora of curated F&B outlets, establishing itself as a popular lifestyle dining and entertainment spot with expatriates and locals alike, especially working professionals in the CBD. The iconic CHIJMES Hall, fondly known as the chapel to many, continues to be a sought-after venue for weddings, seminars and performances, adding synergy and character to the development.

AXA TOWER
安盛保险大厦

AXA Tower is a 50-storey Grade A office development with a retail podium. Strategically sited in Singapore's CBD and within the future Greater Southern Waterfront district, the iconic landmark offers spectacular views of the CBD, waterfront and the historic Tanjong Pagar District. Offices in the tower enjoy unobstructed sea views and column-free layout.

This prime property enjoys major frontages along Shenton Way, Anson Road and Maxwell Road, and is easily accessible via public transportation. It is connected via an underground pedestrian link to Tanjong Pagar MRT Station and in close proximity to Shenton Way Bus Terminal.

Connectivity will be further enhanced by the addition of two new MRT stations in the vicinity. The upcoming Maxwell MRT Station along the Thomson-East Coast Line is scheduled to complete in 2022 and will be a short six-minute walk from AXA Tower. Prince Edward MRT Station, which will close the loop between Harbourfront and Marina Bay on the Circle Line, is slated for completion in 2025.

Redevelopment works for AXA Tower, which are scheduled to commence by the end of 2021, are expected to further increase the building’s current GFA from the existing 1.05 million sq ft to 1.55 million sq ft under the CBD Incentive Scheme to include hotel and residential components.

FORETT AT BUKIT TIMAH
福瑞轩

Forett at Bukit Timah is a freehold residential project undertaken by Perennial through a 40-60 joint venture with Qingjian Group of Companies (comprising subsidiaries of Hong Kong-listed CNQC International Holdings Limited and its minority partners) at the former Goodluck Garden site.

The residential site spans a land area of about 360,130 sq ft at Nos. 32 to 46 Toh Tuck Road, and is situated in close proximity to the Beauty World MRT Station, which serves the Downtown Line. It is a five-minute drive to the upcoming Jurong Lake District and 25-minute drive to the CBD.

Forett at Bukit Timah will comprise four nine-storey and nine five-storey tower blocks, as well as two commercial units. The 633 apartments within the development will include 76 one-bedroom, 314 two-bedroom, 176 three-bedroom, 59 four-bedroom and eight five-bedroom units.

PERENNIAL BUSINESS CITY
鹏瑞利商务城

Perennial Business City (formerly known as Big Box) will be redeveloped into a Business Park with a massive 1.5 million sq ft in GFA. It is expected to feature large floor plates, ample car parking spaces and an expansive rooftop garden with an amphitheatre.

Located at the heart of Jurong East, which is part of the upcoming Jurong Lake District commercial hub, Perennial Business City is well connected to Ayer Rajah Expressway, Pan Island Expressway, Tuas Second Link and major arterial roads and is within a five-minute walk via sheltered access to Jurong East MRT Station. This strategic and prime location within the slated second CBD of Singapore presents opportunities for tenants seeking a cost-competitive alternative to being within the CBD. The large and contiguous floor plates also allow medium and large-sized tenants to achieve improved space utilisation by enabling flexible space planning and opportunities for future expansion.

BUSINESS REVIEW:
> Real Estate – Singapore

PORTFOLIO AT A GLANCE

Property[1]	Location	Description	Tenure	Effective Interest (%)	Valuation[2] (S$ mil)
Capitol Singapore	**Eden Residences Capitol** 11 Stamford Road, Singapore 178884 **Retail Mall** 13 Stamford Road, Singapore 178905 **The Capitol Kempinski Hotel Singapore/ Arcade@The Capitol Kempinski** 15 Stamford Road, Singapore 178906 **Capitol Theatre** 17 Stamford Road, Singapore 178907	Residential: 39 units Retail Podium: 4 levels Hotel: 157 rooms Multi-purpose Theatre Car Park: 4 basement levels	99 years, expiring on 23 January 2110	100	493[3]
CHIJMES	30 Victoria Street, Singapore 187996	A conservation site comprising 2 National Monuments zoned for commercial use under the Master Plan 2014 Car Park: 1 basement level	99 years, expiring on 12 May 2090	51.6[5]	334
AXA Tower	8 Shenton Way, Singapore 068811	Office: 50-storey tower Retail Podium: 2 levels Car Park: 3 basement levels	99 years, expiring on 18 July 2081	10[6]	336
Perennial Business City	1 Venture Avenue, Singapore 608521	An 8-storey Business Park development with a basement	30 years, expiring on 22 March 2037	63	200[7]
Caldecott Hill Site	Andrew Road, Singapore 299939	A currently zoned "Civic & Community Institution" site previously used as a Broadcasting Centre by Mediacorp	99 years, expiring on 29 September 2093	50	–
Forett at Bukit Timah	32 – 46 Toh Tuck Rd, Singapore 596710 – Singapore 596721	Residential: 633 units Commercial: 2 units	Freehold	40	–
House of Tan Yeok Nee	101 Penang Road, Singapore 238466	A gazetted National Monument zoned for commercial use under the Master Plan 2014	Freehold	50	74.5

1 As at 31 December 2020, the value of leasehold properties on a 100% basis totalled S$2.51 billion and the value of freehold properties totalled S$74.5 million.
2 Valuation only includes Investment Properties.
3 Valuation excludes Eden Residences Capitol and The Capitol Kempinski Hotel Singapore.
4 Subject to final survey by a registered surveyor, excluding centre management office.
5 Approximate percentage.
6 Post-completion of proposed divestment of AXA Tower to Alibaba Singapore and PRE 13 Pte. Ltd. in June 2020.
7 Based on As-is Basis.
8 Based on Maximum Permissible GFA, actual area is subject to design and final survey.
9 Proposed Development GFA includes bonus GFA under Urban Redevelopment Authority's Bonus GFA incentive scheme.

Land Area (sq ft)	Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Status	Anchor/Major Tenants	Website
177,755	Excluding Residences: 396,234 Including Residences: 552,016	Retail: 134,130[4]	Operational	No18, Food Republic, Eccellente by Hao Mart, Cortina Watch	https://capitolsingapore.com
154,063	159,204	115,566	Operational	Lei Garden, Watabe, Natureland, New Ubin Seafood	https://chijmes.com.sg
118,230	1,029,306	Retail: 15,520 Office: 635,797 Total: 651,317	Operational and preparing for redevelopment by end-2021	Lazada South-East Asia Pte Ltd, AXA Life Insurance (Singapore), BOC Aviation, Red Hat Asia Pacific	–
606,645	1,516,605[8]	1,081,812 (post asset enhancement works)	Asset enhancement works in progress	–	–
752,021	1,052,820 (current GFA)	–	To be developed into Good Class Bungalows	–	–
360,130	554,600[9]	–	Under development	–	–
26,321	Strata Area: 58,480	29,912	Operational	Amity Global Institute, Singapore	–

Anticipated HSR Network

Source: Gaotie.cn, Huashang News and OneGreen.net

OVERVIEW

In China, Perennial is a dominant commercial developer and owns and/or manages eight large-scale integrated developments and two retail properties in eight major cities with a total gross floor area ("**GFA**") of over 66 million square feet ("**sq ft**").

Five 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, Perennial Kunming South HSR International Healthcare and Business City and the newly acquired Hangzhou West HSR Integrated Development, are situated adjacent to five of the country's largest HSR stations, and majority are regional healthcare and/or commercial hubs which comprise medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio, Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Perennial Qingyang Mall, also enjoy direct connectivity to major transportation hubs in China.

In the beginning of 2020, the COVID-19 pandemic struck a heavy blow to China's economy. Public health measures and domestic and international travel restrictions prompted people to limit their movement, leading to a steep drop in consumption activity[1]. Furthermore, the suspension of manufacturing in China caused considerable disruption to supply chains.

1 Xi'an Valuation Report 2020.

However, China staged a strong economic turnaround in 2H 2020 as it brought the domestic COVID-19 situation under control. Buoyed by infrastructure construction, China was the only major world economy to record positive growth in 2020, with gross domestic product growing 2.3% for the whole year to RMB101.6 trillion.

The same recovery trajectory was observed by Perennial's operating assets, which were affected during the nationwide lockdown at the beginning of the year but bounced back quickly in 2H 2020 with increasing domestic consumption. Rental rebate and marketing assistance were provided to help tenants tide over the pandemic. The impact of construction delays to development projects was minimised as projects resumed progress and got back on track in 2H 2020.

Similarly, HSR rail network construction, a key government infrastructure initiative, is projected to continue its growth. The state railway company is targeting RMB1.177 trillion[3] in revenue in 2021 — an increase from RMB1.13 trillion in 2020 — as China aims to turn the world's biggest HSR system of its kind into a healthy and sustainable operation across the country.

Amid growing uncertainties in international trade, the Chinese government unveiled the country's 14th Five-Year Plan in late October 2020, which outlined the government's economic goals and strategies for the period 2021-2025. The new Plan heightened emphasis on China's huge domestic market through a strategy of "dual circulation", aiming to place less reliance on exports while bolstering a focus on domestic demand. It also outlined China's goal of relying on local innovation to propel growth and strengthen its resilience against external factors. On the same front, the Chinese government remains committed to developing its domestic healthcare industries and enhancing the quality of its healthcare services.

This slate of government initiatives not only affirms Perennial's strategic focus on Transit-Oriented Developments ("**TOD**"), but also creates a favourable backdrop for the growth of Perennial's portfolio of regional healthcare and commercial hubs. With Kunming establishing itself as "The Healthy City of China" (中国健康之城) in recent years, Perennial's integrated development in the city is well-poised to benefit from the city government's strategic promotion of Kunming's health and medical industries.

In step with these efforts to ramp up domestic industries, Perennial consolidated its portfolio of assets in 2020 to strengthen and align its strategy with the government's initiatives. In December 2020, Perennial divested its entire 20% stake in Zhuhai Hengqin Integrated Development for a share swap of an additional 12.9% stake in Beijing Tongzhou Integrated Development Phase 2, increasing its effective stake from 23.3% to 36.2%. The portfolio reconfiguration was executed to maximise resources and refocus on core assets with a significant stake.

In 2H 2020, Perennial also established a 60-40 joint venture partnership with Nenking Group and secured its first medical-retail management contract project within the Foshan New Development Area in China. The Perennial-Nenking International Health and Medical Hub within the planned growth area will be the first complex to integrate top-notch medical services with retail trades within the Greater Bay Area. Operations are slated to commence in 2022. With a total GFA of 1.94 million sq ft spanning four levels, it is expected to house a cardiovascular hospital, women's and children's hospital, rehabilitation centre, cosmetic surgery hospital, maternity centre, imaging centre and other complementary medical services.

Perennial also made steady progress with its existing portfolio of operational and development projects. Recently in March 2021, it acquired a new HSR project in Hangzhou, augmenting its strategy to own, develop and manage large-scale integrated developments in high growth cities that are in close proximity or seamlessly connected to key transportation hubs.

HSR INTEGRATED DEVELOPMENTS

Hangzhou West HSR Integrated Development
杭州西站综合项目

In March 2021, Perennial and its consortium of partners, including Mr Kuok Khoon Hong, China Railway Construction Corporation Limited, Hong Kong MTR Corporation Limited and Hangzhou West Railway Station Hub Development Co., Ltd., successfully tendered for a plot of land adjacent to the south square of the upcoming Hangzhou West HSR Station from the People's Government of Hangzhou at a land tender price of RMB2,873.3 million.

Currently named Hangzhou West HSR Integrated Development, it is Perennial's fifth HSR project in China.

Hangzhou West HSR Integrated Development

Leveraging on the comprehensive Hangzhou West HSR Station transport hub, the government plans to build a "Hangzhou Future Sci-tech City"[4] surrounding the Hangzhou West HSR Station, transforming the technology corridor into the Silicon Valley of Hangzhou. The vicinity will be home to high-tech industries, including Alibaba Group's headquarters which is only 4.5 kilometres ("**km**") away.

In 2021, Perennial and its partners will focus on the land payment, license processing and construction of the project. The Cloud Gate, a distinct architectural feature of the project and an integral part of the HSR station, is targeted to be completed in time for the official opening of the 2022 Asian Games and will comprise retail offerings, offices and a convention centre. Designed by renowned architecture firm Skidmore, Owings & Merill ("**SOM**"), the landmark project will create distinct character and build an esteemed image for the city.

Chengdu East HSR Integrated Development
成都东站综合项目

The integrated development comprises Perennial International Health and Medical Hub ("**PIHMH**"), Chengdu East HSR Integrated Development Plot C ("**Chengdu Plot C**"), Chengdu East HSR Integrated Development Plot D1 ("**Chengdu Plot D1**") and Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**").

Perennial International Health and Medical Hub

2 Wall Street Journal article, dated 18 January 2021.
3 Yahoo article, dated 12 January 2021.
4 China Daily article, dated 16 August 2019.

BUSINESS REVIEW:
> Real Estate – China

Despite the market downturn in 1H 2020, PIHMH attracted approximately 37% year-on-year increase in footfall via sustained and active marketing efforts. Since it commenced full operations in 2019 as Perennial's first signature one-stop medical and commercial hub, PIHMH has gradually gained recognition in the market and was awarded the "2020 China Branded Shared Medical City" at the 3rd Shanghai Medical Exchange Conference in October 2020 in recognition of its contribution to the development of shared medical services in China.

In 2021, PIHMH will continue to diversify its medical service offerings by introducing complementary institutions in the fields such as oncology and orthopaedics, and raising brand awareness within China's Southwest Region by collaborating with renowned medical institutions. Concurrently, the food and beverage ("**F&B**") offerings of the retail mall within PIHMH will be enhanced with the introduction of complementary concepts such as a wellness centre and various spa concepts to promote destination shopping and attract working millennials, who are recognised as the most active shopper demographic, as well as transient customers from the HSR station.

Separately, design planning for Chengdu Plot C is scheduled to be completed in 2021, following which approval from the relevant authorities will be obtained to commence construction.

Meanwhile, Chengdu Plot D1 is expected to comprise offices/Small Office Home Office ("**SOHO**") and retail offerings in view of the potential housing and rental demand from medical staff and visitors of PIHMH, as well as cater to eldercare-related services at Chengdu Plot D2.

Lastly, all six towers sited on Chengdu Plot D2 have completed structural top-out, as well as facade, mechanical and electrical works, while interior decoration is in progress. With Chengdu Plot D2 expected to comprise offices, retail offerings, a hotel and long lease spaces, eldercare and hospital facilities, Perennial is actively exploring partnerships with renowned operators for the hotel and long lease apartments. In view of the increased demand for medical and healthcare spaces within the integrated development, sufficient spaces will also be set aside for high quality specialist medical tenants. Construction works are expected to be completed by 3Q 2021.

Xi'an North HSR Integrated Development
西安北站综合项目

The integrated development comprises Plots 4 and 5. In February 2020, Perennial acquired an additional 14.7% stake in Xi'an Perennial Chengtou West Real Estate Co., Ltd, which is developing Plot 4, increasing its stake in Plot 4 from 51% to 65.7%. The strategic move helped strengthen Perennial's focus on large-scale integrated development connected to transportation hubs.

With the Xi'an-Yinchuan HSR Line commencing operations in December 2020, the total transit time between Xi'an and Yinchuan has shortened from 15 hours to approximately 3.5 hours. Together with opening of Subway Line 14 in June 2021, accessibility of the Xi'an North HSR Integrated Development will be greatly enhanced.

Plots 4 and 5 are expected to complete construction in 2023 and 2024 respectively.

Perennial Tianjin South HSR International Healthcare and Business City
鹏瑞利国际健康商旅城 - 天津南站项目

Significant progress was made in 2020, with all three plots of Perennial Tianjin South HSR International Healthcare and Business City successfully obtaining their Construction Commencement Permits. While superstructure works are ongoing, interior design for hotel, medical and eldercare, and engagement with key medical tenants are concurrently underway. Construction of the eldercare show suite, which is targeted to open in end 2021, is progressing on track. The entire development is expected to complete progressively from 2022.

Meanwhile, the stature of Perennial Tianjin South HSR International Healthcare and Business City is set to be enhanced by upcoming infrastructural developments. The Tianjin-Xiong'an HSR Line will be launched soon as part of a plan to support the growth of Jing-Jin-Ji, a planned major regional economic hub in China, positioning Tianjin South HSR Station as a key interchange station that will serve as an important transportation hub for visitors from Beijing and Hebei, and drive traffic to Perennial Tianjin South HSR International Healthcare and Business City.

Perennial Kunming South HSR International Healthcare and Business City
鹏瑞利国际健康商旅城 - 昆明南站项目

Perennial Kunming South HSR International Healthcare and Business City obtained its Construction Commencement Permits in August 2020, fully entering the construction phase with a priority on ensuring smooth structural construction for both plots.

The project is expected to reach ground level and partial structural top-up in 2021. The entire project will open progressively in 2023.

Despite the impact of COVID-19, Kunming South HSR Station served more than 10 million passengers in 2020. The integrated development which is sited next to the station, the largest HSR station in Southwest China, is well-positioned to benefit from the footfall from major cities such as Shanghai, Beijing and Guangzhou.

INTEGRATED DEVELOPMENTS

Perennial Kunming South HSR International Healthcare and Business City

Perennial Tianjin South HSR International Healthcare and Business City

Beijing Tongzhou Integrated Development

Beijing Tongzhou Integrated Development
北京通州综合项目

For Phase 1 of the Beijing Tongzhou Integrated Development, piling and underground structural works for Plots 13 and 14 are in progress, and part of Plot 13 has reached ground level in 2020. Meanwhile, for Phase 2, all three plots have completed structural top-out and are progressing with façade works in 2021. Both phases are expected to complete construction works in 2023 and 2022 respectively.

While the design and business plans for the project are being optimised, Perennial is preparing the commercial apartments for sale, with an expected pre-sale launch in 1Q 2022. Leasing for the retail and office segments will also commence with a focus on securing the interest of key anchor tenants.

With the construction of the Beijing Sub-centre Station Transportation Hub well underway and the targeted opening of the Universal Beijing Resort in 2021, Beijing Tongzhou Integrated Development is well-positioned to capture the influx of permanent and transient population into the region.

Shenyang Longemont Integrated Development
沈阳龙之梦综合项目

Despite Shenyang experiencing two pandemic lockdowns at the beginning and end of 2020, Shenyang Longemont Shopping Mall maintained an average occupancy of above 80% through active tenant management and provision of rental support. Similarly, Shenyang Longemont Offices managed to maintain a stable occupancy and rental rate in the same year. In 2021, both Shenyang Longemont Shopping Mall and Shenyang Longemont Offices will continue to adopt an active leasing strategy to enhance the occupancy rate and provide quality spaces and services for existing tenants.

At Shenyang Mall, the tenancy of Red Star Macalline was pre-terminated and plans are underway to explore the conversion of the property into an outlet mall.

RETAIL

Perennial Qingyang Mall, Chengdu
成都鹏瑞利青羊广场

Despite COVID-19's impact on consumer spending, Perennial Qingyang Mall continued to record a stellar performance by maintaining near-full occupancy of 99% as of 31 December 2020. Numerous efforts were put in to increase sales for tenants throughout 2020. These include helping F&B tenants to extend home delivery services using the Dianping (大众点评) application, hiring Tik Tok hosts to promote the tenants' products online, and setting up WeChat groups between shopping mall members and retail tenants to promote sales through social media platforms. While expanding revenue channels for both the tenants and mall, conscious cost cutting efforts were also made, especially in 1H 2020, to maintain the mall's overall performance during the COVID-19 pandemic.

In 2021, the mall will seek opportunities to fine-tune its tenant mix to provide shoppers with an up-to-date and holistic shopping experience. Omnichannel marketing will also be a key focus to promote synergies between online and offline retailing.

Perennial Jihua Mall, Foshan
佛山鹏瑞利季华广场

Perennial Jihua Mall, Foshan

In 2020, four new shopping malls with a combined retail area of 5.92 million sq ft commenced operations within a 6km radius of Perennial Jihua Mall. Despite the strong competition, the property was able to maintain its market leader position in Foshan by enhancing its retail offerings with new tenants. These new service offerings include Noah Medical clinic, a well-established medical institution for women and children in Guangdong, Ai Mini Hotpot, a popular futuristic robot hotpot restaurant, and several reputable enrichment centres serving families with kids.

To cater to a growing segment of health-conscious consumers, Perennial Jihua Mall launched its first healthy lifestyle festival in partnership with related healthcare and lifestyle service providers. These events not only generated social awareness among the public, but also helped increase traffic and sales at the mall.

In 2021, Perennial Jihua Mall plans to introduce more sports and related lifestyle brands, and expand its range of medical services and children's education and training service offerings. The team will also leverage on technology, such as an online distribution system for take-out delivery for F&B tenants, and organise impactful events to generate high traffic flow and sales at both its online and offline platforms.

STRATEGIC PRIORITIES IN FY2021

Looking ahead, continued urbanisation nationwide and the planned development of urban and city centres will continue to stimulate demand in retail, tourism, healthcare and eldercare markets.

Perennial's HSR and integrated development strategies are well-poised to capture the sophisticated lifestyle demands arising from the growing affluence of China's majority population.

In the short to mid-term, Perennial intends to grow its HSR portfolio to eight to ten integrated developments and to fully capitalise on the comprehensive HSR network in China.

Perennial will also continue its strategic focus on developing regional healthcare and commercial hubs in close proximity to key transportation nodes, aligning itself with China's increasing emphasis on domestic consumption while leveraging the growth of China's healthcare industry and consumer demand for integrated healthcare offerings.

CHENGDU EAST HSR INTEGRATED DEVELOPMENT
成都东站综合项目

Chengdu East HSR Integrated Development is a large-scale mixed-use project encompassing PIHMH, Chengdu Plots C, D1 and D2.

Spanning more than 15.5 million sq ft in total GFA, the development features medical, retail, office and SOHO components.

The integrated development is connected to the Chengdu East HSR Station, one of the eight largest HSR transportation hubs in China with an intercity railway, intracity subway, long and short distance bus terminals and online car-hailing services. The Chengdu East HSR Station currently serves approximately 200,000 passengers daily and this figure surges to 300,000 during peak periods. Sitting at the heart of this hyper-connected hub, Chengdu East HSR Integrated Development is well-poised to become a one-stop destination for healthcare and commercial services for the Chengdu-Chongqing-Xi’an metropolitan region and neighbouring cities in West China.

Chengdu East HSR Network

PERENNIAL INTERNATIONAL HEALTH AND MEDICAL HUB

Positioned as a regional healthcare and commercial hub serving the Sichuan province, PIHMH is Perennial's first signature regional healthcare and commercial hub within its HSR integrated development portfolio. PIHMH offers a holistic suite of medical and healthcare-related services and a myriad of complementary F&B, lifestyle and retail trades.

The development is anchored by Gleneagles Hospital Chengdu and mini-anchor tenants such as Perennial International Specialist Medical Centre, Care Alliance Rehabilitation Hospital Chengdu and AND Maternal and Child Care Centre Chengdu. Other tenants within the Perennial International Specialist Medical Centre include Chengdu Bakang Scar Rehabilitation Centre and Dr.Smile Medical Group International Vein Centre.

The hub offers a broad spectrum of medical and healthcare-related services including rehabilitation plastic surgery and aesthetics, gynaecology, paediatrics, maternal and child health management and specialist medical centre.

CHENGDU PLOT C, D1 AND D2

In various stages of development, these plots will comprise offices, retail offerings, a hotel and long lease apartments. Premier medical specialists will also be introduced to meet the growing healthcare demand in the city.

BUSINESS REVIEW:
> Real Estate – China

XI'AN NORTH HSR INTEGRATED DEVELOPMENT
西安北站综合项目

Xi'an North HSR Integrated Development is a large-scale mixed-use integrated development with a total GFA of over 9.7 million sq ft.

Plot 4 will comprise a 3, 4 and 5-star hotel, serviced apartments, SOHO units and retail offerings. Plot 5 will feature offices, a hotel, hospital facilities, apartments and complementary retail trades.

This landmark development is strategically located adjacent to the Xi'an North HSR Station, the largest HSR station in Northwest China with good accessibility to intercity railway, intracity metros, long and short distance bus terminals and taxi services.

Located in Xi'an's main city area, the station is currently served by three metro lines, Line 2, Line 4 and the Xi'an Airport Intercity Railway.

The presence of regional lines such as Baoji-Lanzhou HSR Line – which is linked to Xi'an-Baoji HSR Line and Lanzhou-Xinjiang HSR Line – elevates Xi'an to the stature of a key regional hub serving the neighbouring provinces of Gansu, Ningxia, and Xinjiang autonomous region. Its connectivity is boosted by the Xi'an-Chengdu HSR Line and Xi'an-Yinchuan HSR Line, which has greatly increased cross-city travel between Xi'an and Chengdu.

Xi'an North HSR Network

Source: Gaotie.cn

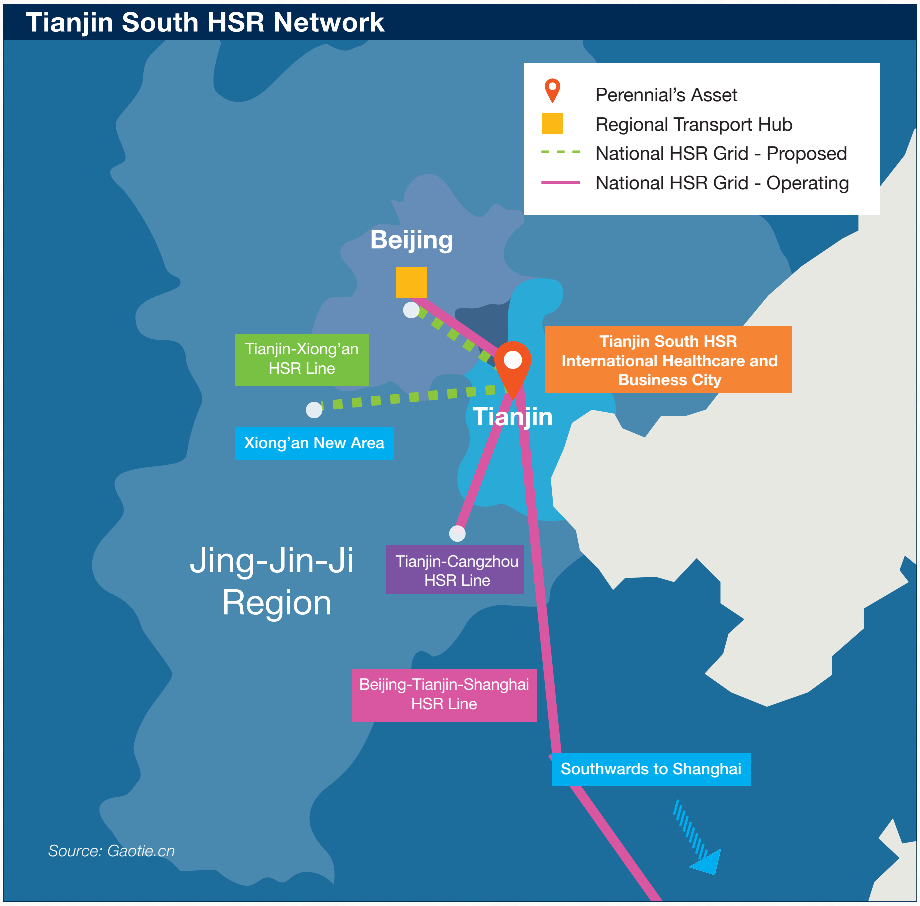
BUSINESS REVIEW:
> Real Estate – China

PERENNIAL TIANJIN SOUTH HSR INTERNATIONAL HEALTHCARE AND BUSINESS CITY
鹏瑞利国际健康商旅城 - 天津南站项目

Boasting a total GFA of approximately 3.5 million sq ft, Perennial Tianjin South HSR International Healthcare and Business City will be developed into a one-stop regional healthcare and commercial hub.

The hub will comprise medical care, eldercare, hospitality and a retail component to serve the community in the upcoming Jing-Jin-Ji megalopolis integrating Beijing, Tianjin and Hebei in North China. This mega development will include a general hospital, rehabilitation hospital, specialist centre, nursing and eldercare facilities supported by a hotel cluster, as well as complementary retail and healthcare related trades.

The development is strategically located about 6km from the bustling Xiaobailou Commercial Street in the city centre of Tianjin and enjoys excellent transportation connectivity via the



adjacent Tianjin South HSR Station. The station is currently served by Subway Line 3, with three more subway lines scheduled to be launched in the near future.

Beyond Tianjin, the station enjoys good accessibility to various cities, including China's two largest cities Beijing and Shanghai via the Beijing-Tianjin-Shanghai HSR Line 1. From Tianjin South HSR Station, it is a 30-minute HSR train ride to Beijing South HSR Station and a four-hour HSR train ride to Shanghai Hongqiao HSR Station.

The development is 25km from the Tianjin Binhai International Airport and 94km from Beijing Daxing International Airport.

Upcoming infrastructural developments will further enhance the importance of the Perennial Tianjin South HSR International Healthcare and Business City. The Tianjin-Xiong'an HSR Line will soon be launched as part of a plan to support the growth of Jing-Jin-Ji, positioning Tianjin South HSR Station as a key interchange station.

BUSINESS REVIEW:
> Real Estate – China

PERENNIAL KUNMING SOUTH HSR INTERNATIONAL HEALTHCARE AND BUSINESS CITY
鹏瑞利国际健康商旅城 - 昆明南站项目

Spanning approximately 6 million sq ft in total maximum allowable GFA, Perennial Kunming South HSR International Healthcare and Business City is a one-stop regional healthcare and commercial hub that will encompass medical care, eldercare, hospitality, meetings, incentives, conferences and exhibitions ("MICE") and retail components.

The development is strategically located next to Kunming South HSR Station, a key HSR station positioned as Yunnan Province's East Asia and Southeast Asia Transportation Hub.

Currently, starting from Kunming South HSR Station, the Yunnan HSR network provides

Kunming South HSR Network

Source: Huashang News

access to most cities in Central Yunnan within an hour's journey, and to the surrounding provincial capital cities within two to five hours. HSR trains originating from Kunming South HSR Station are connected to 23 major municipal and provincial capital cities.

The development is poised to serve the medical and lifestyle needs of visitors in Southeast Asia with the planned Trans-Asian HSR network. Kunming South HSR Station is designated as the gateway station linking East Asian and Southeast Asian countries to various parts of China. It is currently already connected to the border of Vietnam at Hekou via an approximately 3.5-hour train ride.

These arterial railway connections will support China's immense growth in tourism (including medical tourism), trade and MICE activities.

Centrally situated in the vicinity of the University Town of Kunming and approximately 2km from the Kunming Municipal Government Building, the development enjoys immediate access to a large population base and talent pool. It is about 20km from the Kunming Central Business District and approximately 25km from Kunming Changshui International Airport.

BUSINESS REVIEW:
> Real Estate – China

HANGZHOU WEST HSR INTEGRATED DEVELOPMENT
杭州西站综合项目

The Hangzhou West HSR Integrated Development is a TOD measuring over 10.2 million sq ft in total GFA. The development is strategically sited adjacent to the south square of the upcoming Hangzhou West HSR Station, poised to be a key transportation hub integrating railway, subway, rental vehicles and public transportation. The Hangzhou West HSR Station will link Hangzhou with other key cities across China through 11 upcoming HSR lines, positioning Hangzhou as a centre for economic exchanges in the Yangtze River Delta and China.

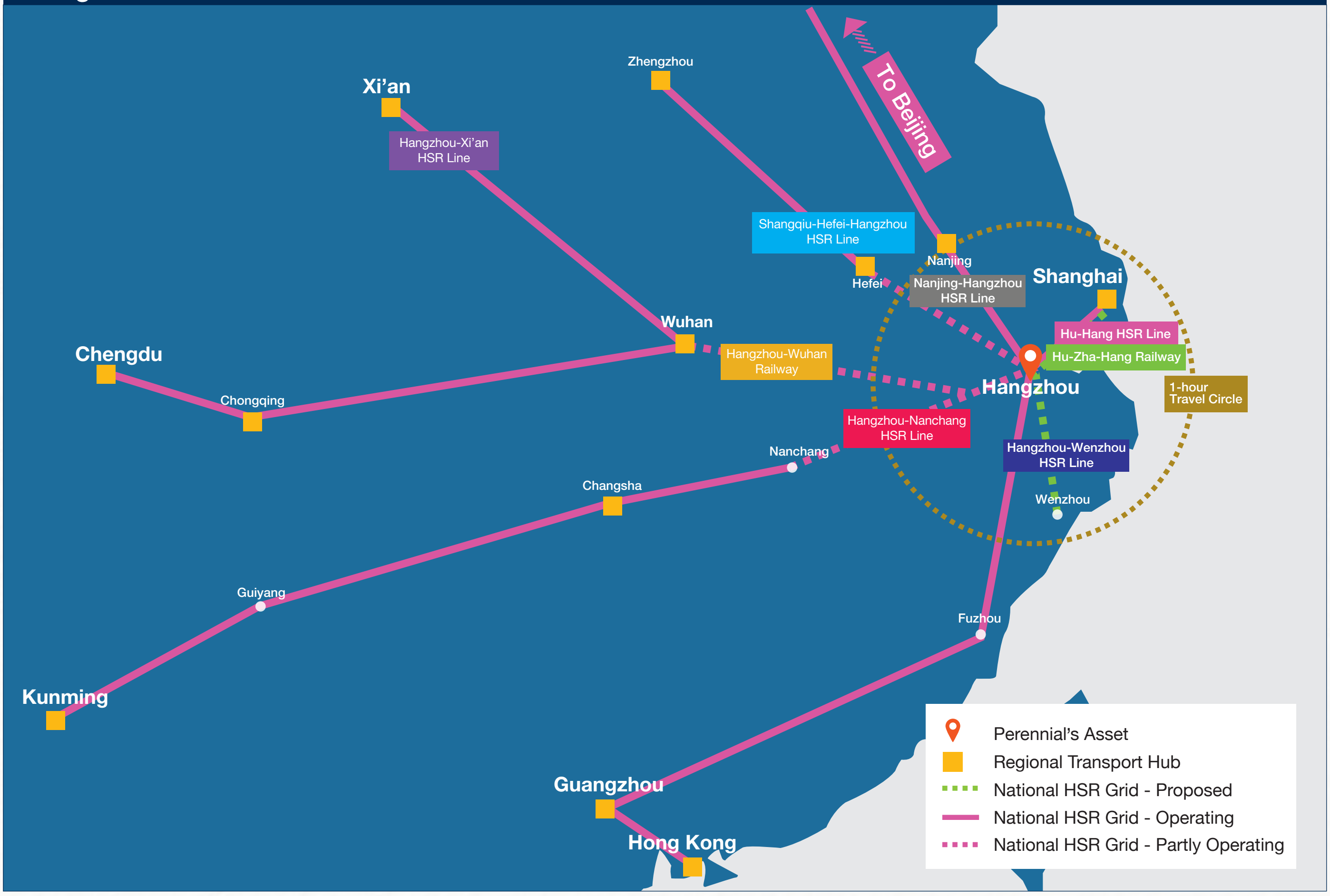
The development is located in the Yuhang District of Hangzhou, the capital as well as the economic, cultural, science and educational centre of Zhejiang Province, within the Yangtze River Delta Region.

Science and technology firms are expected to set up their offices within the Hangzhou West Science and Technology Corridor, including Alibaba Group which already has its headquarters sited in proximity. The new government-designated TOD District covers approximately 13 square kilometres and is envisaged to encompass cultural, ecological, commercial and residential

zones. With plans to construct multiple super high-rise buildings in the TOD District, the entire surrounding precinct is set to be transformed into the Silicon Valley-equivalent of Hangzhou.

Slated for completion ahead of the Asian Games in 2022, Hangzhou West HSR Station is expected to house 11 platforms and 20 railway lines seamlessly connecting the regional intercity railway network via the Shanghai-Zhahang, Hangzhou-Linji, Huhang and Hangzhou-Wenzhou railways. It will also be served by Metro Line 3 and Airport Express Line, which are expected to commence operation by October 2022, and the future Metro Line 12 and City Express Line.

Hangzhou West HSR Network



BEIJING TONGZHOU INTEGRATED DEVELOPMENT
北京通州综合项目

Beijing Tongzhou Integrated Development is an iconic mixed-use development comprising retail, office and residences components and spans over 8.4 million sq ft in GFA.

Featuring an iconic design and fronting the famous Beijing-Hangzhou Grand Canal, Beijing Tongzhou Integrated Development is poised to become the premier ‘live, work and play’ waterfront destination in Beijing.

Located in the prime Tongzhou District, designated as the ‘sub-centre’ of Beijing, the development is situated close to the new Beijing Municipal Government Administrative Centre, which will be served by a pool of 400,000 public servants.

Tongzhou District will also feature key tourist attractions, including Universal Beijing Resort and the historically significant Beijing-Hangzhou Grand Canal, which is currently being restored as a cultural tourism draw.

Sitting atop the future Tongyunmen Subway Interchange Station (served by Subway Line M6 and the upcoming Line S6), the integrated development will be easily accessible from the Beijing Municipal Government Administrative Centre, Beijing Capital International Airport and the new Beijing Daxing International Airport. The future Subway Line R1 will also further enhance the development’s connectivity to Beijing’s city centre.

Situated 2km away from the development, the 14 million sq ft Beijing Sub-Centre Station Transportation Hub, which will be served by two airport-linking HSR lines and three subway lines, has commenced construction since November 2019. Upon commencement of operations in 2024, the transportation hub is expected to bring a daily traffic of 472,000 into the region and shorten the travelling time to Beijing Capital International Airport and the new Beijing Daxing International Airport to 15 minutes and 35 minutes respectively. The HSR lines will also improve the development’s connectivity to the Jing-Jin-Ji region.

PERENNIAL QINGYANG MALL, CHENGDU
成都鹏瑞利青羊广场

Perennial Qingyang Mall in Chengdu is a prime one-stop suburban mall that serves the sizeable population catchment in the western part of Chengdu. The mall is part of an integrated development that comprises a five-star hotel, four office blocks and SOHO. This development, together with several residential developments in the vicinity, provides the mall with considerable footfall.

Strategically sited with prominent frontage along Guanghua Avenue, a key West arterial road leading to the Chengdu city centre, Perennial Qingyang Mall is easily accessible by car. In addition, it connects directly via an underground pedestrian link to Zhongba Subway Station on the east-west Subway Line 4.

With its strategic location, complementary surrounding establishments and strong tenant mix, Perennial Qingyang Mall is one of Chengdu's premier shopping, dining and entertainment destinations.

PERENNIAL JIHUA MALL, FOSHAN
佛山鹏瑞利季华广场

Perennial Jihua Mall in Foshan City is a one-stop suburban shopping mall offering various retail, dining and entertainment options. The mall enjoys a premier location at the heart of the commercial district of Jihua Road and Guilan Road. It is also situated close to the future Guilan Road Subway Station where it will be served by the new Subway Line 4 and Line 6. In addition, the mall is 20 minutes from Guangzhou South Railway Station and less than an hour via the HSR to Hong Kong.

The mall also benefits from a high-quality residential catchment with over 20 top-grade residential developments in its immediate vicinity.

BUSINESS REVIEW:
> Real Estate – China

PORTFOLIO AT A GLANCE

Property[1,2]		Location	Description[3]	Tenure	Effective Interest (%)
Chengdu East HSR Integrated Development	**Perennial International Health and Medical Hub**	Plot A, East of Qionglaishan Road, Chenghua District, Chengdu, Sichuan Province	Medical Block: 5 above ground levels and 3 basement levels Retail and Medical Block: 6 above ground levels and 3 basement levels (including underground Car Park)	40 years, expiring on 20 February 2051	80
	Chengdu Plot C	East of Qionglaishan Road, Chenghua District, Chengdu, Sichuan Province	Retail Podium: 11 levels Office: 1 63-storey tower Hotel and Apartment: 1 63-storey tower Car Park: 3 basement levels	40 years, expiring on 20 February 2051	50
	Plot D1	Jianganhe Road, Chenghua District, Chengdu, Sichuan Province	Retail Podium/Office/SOHO: 4 37-storey towers Car Park: 1 basement level		50
	Plot D2		SOHO: 6 33-storey towers Retail Podium: 5 levels (including underground Car Park)		50
Xi'an North HSR Integrated Development	**Plot 4**	North of Shangxin Road, South of Railway North Station, Weiyang District, Xi'an, Shaanxi Province	Retail Podium: 5 levels (4 levels above ground and 1 basement level) SOHO: 1 29-storey tower Loft: 1 18-storey tower Hotel (3, 4 and 5 stars): 1 48-storey tower Serviced Apartment:1 28-storey tower Car Park: 2 basement levels	40 years, expiring on 23 November 2052	65.7
	Plot 5		Retail Podium: 5 levels (4 levels above ground and 1 basement level) Serviced Apartment: 1 29-storey tower Eldercare and Retirement Home: 1 23- storey tower Hotel and Office: 1 52-storey tower Medical Block: 1 21-storey tower		65.7
Perennial Tianjin South HSR International Healthcare and Business City		Plot 1-8, 1-9, 1-11, Zhangjiawo Town, Xiqing District, Tianjin	Medical/Eldercare/Hotel/ Commercial	40 years, expiring on 2 December 2058	45
Perennial Kunming South HSR International Healthcare and Business City		Plot A1 and A2, Southeast of Wujiaying, Chenggong District, Kunming, Yunnan Province	Medical/Eldercare/Hotel/ Commercial	40 years, expiring on 19 December 2058	45

1 As at 31 December 2020, the value of leasehold properties was RMB 41.6 billion.
2 As all designs are undergoing refinement, the information in this table is subject to change.
3 Based on current plans and subject to the relevant authorities' approval of the plans.
4 Valuation of Investment Properties as at 31 December 2020.

Valuation[4] (RMB million)	Land Area (sq ft)	Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Status	Anchor/Major Tenants
3,950	570,837	3,152,915	1,664,959	Operational	Gleneagles Hospital Chengdu, Chengdu Medical Imaging Diagnostic Centre, Care Alliance Rehabilitation Hospital Chengdu, AND Maternal and Child Care Centre Chengdu
N/A	415,230	Office/Retail/Hotel/ Apartment: 4,360,105 Car Park/Others: 2,487,892 Total: 6,847,997	–	Target Completion 2025	–
N/A	246,235	Retail/Office/SOHO: 1,718,796 Car Park/Others: 703,271 Total: 2,422,067	–	Target Completion 2023	–
2,550	378,471	SOHO: 1,818,653 Retail: 668,441 Car Park/Others: 616,514 Total: 3,103,608	–	Target Completion 2021	–
1,295	506,973	Retail: 660,498 SOHO/Loft: 572,938 Hotel: 1,715,987 Serviced Apartment: 410,901 Car Park/Others: 1,045,502 Total: 4,405,826	–	Target Completion 2023	–
N/A	554,306	Retail: 600,680 Hotel and Office: 984,295 Serviced Apartment: 340,064 Eldercare: 558,141 Medical: 867,356 Car Park/Others: 1,980,829 Total: 5,331,365	–	Target Completion 2024	–
1,051	828,682	3,498,621	–	Target Completion 2022	–
680	700,237	5,944,996	–	Target Completion 2023	–

PORTFOLIO AT A GLANCE

Property[1,2]		Location	Description[3]	Tenure	Effective Interest (%)
Hangzhou West HSR Integrated Development		Unit YH-18 (High-speed Railway Hub Center) (YH18-F-09), Yuhang District, Hangzhou, is located in the south of the West Railway Station Hub, adjacent to the station house	Retail Podium: 5 above ground and 1 basement level Office: 1 70-storey tower Apartment: 1 54-storey tower and 1 77-storey tower Hotel: in Apartment tower 6-21 levels, and in Office tower 62-70 levels Carpark: 3 basement levels	40 years	11.1[5]
Beijing Tongzhou Integrated Development	**Phase 1**	Plots 13, 14-1 and 14-2, Junction of Dongguan Avenue and Xinhua Avenue, Tongzhou District, Beijing	Retail Podium: 8 levels (6 levels above ground and 2 basement levels) Office: 1 51-storey tower and 1 24-storey tower Residences: 1 41-storey tower Car Park: 2 basement levels	Commercial: 40 years, expiring on 4 November 2052 Office and Residence: 50 years, expiring on 4 November 2062	40[5]
	Phase 2	Plots 10, 11, 12, Junction of Dongguan Avenue and Xinhua Avenue, Tongzhou District, Beijing	Retail Podium: 8 levels (6 levels above ground and 2 basement levels) Office: 2 26-storey towers Residences: 1 25-storey tower and 1 32-storey tower Car Park: 1 basement level	Commercial: 40 years, expiring on 9 May 2053 Office and Residence: 50 years, expiring on 9 May 2063	36.2[5]
Shenyang Longemont Integrated Development	**Shenyang Mall**	No. 24 Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Retail Podium: 8 levels (7 levels above ground and 1 basement level) Car Park: 1 basement level	50 years, expiring on 20 January 2059	50
	Shenyang Longemont Shopping Mall	Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Retail Podium: 10 levels		50
	Shenyang Longemont Offices	No. 18 & No. 22 Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Office: 2 56-storey towers		50
Perennial Qingyang Mall, Chengdu		No. 55 Guanghua North Third Road, Qingyang District, Chengdu, Sichuan Province	Retail Podium: 4 levels Car Park: 2 basement levels	40 years, expiring on 19 January 2050	100
Perennial Jihua Mall, Foshan		No. 45 Guilan South Road, Nanhai District, Foshan, Guangdong Province	Retail Podium: 4 levels Car Park: 1 above ground and 1 basement level	40 years, expiring on 20 May 2049	100

1 As at 31 December 2020, the value of leasehold properties was RMB 41.6 billion.
2 As all designs are undergoing refinement, the information in this table is subject to change.
3 Based on current plans and subject to the relevant authorities' approval of the plans.
4 Valuation of Investment Properties as at 31 December 2020.
5 Approximate percentage.

Valuation[4] (RMB million)	Land Area (sq ft)	Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Status	Anchor/Major Tenants
N/A	1,043,356	10,208,536	–	Target Completion 2025	–
5,716	418,996	Retail: 1,385,837 Office: 1,281,685 Residence: 543,038 Car Park/Others: 1,232,227 Total: 4,442,787	–	Target Completion 2023	–
N/A	537,485	Retail: 1,252,995 Office: 994,009 Residence: 716,107 Car Park/Others: 1,004,730 Total: 3,967,841	–	Target Completion 2022	–
2,453	482,712	3,048,831	2,558,754	Operational	–
3,763	574,020	3,528,291	2,154,661	Operational	Carrefour, H&M, UNIQLO, Muji, Decathlon, Anta Kids
2,224		2,129,134	1,911,563	Operational	Investment Promotion Centre of the Administrative Committee for Shenyang-EU Economic Development Zone, Taiping Insurance, Pingan Insurance, Taikang Insurance, CR Power (Northeast)
1,350	575,742	1,471,228	646,792	Operational	Yonghui Superstore (Supermarket), Jinyi Cineplex, Kidswant Department Store
950	370,403	1,079,229	467,394	Operational	Yonghui Superstore (Supermarket), Jinyi Cineplex, Noah Medical and H&M

BUSINESS REVIEW:
> Real Estate – Other Markets

MARKET TRENDS AND OUTLOOK

Overview

Outside of its core markets of China and Singapore, Perennial actively assesses investment opportunities in other countries with the aim to diversify its existing portfolio and access high growth and untapped emerging markets. These opportunities are created through Perennial's two-pronged strategy:

(i) Achieving value creation by tapping on experience and expertise in developing world-class projects within the ASEAN emerging economies; and

(ii) Obtaining a first-mover advantage in high growth markets via leveraging on shareholders' extensive business network.

Perennial's overseas portfolio currently comprises four development projects located in Malaysia, Indonesia, Myanmar and Sri Lanka with a total gross floor area ("**GFA**") of approximately 6.5 million square feet ("**sq ft**").[1] Apart from its predominantly residential project in Indonesia, all projects are mixed-use integrated developments consisting of commercial and residential components.

The ASEAN economic bloc has experienced steady growth in the last two decades, with an average annualised real GDP growth of 5.7% from 2000 to 2019.[2] COVID-19 outbreaks and containment measures among member countries have impeded ASEAN's growth in 2020 as economic growth contracted 4.4% year-on-year ("**YoY**").[3] Despite so, ASEAN members joined together to sign the Regional Comprehensive Economic Partnership ("**RCEP**"), sending a major signal to investors that ASEAN is still committed to multilateral trade integration. Alongside positive developments on the vaccine front, growth in the ASEAN economic bloc is projected to rebound by 5.2% in 2021.[3]

The onset of COVID-19 has resulted in rapid digital adoption in many of its member countries, of which many cities were significantly transformed, supported by a raising middle-income population with growing private consumption and government programmes in large-scale implementation of infrastructure projects to support urbanisation.[4]

MALAYSIA

Malaysia's economy experienced a sharp contraction of 4.5% due to COVID-19 in 2020.[5] Although the GDP outlook was expected to rebound by 6.5%-7.5% in 2021, driven by anticipated growth in international trade and stimulus package implemented by the government to boost the economy, a surge in COVID-19 infections at the start of 2021 has prompted an emergency declaration and reinstatement of Movement Control Order ("**MCO**"). The new movement restrictions to curb the spread of COVID-19 will likely dampen Malaysia's economic activities in 2021.

Despite the restrictions, developments at The Light City in Penang, were mainly unhindered in the year. IJM Construction was awarded the main contract tender and the on-site construction works for the retail mall, convention centre, hotel and office components have also commenced in the year. There are plans to begin the works for the first residential phase, Mezzo The Light City, which was launched for sale in 1Q 2021.

INDONESIA

Indonesia is the largest economy in South-east Asia with a population of approximately 270 million. Rich in natural resources, Indonesia's economy has been fairly stable with a GDP growth rate hovering around 5.0% YoY from 2015 to 2019.[6] Despite recording a GDP contraction of 2.2% in 2020 due to COVID-19, Indonesia's economy is forecasted to grow 6% in 2021, fuelled by its strong consumer confidence and infrastructure spending.[7]

Despite the adverse impact of the pandemic in 2020, Tanglin Parc, the first cluster of The Sanctuary Collection in Greater Jakarta, has been almost fully sold. Woh Hup has been appointed as the main contractor and on-site construction works are in progress. Due to its popularity, Newton Springs, the second residential cluster which was launched for sale in 1Q 2021, will be utilising the same unit design. Design and planning of the third residential cluster and the main clubhouse will also commence while maintaining construction progress according to schedule for Tanglin Parc.

STRATEGIC PRIORITIES IN FY2021

Riding on the trends of urbanisation, increase in wealth and discretionary spending, and growing demand for quality real estate in ASEAN member countries, value creation opportunities are present particularly in retail, office, residential and healthcare, underpinned by growing demand in private consumption and improvements in local infrastructure.

Perennial will continue to seek expansion opportunities into new markets with high growth potential and untapped value, particularly in Southeast Asia. Singapore's status as a leading ASEAN member and the solid recognition of the Singapore brand could create potential openings for Perennial in the ASEAN region and beyond.

The Sanctuary Collection, Indonesia

1 As the designs of the development projects are undergoing refinement, the GFA figure is subject to change.
2 Asean Key Figures 2020.
3 Asian Development Bank News Release, dated 10 Dec 2020.
4 World Economic Forum Insights Report: Future of consumption in Fast Growth Consumer Markets: ASEAN.
5 Bloomberg Article, dated 6 November 2020.
6 Focus Economics: Indonesia Economy Data.
7 The Jakarta Post article, dated 4 Jan 2021.

THE LIGHT CITY, PENANG, MALAYSIA
THE LIGHT CITY, 槟城, 马来西亚

The Light City, Perennial's mixed-use development located on the eastern coastline of Penang, is poised to be an iconic waterfront integrated development, comprising a retail mall with thematic street concepts and waterfront dining, premium residential towers, offices, hotels, and the largest convention centre in Penang.

Developed in phases and measuring 4.1 million sq ft in GFA, The Light City will be built at an estimated total development cost of over MYR3 billion (approximately S$1 billion).

The freehold site is located on the eastern coastline of Penang Island. It is served by Tun Dr Lim Chong Eu Expressway and located in close proximity to the Penang Bridge, one of two road bridges connecting Penang Island to Peninsular Malaysia.

THE SANCTUARY COLLECTION, GREATER JAKARTA, INDONESIA
THE SANCTUARY COLLECTION, 大雅加达地区, 印尼

Located in Sentul Selatan, Greater Jakarta, The Sanctuary Collection is a large-scale master-planned township with a 'premium living by the mountains' concept, providing residents with a luxurious environment, clean air and expansive greenery. The Sanctuary Collection has received two industry awards, from Property and Bank and Housing Estate magazines for 'Best Concept and Environment' and 'Highest Sales in Bogor'.

The Sanctuary Collection will be developed into high-quality residential clusters in various phases, totalling more than 1,000 units.

BUSINESS REVIEW:
> Real Estate – Other Markets

PORTFOLIO AT A GLANCE

Property[1,2]	Location	Description	Tenure	
The Light City, Penang, Malaysia	About 1km north of Penang Bridge, Gelugor, Malaysia	Retail Mall Residential Office Hotels Convention Centre	Freehold	
The Sanctuary Collection in Sentul Selatan, Greater Jakarta, Indonesia	About 50km south of Jakarta, Indonesia	Residential	30 years, extendable to 50 years, after which the land title may be renewed subject to government approval[4]	
Mixed-use Development in Mandalay, Myanmar	Along Thate Pan Road, Chan Mya Thazi Township, Mandalay, Myanmar	Retail Mall and Shophouses Residential	50 years, with two 10-year renewable terms[5], expiring on 27 November 2089	
Mixed-use Development in Colombo, Sri Lanka	Next to Beira Lake in Baladaksha Mawatha, Colombo 02, Sri Lanka	Residential Office Retail	99 years, expiring on 18 February 2119	

1 As at 31 December 2020, the value of leasehold properties was S$75.8 million and the value of freehold property was S$179 million.
2 As all designs are undergoing refinement, the details in the table are subject to change.
3 The gross floor area excludes carpark space based on current plans and is subject to the relevant authorities' approval of the plans.
4 Land title of landed residential properties will be converted to freehold upon purchase by Indonesian individuals.
5 Renewal terms are subject to approval of Myanmar Investment Commission.
6 As the design is undergoing refinement, the figure is subject to change.

Effective Interest (%)	Land Area (sq ft)	Gross Floor Area[3] (sq ft)	Target Completion
50	1,427,000	**Phase 1:** Retail Mall: 1,182,400 Residential: 698,200 Office: 204,400 Hotel: 393,900 Convention Centre: 310,600 **Phase 1 Sub-total**: 2,789,500 **Phase 2**: Under planning **Total**: 4,100,000	2024
40	**Phase 1 (Tanglin Parc)**: 564,000 **Phase 2 (Newton Springs)**: 441,000 **Total**: 2,659,000	**Phase 1 (Tanglin Parc)**: 293,000 **Phase 2 (Newton Springs)**: 201,000 **Remaining phases**: Under planning	Progressively from 2021
50	264,000	Retail Mall and Shophouses: 445,600 Residential: 151,500 **Total**: 597,100	2023
25	151,000	1,300,000[6]	2024

BUSINESS REVIEW:
> Healthcare – China

OVERVIEW

As a healthcare services owner, operator and provider in China, Perennial strategically focuses on three main business segments: Hospitals and Medical Centres, Integrated Healthcare Hubs and Eldercare and Senior Housing.

In FY2020, Perennial's healthcare portfolio of operating beds grew robustly by 32.7% from 7,724 beds to 10,248 beds. The significant increase was largely attributed to the growth of Perennial's eldercare and senior housing segment, which saw the launch of three new facilities.

During the year, Perennial also moved closer to realising its vision of providing one-stop, holistic healthcare by securing top-line strategic tenants offering specialties that support Perennial's hospitals and medical centres as well as integrated healthcare hubs. These specialties include ophthalmology, internal medicine and surgery, paediatrics, dermatology, dentistry, gynaecology and obstetrics, oncology, neurosurgery, orthopaedics, rehabilitation, Traditional Chinese Medicine (TCM) and diagnostic imaging.

Renshoutang's new 446-bed facility in Huacao, Shanghai

In 2019, the Chinese government announced the Healthy China Action plan for 2019-2030, issuing guidelines for implementing the country's Healthy China initiative through 15 special campaigns aimed at disease prevention and health promotion[1]. At the same time, the Chinese government signalled its support for strengthening the country's healthcare infrastructure by promoting the development of multi-level, diversified medical services[2]. Meanwhile, the rising affluence of the Chinese population has seen a growing appetite for high-quality, domestic healthcare offerings. This confluence of factors has created a favourable backdrop for Perennial to establish itself as a key industry player in its core segments of hospitals and medical centres, and integrated healthcare hubs.

Perennial's focus on integrated healthcare offerings is also strategically aligned with China's increasing emphasis on the integration of medical and eldercare services, which is a clear development priority for the eldercare sector in China. In 2020, China's General Office of the State Council issued guidelines to promote the healthy development of eldercare and childcare services, and encourage local governments to further deepen the integration of healthcare and medical care. According to China's National Health Commission, as at December 2020, there were about 7.6 million[3] beds for eldercare between medical and eldercare institutions. Given China's fast ageing population, that is the equivalent of one bed for every 23.2 elderly residents aged 65 and over, which make up 12.6%[4] of China's population as at the end of 2019. The insufficient number of institutions providing integrated medical and eldercare services implies that there is still ample opportunity for market development, as demand for geriatric disease management, nursing care, home care and eldercare facilities continues to rise in China.

With a footprint in five of the 10 Chinese cities with the highest proportion[5] of elderly

HEALTHCARE BUSINESS

<table>
<tr><th colspan="4">THREE CORE BUSINESS SEGMENTS</th></tr>
<tr><th>Hospitals & Medical Centres</th><th>Integrated Healthcare Hubs</th><th colspan="2">Eldercare & Senior Housing</th></tr>
<tr><td>Partner with Established International and Local Hospital Operators to run hospitals, such as Gleneagles Hospital Chengdu</td><td rowspan="3">Provide professional management services for integrated healthcare hubs, such as Perennial International Health and Medical Hubs in Chengdu and Foshan</td><td rowspan="2">Independent Living</td><td rowspan="2">Assisted Living</td></tr>
<tr><td>Wholly-Own or Partner with Renowned Medical Groups to Operate Medical Centres such as Perennial International Specialist Medical Centre</td></tr>
<tr><td>Wholly-Own or Partner with Renowned Operators to offer shared clinical services such as diagnostic imaging and laboratory</td><td>Nursing Care</td><td>Dementia Care</td></tr>
</table>

1 National Health Commission of the People's Republic of China.
2 Office of the State Council, 2017, Opinions on Multi Level Diversified Medical Services.
3 National Health Commission of the People's Republic of China.
4 National Bureau of Statistics of China article, dated 17 January 2020.
5 China Development Brief article, dated 13 July 2018.

Gleneagles Hospital Chengdu

population, Perennial is well-poised to cater to this rising demand and capitalise on the growth of China's burgeoning healthcare and eldercare market.

HOSPITALS AND MEDICAL CENTRES

Perennial seeks to make high quality medical services more accessible in China by directly operating or partnering with international industry players to operate hospitals and medical centres. Perennial also aims to make it easy for healthcare operators and medical professionals to start or expand their clinical services by providing shared clinical services such as imaging and laboratory, as well as the necessary support system such as facilitating operators to obtain medical licenses. It currently operates the Perennial International Specialist Medical Centre in Chengdu and partnered IHH Healthcare Group in Mainland China to bring in Gleneagles Hospital Chengdu as an anchor tenant at Perennial International Health and Medical Hub ("**PIHMH**"). Perennial has more hospitals and medical centres in the pipeline, including those located in its upcoming integrated hubs in Xi'an, Tianjin and Kunming.

Gleneagles Hospital Chengdu

FY2020 was the first full year of operations for the Gleneagles Hospital Chengdu, an anchor tenant at PIHMH in Chengdu. Despite the challenging environment in 1H 2020 in view of the COVID-19 pandemic, the hospital achieved breakthroughs in its surgical capabilities in the specialties of orthopaedics and general surgery through partnerships with renowned visiting consultant surgeons. The total outpatient volume for the year came close to 6,000.

Looking ahead in 2021, the hospital is already in advanced discussions with key hospitals in Chengdu to jointly build capabilities in the areas of oncology and palliative medicine to provide patients with an enhanced recuperative environment and services.

With the increasing demand for COVID-19 test kits and vaccination, Perennial is currently working with the hospital to provide nucleic acid polymerase chain reaction test services to the public, and will continue to make testing and vaccination services available and accessible to play a part in the nation's and world's fight against COVID-19.

Perennial International Specialist Medical Centre

The occupancy rate of Perennial International Specialist Medical Centre reached 94% in 2020, as it welcomed new tenants such as Coral Regenerative Medical Centre for Osteoarthropathy, Chengdu Bakang Scar Rehabilitation Centre, Yafei Dental, Little Grass Eye Hospital, XinYang International, Chengdu Pengsheng Department of Trigeminal Surgery and Bakang Medical Exchange Centre. With the

Perennial International Specialist Medical Centre, Coral Regenerative Medical Centre for Osteoarthropathy

BUSINESS REVIEW:
> Healthcare – China

Chinese government's push for more doctors to practise in private clinics, Perennial continues to see healthcare real estate as an attractive asset class in China and plans to add 5,600 square metres of space to expand the medical centre. The reconfiguration of retail space to healthcare and medical space will cater to increased rental demand from new healthcare tenants, including specialist hospitals, a health screening centre and a geriatric health management centre.

Perennial will continue to proactively manage the medical centre, introduce new and renowned specialty medical groups and shared medical services to optimise cost savings and efficiencies for its tenants, and further bolster its integrated healthcare offerings at the medical centre for its patients.

INTEGRATED HEALTHCARE HUBS

Besides operating hospitals and medical centres, Perennial also provides professional management services for integrated healthcare hubs. Perennial currently operates two integrated healthcare hubs in Chengdu and Foshan, with another three under construction in Tianjin, Kunming and Xi'an.

Perennial International Health and Medical Hub

PIHMH was awarded the "Dongfeng Award" at the 3rd China Clinic Support Service Fair in September 2020 for its involvement in the development of the clinic sector in China and subsequently, the "2020 China Branded Shared Medical City" at the 3rd Shanghai Medical Exchange Conference in October 2020 in recognition of its contribution to the development of shared medical services in China.

Perennial-Nenking International Health and Medical Hub, Foshan

Opened in June 2018 in Chengdu, PIHMH is a one-stop medical, healthcare and retail integrated development which also houses Perennial International Specialist Medical Centre.

With the aim to build PIHMH into a highly competitive medical platform, Perennial will continue to improve the medical ecosystem by strengthening the Perennial brand, encouraging customer cross-referrals, and improving customer management, quality of medical services and ease of payment, to meet the diverse health needs of customers. A multidisciplinary team approach will be implemented to organise and coordinate health and care services to meet the needs of individuals with complex care needs.

Lastly, Perennial is also exploring ways to move towards an "internet hospital" offering a full range of clinical services online, enabling users to tap on the services of the medical tenants within PIHMH, and from other parts of China outside of Chengdu.

Perennial International Health and Medical Hub, Chengdu Medical Imaging Diagnostic Centre

Perennial-Nenking International Health and Medical Hub

In 2H 2020, Perennial entered into a 60-40 partnership with Nenking Group ("**Nenking**") to jointly develop a second PIHMH project in Foshan city, Guangdong province. Known as Perennial-Nenking International Health and Medical Hub ("**PNIHMH**"), the sizeable 1.9 million sq ft one-stop destination will offer medical and healthcare offerings, including Perennial International Specialist Medical Centre and other services such as maternity, aesthetic, health screening, dental, rehabilitation and specialised clinical services, as well as retail. PNIHMH is part of a 4.5 million sq ft integrated development which is owned by Nenking and the development also comprises service apartments, an office block and an indoor International Sports and Cultural Centre which can host up to 17,000 participants. PNIHMH is well-positioned to serve the growing demand for medical and healthcare services in the Greater Bay Region of South China when it commences operations in 2022.

ELDERCARE AND SENIOR HOUSING

Renshoutang

The FY2020 business performance of Shanghai Renshoutang Eldercare Group Co., Ltd. ("**Renshoutang**"), Perennial's eldercare business arm, was not spared from the impact

Renshoutang's new 1,846-bed facility in Changsha

of COVID-19 on the global economy. Despite the challenging operating environment, our growth plans for the year remained on track. As at 31 December 2020, the 446-bed facility in Huacao, Shanghai officially opened, while two other facilities, being the 1,864-bed facility in Changsha and 655-bed facility in Hengshan, Shanghai, began trial operation.

To cater to the high demand for nursing beds in China, Renshoutang has also been working closely with the Chinese government to convert a number of eldercare beds in some of its older eldercare facilities, such as Shanghai Xijiao Xiehe Eldercare Home and Yixian No. 3 Eldercare Home, to nursing beds.

By the end of 2020, Renshoutang has expanded its market share in China to operate a total of 30 eldercare facilities with over 10,000 operating beds and a committed pipeline of approximately 5,000 beds. This year, Renshoutang is expected to open another three facilities with another five facilities in the pipeline.

In 2021, Renshoutang will continue to enhance its "Smart Eldercare and Health Management" digital health solution that was introduced in 2020, with plans to incorporate proactive rehabilitation elements and customised nutrition plans. This digital health solution will enable Renshoutang to elevate its standard of care for the elderly and improve operational efficiency.

Separately, efforts are underway at Shanghai Hongqiao Renshoutang Nursing Home to establish four new clinical areas in Oncology (palliative care), Cognitive Impairment, Post-stroke Rehabilitation and Orthopaedics. These additions will allow the nursing home to plan and execute a customised health and activity plan for each elderly resident.

Lastly, Renshoutang will prioritise ramping up the occupancy in its newly opened facilities by continuously enhancing its standard of care and proactively reaching out to the community.

STRATEGIC PRIORITIES IN FY2021

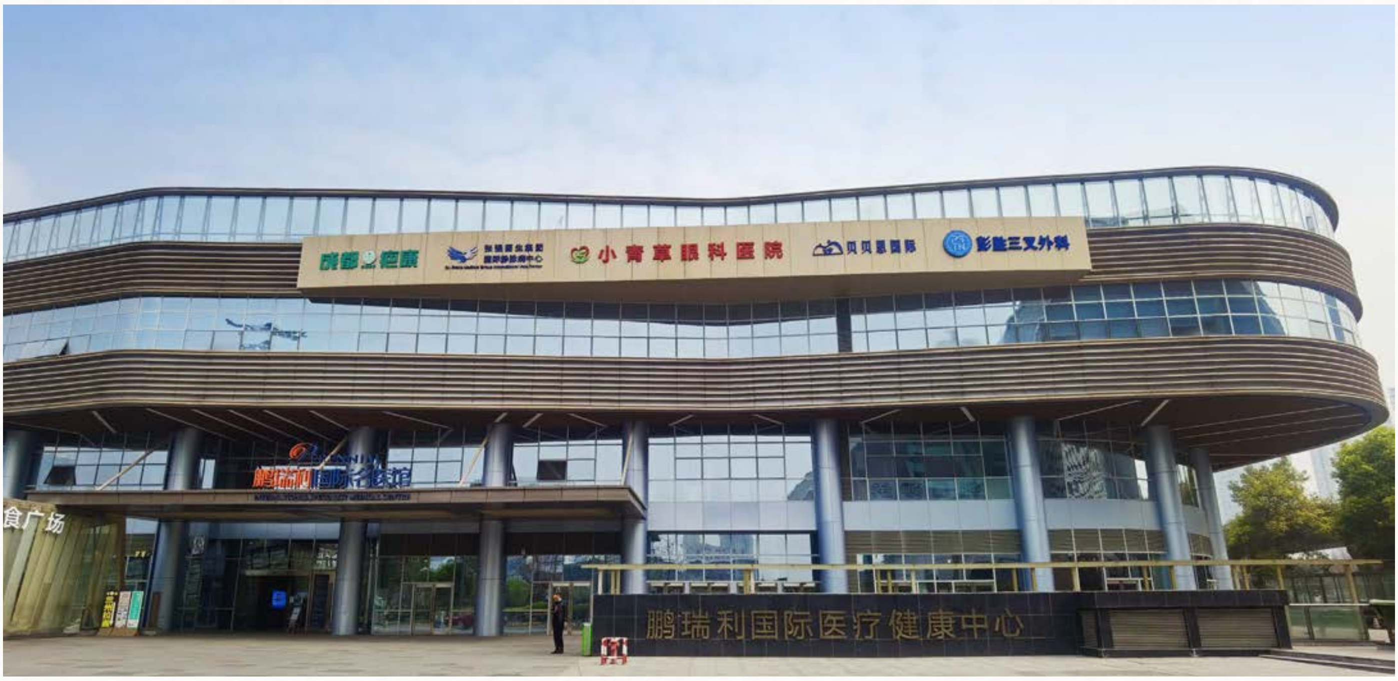
Looking ahead, Perennial remains confident in its strategic focus and plans in China's healthcare and eldercare market, which is expected to reach RMB 16,000 billion (S$3,254.9 billion) in 2030, and its ability to deliver long-term growth. Perennial will continue to closely monitor the healthcare and eldercare market in China to continue its steady progress in 2021, actively seek new investment and development opportunities in the three core segments, and deepen its presence in the core Chinese provincial cities to add value and growth to its existing portfolio.

To enhance the care standards for the elderly, Perennial is also striving to manage geriatric medical conditions in a more systematic and comprehensive manner. An international expert panel has been set up to advise on the care model for common geriatric conditions and, with the help of data analytics, continually enhance the care model as well as extend it to all the facilities within the Renshoutang network. Perennial intends to leverage on China's unique strength in TCM to develop care models integrating both Chinese and Western disease management methods, thereby offering the best possible care for its seniors.

Lastly, Perennial also intends to collaborate with relevant government institutions and hospitals in Singapore to explore the feasibility of replicating its successful integrated medical and eldercare model, with the aim of growing Perennial's healthcare business and facilitating the cross-exchange of expertise and knowledge to further enhance the quality of its integrated healthcare offerings.

BUSINESS REVIEW:
> Hospital and Medical Centres

PERENNIAL INTERNATIONAL SPECIALIST MEDICAL CENTRE, CHENGDU
成都鹏瑞利国际名医馆



Launched in June 2018, Perennial International Specialist Medical Centre is one of the pioneers of the specialist medical centre concept in China. Positioned as a one-stop premier specialist consultation and treatment destination, the medical centre offers multiple specialties including ophthalmology, internal medicine and surgery, neurosurgery, paediatrics, dermatology, dentistry, orthopaedics, and TCM. Tenants include Little Grass Eye Hospital, Chengdu Berkeley Psychology Clinic and Coral Regenerative Medical Centre for Osteoarthropathy.

Perennial International Specialist Medical Centre is located within PIHMH in Chengdu, and is majority owned and operated by Perennial. The medical centre provides shared medical resources and services, such as diagnostic imaging, laboratory services and hospital wards, to the other healthcare tenants operating within PIHMH. This not only lowers the initial setup costs for private healthcare operators, but also provides greater convenience to patients with access to a comprehensive suite of medical services within a single location.

BUSINESS REVIEW:
> Healthcare – Eldercare and Senior Housing

RENSHOUTANG
人寿堂

Founded in 1994, Renshoutang is a pioneer in providing private integrated eldercare in China and is one of the largest private integrated eldercare services operators in Shanghai with a portfolio of over 10,000 operating beds and a committed pipeline of approximately 5,000 beds. Today, it is one of the most established players in the market, with a strong track record in successfully integrating eldercare, medical care, nursing care, rehabilitation and dementia services.

Renshoutang's portfolio consists of 30 eldercare facilities that are predominantly located in Shanghai. The portfolio also encompasses two pharmacies that are attached to dedicated TCM clinics.

To cater to the wider market, Renshoutang established three eldercare services brands: Renshoutang Eldercare and Retirement Home (人寿堂颐养院) which targets the high-end market, Xiehe Eldercare and Retirement Home (协和颐养院) which focuses on more affluent customers, and Yixian Eldercare and Retirement Home (逸仙颐养院) which targets the mass market.

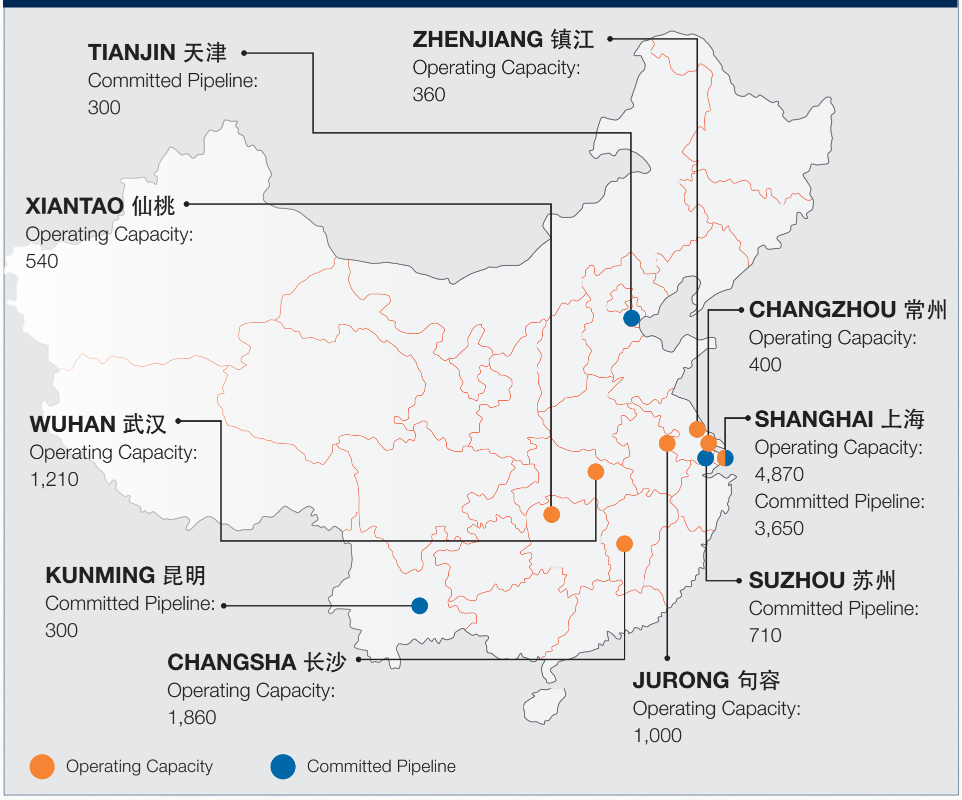
Renshoutang also operates pharmacies under a renowned, award-winning brand in Shanghai, Renshoutang Medicine (人寿堂国药). The brand has been awarded the China Time-honoured Brand Award (中华老字号), a title bestowed by China's Ministry of Commerce on Chinese enterprises founded before 1956 that sell products, techniques or services passed down through generations, have distinct Chinese cultural characteristics and are widely recognised.

In addition to serving the general public, the pharmacies supply medicine to the eldercare facilities operated by Renshoutang. Physicians at the TCM clinics also provide treatments to residents of Renshoutang's senior housing facilities.

Renshoutang's committed pipeline of projects includes those strategically located in Shanghai, Tianjin, Suzhou and Kunming.

With its increasing presence in key Chinese cities, Renshoutang is poised to become one of the largest eldercare service operators in the Yangtze River Delta Region within the next few years.

Renshoutang's Presence Map



STRATEGIC THREE-PRONGED APPROACH TO ACHIEVE SCALE

Continue with Proven Multi-Pronged Approach with a Focus on the Asset-Light Leasing Model

1 LEASING MODEL

- Lease and operate facilities owned by local governments and third parties.
- Facilities managed and operated by Renshoutang.


Shanghai Xijiao Xiehe Eldercare and Retirement Home

2 PUBLIC-PRIVATE-PARTNERSHIP ("PPP") MODEL

- Partner local governments through PPP model to lease and jointly operate facilities.


Wuhan Jiuzhoutong Renshoutang Xiehe Eldercare and Retirement Home

3 ACQUISITION MODEL

- Operate facilities that are owned by Renshoutang, Perennial or Perennial-syndicated joint ventures.


Shanghai Renshoutang Nursing Home

BUSINESS REVIEW:
> Healthcare – China

PORTFOLIO AT A GLANCE

Business	Description
Hospitals and Medical Centres	
Perennial International Specialist Medical Centre, Chengdu	Premier one-stop comprehensive specialist medical centre which hosts a wide range of specialist departments
Eldercare and Senior Housing	
Shanghai Renshoutang Eldercare Group Co., Ltd.	One of the largest private integrated eldercare services operators in Shanghai

Business	Description	Effective Management Interest (%)
Integrated Healthcare Hubs		
Perennial International Health and Medical Hub, Chengdu	Perennial's first signature regional healthcare and commercial hub as part of the Chengdu East High Speed Railway Integrated Development	100
Perennial-Nenking International Health and Medical Hub, Foshan	One of the first regional healthcare and commercial hubs within the Greater Bay Area	60

Effective Interest (%)	Medical Specialties	Portfolio of Facilities
90	Ophthalmology, Internal Medicine and Surgery, Paediatrics, Dermatology, Dentistry, Orthopaedics, and Traditional Chinese Medicine (TCM)	1 specialist medical centre
49.9 (Largest Single Shareholder)	Retirement Home, Nursing Home, Rehabilitation Home, and Pharmacy with attached TCM clinics	30 eldercare facilities 2 pharmacies with attached TCM clinics Upcoming eldercare facilities in Shanghai, Tianjin, Suzhou, etc

Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Status	Anchors/Major Tenants
3,152,915	1,664,959	Operational	Gleneagles Hospital Chengdu, Chengdu Medical Imaging Diagnostic Centre, Care Alliance Rehabilitation Hospital Chengdu, AND Maternal and Child Care Centre Chengdu
1,940,000	1,178,013	Target Commencement FY2022	To be finalised

SUSTAINABILITY REPORT

BOARD STATEMENT

Perennial Holdings Private Limited[1] ("**Perennial**" or "**Company**") is pleased to present its fourth Sustainability Report ("**SR2020**") for the period from 1 January 2020 to 31 December 2020 ("**FY2020**"). Although Perennial was delisted from the mainboard of the Singapore Exchange Securities Trading Limited with effect from 14 September 2020, the Company, under the leadership of the new Board of Directors ("**Board**"), remains committed to reporting its sustainability efforts annually based on the Global Reporting Initiative ("**GRI**") Standards – 'Core' option, an internationally recognised standard used by corporations globally.

In SR2020, the reporting scope has been expanded to include Shanghai Hongqiao Renshoutang Nursing Home, the second eldercare facility owned by Renshoutang, Perennial's eldercare business arm. In step with Perennial's growing healthcare business, particularly in the eldercare segment, this expansion provides stakeholders with a broader perspective of the Company's various business interactions with the community at large.

As the effects of COVID-19 were felt around the world, Perennial's real estate and healthcare businesses were impacted in different ways. On the real estate business front, retail tenants in particular faced significant slowdowns during the lockdown periods while development projects in various cities were delayed due to severe outbreaks in 1H 2020. As for the Company's healthcare business, restrictions were imposed on visitation at eldercare facilities and opening of outpatient services during the lockdown periods. However, the healthcare business was resilient and has rebounded since the COVID-19 situation eased in China.

To relieve the pandemic's impact on its stakeholders and community, Perennial rolled out initiatives such as an instalment payment plan for rentals for real estate and healthcare tenants and an online food and beverage delivery platform for retail tenants. The pandemic underscored the importance of having the capacity to withstand a range of challenging scenarios and Perennial will strive to continuously innovate and embrace sustainability to adapt to the rapidly changing environment.

Sustainability has been embedded into Perennial's strategic directions and business operations since it commenced business. Perennial progressively matures its sustainability approach through regular Board reviews of business strategies to reflect relevant material sustainability issues and align with the global sustainability agenda. The Board defines "Environmental, Social and Governance ("**ESG**") impacts" as the impacts which Perennial has on the environment and the broader society.

To ensure alignment with the latest sustainability trends and development, the management team has conducted a thorough review of the eight existing ESG factors (five material and three industry-relevant) and has affirmed their continued relevance to Perennial's businesses. The Board remains centrally involved in determining, managing and monitoring Perennial's material ESG factors and performance, and has reviewed and validated the eight existing ESG factors for FY2020.

Aside from assessing and managing ESG impacts, Perennial's sustainability efforts are aligned with two United Nations ("**UN**") Sustainability Development Goals ("**SDGs**"): SDG 13 (Climate Action) and 16 (Peace, Justice and Strong Institutions). Perennial looks towards adopting more SDGs in the years ahead and urges stakeholders to come alongside and embark on this sustainability journey.

Feedback

Perennial welcomes all feedback from stakeholders on this report and its sustainability efforts. Please send your comments and suggestions to *sustainability@perennialholdings.com*.

OVERVIEW

This report reflects information about Perennial's sustainability performance for FY2020, with prior period performance ("**FY2019**") indicated where applicable for comparison. The sustainability data and information related to the entities in Table 1 cover Perennial's real estate business in Singapore and China, as well as healthcare business in China. Unless otherwise noted, all sustainability data and information relate to the following entities in Table 1.

Perennial adopts an operational control approach when determining the scope and boundary for sustainability reporting. Although Perennial divested its entire stake in Chinatown Point's retail mall and four strata office units in FY2019, the properties are still included in the reporting scope as Perennial still oversees its day-to-day operations.

Since FY2017, Perennial owns an effective interest of 49.9% in Renshoutang, an established private integrated eldercare services operator with medical and pharmacy services in China. In FY2020, Perennial has further expanded its reporting scope to include Hongqiao, another Renshoutang eldercare facility. Its management approach, comprising policies, practices and relevant initiatives at the facility, will be disclosed in this report.

1 On 25 January 2021, Perennial Real Estate Holdings Pte. Ltd. underwent a name change to become Perennial Holdings Private Limited to better reflect its integrated real estate and healthcare business strategy as it charts its growth towards its vision to become a leading global integrated real estate and healthcare company.

Table 1: Perennial's reporting scope for SR2020

	Singapore	China
Real Estate	Capitol Singapore CHIJMES AXA Tower 111 Somerset House of Tan Yeok Nee Chinatown Point	Perennial Qingyang Mall (Chengdu) Perennial Jihua Mall (Foshan)
Healthcare		Fengxian District Yixian Eldercare and Retirement Home (Shanghai) ("**Fengxian**") Shanghai Hongqiao Renshoutang Nursing Home (Shanghai) ("**Hongqiao**") - NEW

Figure 1: Sustainability Governance Structure of Perennial

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

Frequency: Annually

Sustainability Steering Committee

Frequency: Monthly

Sustainability Working Committee

Frequency: Ongoing

Legal and Corporate Secretariat	Finance and Enterprise Risk Management	Project Development and Management	Investment, Asset Management and Operations
Human Resources	Investor Relations and Corporate Communications	Design Management	Healthcare

This report has been prepared in accordance with the sustainability reporting requirements set out in the GRI Standards – 'Core' reporting requirements. Perennial continues to adopt the GRI Standards as it is an internationally recognised framework that encompasses a comprehensive range of disclosures which are suitable for Perennial. The GRI Standards encourage transparent and consistent reporting and allow for comparability against that of its industry peers.

Building upon the GRI Standards, Perennial also commits towards the 2030 Agenda for Sustainable Development by adopting two UN SDGs in 2020. By mapping its targets, existing initiatives, and GRI disclosures, it guides Perennial on the formulation of business objectives and the development of future actions to further its contribution towards sustainable development.

Information within this report has not sought external assurance, but Perennial will consider doing so as its reporting matures over time.

An electronic copy of SR2020 is available to download at *www.perennialholdings.com.*

APPROACH TO SUSTAINABILITY

Sustainability Governance Structure

As part of Perennial's strategic formulation, the Board maintains oversight on implementing sustainability practices throughout the Company. Closely supported by the Sustainability Steering Committee, the Board ensures that various policies, targets and initiatives are established and cascaded down to the Sustainability Working Committee.

The Sustainability Working Committee works closely with different departments, listed in Figure 1, to monitor progress against set targets and collect relevant information. The Sustainability Working Committee is also responsible for driving initiatives within their divisions and ensuring the continuity of these projects. Regular updates are consolidated monthly by the Sustainability Working Committee and submitted to the Sustainability Steering Committee for review. The Board then reviews the Sustainability Report submitted by the Sustainability Steering Committee on an annual basis.

Materiality Assessment Process

Perennial conducted its first materiality assessment, which identified eight ESG factors for its inaugural FY2017 Sustainability Report. Through a rigorous four-step approach, it provides an accurate reflection of critical areas of stakeholders' interests and their significant impacts on the community due to the Company's business activities. The process also guides Perennial in responding adequately and accurately to its stakeholders' concerns. This process is outlined in Figure 2, which follows the sequence of identification, prioritisation, validation and review.

The Board has reaffirmed the relevance of these eight existing ESG factors (Figure 3) in FY2020. The corresponding policies, initiatives, targets and performance measurement indicators under each material factor are disclosed in this report.

Perennial considers sustainability risks as part of its Enterprise Risk Management ("**ERM**") Framework. After the materiality assessment, the Board reviewed the key risks associated with the eight selected ESG factors to ensure alignment. These key risks were also reviewed to ensure their relevance with Perennial's changing business strategies at least once annually. A summary of ESG factors mapped to their associated key risks has been included in Table 2.

Figure 2: Perennial's Materiality Assessment Process

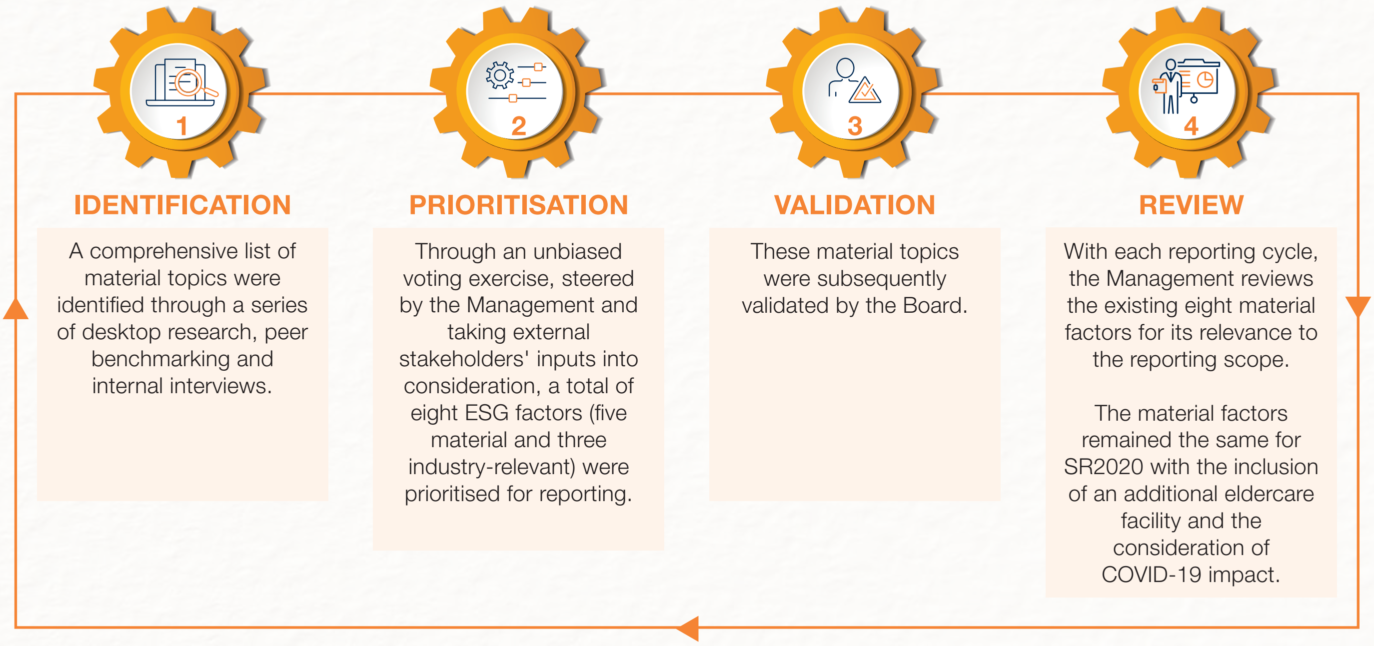
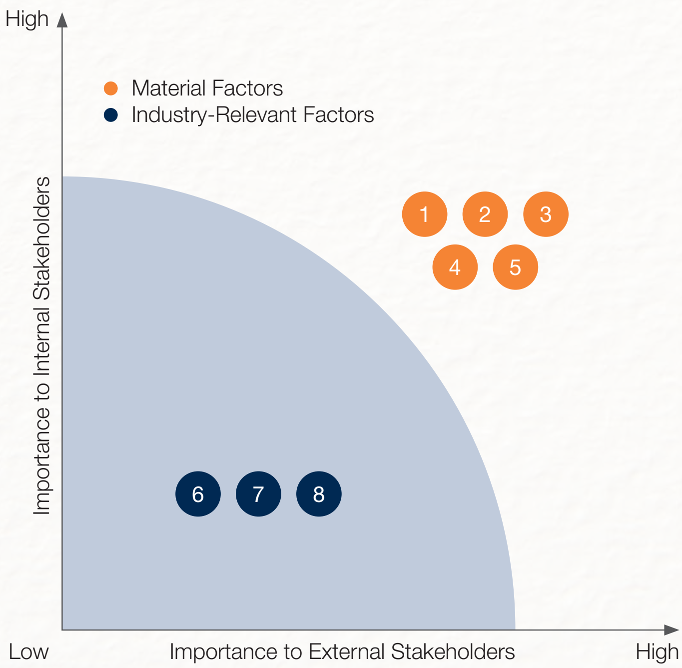


Figure 3: Perennial's Materiality Matrix



List of factors for reporting

1. Customer Satisfaction
2. Health and Safety of Stakeholders
3. Business Ethics
4. Corporate Governance
5. Compliance with Laws and Regulations
6. Occupational Health and Safety
7. Energy, Greenhouse Gas ("**GHG**") Emission and Alternative Energy Sources
8. Water Management

Only factors which have been selected for reporting are shown in this matrix

Table 2: List of Key Risks Associated with ESG Factors

ESG Factors	Key Risks
Customer Satisfaction	• Medical and Healthcare Business Risk • Health, Security and Safety Risk
Occupational Health and Safety	• Project Development Risk • Health, Security and Safety Risk
Health and Safety of Stakeholders	• Medical and Healthcare Business Risk • Health, Security and Safety Risk
Business Ethics	• Fraud and Corruption Risk
Corporate Governance	• Fraud and Corruption Risk • Compliance Risk
Compliance with Laws and Regulations	• Compliance Risk
Energy, GHG Emissions and Alternative Energy Sources	• Project Development Risk • Health, Security and Safety Risk
Water Management	• Compliance Risk

Mapping to the UN SDGs

In 2015, the UN SDGs were launched as a global approach towards sustainable development. The 17 SDGs highlight the critical roles that global stakeholders play in sustainable and inclusive development. Together with its 169 underlying targets, they provide a comprehensive guide to stakeholders on how to tackle global issues like gender inequality, climate change, socioeconomic development and strong governance, through respective means of their businesses.

Perennial continues to align its sustainability initiatives with the two key SDGs (Figure 4) identified as integral to its sustainability approach. With guidance from external consultants and reference from the SDG Compass[2], Perennial's existing targets and initiatives have been mapped under each of these goals. Building upon the GRI Standards as well as several other recognised standards, the SDG Compass allows the measurement of progress and highlights potential areas for improvement.

Figure 4: Mapping Perennial's Initiatives to UN SDGs

Perennial's initiatives and commitments

- Regular monitoring, review and disclosure of energy consumption and carbon emissions
- Adoption of energy-efficient technologies in Asset Enhancement Initiatives ("**AEIs**") across Singapore properties
- Target for all properties to meet Green Mark Requirements
- Consistent monitoring and review of consumption and efficiency

Relevant ESG Factor

- Energy, GHG Emissions and Alternative Energy Sources

Perennial's initiatives and commitments

- Zero tolerance towards fraud, corruption and unethical actions
- Remaining relevant to all relevant laws and regulations
- Stringent requirements conveyed to suppliers (i.e. comply with Employment Act, Workplace Safety and Health Act)

Relevant ESG Factors

- Compliance with Laws and Regulations
- Business Ethics
- Corporate Governance

2 The SDG Compass provides guidance for companies on how to align their strategies as well as measuring and managing their contributions to the realisation of the SDGs. For more information, please visit www.sdgcompass.org.

SUSTAINABILITY REPORT

Perennial's Sustainability Targets

This section summarises Perennial's targets and performance in FY2020 as well as targets for the forthcoming year. As operations may differ across countries and business segments, targets have been separately set and detailed as below. Perennial is pleased that almost all targets have been achieved, with some still ongoing in FY2020.

SUSTAINABILITY TARGETS AND PERFORMANCE

Company's Targets for FY2020	FY2020 Performance	FY2021 Targets
Environment *Energy, GHG Emissions and Alternative Energy Sources | Water Management*		
SINGAPORE – Real Estate		
Mid-Term Targets		
To continue replacement of LED light fittings at CHIJMES and House of Tan Yeok Nee upon end of life or as and when necessary	Completed for retail areas of all Singapore properties except for CHIJMES and House of Tan Yeok Nee, where works are ongoing	Continue replacement of LED light fittings upon end of life or as and when necessary
To continue to adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets	Completed for Capitol Singapore, CHIJMES, House of Tan Yeok Nee and Chinatown Point.	Continue to adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets
Perpetual Target		
Green Mark Certification upon completion of projects	Achieved for all completed projects	Green Mark Certification upon completion of new projects
CHINA – Real Estate		
Mid-Term Targets		
To continue to maintain the LED light fittings and ensure all are in good working condition	All LED light fittings were maintained in good working condition	Continue replacement of LED light fittings upon end of life or as and when necessary
Adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets	Completed in Perennial Jihua Mall, Foshan	Continue to adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets
Perpetual Target		
Regularly organise events aimed at raising environmental awareness	Achieved, please refer to page 96 for more details	Continue to hold events aimed at raising environmental awareness
CHINA – Healthcare		
Mid-Term Target		
Continue to maintain the power meters for better management of energy consumption	Completed in Fengxian and Hongqiao	Continue to maintain the power meters for better management of energy consumption

Company's Targets for FY2020	FY2020 Performance	FY2021 Targets
Social *Customer Satisfaction*		
SINGAPORE – Real Estate		
Perpetual Targets		
Roll out training programmes to inculcate a service and safe culture	Achieved	Selected concierge employees and technicians will continue to attend customer service and safety training courses in FY2021
Continuously explore AEIs for all properties to ensure relevance and competitiveness of all assets to meet the expectations of its customers	Achieved	Continuously explore AEIs for all properties to ensure relevance and competitiveness of all assets to meet the expectations of its customers
CHINA – Real Estate		
Perpetual Target		
Roll out training programmes to inculcate a service culture	Achieved	Roll out training programmes to inculcate a service culture
CHINA – Healthcare		
Perpetual Target		
Regularly gather feedback on residents' satisfaction levels	Achieved	Continue gathering feedback on satisfaction level on a regular basis
Social *Health and Safety of Stakeholders | Occupational Health and Safety*		
SINGAPORE – Real Estate		
Mid-Term Target		
Roll out bizSAFE Level 3 to all Centre Management Teams ("**CMTs**") in Singapore properties by FY2020	Capitol Singapore has successfully achieved bizSAFE Level 3 certificate.	To roll out bizSAFE 3 to all other CMTs in Singapore Properties
Perpetual Target		
Zero fatality rate	Achieved	Zero fatality rate
CHINA – Real Estate		
Perpetual Targets		
Continue to maintain the validity of the Work Safety Standardisation Certificate (Level 3)	Achieved	Continuously maintain the validity of the Work Safety Standardisation Certificate (Level 3)
Zero fatality rate	Achieved	Zero fatality rate
CHINA – Healthcare		
Perpetual Targets		
Zero incidences of health and safety issues	Achieved	Zero incidences of health and safety issues
Zero fatality rate	Achieved	Zero fatality rate
Governance *Business Ethics | Corporate Governance | Compliance with Laws and Regulations*		
Perpetual Targets		
Comply with guidance in Corporate Governance Report	Full Compliance	Comply with guidance in Corporate Governance Report
Zero tolerance towards fraud, corruption and unethical actions	Achieved	Zero tolerance towards fraud, corruption and unethical actions
Zero cases of non-compliance with laws and regulations	Achieved	Zero cases of non-compliance with laws and regulations

Stakeholder Engagement

Regular interaction with stakeholders allows an organisation to understand and manage its impacts as well as to respond to various concerns. As Perennial works towards building a strong rapport with its stakeholders, it maintains a consistent approach when doing so. The table below outlines how the Company engages with its six key stakeholder groups, the respective management strategy, their concerns, Perennial's responses and ultimately how they align with Perennial's value creation objectives.

Table 3: Perennial's Approach to Stakeholder Engagement

Stakeholders	Customers (Tenants, Shoppers and Customers)	Business Partners	Regulators
Why are our stakeholders important?	Customer satisfaction is key to Perennial's business and Perennial strives to enhance customer experience by tailoring its offerings to best meet their needs	Suppliers play a vital role in supporting Perennial towards continuous and sustainable growth	Understanding and staying in compliance with all applicable laws and regulations ensures Perennial's licence to operate
Stakeholder management strategy	Face-to-face meetings ***(ongoing and annually during contract renewals)*** Customer service touch points such as walkabout on the premises, service desk, hotline and general enquiries mailbox ***(daily)***	Calls and email correspondences ***(ongoing)*** Face-to-face meetings to review feedback and performance ***(ongoing)*** Chinese New Year Spring Festival Dinner ***(annual; suspended in 2020 due to COVID-19)***	Internal management discussions and open communications with authorities ***(as appropriate)*** Systematic review, monitoring and tracking of energy and water consumption to ensure efficiency ***(ongoing)*** Attend talks, seminars and workshops organised by regulatory agencies ***(ongoing)***
Key area of focus	• Health, safety and security at all properties • Customer satisfaction	• Timely payment upon completion of works • Regulatory compliance • Alignment of sustainability	• Regulatory compliance • Upholding health and safety standards • Environmental impact of Perennial's operations and activities

	Our Community	Stakeholders and the Investment Community	Our People
	Through the spaces we own or manage, we interact and endeavour to contribute and guide its communities in a sustainable manner	Stakeholders and investors guide and influence Perennial's operations and decision-making	Human capital is Perennial's key resource, and a stable and resilient workforce is key to long-term growth and viability of Perennial
	Community outreach programs ***(as appropriate)*** Sponsorships (monetary, in-kind and venue sponsorships) ***(as appropriate)***	Press Release ***(as appropriate)*** Communication through website, calls and email correspondences ***(ongoing)***	Open communication and performance review with employees ***(ongoing)*** Prompt feedback provided by supervisors and Human Resource ("**HR**") ***(ongoing)*** Workshops for work and non-work related developments ***(as appropriate)*** Employee Volunteerism Programmes ***(as appropriate)*** Employee bonding sessions ***(as appropriate)*** External and in-house trainings conducted by professional bodies ***(ongoing)***
	• Responsible and sustainable use of resources • Management of its community impact • Support for its community by providing timely help and fostering a strong relationship	• Business operations and performance • Growth strategy and performance • Growth strategy and market outlook • Capital management	• Fair and equal employment opportunities • Remuneration, compensation and benefits • Career progression • Skills development and continuous upgrading • Employee wellness • Safe and healthy working environment

Stakeholders	**Customers (Tenants, Shoppers and Customers)**	**Business Partners**	**Regulators**
Perennial's Response	• Consistently review health and safety measures, including emergency processes and response plans conducted by project managers and property management teams • Formulate key strategic decisions on product and service offerings based on understanding of customers' perspectives and expectations	• Payments monitored closely by procurement and finance department • Continued compliance with relevant laws and regulations, adhere to code of conduct, policies and implementation of formalised reporting channels • Ongoing commitment towards sustainability practices	• Compliance with all relevant laws, regulations, adhere to code of conduct, policies and implementing formalised channels of reporting • Corporate Governance ("**CG**") framework in place • Implement health and safety measures for both customers and employees • Stringent monitoring of energy and water usage to ensure efficiency
ESG Factors	1. Customer Satisfaction 2. Health and Safety of Stakeholders	2. Health and Safety of Stakeholders	2. Health and Safety of Stakeholders 4. Corporate Governance 5. Compliance with Laws and Regulations
Reference to SR2020	Customer Satisfaction (page 99)	Supplier Management (page 100)	Governance (page 113-114)
Alignment with value creation objectives	Quality products and services in a safe environment	Mutually beneficial long-term partnerships	Compliance with quality standards and regulatory requirements, strong governance culture

	Our Community	Stakeholders and the Investment Community	Our People
	• Stringent monitoring and regular review of energy and water consumption • Monetary, in-kind and venue sponsorships to various organisations • Champion and support initiatives that focus on corporate giving, community partnerships, and employee volunteerism	• Regular communication and engagement with stakeholders and Investment Community • Proactive management of foreign currency exposure and liquidity while maximising capital efficiency	• Adoption of TAFEP's five principles of fair employment practices • Open door policy where employees can provide feedback or raise issues and concerns • Perennial Real Estate Graduate Associate Programme • Opportunities for employee volunteerism to promote employee fulfilment • Comply with Ministry of Manpower ("**MOM**") by implementing a safety risk assessment framework managed by Operations Team • Appointment of Occupational Health and Safety Assessment Series ("**OHSAS**") 18001 certified or equivalent contractors on-site
	7. Energy, GHG emissions and Alternative Energy Sources 8. Water Management	4. Corporate Governance 5. Compliance with Laws and Regulations	3. Business Ethics 5. Compliance with Laws and Regulations 6. Occupational Health and Safety
	Our Community (page 112-113)	Corporate Governance (page 119-126)	Our People (page 111-112) Occupational Health and Safety (page 107-110)
	Addressing the needs and challenges of the community while contributing to its development	Delivering long term value	Safe and conducive workplace with opportunities that cut across our integrated platform

SUSTAINABILITY REPORT

ENVIRONMENT

Perennial recognises the importance of operating its business without impacting the environment negatively and achieving targets that will benefit the stakeholders and future generations.

The Sustainability Working Committee manages Perennial's environmental footprint with the guidance of the Environment and Climate Change Mitigation Policy. Effectiveness of the policy has been proven with improvements in energy consumption performance in several properties and heightened environmental awareness among employees and stakeholders.

For both real estate and healthcare businesses, a management team member is assigned to every asset to monitor the consumption level, conduct a cost-benefit analysis and explore different approaches to improve energy efficiency.

For real estate properties, an Asset Control Group ("**ACG**") at each asset is responsible for analysing consumption data. The analysis compares the current and previous energy consumption data to identify any significant changes. Any anomalies or spikes in electricity and water usage are discussed at the monthly ACGs with corrective actions taken accordingly. The trend analysis guides Perennial for future target-setting and identifies areas for energy-saving initiatives.

In line with SDG 13 of Climate Action, environmental efforts were made to achieve mid-term targets. An environmental awareness programme was organised to encourage the donation of recyclable or reusable items in exchange for rewards. In order to reduce reliance on water and its impact on the environment, used water was collected and treated before discharging into the sewers.

Energy, GHG Emissions and Alternative Energy Sources

Adopting energy-saving practices

Throughout its day-to-day operations, Perennial explores opportunities to adopt energy-saving practices while complying with relevant legal and environmental standards. All light fittings will be replaced upon end of life or as and when necessary. In FY2020, the replaced LED light fittings for all real estate properties[3] in Singapore and China were maintained in good working condition. Energy-saving escalators with sensors were also installed to reduce consumption during non-peak hours at the Singapore properties.

In China, energy-related training programmes were provided to employees to help them stay abreast of the latest energy-saving practices and energy monitoring systems. Perennial remains committed to upskilling employees and will strive to expand the scope and number of training programmes offered to them.

Purchased electricity from the grid remains the primary energy source used across Singapore and China, with a small portion of natural gas consumed at Perennial Qingyang Mall during the winter. In FY2020, Perennial's total energy consumption was recorded at 44,101 MWh, of which 942 MWh were from natural gas usage. This resulted in corresponding GHG emissions[4] of 20,708 tonnes of CO_2, of which 190 tonnes were Scope 1[5] GHG emissions. In FY2020, the total energy consumption and GHG emissions data covered additional properties, namely Fengxian and Hongqiao.

For like-for-like comparison, Perennial reports the primary energy consumption source – purchased electricity (Figure 5) and corresponding Scope 2 GHG emissions (Figure 6). In FY2020, total electricity consumption (excluding Fengxian and Hongqiao) was recorded at 37,108 MWh, an 18% decrease from FY2019. Intensity of energy consumption was reduced from 163.2KWh/m^2 in FY2019 to 134.5 KWh/m^2 in FY2020. Correspondingly, Scope 2 GHG from electricity consumption also decreased from 19,767 tonnes of CO_2 in FY2019 to 16,261 tonnes of CO_2 in FY2020. Intensity of carbon emissions was greatly reduced from 71.7 kgCO_2e/m^2 in FY2019 to 59.0 kgCO_2e/m^2 in FY2020. Electricity consumption has reduced this year mainly due to the lockdowns and travel restrictions. Perennial will continue to monitor electricity consumption and increase energy efficiency where possible.

Which topics are covered under this section

- Energy, GHG Emissions and Alternative Energy Sources
- Water Management

What guides Perennial to manage this?

Environment and Climate Change Mitigation Policy

Who at Perennial oversees this?

Sustainability Steering Committee

Highlights of FY2020

- Strategic installation of water meters at selected water outlets in all assets
- Water and energy consumption in 2020

Relevant UN SDG

13 CLIMATE ACTION

3 With the exception of CHIJMES and House of Tan Yeok Nee.
4 Indirect carbon emissions (or Scope 2 emissions) are GHG emissions from purchased or acquired electricity. Emission factors used for Singapore were derived from 2020 Singapore Energy Statistics published by the Energy Market Authority of Singapore. Emission factors used for China derived from National Center for Climate Change Strategy and International Cooperation's website.
5 Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by an organisation (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

Figure 5: Energy Consumption and Intensity

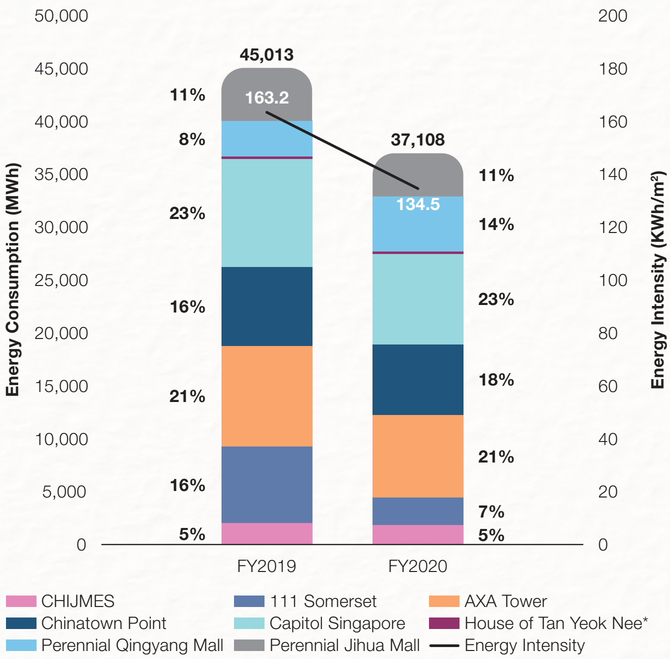
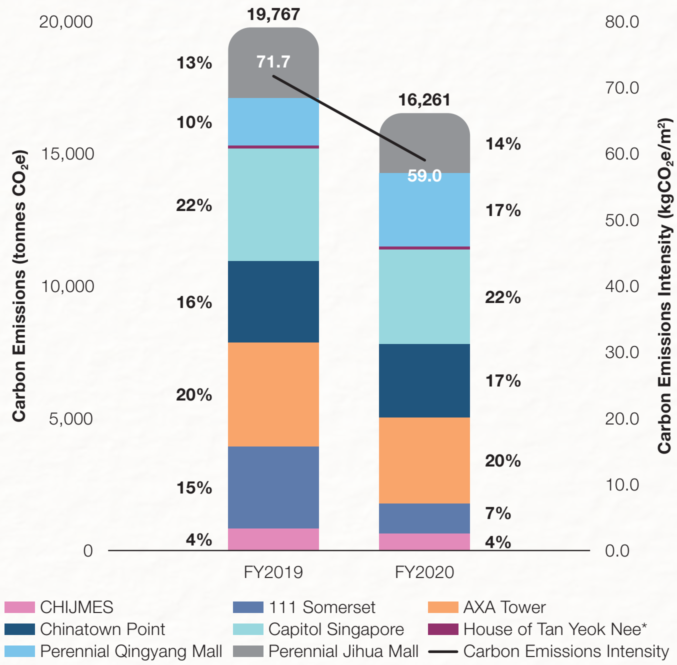


Figure 6: Carbon Emissions and Intensity



* Energy consumption of House of Tan Yeok Nee accounts for less than 1% of total energy and GHG emissions, hence its exact percentage is not reflected in Figures 5 and 6 based on the scale used.

CASE STUDY: Collecting Recyclable and Reusable Items at Perennial Qingyang Mall

In conjunction with environmental protection month, Perennial Qingyang Mall in Chengdu hosted a 10-day recycling event in September 2020 that attracted over 3,000 people from the vicinity.

The event incentivised people to donate their recyclable or reusable items instead of disposing them by offering rewards in return. Every three items of clothing were exchangeable for a movie ticket at Jinyi Cinemas, an anchor tenant of the mall. Every three intact plastic bottles are exchangeable for a food and beverage voucher worth RMB50, and every three donated books were exchangeable for a children's gift package.

A total of 400 kg of recyclable or reusable items were collected and donated to the

Recycling event at Perennial Qingyang Mall

needy at Daliangshan in Sichuan Province. Despite a challenging FY2020, Perennial remains committed to its environmental stewardship and will continue to organise such events to build awareness on environmental protection.

SUSTAINABILITY REPORT

Water Management

Water Saving Measures

Perennial continuously monitors its water consumption and seeks opportunities to optimise water consumption at strategic locations.

In FY2020, Perennial continued to procure water fittings with Water Efficiency Labelling Scheme ("**WELS**") ticks issued by PUB, Singapore's National Water Agency, for replacement upon end of life or as and when necessary. Perennial also continued to install water meters at all properties in Singapore and China to obtain more accurate water consumption readings and to promptly respond to any instances of water leakages. The accurate readings would also allow a more detailed analysis of consumption patterns to identify water-saving opportunities effectively. In China, advanced water-efficient taps and several other water-saving features have been implemented. At Fengxian, used water is collected and treated at the on-site wastewater treatment station before being discharged into the domestic wastewater system. The wastewater is thus returned to the water cycle with a reduced impact on the environment.

In FY2020, Perennial recorded a total consumption of 458,363 cubic meters ("**m³**") across Singapore and China assets. Perennial's water consumption recorded an overall 10% decrease from FY2019 for Singapore and China (Figure 7).

Perennial continues to align itself with Singapore's movement towards being self-reliant, where NEWater is targeted to meet up to 55% of total water demand in Singapore by 2060. In FY2020, Perennial increased its reliance on NEWater, which accounted for 55% of total water consumption in Singapore, up from 49% in FY2019. The total water consumption in Singapore, however, reduced by 33% from 386,990 m³ in 2019 to 257,380 m³ in 2020 (Figure 8). The decrease in water consumption is mainly contributed by reduced business activities due to lockdown and travel restrictions.

Nevertheless, Perennial will proactively explore water-saving initiatives to reduce usage as well as educate stakeholders across all assets on the importance of water conservation. Moving forward, more accurate methods of tracking water consumptions will be implemented upon end of life or as and when necessary across all assets.

Figure 7: Water Consumption in Singapore and China

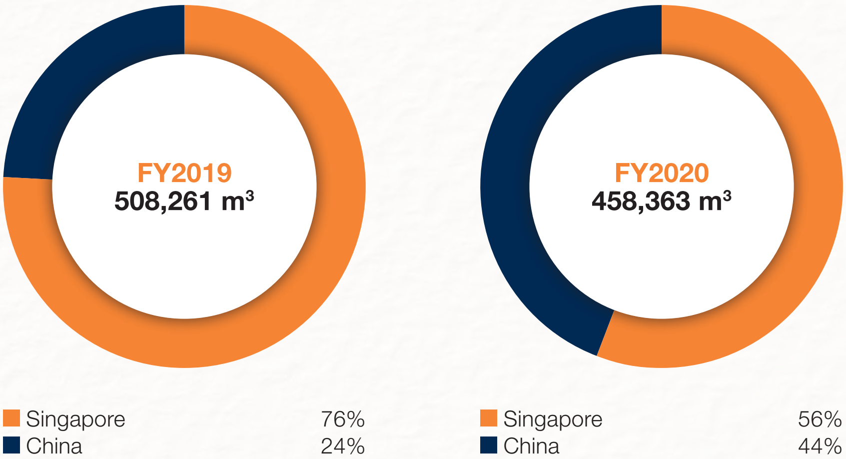
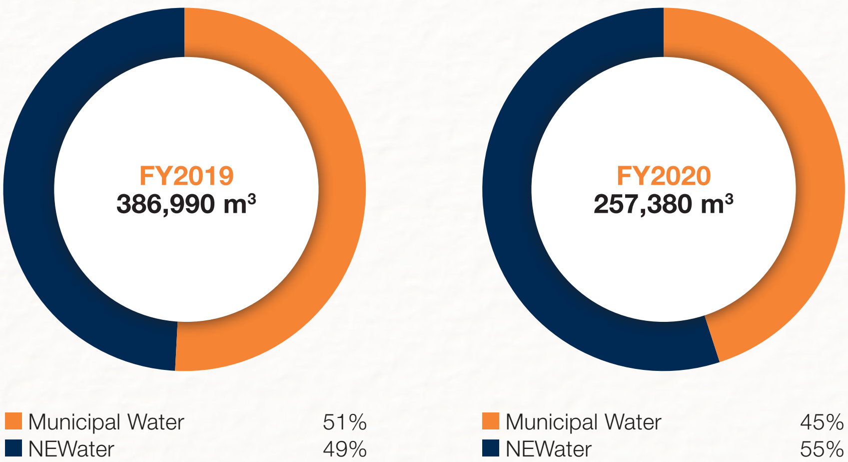


Figure 8: Breakdown of Water Consumption in Singapore



SOCIAL

Customer Satisfaction

Perennial strives to create and deliver an exceptional customer service experience to its end-users (tenants, shoppers, residents and customers) at its real estate and healthcare properties. The Centre Management Team ("**CMT**") located at each property liaises and regularly engages with tenants while working in tandem with headquarters ("**HQ**") to provide resources and tailored offerings for all end-users.

At the real estate properties, the respective teams conduct daily walkabouts, check on the overall ambience and interact with the various stakeholders. At Hongqiao, the use of technology improves quality of care and provides better customer service to elderly residents and their family members alike.

How does Perennial manage this?

- Standard Operating Procedures ("**SOPs**") are in place which guides Perennial on management of Customer Satisfaction

Who at Perennial oversees this?

- Perennial Corporate Office
- CMT located at respective properties
- Residents Democratic Management Committee at Fengxian and Hongqiao

Highlights of FY2020

- Creating awareness and implementing safe management measures to protect customers from the COVID-19 pandemic
- Adopting advanced technology to provide a better customer experience in eldercare
- Regular engagement with tenants, shoppers and residents to gather feedback on satisfaction levels

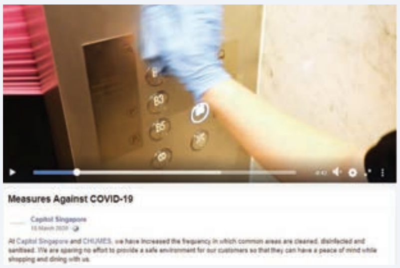
Asset Enhancement Initiatives

To deliver quality services and create a comfortable environment, Perennial has implemented numerous AEIs where shoppers can enjoy a broader range of amenities and retail options.

FY2020 saw the emergence of a public health crisis, and it has changed the way Perennial operates. As the world slowly recovers from COVID-19, Perennial recognises the importance of creating a safe environment for shoppers. Perennial has implemented initiatives such as the provision of contactless thermal scanning at entrances of the properties, making hand sanitisers available for the shoppers, and marking the floors and tables with social distancing stickers.

CASE STUDY: Protecting Perennial's Customers and Tenants by Adapting to the "New Normal"

Perennial recognises the impact of COVID-19 and in order to maintain a safe environment for shoppers and a sustainable business model for tenants, Perennial developed a series of measures against COVID-19 including but not limited to the following:



Create awareness on good hygiene practices

Capitol Singapore and CHIJMES posted social media videos to raise awareness among shoppers that high-touch point areas are sanitised every hour and complimentary hand sanitisers are available at all lift lobbies. Posters at lift lobbies also educated shoppers on personal hygiene as recommended by the Government of Singapore.

Practise effective physical and social distancing

Perennial enforced social distancing with floor markings that provided shoppers with visual cues on how to move around the premises safely, while posters at payment counters, escalators and lobbies reminded shoppers to maintain the one-metre distance.

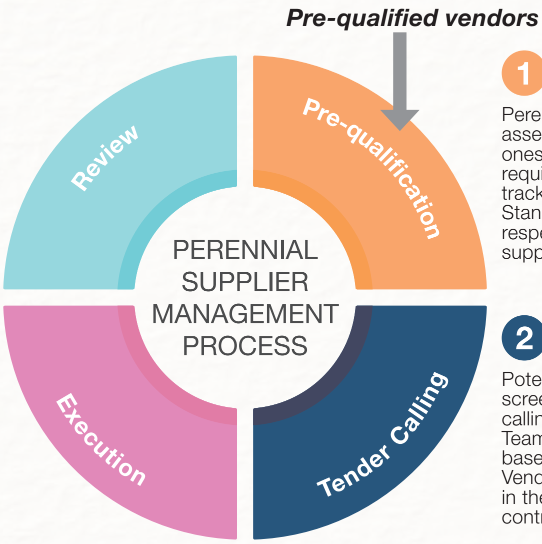
Adapting business model to the current pandemic situation

Perennial is committed to serving its customers despite the challenging environment. From April to July 2020, Capitol Singapore and CHIJMES provided drive-through and delivery services to shoppers during periods when either no dining or limited dining was allowed.

Supplier Management

Perennial's supply chain relies on ancillary parties that provide services such as cleaning and security works. They are screened based on requirements specific to each project through a rigorous four-step approach, ensuring sustainability is considered across the entire supply chain. For major projects such as AEIs, Perennial applies the approach illustrated below:

Figure 9: Perennial's Supplier Management Process



1 Perennial has in place an internal vendors' assessment for all suppliers. Only pre-qualified ones will be invited for tender of which they will be required to prepare relevant financial statements, track records, International Organization for Standardization ("**ISO**") certifications and meet respective guidelines (applicable for security suppliers, builders and electrical vendors).

2 Potential suppliers will undergo a second screening for projects which require tender calling. Inputs will be sought from Operations Team on the required works to evaluate suppliers based on price and quality of materials used. Vendors will have specified requirements set out in the tender document upon awarding of contract.

3 All suppliers and vendors are mandated to comply with relevant laws and regulations in their countries of operations (e.g. Employment Act and Workplace Safety and Health ("**WSH**") Act in Singapore and Law of People's Republic of China on Work Safety in China). They will also be accountable for ensuring their employees receive relevant training for the required works.

4 Supplier performance will be closely monitored based on the activities carried out during the course of work. This includes site inspection, proper handover, internal audits and regular engagements.

1. PRE-QUALIFICATION

Perennial has in place an internal vendors' assessment for all suppliers.

New suppliers must present relevant financial statements, track records and ISO certifications. They must also meet respective guidelines such as:

(i) Police Licensing and Regulatory Department minimum B grade (for security suppliers)

(ii) Building & Construction Authority and ISO certification (for builders and electrical vendors)

Current suppliers have to pass Perennial's internal vendors' assessment (minimum average grading).

2. TENDER CALLING

Potential suppliers will undergo a second screening for tender projects

For tender projects, potential suppliers will undergo two screenings. Should there be any deviation from the pre-qualification (Figure 9) list, senior management's approval would be sought.

Operations Team will determine the required scope of work and evaluate suppliers based on the price and quality of materials used. Vendors are required to meet specified requirements set out in the tender documents to ensure the quality of their goods and services.

For example, security officers will have to possess the Workforce Skills Qualifications ("**WSQ**") Certificate in Security Operations, have relevant working experience and be physically fit. Cleaning service contractors should also be certified by WSQ/National Skills Recognition System ("**NSRS**") or at minimum possess a Cleaning Business License from National Environmental Agency ("**NEA**").

3. EXECUTION

All suppliers and vendors are mandated to comply with relevant laws and regulations in their countries of operations (e.g. Employment Act and WSH Act in Singapore and Law of the People's Republic of China on Work Safety in China).

Suppliers are also required to ensure that service staff hired has received relevant service delivery training to ensure that they possess a positive working attitude.

4. REVIEW

Supplier performance is closely monitored via activities carried out during the course of work. such as:

(i) Site inspection – To certify that work is carried out in a manner that safeguards workers' health and safety.

(ii) Proper handover – Work carried out by contractors should be endorsed through proper handover documentation featuring sign-off from all parties.

(iii) Internal audit – ERM team will work together with independent external consultants to audit operational processes to ensure that standards are met.

(iv) Regular engagement – Regular meetings are held with suppliers and contractors for updates on projects and construction works.

Capitol Singapore - Christmas Event

Campaigns for Tenants and Visitors

In collaboration with its tenants, Perennial organised events and advertising and promotion ("**A&P**") throughout the year. The campaigns offered exclusive food and shopping discounts to the shoppers, which generated good press publicity and higher footfall.

Over the Christmas period, Capitol Singapore and CHIJMES organised a festive event with the theme "Discover the Nutcracker and The Whimsical Realms of Christmas". Perennial offered attractive prizes, complimentary gift-wrapping services, a Christmas Market, craft workshops and snowfall at the outdoor dining domes, among other Christmas offerings over six weeks. The event successfully attracted 612,542 visitors and 135,849 visitors to Capitol Singapore and CHIJMES respectively.

In China, in conjunction with the Double Ninth Festival, also known as Chongyang Festival, a festival to express respect for the elders, Perennial Qingyang Mall and the Supo Health Centre jointly organised a public welfare event offering free health consultations. The event saw a 500-strong turnout and further established Perennial Qingyang Mall as a key community node.

CHIJMES, Singapore - Christmas Event


Perennial Qingyang Mall - Free health consultations

Regular Engagement and Feedback

Engaging stakeholders is crucial for the development of constructive and productive long-term relationships. Perennial listens to the views of its stakeholders and seeks their feedback as guiding information to allocate resources and enhance services.

Through these regular interactions, Perennial can assign the necessary resources to address the stakeholders' concerns effectively. There are various channels to gather feedback, such as daily walkabouts and survey forms to evaluate the effectiveness of each A&P campaign. The feedback will be used by the Marketing and Communications team to improve future campaigns to support the tenants better.

Shoppers can provide feedback on their experience at Perennial's malls through the electronic form available on the respective mall's websites. All suggestions and feedback will be examined by the Customer Service Team and escalated to the CMT for further corrective action.

In FY2020, due to COVID-19 restrictions, most training courses were offered to Perennial employees online. Training topics included customer service, digital knowledge, workplace safety and personal well-being.

CASE STUDY: Customer Satisfaction Survey

At selected malls, a dedicated team of Customer Service Assistants ("**CSAs**") guided by the CSA Service Standard is responsible for providing general services such as Lost & Found, tenants' promotions to incident and feedback reporting across all Perennial-owned and/or managed properties in a professional manner.

Customers are encouraged to leave their feedback regarding products, service quality, and the property's facilities, security and cleanliness. For all unsatisfactory feedback, the Management team at each mall will respond and address the issues within 24 hours. Should the feedback involve tenants, the CSA will reach out to them for follow-up actions. The responses will be documented in Perennial's resolution document which will be issued to the customer upon the closure and recorded within the system while the incidents reports will be reviewed and included in customer quality training for improvement and future CSAs.

Concierge at Perennial Jihua Mall, Foshan

In FY2020, Perennial Jihua Mall continued to conduct the customer satisfaction survey to understand customers' preference to promotions as well as areas for improvement. 942 responses were received with more than 46% of the respondents requesting for more dining options, and 37% of the respondents requesting for more sports brands. Since then, the feedback has been taken into consideration, and Perennial Jihua Mall is looking into integrating these brands to enhance its tenant mix.

Prioritising Patients in Eldercare

China's enormous healthcare industry continues to expand rapidly, driven by technological advancement as well as the demand for medical services and quality integrated elderly care for the ageing population. Perennial continuously engages with industry-relevant players through partnerships and joint ventures to ensure that its integrated real estate and healthcare model stays relevant with the shift in demand and technology. Its healthcare business focuses on three core segments:

(i) hospitals and medical centres
(ii) integrated healthcare hubs
(iii) eldercare and senior housing

Under Renshoutang's portfolio, Fengxian is the first eldercare home to embark on sustainability reporting. In FY2020, Perennial has expanded its scope to include Hongqiao, an eldercare and retirement home located in Shanghai. The home aims to provide a remedial environment through stay-in facilities, medical care services, eldercare gyms, and personalised food menus. A range of holistic services ranging from daily nursing care to specific dementia care is also provided on-site.

As Perennial aims to provide quality eldercare services, feedback is regularly gathered from residents to understand satisfaction levels and identify areas for enhancements.

CASE STUDY: Smart Health Application at Hongqiao

To support the "9073 PLAN" in China, which targets to provide home-based ageing support for 90% of seniors and take care of 7% and 3% of the elderly at adult day care centres and nursing homes respectively, Hongqiao conducted a pilot testing of a health application ("**app**") with remote health monitoring functions. Through the app, Hongqiao aims to better serve its elderly residents and improve their quality of care when they reside in their own homes.

Linked with a full array of smart devices, this app is equipped with functions including but not limited to One-Key Calling, Real-Time Positioning and Bed Rest Monitoring to monitor the physical conditions of the elderly. This greatly boosts convenience for their children as they can keep track of their parents' living and health conditions at "zero distance" via the app. In-room and in-app video communications among up to seven family members are available at Hongqiao to encourage continuous family engagement. Meanwhile, through real-time health vitals monitoring, alerts and timely interventions, the app helps the care team collect health data easily, improve care processes and provide better customer service.

Instead of having to physically send the elderly to a medical facility, family members can use the app to monitor their health remotely and offer timely intervention, while ensuring that their care is not compromised when they are residing in their own homes. This also leads to lower health management costs.

Health Management through Remote Health and Safety Monitoring APP

Health Management Service Loop through Real-Time Health Vitals Monitoring, Alerts and Timely Interventions APP

Health and Safety of Stakeholders

Maintaining a Safe Environment for All

Perennial recognises the significant number of hours its stakeholders spend at its premises and therefore, safeguarding their health and safety is an integral part of Perennial's business. Proper health and safety procedures for identifying, resolving, and mitigating health and safety risks are implemented to ensure a holistic and safe environment for the stakeholders. Since FY2015, Health, Security and Safety Risk has been considered as part of the Company's ERM Framework. The Company reviews the ERM Framework annually to ensure proper action plans are in place to mitigate health and safety risks and other sustainability risks.

The Health, Safety and Security Policy ("**HSS Policy**") guides employees in conducting risk assessments ("**RAs**") and incorporating several safety measures to safeguard its stakeholders' lives. The policy also extends to Perennial's tenants, shoppers and contractors.

Cascading these stringent guidelines across its supply chain, Perennial only hires qualified contractors with a proven track record and relevant health, safety and environmental certifications such as bizSAFE (Level 3 and above), ISO 45001, OHSAS 18001 and ISO 14001. All selected contractors must submit a series of safety documents comprising RAs, safe work procedures ("**SWPs**") and other relevant information to the Operations Team at the CMT for review.

A permit-to-work must be issued to the contractors before the commencement of high-risk Mechanical & Electrical and AEI works. Contractors' qualified personnel such as a WSH Coordinator must be present on-site and attend site coordination meetings during the works. Contractors' WSH performance is continuously monitored throughout the project. Safety hoardings are put up to prevent trespassing, and ample lighting is installed to caution the public about the dangers of the work site.

In China, there are SOPs on work safety for production and guidelines for emergency response. Similar to the set of Crisis Management Standard Procedures[7] for Singapore assets, guidelines on handling situations such as shortage of electricity, breakdown of lifts and elevators, and violent outbreak at malls have been established.

The guideline also outlines the responsibilities of the relevant personnel and the course of action to be taken.

All stakeholders are encouraged to promptly report any potential hazards or safety incidents to their immediate liaison or the CMT. Following this, the relevant department will conduct a further investigation where necessary.

How does Perennial manage this?

- Workplace HSS Policy for properties in Singapore
- Production Work Safety SOPs for properties in China
- Work Safety Guidelines in Fengxian and Hongqiao

Who at Perennial oversees this?

- Perennial Corporate Office
- CMT located at each property in Singapore and China
- Safety Officer supported by respective Safety Personnel from various departments

Highlights of FY2020

- Annual fire drills held across properties in Singapore and China
- Attained yearly recertification for Fire Safety Managers across all Singapore assets
- Fire safety awareness course held annually for residents at Fengxian

Safeguarding Lives of the Elderly

With more than 900 residents under Fengxian's and Hongqiao's care, their safety and well-being are of utmost importance. The eldercare homes are equipped with state-of-the-art health screening machines, supported by an experienced and professional medical team spanning across geriatric, rehabilitation medicine, nutrition and other relevant fields. Besides providing quality services, Perennial also incorporated beautiful landscaping features into the homes' design to enhance the sense of well-being at Fengxian and Hongqiao.

7 This set of procedures provides guidance to employees on course of action when dealing with situations such as medical emergencies, violent crimes of behaviour, political situations, environmental or natural disasters and building faults (which can threaten safety aspect of the building or customers such as shattered glass, power and electrical failure and gas leakage).

Providing a Holistic and Engaging Environment for Residents

Hongqiao offers the highest standard of care in a safe and comfortable environment. Residents live in a homely atmosphere and enjoy a myriad of activities ranging from calligraphy to board games to origami-folding to improve their focus and hand-eye coordination. A senior gym concept from Singapore, which helps residents maintain and improve their muscle mass and muscle strength, was also introduced to enhance their quality of life.

Lobby

Twin Sharing

Study Room

Calligraphy Zone

Senior Gym

Comprehensive SOPs on health, safety and well-being were also established. The SOPs are reviewed from time to time to remain robust and comply with the latest guidelines and practices.

Overnight patrol and leaving rules are strictly enforced to ensure the accountability and safety of the elderly residents. Aside from the daily safety inspections conducted by respective Safety Personnel and Safety Officers, guidelines are in place to prioritise residents' safety in the event of emergencies such as:

- Outbreak of diseases
- Injuries such as slip, trips and falls, burns and abrasions
- Fire and other related accidents
- Missing residents

All medical employees are required to familiarise themselves with the follow-up actions for all of these situations. During the year, table-top exercises and real-life simulation were conducted to test for responsiveness and results were recorded to identify future improvements.

Throughout the premises, safety posters and evacuation response plans are displayed to remind residents of the actions to be taken in emergencies. A fire safety awareness course is conducted for all residents every year.

Safety Posters and Safety Awareness Training

Safety posters are displayed on the windows of the corridor

Safety awareness training is regularly arranged at the centre

In FY2020, both Fengxian and Hongqiao achieved their targets of zero fatality rate and zero incidents of health and safety issues – a performance it aims to keep up.

COVID-19 Response

Amid the pandemic, ensuring employees' health and safety was Perennial's highest priority. Complimentary masks and hand sanitisers were provided to Perennial's employees to encourage good personal hygiene and minimise the risk of spreading. Social distancing posters were displayed at common areas such as lifts, lobbies and corporate offices to remind employees to maintain a safe distance. Work segregation arrangements were implemented to minimise cross-contact among staggered working teams. Perennial also embraced the use of virtual communication platforms to facilitate safe and remote interactions. Complimentary online training courses including Adaptive, Technology and WSH courses were introduced to employees in Singapore. To take care of employees' health and well-being, Perennial partnered with tenants Eu Yan Sang and Kin Teck Tong to offer special discounts on health products, and arranged a series of well-being related virtual workshops for employees.

To safeguard its tenants and the public, Perennial implemented the scanning of SafeEntry QR Codes, temperature checking, and sanitising of hands upon entry at its properties. In response to temperature checking in Singapore, Perennial provides complimentary clinical thermometers to tenants and free loan of thermal scanners to selected anchor tenants. Perennial worked with cleaning contractors to disinfect public places hourly to maintain high standards of sanitation and minimise the transmission of COVID-19.

Perennial also engaged vendors to apply an anti-viral and bacterial coating, which is durable for 24 hours for over 180 days, on public areas such as escalators, lifts and lift buttons. Safe distancing posters were printed by CMTs and given out to tenants to be placed at the entrance of their shops. Stringent crowd control was implemented to align with the Governments' measures on safe distancing. Perennial also organised an appreciation wall for the public to show their support and appreciation towards frontline workers. Tenants at Perennial-owned and/or managed properties in Singapore were actively encouraged to participate in the SG Clean Campaign. Additionally, Capitol Singapore was awarded SG Clean Quality Mark by NEA.

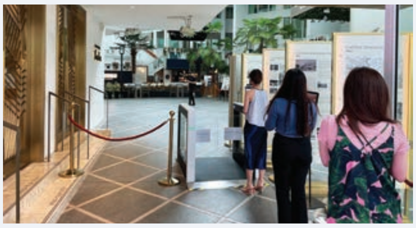
For properties in China, COVID-19 measures were also implemented to safeguard the health of our employees and the residents at our eldercare facilities.

At Fengxian, all personnel entering the premises have to wear masks and undergo temperature taking. A work-from-home system was also implemented. Segregation of caretakers that are taking care of the elderly was implemented to prevent cross-contact. Elderly residents were not encouraged to return home, while those who did were required to observe 14 days of quarantine. For Perennial Jihua Mall and Perennial Qingyang Mall, temperature taking and sanitising hands were required upon entry for all. Common areas such as escalators and lift lobbies were frequently disinfected while posters on maintaining personal hygiene were placed around the malls.

Capitol Singapore - Appreciation Wall

Automated Gantries Installed at Capitol Singapore

In early November 2020, automated gantries were installed at the entrances of Capitol Singapore. The gantry system is equipped with a facial detection camera and only permits entry when visitors are detected with masks. In the event of a group check-in, the camera can identify the size of the group and facilitate crowd management. Infrared sensors are also installed for temperature taking. Visitors can check in using SafeEntry via various means including barcode, QR code scanner, SafeEntry Gateway scanner and text recognition for SafeEntry confirmation screens on smartphones. This gantry system greatly reduces the manpower cost and physical contact otherwise required for entry control.



Automated gantries at Capitol SIngapore

Occupational Health and Safety

A healthy and safe workplace not only protects employees from injuries and illness but can also boost employee well-being, morale and productivity. Perennial has established occupational health and safety policies and procedures across Singapore and China to ensure operations strictly comply with relevant local legal requirements, standards, and practices.

Safe, Secure & Well at Perennial

Management System

Capitol Singapore has successfully achieved the bizSAFE Level 3 certification in FY2020 while we target to achieve bizSAFE Level 3 for other CMTs in Singapore.

In China, both Perennial Qingyang Mall and Perennial Jihua Mall maintained the Work Safety Standardisation Certificate (Level 3) in FY2020.

The Safety Team at Perennial HQ and the respective CMTs are guided by the HSS Policy in managing health and safety performance and matters.

How does Perennial manage this?

- Workplace HSS Policy for properties in Singapore
- SOPs on Work Safety and Production in China
- Work Safety Guidelines in Fengxian and Hongqiao

Who at Perennial oversees this?

- Perennial Corporate Office
- CMT located at each property in Singapore and China
- Safety Officer supported by respective Safety Personnel from various departments

Highlights of FY2020

- Annual fire drills held across Singapore and China properties
- Obtained bizSAFE Level 3 certification for Capitol Singapore
- Work Safety Standardisation Certificate (Level 3) for Perennial Qingyang Mall and Perennial Jihua Mall

Hazard identification, risk assessment, and incident investigation

In Singapore, a set of hazard identification and risk management procedure has been set up to eliminate or reduce risk at source. Existing SOPs have covered the areas of RAs, SWPs, and SGSecure knowledge to ensure the operations comply with relevant laws and regulations. Should there be any major changes to the work activities during the year, the operations team at respective properties will review the existing work activities to update the SOPs and guidelines accordingly. In FY2020, the HSS policy and relevant SOPs were reviewed and validated for their continued relevance.

Similarly, for properties in China, relevant SOPs have been established in accordance with local regulations. These SOPs are made available to employees in a handy guidebook, which comprise of, but are not limited to, guidelines on RA, SWPs, emergency response plans and incident reporting channels. Fire and emergency reporting SOP was established which targets emergency protocols such as power failure due to natural disasters and pandemic. A reporting channel has also been established to protect female employees against hostile work environments.

Workers' participation, consultation, and communication on occupational health and safety

In Perennial, all executive officers, operations officers, and technicians must be briefed on safety knowledge by respective supervisors before commencing with high-risk activities such as working at height. Based on the types of work to be carried out, from daily checks on operations to regular maintenance work, appropriate personal protective equipment such as helmets, safety shoes must be worn by employees, depending on the severity of hazards. Additionally, first aid boxes are also easily accessible and placed strategically on site. Toolbox meetings will also be conducted to communicate any occupational health and safety issues among Perennial's contractors.

Perennial routinely perform fire drills and conduct safety training programmes to prepare employees to respond calmly, quickly, and safely. Annually, both Perennial Qingyang Mall and Perennial Jihua Mall in China conduct mandatory fire drills as stipulated by the national laws. These fire drills may involve tenants, shoppers and members of the public, and allows the Fire Safety Team to improve their responsiveness, while enhancing employees' awareness in times of crisis.

Occupational health services and promotion of worker health

In Singapore and China, Perennial has provided outpatient medical, dental treatment and several insurance coverages such as hospitalisation and surgical insurance, group term life, group critical illness for employees. Eligible employees are entitled to an annual health screening to facilitate the early detection of illness.

Gym facilities are available at AXA Tower for employees to work out and exercise while complying with COVID-19 measures.

Webinars and workshops on mental well-being and building resilience are also organised for employees to promote overall well-being.

CASE STUDY: Riot Emergency Drill

Perennial is committed to ensuring that its tenants are ready in the event of emergencies such as fire, terrorist activities amongst other safety incidents. As such, Perennial conducted a two-hour Riot Emergency Drill at the Outdoor Square of Perennial Jihua Mall on 16 November 2020. The drill was organised to ensure that tenants and security personnel are familiar with handling security incidents such as protecting the safety of the customers and the property. During the drill, scenarios were enacted by security and engineering personnel and procedures on handling these incidents were explained.

Riot Emergency Drill at the Outdoor Square of Perennial Jihua Mall, Foshan

CASE STUDY: Keeping Perennial's Employees Safe with Strict SOPs

Perennial's goal is to provide a safe working environment for its employees and minimise the possible risks of infection of COVID-19. In line with this goal, a series of measures on work arrangement has been implemented. This also helps to minimise disruption to Perennial's business activities and ensure that the business remains viable in the unfortunate event of an infection.

Aligned with the government's plan to reduce the risk of local transmission, Perennial implemented alternating work teams and separate work locations, both at HQ and at Perennial's assets. Perennial also implemented preventive measures with strict compliance to the local government guidelines. For instance, all employees in Singapore are encouraged to adopt the following measures.

1. Employees should take their temperature twice a day and indicate the time and temperature taken in the provided form at their respective offices. Twice-daily temperature taking was implemented organisation-wide on 11 February 2020 to encourage colleagues to take responsibility for their personal health.

2. Employees with temperatures of 37.5°C and above are strongly encouraged to see a doctor promptly and inform their supervisor.

3. Employees should avoid crowded places and close contact with people who are unwell or showing symptoms of illness.

4. Employees should observe good personal hygiene (e.g. practising frequent hand washing with anti-bacterial soap and refrain from touching their face).

5. Starting 14 April 2020, all employees must wear a mask when entering the workplace.

Inculcating a Safe Work Culture at the Eldercare Homes

Through its Renshoutang portfolio, Perennial aims to provide a one-stop centre for quality elder care services focusing on rehabilitative care.

Hazard identification, risk assessment, and incident investigation

The Work Safety Guidelines are a comprehensive set of SOPs prepared in accordance with national laws and regulations to guide all eldercare workers on the risks involved and the mitigative actions. The SOPs define the roles and responsibilities of various functions on operations management and crisis management. Each department must appoint a Safety Personnel responsible for daily walkabouts to identify hazards and rectify any safety-related issues within their premises. The Safety Officer would then cross-check the daily findings.

Worker participation, consultation, and communication on occupational health and safety

Every month, the Safety Officer chairs a Safety Review Meeting where all Safety Personnel will come together to review salient health and safety issues identified and share good practices. All eldercare workers or caregivers are provided with adequate training to gain practical skills and the right attitude to perform their duties effectively. To inculcate a safety-first culture, all new medical employees are required to undergo compulsory induction training on safe working practices and measures to be taken during daily operations or emergency.

In FY2020, Perennial recorded zero fatalities, high-consequence work-related[8] injuries or occupational diseases across its real estate and eldercare operations in Singapore and China. However, there were three minor work-related incidents where corrective actions were immediately taken including upgrading employees with safety awareness to prevent such injuries from happening again.

Perennial strives to improve the safety culture within its properties through regular reviews of policies and work procedures. Plans are in the pipeline for properties in China to increase the robustness of safety inspections and facility and equipment maintenance frequency. Moreover, regular communication between Management and employees also helps to raise awareness and the importance of a safety-first culture throughout Perennial.

8 High-consequence work-related injury refers to a work-related injury that results in a fatality or - an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

SUSTAINABILITY REPORT

Performance at real estate[9]

Key Safety Indicators	FY2019			FY2020		
	Male	Female	Total	Male	Female	Total
GRI Indicator						
No. of Injury Case						
Singapore	1	0	1	2	0	2
China	0	0	0	0	0	0
Work-related Injury Rate (per 1,000,000 working hours)[10]						
Singapore	6.51	0	2.64	15.83	0	6.17
China	0	0	0	0	0	0
Working Hours (hours)						
Singapore	153,504	225,264	378,768	126,360	197,808	324,168
China	89,440	118,560	208,000	87,360	104,000	191,360
Non-GRI indicator						
Workplace Injury Rate (per 100,000 people)[11]						
Singapore	1,369.86	0	552.49	3,333.33	0	1,290.32
China	0	0	0	0	0	0
Accident Severity Rate (per 1,000,000 working hours)[12]						
Singapore	110.75	0	44.88	577.71	0	225.19
China	0	0	0	0	0	0
Absentee Rate (%)[13]						
Singapore	1.94	1.89	1.91	2.24	1.72	1.92
China	0.27	0.52	0.41	0.13	0.53	0.35

Performance at eldercare homes[14]

Key Safety Indicators	FY2020		
	Male	Female	Total
No. of Injury Case	0	1	1
Work-related Injury Rate (per 1,000,000 working hours)	0	1.13	0.87
Working Hours (hours)	260,000	888,368	1,148,368
Workplace Injury Rate (per 100,000 people)	0	242.72	187.27
Work-related Injury Rate (per 1,000,000 working hours)	0	97.93	75.76
Absentee Rate (%)	0.17	0.15	0.16

9 Reporting scope covers Perennial Corporate Office, CMT managed properties in Singapore and China retail assets.
10 Work-related injury rate, which was reported as 'Accident Frequency Rate' in the Sustainability Report FY2019, is defined as the total number of workplace incidents reported per 1,000,000 man-hours worked. The change of the indicator name is to align with GRI 2018 standard.
11 Workplace Injury Rate (per 100,000 people) is defined as the total number of fatal and non-fatal workplace injuries per 100,000 employed persons.
12 Accident Severity Rate is defined as the total number of man days lost to workplace accidents per 1,000,000 man-hours worked.
13 Absentee rate is defined as total absentee days lost over of total days scheduled to be worked by employees for the same period. Breakdown by male and female is based on their proportion of total workforce. Absent day is defined when the employee is absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. This includes medical and hospitalisation leave taken.
14 Health and safety data for Fengxian and Hongqiao will be reported from FY2020. The data has been separated from the safety data at properties to ensure like-for-like comparison.

Our People

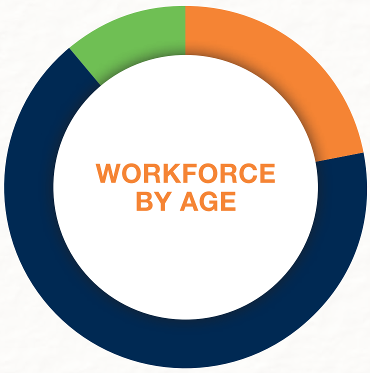
Perennial fosters a culture and working environment where both people and performance matters. This includes taking a strong stance for equal opportunities, fair compensation and benefits, and opportunities for career development.

The information reported in this section refers only to employees within the reporting scope covering Perennial's real estate business, namely Perennial Corporate Office and CMTs at Singapore and China retail assets, as well as its healthcare business, namely Hongqiao and Fengxian. At the end of FY2020, Perennial recorded 247 employees from Perennial Corporate Office and retail assets, 12% lower than FY2019, which is mainly driven by CMTs at Singapore (-21%) and China retail assets (-8%) due to optimisation and streamlining of operations to create synergies. Out of the 247 employees, 59% are females, and 41% are males. 99% of the workforce are hired on a permanent contract basis. At Hongqiao and Fengxian, 534 employees are recorded, with 122 males and 412 females in FY2020. All employees from both properties and eldercare homes work full-time on either a five-day or six-day work week.

Across age diversity at properties, 67% of employees are in the 30 to 50 years old category, while 22% of employees are in the below 30 years old category. The below 30 years old category has recorded a 20% decrease, while the 30 to 50 years old category has recorded an 11% decrease. At Hongqiao and Fengxian, 44% of employees are above 50 years old while 35% and 21% of employees are from 30 to 50 years old category and below 30 years old category, respectively.

Employee Profile for Real Estate Business

Male Employees 41%
Female Employees 59%

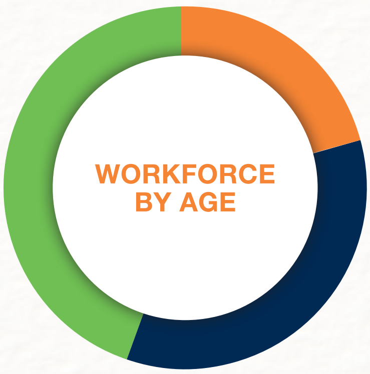


Less than 30 years old 22%
30-50 years old 67%
Above 50 years old 11%

Permanent 99%
Temporary 1%

Employee Profile for Healthcare Business

Male Employees 23%
Female Employees 77%



Less than 30 years old 21%
30-50 years old 35%
Above 50 years old 44%

Permanent 57%
Temporary 43%

Workforce Ethnicity in Singapore

Chinese	81%
Malay	7%
Indian	5%
Others	7%

Recognising Efforts of Our Employees

Perennial believes in recognising its employees' efforts and contribution to the company. Every year, Perennial conducts Long Service Award presentations to recognise their loyalty and dedication. Good communication is key to keeping employees engaged. To align with pandemic prevention measures, virtual townhalls with Management team and virtual meetings were conducted to update Perennial's employees on the Company's plans and development.

Supporting Our People During COVID-19

In order to support its employees while ensuring continuity within the Company, staggered working hours and work-from-home arrangement were deployed. To keep Perennial's employees' skills relevant and up-to-date, virtual trainings were held to prepare our employees to adjust to the "new norm of working". This includes resources from government platforms such as online training courses. The adjustment of leave validity also allows employees more flexibility to plan their leave.

Developing Our People

The pandemic situation has created job instability across the world. To address this issue, Perennial implemented job rotations, redeployment opportunities and exposures to overseas projects for employees to develop their fullest potential. An internal sharing platform and framework is underway to allow Perennial employees in Singapore and China to share their best practices. To help fresh graduates and mid-career professionals gain industry experience and exposure, Perennial joined government initiatives such as "SG United Traineeship Programme" to help them with growth and reskilling opportunities.

New Year Lunch and Long Service Award presentation organised in Jan 2020

Management Townhall and Long Service Award Presentation 2020

Donation of N95 masks to Red Cross Society of Chenghua District, Chengdu

Our Community

Perennial's Corporate Social Responsibility ("**CSR**") approach encompasses the three prongs of corporate giving, partnerships with community organisations and employee volunteerism, In FY2020, in light of the COVID-19 pandemic, Perennial focused its CSR efforts on pandemic-related initiatives, while continuing its ongoing work to improve the lives of families, children, the elderly and vulnerable groups in society. From donating cash and N95 masks to running free clinics for the community, Perennial stepped up its CSR efforts in areas where it had the presence to enhance the well-being of communities that were profoundly affected by the far-reaching impact of COVID-19.

CORPORATE GIVING

Perennial's total contribution in FY2020, including cash and in-kind sponsorships, amounted to over S$1.9 million, including a cash contribution of S$50,000 towards Singapore's President's Challenge 2020 in support of 72 social service agencies that served to help the less fortunate groups in Singapore.

Supporting Healthcare Workers in the Frontline

When China's COVID-19 situation escalated in 1Q 2020, N95 masks were urgently needed to protect frontline healthcare workers. Tapping on its global network, Perennial successfully procured 20,000 N95 masks and donated them to the Shanghai Charity Fund as well as the Red Cross Society of Chenghua District and community homes in Chengdu. In total, Perennial contributed approximately S$140,000 worth of medical supplies to aid healthcare workers in the fight against COVID-19.

Caring for Vulnerable Groups

As nations came together to tackle this unprecedented event, Perennial was committed to protecting those who may have slipped through the cracks. In May 2020, Perennial partnered with one of its overseas partners to donate five million surgical masks to Singapore's National Council of Social Service, which distributed the masks to welfare homes, disability homes, and children and young persons' homes. Perennial had leveraged its established healthcare logistics network in China to source these masks, which were in short supply around the world. As of the date of donation on 24 May 2020, the contribution marked the largest surgical mask donation in Singapore. In appreciation of Perennial's contribution, Community Chest presented Perennial with the Community Spirit Platinum Award for its swift action in giving back to the community against the backdrop of growing economic uncertainty.

In addition, Perennial's eldercare business arm in China, Renshoutang which is headquartered in Shanghai, contributed

Donation of surgical masks to National Council of Social Service, Singapore

essential supplies such as surgical masks, thermometers and hand sanitisers to eldercare centres in the city, ensuring that senior patients and residents of those centres received ample protection.

Separately, Perennial also supported The Business Times' Children for Children, an annual fundraising charity event in Singapore that sponsors complimentary visits to local attractions for underprivileged children. In Chengdu, Perennial Qingyang Mall continued its flagship 'Give the Children a Warm Winter' campaign to fundraise and collect learning supplies for disadvantaged children in the rural Daba Mountains. Over a three-day period, the campaign received over 500 books and cash donations for children's education needs.

ENGAGING THE COMMUNITY

Besides contributing through cash and in-kind donations, Perennial remains committed to developing and growing communities via partnerships with grassroots organisations and on-ground community engagement.

In China, Perennial Jihua Mall in Foshan promoted health awareness to the local community by organising talks and complimentary health screenings at the mall's atrium. Shenyang Longemont Shopping Mall also supported local businesses in the economic downturn by sponsoring event spaces for commercial activities.

In Singapore, Capitol Singapore supported mental health awareness with a venue

Chinatown Point, Singapore - Donation drive for underprivileged elderly

sponsorship for Over The Rainbow Mental Wellness Festival 2020 while Chinatown Point organised a donation drive during Chinese New Year, collecting proceeds from the sale of wishing cards to shoppers for the underprivileged elderly living at the neighbourhood eldercare centre. It also gave out hand sanitisers and masks to shoppers in its effort to keep them safe and healthy.

EMPLOYEE VOLUNTEERISM

Perennial's spirit of volunteerism was unwavering among employees in China and Singapore, as they championed Perennial's corporate values with their commitment to charitable causes. To facilitate the donation of N95 masks to China, Singapore team members dedicated their time to packing and arranging the delivery of the masks. Similarly, Perennial's China team coordinated their efforts to send five million surgical masks to Singapore. Employees also actively volunteered their time to participate in various CSR initiatives held at Perennial's properties in different markets.

GOVERNANCE

Perennial aims to deliver sustainable economic value through a commitment to strong corporate governance, good business conduct and ethics, and strict regulatory compliance.

Business Ethics

Perennial is guided by a suite of policies and procedures comprising the Employee Code of Conduct, Employee Code of Ethics, Whistleblowing Policy and Grievance Handling Procedures, which advise employees on responsible decision-making and ethical business conduct. Additionally, the Grievance Handling Procedures provide guidance and avenue for reporting any suspected illicit activities within the Company.

The policies and procedures are communicated to Management and employees within Perennial on an annual basis. While it serves as a refresher on the expected conduct, it also emphasises the severity should they violate these policies.

The Whistleblowing Policy comes under the purview of the Board. All stakeholders, including employees and third-party service providers, partners and strategic alliances, have full access to it and are encouraged to report any possible concerns on malpractices. Identities of whistleblowers are protected throughout any length of the investigation. For more details of this Policy, please refer to the Company's website (www.perennialholdings.com).

In FY2020, Perennial is pleased to report that there were no reported cases of fraud, corruption and unethical actions.

Corporate Governance

A strong corporate governance ("**CG**") culture is key to economic growth as it improves investors' confidence and reputation through the robust internal

How does Perennial manage this?

- Employee Code of Conduct
- Employee Code of Ethics
- Whistleblowing Policy
- Full compliance with relevant laws and regulations in countries of operation

Who at Perennial oversees this?

- HR
- Legal and Corporate Secretariat
- Risk Management

Highlights of FY2020

- Annual Circulation of Company's Employee Code of Conduct, Employee Code of Ethics and Whistle Blowing Policy

Relevant UN SDG

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

controls in place. Since incorporation, Perennial has emphasised the importance of good CG through the annual CG report and internal policies and guidelines review. More details on Perennial's CG practices can be found on pages 119 to 126 of the Corporate Governance section of the Annual Report.

Under the CG framework, a comprehensive ERM framework is put in place to ensure risks arising from Perennial's business activities are monitored and managed. Sustainability risks have been considered within this Framework which has strengthened the Company's understanding of its full suite of risks, ultimately improving its sustainability management. Due to the rapidly changing business environment, the Risk Management Team reviews associated risks on an annual basis and works with the relevant department to implement mitigative actions. For more details on Perennial's key risks, please refer to pages 127 to 132 of the Risk Management section of the Annual Report.

Compliance with Laws and Regulations

Ensuring regulatory compliance across all business activities is critical in maintaining Perennial's license to operate. With a diverse business portfolio spanning numerous cities, it is imperative to consider the local regulations in the environment, labour practices, health, and safety. Instances of non-compliance may bring about detrimental impacts to reputation, incur penalties and hinder growth plans. As such, Perennial has in place a robust compliance framework that ensures regulatory obligations are met sufficiently.

Perennial believes compliance is a shared responsibility among the various functions as they interact with respective regulatory bodies, as shown in Table 4. The functions should be well informed of any relevant regulatory changes by participating in compliance training and seminars conducted by various regulatory institutions. Additionally, Perennial's Legal department should also be consulted if departments require further assistance or advice.

The Risk Management team reports any incidences of non-compliance of regulatory and regulatory impacts to the Board every quarter. Perennial achieved its target of zero cases of non-compliance since FY2018 and will continue to keep up this positive performance.

Table 4: List of Regulators and applicable Regulations

Regulators	Regulations (Examples)
Accounting and Corporate Regulatory Authority	• Business Registration Act
National Environment Agency	• Code of Practice of Environmental Health ("COPEH") • Energy Conservation Act 2012 • Environmental Protection and Management Act • Environmental Public Health Act • Infectious Disease Act • Resource Sustainability Act 2019 • Smoking (Prohibition in Certain Places) Act • Carbon Pricing Act
Ministry of Manpower	• Employment Act • Employment Claims Act • Employment (Part-Time Employees) Regulations 1996 • Workplace Safety and Health (WSH) Act • Work Injury Compensation Act
Workplace Safety and Health Council	• Code of Practice of Workplace Health and Safety
Singapore Civil Defence Force	• Fire Safety Act • Fire Code 2018
Relevant Laws for Properties in China	• Law of the People's Republic of China on Work Safety • Law of the People's Republic of China on Prevention and Control of Occupational Diseases • Labour Law of the People's Republic of China • Law of the People's Republic of China on Promotion of Employment • Emergency Response Law of the People's Republic of China • Environmental Protection Law of the People's Republic of China • Fire Protection Law of the People's Republic of China • Law of the People's Republic of China on Energy Conservation • Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures • Company Law of the People's Republic of China
Relevant Laws for Eldercare in China	• Food Safety Law of the People's Republic of China • Food Hygiene Law of the People's Republic of China

GRI CONTENT INDEX

General Standard Disclosures				
GRI Standard		**Disclosure**	**Section of Report and / or Explanation for Omission**	**Page Reference**
GRI 102: General Disclosures 2016	**Organisational profile**			
	102-1	Name of the organisation	Board Statement	86
	102-2	Activities, brands, products, and services	Overview	86
	102-3	Location of headquarters	Corporate Profile	Inner Front Cover
	102-4	Location of operations	Overview	86
	102-5	Ownership and legal form	Board Statement	86
	102-6	Markets served	Overview	86
	102-7	Scale of the organisation	Overview	86
	102-8	Information on employees and other workers	Profile of our Workforce	111-112
	102-9	Supply chain	Customer Satisfaction: Supplier Management	100
	102-10	Significant changes to the organisation and its supply chain	Not applicable	
	102-11	Precautionary Principle or Approach	Materiality Assessment Process; Governance	88 113-114
	102-12	External Initiatives	Perennial is a signatory to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)	
	102-13	Membership of Associations	Singapore - Orchard Road Business Association (OBRA) - Securities Investors Association of Singapore (SIAS) - Singapore National Employers Federation China - Supo Chamber of Commerce in Qingyang District, Chengdu - Shanghai Rehabilitation Device Association (SRDA) - Shanghai Internet of Things Industry Association - Shanghai Association for Non-Government Medical Institutions (Branch Association for Elderly Healthcare) - Shanghai Medical Insurance Association - Shanghai Medical Doctor Association - Shanghai Association for Continuing Engineering Education (SACEE) - Changning District Medical Association - Community Health Association of Changning District, Shanghai	
	Strategy			
	102-14	Statement from senior decision-maker	Board Statement	86
	Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behaviour	Business Ethics	113
	Governance			
	102-18	Governance structure	Overview	87
	Stakeholder Engagement			
	102-40	List of stakeholder groups	Stakeholder Engagement	92-95
	102-41	Collective bargaining agreements	None of Perennial's employees are covered under collective bargaining agreements	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	92-95
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	92-95
	102-44	Key topics and concerns raised	Stakeholder Engagement	92-95

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General Standard Disclosures				
GRI Standard		**Disclosure**	**Section of Report and / or Explanation for Omission**	**Page Reference**
GRI 102: General Disclosures 2016	**Reporting Practice**			
	102-45	Entities included in the consolidated financial statements	Consolidated Financial Statements	169-173, 207-208
	102-46	Defining report content and topic Boundaries	Overview	86
	102-47	List of material topics	Materiality Assessment Process	88
	102-48	Restatements of information	Not applicable	
	102-49	Changes in reporting	Overview	86
	102-50	Reporting period	Overview	86
	102-51	Date of most recent report	2019	
	102-52	Reporting cycle	Annually	
	102-53	Contact point for questions regarding the report	Feedback	86
	102-54	Claims of reporting in accordance with the GRI Standards	Overview	86
	102-55	GRI content index	GRI Content Index	115-118
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	103-2	The management approach and its components	Corporate Governance	113-114
	103-3	Evaluation of the management approach	Corporate Governance	113-114
Customer Satisfaction				
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	103-2	The management approach and its components	Customer Satisfaction	99-103
	103-3	Evaluation of the management approach	Customer Satisfaction	99-103
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics	113-114
	103-2	The management approach and its components	Business Ethics	113-114
	103-3	Evaluation of the management approach	Business Ethics	113-114
GRI 205: Anti-corruption 2016	205-2	Communication and Training about Anti-Corruption Policies and Procedures	Business Ethics	113-114
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics	113-114

Material Topics				
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	103-2	The management approach and its components	Compliance with Laws and Regulations	114
	103-3	Evaluation of the management approach	Compliance with Laws and Regulations	114
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Compliance with Laws and Regulations	114
GRI 419: Socioeconomic Compliance 2016	419-2	Non-compliance with laws and regulations in the social and economic area	Compliance with Laws and Regulations	114
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	103-2	The management approach and its components	Occupational Health and Safety	107-110
	103-3	Evaluation of the management approach	Occupational Health and Safety	107-110
GRI 403: Occupational Health and Safety 2018	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	107-110
Health and Safety of Stakeholders				
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	103-2	The management approach and its components	Health and Safety of Stakeholders	104-107
	103-3	Evaluation of the management approach	Health and Safety of Stakeholders	104-107
GRI 416: Customer Health and Safety 2016	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Health and Safety of Stakeholders	104-107
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our People; Community	111-113
	103-2	The management approach and its components	Our People; Community	111-113
	103-3	Evaluation of the management approach	Our People; Community	111-113

Material Topics				
GRI Standard		**Disclosure**	**Section of Report and / or Explanation for Omission**	**Page Reference**
Energy, GHG Emissions and Alternative Energy Sources				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy, GHG Emissions and Alternative Energy Sources	96-97
	103-2	The management approach and its components	Energy, GHG Emissions and Alternative Energy Sources	96-97
	103-3	Evaluation of the management approach	Energy, GHG Emissions and Alternative Energy Sources	96-97
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy, GHG Emissions and Alternative Energy Sources	96-97
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	303-3	Water Recycled and Reused	Water Management	98

CORPORATE GOVERNANCE

Perennial Holdings Private Limited (formerly known as "Perennial Real Estate Holdings Limited") ("**Perennial**" or "**Company**", together with its subsidiaries, the "**Group**") was delisted from the mainboard of the Singapore Exchange Securities Trading Limited ("**Singapore Exchange**") with effect from 14 September 2020. Perennial remains committed to adopting high standards of corporate governance and regularly reviews and benchmarks its corporate governance framework. Perennial aims to enhance long-term value creation and recognises that good corporate governance will instil business confidence and is key to the long-term success of the Group.

Perennial is pleased to present its corporate governance statement which describes Perennial's corporate governance framework and practices since 14 September 2020.

THE BOARD'S CONDUCT OF AFFAIRS

Role of the Board

The Board is collectively responsible for the long-term success of the Group. The Directors have collectively and individually exercised professional judgement in dealing with the business affairs of the Group and make decisions which are in the best interests of the Group.

As part of providing overall leadership to the Group, the Board also sets the appropriate tone from the top by being a strong advocate of responsible conduct and good ethical behaviour while carrying out the Group's business activities. The Board also advises the management team ("**Management**") on the desired culture of the Group and monitors Management's implementation of such culture.

Best efforts have been made to ensure that in addition to contributing their valuable expertise and insights to Board deliberations, each Director also brings to the Board an objective perspective to enable balanced and well-considered decisions to be made by the Board. All Directors are encouraged to participate actively in the development of the Group's strategic plans and operations, and in the performance review of Management and the Group. No individual or small group of individuals dominates the Board's decision-making process. Non-executive Directors also confer among themselves, without the presence of Management, as and when the need arises. The chairman of such meetings provides feedback to the Board and/or Chairman of the Board, as appropriate.

The principal duties and responsibilities of the Board are to:

- Provide leadership and guidance to the formulation of the Group's overall business strategy plans and direction;
- Oversee the Group's overall performance objectives, key operational initiatives and major business decisions;
- Assume responsibility for corporate governance and ensure the adequacy of the internal control and risk management frameworks and standards, including ethical standards;
- Constructively challenge and review performance of Management and approve remuneration matters;
- Ensure necessary resources are in place for the Group to meet its strategic objectives;
- Establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group's performance;
- Provide guidance on value creation, innovation and sustainability issues such as environmental, social and governance factors, as part of the Group's overall business strategy; and
- Ensure transparency and accountability to stakeholders.

The Board recognises that Directors owe fiduciary duties to the Group and all Directors are expected to discharge their duties and responsibilities objectively in the best interests of the Group and to hold Management accountable for performance. All Directors are also expected to avoid any conflicts of interest.

The principal duties and responsibilities of the Board in order to fulfil this process, are to, whenever necessary:

- Approve the appointment of the Chief Executive Officer ("**CEO**") and other key management personnel and review the succession plans for Directors and key management personnel within the Group; and
- Review the training and development of the Board, key management personnel and talented executives within the Group.

Board Size and Composition

The Board comprises Directors who are business leaders and professionals with strong experience relevant to the Group's businesses.

After the Group was delisted from the mainboard of the Singapore Exchange, Mr Kuok Khoon Hong, Mr Ron Sim and Mr Pua Seck Guan remained on the Board, while the following appointments were made:

1. Mr Fang Fenglei was appointed as a Director on 15 October 2020.
2. Ms Teo La-Mei was appointed as a Director on 15 October 2020. She was the first female director appointed to the Board.
3. Mr Lau Teck Sien was appointed as an Alternate Director to Mr Fang Fenglei on 15 October 2020.

As at the date of this report, the Board comprises one female Director and five male Directors. The members of the Board are:

1. Mr Kuok Khoon Hong (Chairman, Non-Executive Director);
2. Mr Ron Sim (Co-Vice-Chairman, Non-Executive Director);
3. Mr Fang Fenglei (Co-Vice-Chairman, Non-Executive Director);
4. Ms Teo La-Mei (Non-Executive Director);
5. Mr Lau Teck Sian (Alternate Director to Mr Fang Fenglei, Non-Executive Director); and
6. Mr Pua Seck Guan (CEO and Executive Director).

Further information on the Directors can be found in the 'Board of Directors' section in the Annual Report.

The Board is made up of Directors of different nationalities and genders. Non-executive Directors comprise a majority of the Board. The Directors have skills, business experience and qualifications from the real estate, banking, finance and legal fields, which are relevant to the Group's business. With the global reach of the Group's business, most of the Directors have extensive experience in multiple jurisdictions including Singapore, China and other parts of the world.

The varied backgrounds of the Directors enable Management to benefit from their external, diverse and objective perspectives on issues brought before the Board for deliberation. With their collective diverse experience, the Group continues to meet the challenges and demands of the global markets in which it operates.

Board Diversity

The Board adopted a board diversity policy in November 2019, and updated the same in June 2021, as the Group recognises that board diversity is an essential element contributing to the sustainable development of the Group. The policy is posted on the Group's website (www.perennialholdings.com).

The Board does not comprise former partners or directors of the Group's external auditors, KPMG, within the last two years, or who hold any financial interest in KPMG.

Directors' Time Commitments

The Directors have effectively discharged their duties based on their commitments, contributions and oversight of the Group and were actively engaged in and contributed to Board and Board Committees meetings.

Board Meetings and Attendance

The Board meets regularly for the purpose of reviewing the financial performance and deliberating and approving key business strategies and investments as well as reviewing remuneration matters and governance issues. The dates of the Board meetings, the Board Committee meetings and Annual General Meetings of the Company ("**AGM**") are scheduled at least one year in advance and all Board members are notified accordingly. The Company Secretary consults the Directors before fixing the dates of Board meetings so as to ensure optimal attendance and participation from the Directors.

The Company's Constitution allows the Board meetings to be conducted via telephone conference, video conference or other means of electronic communication. Directors who are unable to be physically present at any Board meeting will be able to participate in the meeting via such means. In between scheduled meetings, matters that require the Board's approval are circulated via email to the Directors for their consideration and decision.

Ad-hoc Board meetings are convened as and when necessary to consider other specific matters or as warranted by particular circumstances. Records of all Board meetings, including discussions on key deliberations and decisions taken, are maintained by the Company Secretary and circulated to all Directors to keep them updated.

Should a Director be unable to attend a Board meeting, that Director will still receive the papers that were tabled for discussion and have the opportunity to separately convey his views to the Chairman for consideration or further discussion with other Directors.

Board's Access to Information

All Directors are given sufficient time to prepare for the Board and the Board Committee meetings and to make informed decisions. Management provides the Directors with complete, accurate, timely and detailed information, including background information of disclosure documents, financial statements and other materials that are related to the agendas of these meetings. In general, such information is provided at least five business days prior to the date of the relevant meeting. Draft agendas for Board and Board Committee meetings are circulated in advance to the Chairman and respective Chairman of the Board Committees respectively for their review and approval. The minutes for the Board Committee meetings are provided to all Directors. The meeting materials are uploaded onto a secure online portal which can be readily accessed on tablet devices by the Directors, which is in line with the Group's ongoing commitment to minimise paper waste and reduce its carbon footprint.

At each Board meeting, the CEO and Management give a complete and comprehensive update on the Group's business and operations, significant developments on the Group's business initiatives and industry developments. The Chief Financial Officer ("**CFO**") presents financial highlights of the Group's performance as well as the material events and transactions. The Board is also apprised of risk management updates, regulatory updates and analysis or press commentaries through other presentations by Management. This allows the Directors to develop a better understanding of the Group's business as well as the issues and challenges faced by the Group.

In addition to briefings by the CEO and CFO at every Board meeting, when necessary, Management, auditors and external advisers engaged by the Group also attend the Board and the Board Committee meetings to present key topics identified by the Board, provide insights into matters being discussed and respond to any questions that the Directors may have. All requests for additional information from the Directors are also dealt with promptly by Management.

The Directors also receive operational and financial reports regarding the performance of the Group. These reports include key financial indicators, variance analyses, property updates and strategic or business highlights. Additionally, informal briefings are conducted by Management to inform the Directors about potential business opportunities and developments at an early stage before formal Board approval is sought.

Board Orientation and Training

All newly-appointed Directors receive letters of appointment explaining their roles, duties and obligations as a Director. The Group conducts orientation and induction programmes for new Directors, which include comprehensive briefings on Board structure and responsibilities, overall strategic business plans and direction for the Group, corporate governance practices, Group organisation structure and business activities as well as financial performance of the Group. Site visits are organised for the Directors to familiarise themselves with the Group's assets and to better understand its business operations, whenever appropriate. These measures allow the new Directors to familiarise themselves with Management, thereby facilitating Board interaction and independent access to Management.

If first-time Directors are appointed, the Group will provide training in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board values ongoing professional development for all Directors. Directors are provided with opportunities for continual professional development in areas such as directors' duties and responsibilities, changes to relevant laws, regulations and accounting standards, and industry-related matters to keep them updated on regulatory requirements and on matters that may affect or enhance their performance as Directors or Board Committee members. The Group reviews Directors' training and professional development needs as appropriate.

The Board is updated regularly on risk management, corporate governance, industry-specific knowledge and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable Directors to properly discharge their duties as Board or Board Committee members.

All training and seminars attended by the Directors in connection with their role as directors of the Company, are arranged and funded by the Group. These are done through specially convened sessions, including training sessions and seminars conducted by external professionals, where relevant.

To ensure that Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development. In addition, Directors are also encouraged to attend training sessions conducted by the Singapore Institute of Directors to stay abreast of relevant developments in relation to financial, legal and regulatory requirements.

Role of the Company Secretary

Under the direction of the Chairman, CEO and Management, the Company Secretary ensures good information flow within the Board and the Board Committees, as well as between the Management and non-executive Directors.

With the exception of the Remuneration Committee meetings which are organised by the Human Resources Department ("**HR**"), the Company Secretary assists the Chairman and the Chairman of the other Board Committees in the administration of the Board and Board Committees meetings. She attends these Board and Board Committees meetings, and prepares minutes of such meetings. In addition, the Company Secretary is responsible for ensuring that the Board procedures are observed and that relevant rules and regulations, including requirements of the Companies Act, are complied with. The Company Secretary also liaises on behalf of the Group with the Accounting and Corporate Regulatory Authority ("**ACRA**") and when necessary, Shareholders. The appointment and removal of the Company Secretary is subject to the Board's approval.

Independent Professional Advice

Where the Board, whether as an individual Director or as a Group, requires independent professional advice to enable them to effectively discharge their duties, the Group will assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be at the expense of the Group.

Internal Approvals

The Group has established internal guidelines setting forth matters that require the Board's approval, including business strategies and proposals, investment acquisitions and disposals, borrowings and financing arrangements, budgets, project development and capital and operating expenditures. Such matters which have been approved by the Board are clearly communicated to Management in writing. These internal guidelines are set out in the Financial Authority Limits, which provide clear guidelines on the approval for all financial matters and ensure that appropriate controls and decision-making are consistently applied throughout the Group. The Financial Authority Limits undergo periodic reviews and updates to ensure operational relevancy with respect to the changing needs of the Company and the Group as a whole. The Board approves the Financial Authority Limits and any changes thereto.

Apart from matters that specifically require the Board's approval, the Board has delegated its authority to approve major transactions (such as capital investments, acquisitions and disposals, capital expenditure and expenses) below certain threshold limits to the Executive Committee ("**EC**") and Management. Approval sub-limits are also provided at the Management level to facilitate operational efficiency.

Financial Reporting

The Board is updated quarterly on the Group's financial performance with key operational activities. These reports provide explanations for material variances in financial performance, in comparison with budgets and the actual performance of corresponding periods in the preceding year, as well as an updated full-year forecast.

BOARD COMMITTEES

To assist the Board in discharging its duties and responsibilities, the Board has delegated special authorities to the Board Committees, namely, the Remuneration Committee ("**RC**"), the Corporate Disclosure Committee ("**CDC**") and the EC. The Board Committees have been constituted with clear written terms of reference approved by the Board and may decide on matters within its terms of reference and applicable limits of authority. All terms of reference are reviewed and updated, when necessary to ensure their continued relevance. Notwithstanding the delegation of authority to the Board Committees, the ultimate responsibility for decision-making and oversight rests with the Board as a whole.

The Board Committees comprise of Directors with appropriate qualifications and skills. The Board Committees achieve an equitable distribution of responsibilities among Board members and foster active participation and contributions among the Directors, thereby maximising the effectiveness of the Board members.

The RC:

The RC is established with a primary function to ensure a formal and transparent process in developing remuneration policy and in determining the remuneration packages of key management personnel. Its responsibilities include:

- Review and recommend the remuneration framework and remuneration packages for key management personnel;
- Consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each key management personnel, having regard to the executive remuneration policy within the Group;
- Consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to key management personnel;
- Review the on-going appropriateness and relevance of executive remuneration policy and other benefit programmes;
- Review and approve the design of incentives plans and determine each year whether awards will be made under each of these plans;
- Review and approve guidelines pertaining to variable bonus, annual increment, and incentive plans annually; and
- Review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan.

The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including but not limited to salaries, allowances, bonuses, benefit-in-kinds and specific remuneration packages for each executive Director. The RC aims to build a capable and committed management team through competitive compensation packages and progressive policies which are aligned with the long-term interests and risk policies of the Group, and which can attract, retain and motivate a pool of talented employees to drive business growth and strategy while creating long-term shareholder value.

The RC also reviews the Group's potential obligations and liabilities arising from any termination of the employment contracts of the Executive Director and key management personnel. The RC is of the view that the termination clauses are fair and reasonable as such contracts only contain the standard clause on notice period for termination. In the deliberation of remuneration matters, none of the RC members is involved in deciding any remuneration, compensation, incentives or any form of benefits to be granted to himself.

In discharging its duties, the RC may seek advice from HR and external consultants, whenever necessary.

As part of the Group's formal succession planning, HR assists to identify the critical positions at the management level. The requirements and gaps of these positions are determined before mapping succession to the pipeline of internal high potential executive talents that have been identified. HR recognises that there may be gaps in the developmental readiness of identified talents for the roles that they were meant to succeed, and is designing and implementing career development plans for members of the Group's international talent pipeline to narrow such gaps. These plans include on-the-job assignments, job rotations, international assignments and assuming larger or different roles in the organisation. HR also reviews and surveys the practices of other corporations and harmonises best practices that are suited for the Group's culture, structure and strategy.

Remuneration for Executive Director and Key Management Personnel

The Group advocates a remuneration system that is flexible and responsive to market conditions as well as a remuneration framework that is based on the key principle of aligning compensation to business performance and strategic objectives. Such performance-centric remuneration is linked to the achievement of corporate and individual performance targets, both in terms of short and long-term quantifiable objectives, as well as to support the ongoing enhancement of shareholder value. The remuneration system also takes into account the value creation capability of the Executive Director and key management personnel. The Board determines value creation to be the amount of value-add contributed by the individual, including but not limited to deal introduction to the Group, cost-savings ideas and novel initiatives which have the potential of increasing the performance of the Group.

In designing the remuneration structure, the RC seeks to ensure that the level and mix of remuneration is competitive and relevant in attracting, motivating and retaining employees. The RC also ensures that the remuneration structure is aligned with the interests of the stakeholders and promotes long-term success and sustainable growth of the Group.

The balance between fixed and variable compensation elements changes according to the individual employee's performance, value creation, seniority and department, so as to incentivise employees into adopting appropriate risk behaviour and to remain focused on prudent risk management. The RC considers the mix of fixed and variable compensation to be appropriate for the Group and for each individual role.

The remuneration structure also takes into account the Group's risk policies and risk tolerance limits as well as the time horizon of risks, in order to build a sustainable leadership and business in the long term. The RC is satisfied that there are adequate risk mitigation features in the Group's remuneration structure with prudent funding of annual cash compensation. The RC is also of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile. The RC also has the discretion not to award any incentives in any year if an executive is involved in misconduct or fraud resulting in financial loss to the Group. The RC will continue to undertake periodic reviews of compensation-related risks.

In determining the remuneration of key management personnel, the Group leverages on external consultants' data on pay benchmarks as guidance and compares itself against peer companies and comparably-sized local listed companies with which the Group competes with for talent and capital. The RC is of the view that the remuneration of key management personnel is competitive and fair and they have met the performance targets.

The remuneration mix for key management personnel comprises two key components: fixed and variable compensation. These components comprise various elements which ensure a close linkage between total compensation and the achievement of long-term business objectives, thereby driving sustainable performance for the Group.

Fixed Compensation

(i) Base Salary and Compulsory Employer Contribution

Base salary is determined by benchmarking against similar and comparable industries, taking into account an individual's responsibilities, competencies, performance, value creation, qualifications and experience.

(ii) Market-Related Benefits

The market-related benefits provided are comparable with local market practices.

Variable Compensation

The variable compensation is designed to support the Group's business strategy and the ongoing creation of shareholder value through the delivery of annual financial and operational objectives.

(i) Annual Performance Incentive

This is a short-term incentive that is linked to the achievement of pre-agreed financial and non-financial performance targets for the Group and individual employees. Group-wide performance targets are dependent on factors such as business performance, profitability and operational growth. Individual performance targets are set at the beginning of each financial year and are aligned to the overall strategic, financial and operational goals of the Group. This encourages day-to-day behaviour and actions that are aligned towards the creation of value for shareholders and stakeholders.

In determining the cash payout quantum for employees, the RC takes into account overall business performance and individual performance, amongst other considerations.

(i) Long-Term Incentive Plan
This is a long-term incentive plan introduced in 2021 which is designed to motivate, reward and retain higher performing employees by incentivising the long-term commitment of such employees. The RC takes into account business performance and individual performance to determine the eligibility and the quantum payable.

The members of the RC are:

- Mr Kuok Khoon Hong (Chairman)
- Mr Ron Sim
- Mr Fang Fenglei

The CDC:

The CDC is established to assist the Board to review the adequacy of corporate disclosures to the investment community, bankers, employees, customers and general public. The CDC reviews and approves the release of material information to the public relating to the Group. These include but are not limited to the following:

- Information on major transactions or projects;
- Press releases on transactions or projects which are promotional in nature;
- Key management appointments; and
- Annual reports and sustainability reports.

The members of the CDC are:

- Ms Teo La-Mei
- Mr Pua Seck Guan

The EC:

The EC is established to assist the Board in the approval of key strategic decisions to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value.

The EC provides overall direction on the Group's business plans and oversees the general management of the Group, and may:

- Review and recommend the Group's corporate values, corporate strategy, corporate objectives and performance targets;
- Review and evaluate new business opportunities and recommend strategic business proposals, due consideration given for sustainability issues comprising material environment, social and governance factors, to the Board for approval;
- Review, approve and recommend major transactions below S$30 million;
- Guide senior management on business, strategic and operational issues; and
- Perform such other duties as the Board may delegate from time to time.

The members of the EC are:

- Mr Kuok Khoon Hong (Chairman)
- Mr Ron Sim
- Mr Lau Teck Sien
- Mr Pua Seck Guan

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman and CEO

The Chairman and CEO of the Group are separate persons and they are not immediate family members. The roles of the Chairman and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power and increased accountability.

The Chairman is responsible for providing the Group with strong leadership and leading the Board in discharging its duties effectively. He also ensures effective functioning of the Board on all aspects of its role. He facilitates the relationship and information flow within and between the Board, CEO and Management, sets the agendas for Board meetings with inputs from Management, ensures sufficient allocation of time for thorough discussion of each agenda item at Board meetings, and engages the Board and Management in effective discussions.

The Chairman also promotes an open environment for deliberation and ensures that the Board meetings are conducted objectively and professionally, where all views are heard and debated in a fair and open manner. At the same time, the Chairman also monitors follow-up to the Board's decisions and ensures that such decisions are translated into executive actions.

In addition, the Chairman works with the Board, the Board Committees and Management to establish risk limits undertaken by the Group and at the same time, promotes a high standard of integrity and corporate governance. He also acts as a sounding board for the CEO and provides leadership, guidance and advice to Management, particularly with regard to the Group's growth strategy and developments.

The CEO, assisted by Management, makes strategic proposals to the Board and after robust Board discussions, executes the agreed strategies and policies, manages and develops the Group's businesses and implements the Board's decisions. The CEO is responsible for effectively managing and supervising the day-to-day business operations, reporting to the Board on all aspects of the operations and performance, managing and cultivating good relationships with all stakeholders and ensuring effective communication with the stakeholders.

ACCOUNTABILITY AND AUDIT

The Group believes that strict compliance with statutory reporting requirements and the adoption of good business practices are imperative to maintaining confidence and trust in the Group and at the same time, delivering sustainable value to its stakeholders.

The Board regularly receives operational and financial reports regarding the Group's performance, which includes key performance indicators, variance analyses, property updates, strategic and business highlights and key developments to enable it to be keep abreast and make a balanced and informed assessment of the Group's performance, financial position and prospects.

The Group provides shareholders with voluntary updates on the Group's interim business performance, as and when necessary. The Board is also updated on relevant changes to rules, regulations and accounting standards so that it can monitor and supervise the Group to comply with the relevant regulatory requirements.

Management also highlights key business indicators and major issues that are relevant to the Group's performance from time-to-time for the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management

The Group recognises that a robust risk management and internal control system to safeguard its assets and shareholders' interests, is imperative to maintaining stakeholders' confidence and trust in the Group and at the same time, delivers sustainable value to its stakeholders.

The Group proactively manages risks and embeds the risk management process into all planning and decision-making

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processes as well as in the day-to-day operations at the Company and Group levels. The Board sets the overall strategic direction, governs the risk management strategy and framework, and determines the risk appetite and risk policies for the Group. With these controls in place, the Board oversees Management in the design, implementation and monitoring of risk management and internal control systems, and ensures that strategies are aligned with the risk appetite as well as any potential emerging risks that the Group may face.

The Board reviews, whenever necessary, the key organisational risks and robustness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology ("**IT**") controls. The Board also decides on the risk tolerance limits and other associated risk parameters, and determines the nature and extent of the significant risks which the Board is willing to assume in achieving the Group's strategic objectives and value creation. The Board also assesses the Group's compliance with the risk management framework to effectively identify, measure, manage and monitor risks.

The Group understands that its business environment presents opportunities that require preparation and planning in order to be seized as well as uncertainties that need to be actively managed. In this regard, the Group has implemented a comprehensive Enterprise Risk Management ("**ERM**") framework to deal with business opportunities and uncertainties by identifying key risks and enacting the appropriate mitigating plans and actions. The ERM framework lays out the governing policies, processes and systems to identify, evaluate and manage risks as well as to facilitate the assessment on the adequacy and effectiveness of the Group's risk management system.

Management, being responsible for the implementation of ERM and day-to-day management of risks in the Group, reports to the Board on the key risks and provides updates on the risk management activities of the business. The Board regularly reviews the key risk indicators and risk dashboard and discusses the status of risk exposure and risk management action plans.

The Group, where necessary, also produces and maintains risk registers for the risks it faces as well as the corresponding internal controls it has in place to manage or mitigate those risks. The risk profile, risk registers and the controls are reported to the Board, where necessary.

The Board is satisfied that the Group's risk management system continues to be adequate and effective.

Effective Internal Controls

Supporting the ERM framework is a system of internal controls, comprising Group-wide governance and internal control policies, procedures and guidelines which cover financial, operational, IT and regulatory compliance matters. Such internal control mechanisms include segregation of duties, approval authorities and limits, and checks and balances embedded in business processes. Fraud risk management processes and the implementation of policies, such as the Whistle-blowing Policy, Code of Conduct and Code of Ethics, also help to establish a clear tone from Management with regard to employees' business and ethical conduct. This system of internal controls is regularly reviewed for continuous improvement and strengthening.

Internal and external auditors conduct audits that involve testing the adequacy and effectiveness of material internal controls. Such audits provide an independent assessment and assurance on the reliability, adequacy and effectiveness of the Group's system of internal controls, risk management procedures, governance framework and processes. Any material non-compliance or lapses in internal controls, together with corrective measures recommended by internal and external auditors, are reported to the Board. The adequacy, timeliness and effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors are also reviewed by the Board. The results of these audits serve to provide the basis for analysis of the adequacy of the Group's internal controls.

Duties of the Board

The Board ensures relevancy and compliance with good corporate governance and best practices. In particular, the Board:

- Reviews significant financial reporting issues and key areas of management judgment so as to ensure the integrity of the financial statements of the Group;
- Reviews at least annually, the adequacy and effectiveness of the Group's internal controls, including financial and accounting, operational, compliance and IT controls, and risk management systems;
- Reviews the effectiveness, independence and adequacy of the internal audit function, the scope and results of the audit reviews, the annual audit plan and the internal audit reports, including the adequacy of internal audit resources and its appropriate standing within the Group;
- Oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary cooperation to enable the internal auditors to perform its function;
- Reviews the scope and results of the external audit, the annual audit plans, the audit reports and the independence and objectivity of the external auditors taking into consideration the requirements under the Accountants Act (Chapter 2) of Singapore, including but not limited to, the aggregate and respective fees paid for audit and non-audit services and the cooperation extended by Management to allow an effective audit;
- Considers and approves the appointment, re-appointment and removal of external and internal auditors, and approves the remuneration and terms of engagement of the external and internal auditors;
- Monitors the Group's compliance with laws and regulations, particularly those of the Companies Act (Chapter 50);
- Reviews the Whistle-blowing Policy and arrangements put in place by which employees and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up actions;
- Oversees the procedures established to regulate interested person transactions;
- Reviews and approves, where relevant, material matters, findings and recommendations; and
- Deliberates and approves on resolutions relating to conflicts of interest situations involving the Group and the vendors.

The Board has full access to Management and reasonable resources to enable it to discharge its functions properly and the explicit authority to investigate any matter within its terms of reference. Management is required to provide the fullest co-operation in furnishing information and resources in carrying out all requests made by the Board. The Board also has direct access to the internal auditors and external auditors, and has full discretion to invite any executive officer to attend its meetings. Both the internal and external auditors are also given unrestricted access to the Board. The Board is also authorised to engage any firm of accountants, lawyers or other external independent professionals as it sees fit to provide independent advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the expense of the Group.

Changes to accounting standards and issues which have a direct impact on financial statements are updated by Management and highlighted by the external auditors during Board meetings.

The Board has received written assurance from:

(a) the CEO and the CFO, that financial records of Perennial have been properly maintained, the financial statements for the financial year ended 31 December 2020 give a true and fair view of Perennial's operations and financial results; and
(b) the CEO and other relevant key management personnel, that the internal controls and risk management systems of Perennial are adequate and effective in addressing the financial, operational, compliance and IT risks of the Group in its current business environment.

Key Audit Matters

In the review of financial statements, the Board will discuss with Management the accounting policies that are adopted and applied. The Board will also consider the judgments and estimates made by Management that might affect the integrity of the financial statements. Where the external auditors, in their review or audit of the Group's year-end financial statements, raise any significant issues (e.g. significant adjustments) which have a material impact on the interim financial statements or financial updates previously announced by the Group, Management will bring this to the Board's attention immediately. Management will also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates.

External Auditors

The Board evaluates the performance of the external auditors and is satisfied with the quality of the work carried out by the external auditors. No former partner or director of the Group's existing auditing firm or auditing corporation is a member of the Board.

In reviewing the nomination of KPMG for re-appointment for the financial year ended 31 December 2020, the Board has taken into consideration the adequacy of resource, experience and competence of KPMG as well as the quality of audits performed. Satisfied that KPMG has demonstrated appropriate expertise and is adequately resourced, the Board has recommended the re-appointment of KPMG as the Group's external auditors.

Internal Auditors

The Internal Audit function assists the Board in providing an independent and objective evaluation of the adequacy and effectiveness of the system of internal controls. It also performs reviews to examine the safeguarding of assets, the timeliness and accuracy in the recording of transactions, the compliance with relevant laws, regulations and policies established by the Group as well as the steps taken by Management to address control deficiencies.

The team adopts a risk-based methodology in drawing up the annual audit plan (the "**Audit Plan**"). The Audit Plan is planned in consultation with, but independently of, Management. Key considerations for the Audit Plan include risk exposures, operating concerns and compliance to regulations, policies and procedures. The Audit Plan includes, amongst others, the audit scope, objectives, and resources to be allocated for the audits. At the beginning of each year, the Audit Plan is submitted to the Board for review and approval to ensure that the audit scope set out in the Audit Plan is sufficient to review the significant risks and internal controls of the Group. Such significant controls comprise financial, operational, compliance and IT controls.

All internal audit reports, containing identified issues and corrective action plans, are submitted to the Board for deliberation, with copies of these reports extended to the CEO and relevant Management. The Internal Audit function follows up regularly with Management on the action plans and ensures that proposed action plans have been adequately completed.

The Internal Audit function is staffed with persons with the relevant qualifications and experience, and they carry out its function according to the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

Whistle-blowing Policy

The Group's Whistle-blowing Policy provides employees and parties who have dealings with the Group with well-defined procedures and accessible and trusted channels to raise concerns about suspected fraud, corruption, dishonest practices or other probable improprieties in the workplace without fear of reprisals in any form within the limits of the law. The Whistle-blowing Policy is intended to provide a trusted avenue for the Group's employees and other parties to come forward and report such concerns with confidence that their concerns will be independently investigated and appropriate follow-up actions will be taken.

The Whistle-blowing Policy and procedures, together with the dedicated whistle-blowing communication channel, are disseminated to all employees and also posted on the Group's website (www.perennialholdings.com).

The Group's secure and protected whistle-blowing communication channel includes a dedicated and independent e-mail account that is only accessible by the Chairman and the CEO. The Board is guided by the Whistle-blowing Policy to ensure proper and independent conduct of investigations under strict confidentiality, and execution of appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that allowed the fraud or misconduct to be perpetrated so as to prevent a recurrence.

Code of Conduct and Code of Ethics

As part of providing overall leadership to the Group, the Board sets the appropriate tone from the top by being a strong advocate of responsible conduct and good ethical

CORPORATE GOVERNANCE

behaviour while carrying out the Group's business activities. The Board also advises Management on the desired culture of the Group and monitors Management's implementation of such culture.

A formalised Code of Conduct and Code of Ethics have been adopted and implemented throughout the Group.

The Code of Conduct is applicable to all employees and sets out the principles to guide the conduct of business activities internally as well as externally. The principles covered in the Code of Conduct include, among others, conflict of interests, entertainment and gifts, misuse of position, insider trading and confidentiality. It also defines the procedures for employees to report any violation of the Code of Conduct.

The Code of Ethics sets out the moral and ethical standards of behaviour that are expected of employees of the Group when dealing with customers, suppliers, other business associates and colleagues as well as when discharging their duties as employees of the Group.

Details of the Group's Code of Conduct and Code of Ethics are posted on the Group's website, which is accessible by all employees and stakeholders.

Fraud, Bribery and Corruption Risk Management

The Group is committed to doing business with integrity. This is reflected in its longstanding zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, guidelines are in place to ensure all employees of the Group uphold the highest standards of integrity in their work and business dealings. The Group's zero tolerance stance on bribery and corruption extends to its business dealings with third parties.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The Group remains alert at all times to suspicious transactions by carrying out comprehensive "Know Your Customer/ Counterparty" checks for proper identification of parties involved in transactions with the Company as well as monitoring of certain activities and transactions to spot any unusual activity. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing.

STAKEHOLDER RIGHTS AND ENGAGEMENT

Stakeholder Rights

The Board has delegated authority to the CDC to review the adequacy of disclosures and to approve the public release of material information relating to the Group.

A dedicated investor relations and corporate communications ("**IRCC**") team that reports to the CEO effectively executes the Group's IRCC policy which is published on the Group's website. The IRCC team focuses on facilitating communication with the media, members of the public and various stakeholders to keep them abreast of the Group's strategic plans and key developments, where relevant.

The contact details of the IRCC team are listed on the Group's website and disclosed in this report to facilitate any queries from various stakeholders.

Engagement with Stakeholders

The Group communicates strategic business plans and operating performance, shares latest corporate and industry developments with relevant stakeholders as well as gathers their views and feedback on a range of strategic and topical issues, where necessary. Such interactions allow Management to understand and consider the views and feedback before formulating key strategic decisions.

The Sustainability Summary Report from pages 86 to 118 of this report provides the Group's approach to address stakeholders' concerns and methods of engagement and also sets out the key areas of focus in relation to the management of stakeholders.

Business Conduct

The Board and Management are committed to conducting business with integrity that is consistent with high standard of business ethics, as well as in compliance with all applicable laws and regulatory requirements. The Group has in place internal policies on employees' conduct, corporate gift guidelines and grievance handling procedures. These policies crystallise the Group's business principles and practices that are expected of its employees with respect to the matters which may have ethical implications, such as corruption, bribery, conflicts of interest, misappropriation of assets, violation of law and regulations, non-compliance with other policies and procedures, abuse of position and other misconduct.

Relevant policies are communicated to all employees and aim to provide direct and understandable frameworks for employees to observe the Group's principles, such as integrity, honesty and responsibility, at all levels of the organisation.

All employees are required to make an ongoing effort to learn about and keep up-to-date with the content relevant to their duties, guidelines that apply to them and any changes that are made to the guidelines.

Interested Person Transactions ("IPTs")

The Group has established a formal IPT Policy, which defines the levels and procedures to obtain approval for IPTs. The IPT Policy is to ensure that all transactions with interested persons are:

(i) conducted on normal commercial terms and are not prejudicial to the interests of stakeholders and
(ii) properly approved by the respective approving authorities and reported in a timely manner to the Board.

The IPT Policy is circulated to all departments in the Group. All departments are required to be familiar with the IPT Policy and to report any IPT to the Board for review.

The Group also maintains a register of all IPTs entered into by the Group. As stipulated in the Group's IPT Policy, Management reports the IPT register, which contains all transactions with interested persons and the relevant details of each transaction, to the Board regularly.

When a potential conflict of interest arises, the Director concerned does not participate in the discussion and refrains from exercising any influence over other members of the Board.

An audit on IPTs is also incorporated into the Group's annual internal audit plan and the findings are reported to the Board.

RISK MANAGEMENT

Perennial Holdings Private Limited ("**Company**", or the "**Group**" and together with its subsidiaries, "**Perennial**") has put in place an Enterprise Risk Management ("**ERM**") framework to identify, measure, manage and monitor risks. The ERM framework, which includes the objectives, policies and procedures for risk management, is approved by the board of directors of the Company ("**Board**"). The framework is reviewed annually by the Board to ensure that the policies and measures stay relevant in the changing business landscape and regulations while meeting the business objectives of Perennial.

The Board strongly believes that a proactive approach towards risk management ensures a disciplined pursuit of business objectives and strategies, thereby creating and preserving value for key shareholders of the Company ("**Shareholders**"). As an integral part of Perennial's strategic and decision-making process, risk management practices are embedded into day-to-day operations at all levels of Perennial.

RISK GOVERNANCE STRUCTURE

The Board sets the risk culture and is overall responsible for governing and managing the risks of Perennial which includes determining the risk appetite, overseeing the ERM framework, managing the risk profile and monitoring the risk exposure. The Board is assisted by the management team of Perennial ("**Management**"), ERM and Compliance Department and the Risk Owners at the various business units as outlined below:

RISK MANAGEMENT FRAMEWORK

DESCRIPTION		
RISK GOVERNANCE	**Board of Directors** • Overall responsible for risk governance and ensuring a sound system of risk management and internal controls • Governs the ERM framework and systems • Reviews risk profile, key risks and mitigation strategies • Determines risk appetite and tolerance limits	
RISK MANAGEMENT	**Management** • Assists the Board in risk management oversight • Formulates risk policies and strategies as well as oversees the design and implementation of risk management practices and internal control systems • Oversees internal and external audit	**ERM and Compliance Department** • Coordinates ERM activities • Facilitates risk identification, analysis, evaluation and treatment, monitors risk management issues • Assesses compliance with ERM framework and risk management practices • Reports to Management on all risk management related matters
RISK OWNERSHIP	**Risk Owners at Business Units** • Responsible for managing risk in business activities • Embed risk management as an integral part of business unit processes • Implement improvements on risk measures to cater to changing needs • Report business and operational risks and highlight key/emerging risks to ERM and Compliance Department	

RISK MANAGEMENT

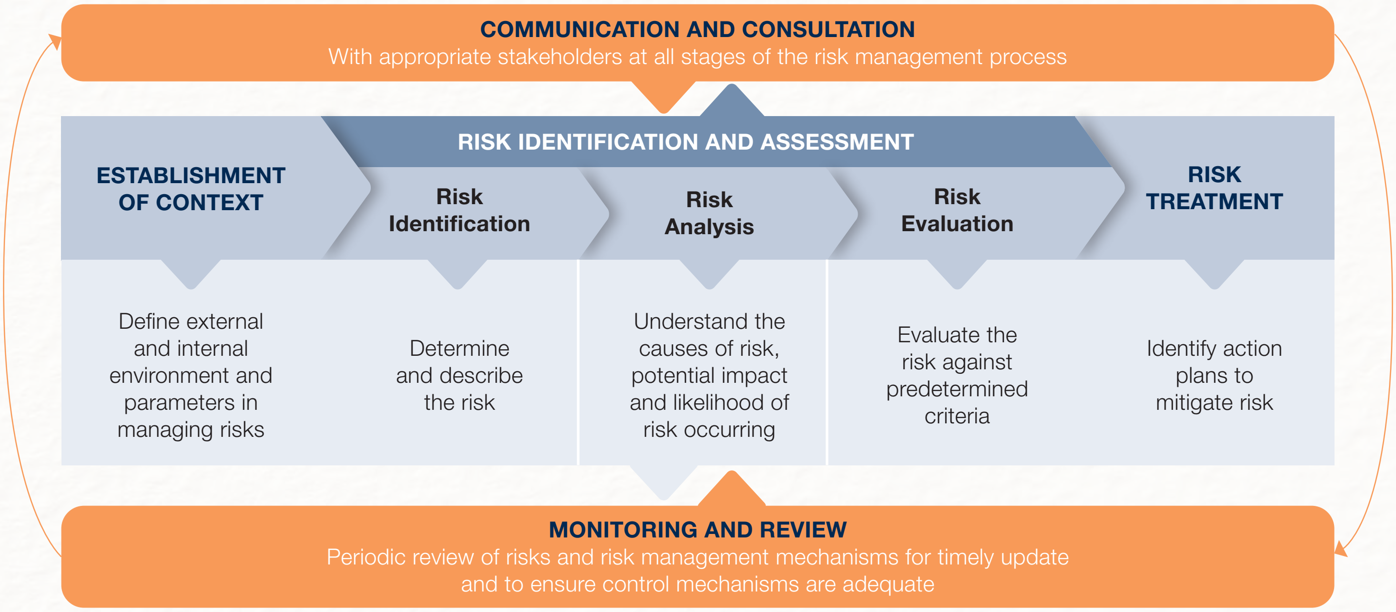
ERM FRAMEWORK

The key objective of the ERM framework of the Company is to safeguard employees and assets, protect Shareholders' interests, ensure informed decision-making for intrinsic value creation and ultimately to uphold and enhance Perennial's reputation amongst its stakeholders. The Chief Executive Officer, together with Management, ensure the ERM framework is effectively implemented across Perennial.

Perennial's ERM framework sets out a systematic and structured approach for the identification, assessment, evaluation, monitoring and reporting of risks in an integrated, timely and consistent manner. In designing and reviewing the ERM framework, Perennial has adopted and made reference to various industry risk management standards, such as the ISO 31000 and the COSO framework, to be in line with the best practices.

The ERM framework encompasses a five-step risk management process of communication and consultation, establishment of context, risk identification and assessment, risk treatment as well as monitoring and review.

ERM FRAMEWORK



ERM PROCESS

In the risk identification and assessment process, inputs from the business units are collated and the financial, operational and reputational impact of the risks as well as their likelihood are considered. The relevant risks to the business are identified and ranked using tools such as risk ratings and risk profile. The key risks and the appropriate risk indicators are maintained in a risk register. The risk management process involves all operating levels of each business unit, with the Risk Owners and their respective management team responsible for identifying and managing the risks within their functional areas.

To ensure that the risk profile and risk management system remain relevant to Perennial's business strategy and environment, the risk profile, risk registers and all identified risks and controls are regularly updated by their respective Risk Owners. The information is compiled by the ERM and Compliance Department and reviewed at least annually by the Board.

The Management, respective Risk Owners and the ERM and Compliance Department monitor key risks on an on-going basis and report to the CEO via a risk dashboard on a quarterly basis. The risk dashboard showcases the status of key strategic risks, risk exposures, risk management action plans, and highlights any potential emerging risk or increase in risk exposures including areas that require immediate attention or pre-emptive actions. Any potential emerging risk will be presented to the Board to highlight the occurrence of significant risk events and the risk management activities undertaken by Perennial.

PROACTIVE ERM

As risk management is an ongoing process, the ERM framework and related risk management system are reviewed annually, and where appropriate, refined by the Management to take into account new business of the Company, the changing business landscape and operating environment.

Perennial keeps abreast of the latest developments and good practices in risk management through participation in seminars and interactions with field practitioners. The Group seeks to enhance its risk management practices in the following ways:

The Management aims to foster a strong risk-awareness culture in Perennial, which encourages prudent risk-taking in decision-making and business processes. A robust internal control system and an effective, independent review and audit process are the twin pillars that underpin Perennial's ERM framework. While the Management is responsible for the design and implementation of effective internal controls, this is further augmented through internal audit reviews. The internal audits conducted on business operations provide an independent assurance to the Board of the adequacy and effectiveness of the risk management, financial reporting, internal controls and compliance systems.

Formalised guidelines, such as Perennial's Human Resource policy and Whistleblowing Policy, together with structured monitoring and reporting processes are also established to promote good values and ethical behaviour among employees, which are key elements to an effective risk management system.

Through close collaboration with various stakeholders, Perennial will continue to refine and improve its ERM framework, systems and processes to ensure that these remain adequate and effective and that the risks are well-managed and monitored throughout the Group. A well-established risk management approach will enable Perennial to capitalise on growth opportunities amid the risks of a dynamic and challenging business environment.

RISK APPETITE AND TOLERANCE

As in any business ventures, there are inherent risks. In pursuing business opportunities, Perennial therefore tries to ensure that risks taken are appropriate in relation to the return and not excessive. The Board determines risk appetite based on the extent of the risks that the Group is willing to accept in order to meet its strategic objectives. The risk appetite is expressed through clearly defined and measurable risk tolerance limits. Key risks are closely monitored against the risk tolerance limits and key risk indicators, which measure the exposures for such risks. The Board reviews the risk tolerance limits and key risk indicators annually.

Please find the key risk indicators for the key risks in the table on pages 130 to 132.

RISK MANAGEMENT

KEY RISKS

Perennial takes the management of key risks as a key consideration towards fulfilling the Company's strategic priorities and value creation objectives. Towards this end, it also undertakes a comprehensive review at least once a year to identify, monitor, manage and report key risks across the Group.

Among all the risks identified, the key risks that are closely tracked are as follows:

Key Risk	Objective	Value Impact	Mitigating Measures	Key Risk Indicators	Linkage to Strategic Priority
Project Development Risk – Inability to meet completion timeline and project specifications	To minimise the likelihood and the impact of negative risk events that will affect timeliness, quality and safety of the development projects	• Permit or approval not obtained due to non-compliance with specifications • Project delay due to inadequate resources • Reputational damage	• Proactive management process to monitor project progress per approved timeline • Stringent pre-qualification procedures to appoint well-qualified vendors/contractors with proven track records • Regular site visits by the Management and asset managers to monitor the development progress	• Project cost overrun as a percentage of total project cost • Progress of the project compared to targeted timeline	
Financial Risk – Access to financing resources – Foreign exchange and interest rate fluctuation	To contain exposures to the various types of financial risks (liquidity, interest rate, foreign currency etc.) in order to limit any negative impact on the Group's results and financial position	• Increased financing costs which adversely impact financial performance • Inability to fulfil financial obligations or secure funding • Insufficient cash flows	• Active monitoring of debt maturity profile and cash flows • Maintaining an adequate level of cash flows and available loan facilities • Expanding sources of funding through retail bond market and multicurrency debt issuance programme • Instilling financial discipline in all levels and maintaining a financially sound balance sheet • Improving cash flows through acquisition of new investments to generate recurring income and contribute to a stable income stream *(For more details on how various types of financial risk are managed, please see pages 192 to 198)*	• Gearing and debt ratios • Working capital ratio	
Investment Risk – Financial loss on investment	To ensure investments are made according to the stated investment strategy, consistent with the portfolio objectives and after careful analysis and the assessment of the potential risks and returns	• Investment loss • Adverse impact on financial and operational performance	• Adopting a systematic approach of risk assessment and risk evaluation for each investment proposal, including macro and project-specific risk analyses • Objective evaluation based on a comprehensive set of investment parameters, supported by due diligence, feasibility studies and sensitivity analyses on key investment assumptions and variables • Early identification of potential business and partnership synergies • Active tracking of project updates and overall investment portfolio performance	• Return on investment ratio • Overall portfolio asset valuation	

STRATEGIC PRIORITIES:

- Acquire, own and develop large-scale mixed-use development projects in first-tier and second-tier provincial capitals and major cities which are in close proximity to transportation hubs
- Acquire assets which can be repositioned and redeveloped to extract embedded value
- Introduce healthcare real estate as an asset class in large-scale integrated developments

Key Risk	Objective	Value Impact	Mitigating Measures	Key Risk Indicators	Linkage to Strategic Priority
Compliance Risk – Breach of relevant laws and regulations	To ensure compliance with relevant laws and regulations in all material aspects	• Penalty, legal actions and/ or loss of operating licenses • Financial and reputational damage	• Identifying applicable laws and regulatory obligations, highlighting emerging regulatory changes and inculcating active compliance into the day-to-day operations across all assets • Constantly keeping abreast of changes in laws and regulations through updates, trainings and consultations with legal counsels or external professional advisors	• Regulatory queries, warnings and breaches	
Macroeconomic Risk – Economic slowdown in Singapore or China – Adverse global economic conditions	To ensure that the Company is prepared and takes appropriate strategies to mitigate any potential adverse impact from deteriorating macroeconomic conditions	• Reduced revenue • Negative impact on valuation as well as gearing and debt ratios • Increased cost of financing and holding cost of investment assets • Negative impact on asset divestment	• Adopting a disciplined approach towards financial management • Constantly reviewing business strategies to formulate pre-emptive mitigations • Vigilant monitoring of budgets and expenditures, key global economic trends and the macroeconomic environment of Perennial's investments • Strengthening competitiveness through product and service differentiation • Diversifying investment portfolio across geographies and asset classes • Focusing on cities and countries where the Shareholders have extensive market knowledge	• Major economic indicators such as GDP growth	
Medical and Healthcare Business Risk – Lack of competency in the highly regulated industry – Loss of trust from patients	To avoid any common pitfalls when operating in a complex and highly regulated industry	• Regulatory or legal actions and/ or loss of operating licenses • Reputational damage	• Liaising with relevant local authorities and consultants to actively monitor medical and healthcare-related regulation or policy developments • Deployment of medical and healthcare industrial information systems to guide treatment decisions and help with handling of exceptions reported • Establishment of robust operational level Standard Operation Procedures ("**SOPs**") to prevent errors and incidents • Engaging healthcare professionals with good track records	• Number and trend of complaints and warnings received • Number of regulatory/ legal actions	

Adopt strata-sale/long-term hold strategy to better manage fund flows, while benefitting from operating long-term assets

Achieve first-mover advantage in high growth and untapped emerging markets

Invest in or form strategic partnerships with established local and foreign healthcare or medical-related operators to scale up the business

RISK MANAGEMENT

Key Risk	Objective	Value Impact	Mitigating Measures	Key Risk Indicators	Linkage to Strategic Priority
Health, Security and Safety Risk – Fatality, injury or security issues	To safeguard the Company's resources and to prevent incidents or conditions that may be detrimental to relevant stakeholders' health and safety	• Injury or even fatality • Operational disruption • Financial and reputational damage	• Establishment of SOPs to ensure employees and contractors adhere to onsite work safety rules and procedures • Processes to escalate and report any occurrence of health, security and safety incidents to the Management and Board • At the asset level, security personnel are employed to guard the property and keep a lookout for suspicious events/ persons. The Operations team also patrols the property daily at regular intervals to identify unusual happenings • Ensuring adequate public liability insurance coverage is in place for all premises	• Number of incidents (fire, water seepage etc.) in managed assets • Number of Accidents sustained by members of the public, tenants, service providers, and/or our employees	
Fraud and Corruption Risk – Fraud or corruption activities carried out internally and/ or involving external stakeholders	To prevent fraud and corruption, enhance the Company's governance, and maintain integrity in the Company's operations	• Financial and reputational loss • Litigation or regulatory actions	• Regular review and audit of internal control systems • Employee Code of Conduct to guide professional behaviour in line with Company's core values • Whistle-blowing Policy and process for reporting and investigation of suspected fraudulent activities • Regular review of finance, human resources and operations policies as well as delegation of authority • Restriction of access control on all critical information systems	• Number of suspected fraud/ corruption cases reported	

STRATEGIC PRIORITIES:

Acquire, own and develop large-scale mixed-use development projects in first-tier and second-tier provincial capitals and major cities which are in close proximity to transportation hubs

Acquire assets which can be repositioned and redeveloped to extract embedded value

Introduce healthcare real estate as an asset class in large-scale integrated developments

Adopt strata-sale/long-term hold strategy to better manage fund flows, while benefitting from operating long-term assets

Achieve first-mover advantage in high growth and untapped emerging markets

Invest in or form strategic partnerships with established local and foreign healthcare or medical-related operators to scale up the business

STATUTORY ACCOUNTS

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DIRECTORS' STATEMENT

We are pleased to submit this annual report to the shareholders of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited and Perennial Real Estate Holdings Pte. Ltd.) (the "Company") together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 141 to 211 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Companies Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement and as disclosed in note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kuok Khoon Hong	
Ron Sim	
Fang Fenglei	(Appointed on 15 October 2020)
Teo La-Mei	(Appointed on 15 October 2020)
Lau Teck Sien (Liu Dexian) *(Alternate Director to Fang Fenglei)*	(Appointed on 15 October 2020)
Pua Seck Guan	

CHANGE OF COMPANY NAME

On 18 September 2020, the Company changed its name from Perennial Real Estate Holdings Limited to Perennial Real Estate Holdings Pte. Ltd.

On 25 January 2021, the Company further changed its name from Perennial Real Estate Holdings Pte. Ltd. to Perennial Holdings Private Limited.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except for the disclosure under the "Directors' interests in shares or debentures" and "Share options" sections of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, and share options in the Company and in related corporations (other than wholly-owned subsidiaries, excluding Perennial Treasury Pte. Ltd.) are as follows:

Name of director	Holdings in which directors are deemed to have an interest: At date of incorporation/date of appointment	Holdings in which directors are deemed to have an interest: At end of the period
Immediate holding company		
Perennial Group Private Limited (formerly known as Primero Investment Holdings Pte. Ltd.)		
Ordinary shares		
Kuok Khoon Hong(1)	3,653	607,031,816
Ron Sim(2)	1,545	256,711,699
Fang Fenglei(3)	1,757	292,009,385
Pua Seck Guan(4)	1	172,927,594

Name of director	Holdings registered in the name of directors: At beginning of the year	Holdings registered in the name of directors: At end of the year	Holdings in which directors are deemed to have an interest: At beginning of the year	Holdings in which directors are deemed to have an interest: At end of the year
The Company				
Ordinary shares				
Kuok Khoon Hong(5)	–	–	607,031,816	–
Ron Sim(6)	254,652,664	–	2,059,035	–
Pua Seck Guan(7)	7,423,668	–	165,503,926	–
$280 million 4-year 4.55% Retail Bonds due 2020				
Kuok Khoon Hong(8)	–	–	33,713,000	–
$120 million 3-year 3.90% Fixed Rate Notes due 2021				
Kuok Khoon Hong(9)	–	–	50,000,000	50,000,000
$180 million 2-year 5.95% Fixed Rate Notes due 2020				
Kuok Khoon Hong(10)	–	–	30,000,000	–
Ron Sim(11)	–	–	10,000,000	–
Pua Seck Guan	5,000,000	–	–	–
$33.5 million 2-year 3.90% Fixed Rate Notes due 2022				
Kuok Khoon Hong (12)	–	–	–	33,500,000
$44.25 million 2-year 5.95% Fixed Rate Notes due 2022				
Kuok Khoon Hong(13)	–	–	–	36,750,000
Ron Sim	–	5,000,000	–	–
Pua Seck Guan	–	2,500,000	–	–

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

Name of director	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Subsidiary				
Perennial Treasury Pte. Ltd.				
$100 million 3-year 3.85% Fixed Rate Notes due 2020				
Kuok Khoon Hong[14]	–	–	29,250,000	–

Notes:
(1) Mr Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in HPRY Holdings Limited ("HPRY"), Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Kuok Hock Swee & Sons Sdn. Bhd., Pearson Investments Limited, Jaygar Holdings Limited, KMH Investments Limited and KPW Investments Limited.
(2) Mr Ron Sim's deemed interest in the Shares arises from his shareholdings in V3 Assets Pte. Ltd.
(3) Mr Fang Fenglei's deemed interest in the Shares arises from his deemed interest in Beaufort Investment Global Company Limited.
(4) Mr Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in PSG Holdings Pte. Ltd..
(5) Mr Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in HPRY, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Kuok Hock Swee & Sons Sdn. Bhd., Pearson Investments Limited, and Jaygar Holdings Limited, through trust accounts controlled by him, through Madam Yong Lee Lee (his spouse) and Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.
(6) Mr Ron Sim's direct interest includes the Shares held through bank nominees. Mr Ron Sim is deemed interested in the Shares held by Madam Teo Sway Heong (his spouse).
(7) Mr Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in PSG Holdings Pte. Ltd. and Shares held in the name of bank nominees.
(8) The deemed interest of Mr Kuok Khoon Hong in the Company's 4-Year 4.55% Retail Bonds due 2020 arises from the bonds held through a bank nominee and from his shareholdings in HPRY.
(9) The deemed interest of Mr Kuok Khoon Hong in the Company's 3-Year 3.90% Notes due 2021 arises from his shareholdings in HPRY.
(10) The deemed interest of Mr Kuok Khoon Hong in the Company's 2-Year 5.95% Notes due 2020 arises from his shareholdings in HPRY and Longhlin Asia Limited respectively.
(11) The deemed interest of Mr Ron Sim in the Company's 2-Year 5.95% Notes due 2020 arises from his shareholdings in TWG Tea Company Pte. Ltd.
(12) The deemed interest of Mr Kuok Khoon Hong in the Company's 2-Year 3.90% Notes due 2022 arises from his shareholdings in HPRY.
(13) The deemed interest of Mr Kuok Khoon Hong in the Company's 2-Year 5.95% Notes due 2022 arises from his shareholdings in HPRY.
(14) The deemed interest of Mr Kuok Khoon Hong in the subsidiary's 3-Year 3.85% Notes due 2020 arises from his shareholdings in HPRY.

Name of director	Holdings registered in the name of directors	
	At beginning of the year	At end of the year
Perennial Employee Share Option Scheme 2014		
Grant of options to subscribe for ordinary shares exercisable from 9 October 2016 to 8 October 2020 at $0.95 per share		
Pua Seck Guan	5,100,000	–
Grant of options to subscribe for ordinary shares exercisable from 13 May 2018 to 12 May 2022 at $0.88 per share		
Pua Seck Guan	5,100,000	–
Grant of options to subscribe for ordinary shares exercisable from 23 March 2019 to 22 March 2023 at $0.87 per share		
Pua Seck Guan	5,100,000	–
Grant of options to subscribe for ordinary shares exercisable from 26 February 2020 to 25 February 2024 at $0.68 per share		
Pua Seck Guan	5,100,000	–

By virtue of Section 7 of the Companies Act, Mr Kuok Khoon Hong is deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, either at the beginning of the financial year or at the end of the financial year.

DIRECTORS' STATEMENT

SHARE OPTIONS

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 2014 was approved by shareholders of the Company at an Extraordinary General Meeting held on 10 October 2014.

Under the rules of the Perennial ESOS 2014, all directors (including non-executive and independent directors) and employees of the Company and its subsidiaries are eligible to participate in the Perennial ESOS 2014. Controlling shareholders are also eligible to participate in the Perennial ESOS 2014 subject to the approval of independent shareholders in the form of separate resolutions for each participant.

Under the Perennial ESOS 2014, the option entitles eligible participants to subscribe for ordinary share in the Company at a price equal to the volume-weighted average price of the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three consecutive trading days immediately preceding the Date of Grant of that Option ("Market Price") or at a discount to the Market Price (up to a maximum 20%).

The maximum number of shares (in respect of the options) that may be granted under the Perennial ESOS 2014, after taking into account of (i) the total number of new shares allotted and issued and/or to be allotted and issued (excluding treasury shares and subsidiary holdings) pursuant to options granted under the Perennial ESOS 2014; and (ii) the total number of shares subject to any other share option or share incentive schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) provided always that all number of shares available to each controlling shareholder or each of their associates shall not exceed 10% of the shares available under the Perennial ESOS 2014.

The Remuneration Committee ("RC") is charged with the administration of the Perennial ESOS 2014 in accordance with the rules of the Perennial ESOS 2014. The number of options to be awarded to a participant is dependent on job grade level, performance and criticality to the long-term growth and profitability of the Group.

On 4 March 2020, the Company granted options to certain directors and employees of the Group to subscribe for a total of 19,010,500 shares at $0.50 per share (based on Market Price). All options granted under the Perennial ESOS 2014 are valid for a term of 5 years from the date of their grants and are exercisable in the following manner for eligible participants who have been in employment with more than 12 months services as at date of grant:

- After 1st anniversary of the date of grant – 25% of options granted
- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted

For eligible participants who have been in employment with less than 12 months services as at date of grant:

- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted
- After 4.5th anniversary of the date of grant – 25% of options granted

In respect of the Perennial ESOS 2014, no participant received option which totaled 5% or more of the total number of shares available under the scheme except as disclosed below:

Name of participant	Options granted during the period from 1/1/2020 to 14/9/2020 '000	Aggregate options granted since the commencement of the scheme to 14/9/2020 '000	Aggregate options exercised since the commencement of the scheme to 14/9/2020 '000	Aggregate options cancelled since commencement of the option scheme to 14/9/2020 '000	Aggregate options outstanding as at 14/9/2020 '000
Pua Seck Guan	–	20,400	–	(20,400)	–

No option has been granted with exercise price set at a discount to the Market Price of the shares at the date of grant.

On 14 September 2020, the Company was delisted from the Mainboard of the Singapore Exchange Securities Trading Limited. Following the delisting, the RC has determined in accordance with the discretion granted to it under rules of the Perennial ESOS 2014 that all unvested options issued to employees shall not be capable of being exercised into shares. All remaining unvested option as at 14 September 2020 were cancelled.

SHARE OPTIONS (continued)

During the financial year, details of the unissued ordinary shares under options are as follows:

Unissued Shares under Perennial ESOS 2014

Date of grant	As at 1/1/2020 '000	No. of options granted during the year '000	No. of options cancelled '000	No. of options exercised '000	As at 14/9/2020 '000	Exercise price per share $	Exercise period
8/10/2015	5,100	–	(5,100)	–	–	0.95	9/10/2016 – 8/10/2020
12/5/2017	19,610	–	(8,087)	(11,523)	–	0.88	13/5/2018 – 12/5/2022
22/3/2018	20,920	–	(12,417)	(8,503)	–	0.87	23/3/2019 – 22/3/2023
25/2/2019	26,836	–	(20,757)	(6,079)	–	0.68	26/2/2020 – 25/2/2024
4/3/2020	–	19,011	(19,011)	–	–	0.50	5/3/2021 – 4/3/2025
Total	72,466	19,011	(65,372)	(26,105)	–		

As at 31 December 2019, the total number of outstanding options under the grant was 72,465,500, which represented 4.36% of the total number of shares issued (excluding treasury shares).

During the financial year, except as disclosed in this statement, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries;

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and

(iii) no options that entitle the holders to participate, by virtue of the options, in any share issue of any other corporation have been granted.

The information on directors and employees participating in the Perennial ESOS 2014 is as follows:

	Aggregate options granted period from 1/1/2020 to 14/9/2020 '000	Aggregate options granted since commencement of the option scheme to 14/9/2020 '000	Aggregate options exercised since commencement of the option scheme to 14/9/2020 '000	Aggregate options lapsed since commencement of the option scheme to 14/9/2020 '000	Aggregate options cancelled since commencement of the option scheme to 14/9/2020 '000	Aggregate options outstanding as at 14/9/2020 '000
Pua Seck Guan	–	20,400	–	–	(20,400)	–
Former directors	–	13,500	(9,000)	(1,500)	(3,000)	–
Employees	19,011	79,261	(17,105)	(20,184)	(41,972)	–
Total	19,011	113,161	(26,105)	(21,684)	(65,372)	–

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Pua Seck Guan
Director

10 May 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
Perennial Holdings Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Perennial Holdings Private Limited (*formerly known as Perennial Real Estate Holdings Limited and Perennial Real Estate Holdings Pte. Ltd.*) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 141 to 211.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 May 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Property, plant and equipment	5	279,104	291,447	137	154
Investment properties	6	3,524,685	3,378,695	–	–
Subsidiaries	31	–	–	2,321,886	2,650,095
Associates and joint ventures	7	2,345,130	2,254,469	–	–
Intangible assets and goodwill	8	73,137	75,741	–	–
Trade and other receivables	9	23,522	9,573	–	–
		6,245,578	6,009,925	2,322,023	2,650,249
Current assets					
Development properties	10	1,138,095	1,094,073	–	–
Inventories		193	326	–	–
Trade and other receivables	9	269,852	330,947	216,846	186,854
Cash and cash equivalents	11	123,235	119,808	4,688	785
		1,531,375	1,545,154	221,534	187,639
Total assets		7,776,953	7,555,079	2,543,557	2,837,888
Non-current liabilities					
Loans and borrowings	12	1,326,603	1,669,889	77,608	119,914
Junior bonds	13	30,000	30,000	–	–
Lease liabilities	32	–	182	–	–
Trade and other payables	15	128,914	152,097	130,900	–
Deferred tax liabilities	16	170,025	161,736	–	–
		1,655,542	2,013,904	208,508	119,914
Current liabilities					
Loans and borrowings	12	1,543,208	1,298,729	76,250	459,515
Lease liabilities	32	182	712	–	–
Trade and other payables	15	404,549	374,377	15,254	12,847
Current tax liabilities		4,609	15,756	–	886
		1,952,548	1,689,574	91,504	473,248
Total liabilities		3,608,090	3,703,478	300,012	593,162
Net assets		4,168,863	3,851,601	2,243,545	2,244,726
Equity					
Share capital	17	2,208,267	2,208,267	2,208,267	2,208,267
Other reserves	18	459,242	452,705	(2,977)	9,632
Foreign currency translation reserve	18	(71,528)	(263,316)	–	–
Retained earnings		244,037	234,778	38,255	26,827
Equity attributable to owners of the Company		2,840,018	2,632,434	2,243,545	2,244,726
Non-controlling interests	19	1,328,845	1,219,167	–	–
Total equity		4,168,863	3,851,601	2,243,545	2,244,726

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Revenue	20	111,180	124,221
Cost of sales		(65,367)	(76,707)
Gross profit		45,813	47,514
Other income	21	63,653	51,893
Administrative expenses		(50,978)	(45,117)
Other operating (expense)/income		(2,198)	775
Results from operating activities		56,290	55,065
Finance income		8,729	15,727
Finance costs		(97,330)	(124,432)
Net finance costs	22	(88,601)	(108,705)
Share of results of associates and joint ventures, net of tax		55,458	80,919
Profit before tax		23,147	27,279
Tax expense	23	(7,445)	(21,822)
Profit for the year	24	15,702	5,457
Profit for the year attributable to:			
Owners of the Company		19,044	3,832
Non-controlling interests	19	(3,342)	1,625
		15,702	5,457
Earnings per share (cents)			
Basic	26	1.15	0.23
Diluted	26	1.15	0.23

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Profit for the year		15,702	5,457
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences relating to foreign operations, net of tax		145,340	(82,515)
Foreign currency translation differences on monetary item forming part of net investment in foreign operations, net of tax		1,876	(11,877)
Share of other comprehensive income of associates and joint ventures		84,868	(52,530)
Other comprehensive income of associates reclassified to profit or loss upon disposal		6,874	5,628
		238,958	(141,294)
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments, at fair value through other comprehensive income		–	4,930
Other comprehensive income for the year, net of tax		238,958	(136,364)
Total comprehensive income for the year		254,660	(130,907)
Total comprehensive income attributable to:			
Owners of the Company		199,338	(97,028)
Non-controlling interests	19	55,322	(33,879)
		254,660	(130,907)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company						
	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	2,208,267	459,750	(158,084)	222,691	2,732,624	1,243,733	3,976,357
Total comprehensive income for the year							
Profit for the year	–	–	–	3,832	3,832	1,625	5,457
Other comprehensive income							
Net change in fair value of equity investments, at fair value through other comprehensive income	–	4,930	–	–	4,930	–	4,930
Foreign currency translation differences relating to foreign operations, net of tax	–	–	(50,897)	–	(50,897)	(31,618)	(82,515)
Foreign currency translation differences on monetary item forming part of net investment in foreign operations, net of tax	–	–	(7,589)	–	(7,589)	(4,288)	(11,877)
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	(15,756)	–	15,756	–	–	–
Share of other comprehensive income of associates and joint ventures	–	(130)	(51,578)	172	(51,536)	(994)	(52,530)
Other comprehensive income of associates reclassified to profit or loss upon disposal	–	(600)	4,832	–	4,232	1,396	5,628
Total other comprehensive income	–	(11,556)	(105,232)	15,928	(100,860)	(35,504)	(136,364)
Total comprehensive income for the year	–	(11,556)	(105,232)	19,760	(97,028)	(33,879)	(130,907)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	–	3,485	–	–	3,485	–	3,485
Dividends (note 18)	–	–	–	(6,647)	(6,647)	–	(6,647)
Capital injection by non-controlling interests	–	–	–	–	–	9,313	9,313
Transfer to statutory reserve	–	1,026	–	(1,026)	–	–	–
Total contributions by and distributions to owners	–	4,511	–	(7,673)	(3,162)	9,313	6,151
Total transactions with owners	–	4,511	–	(7,673)	(3,162)	9,313	6,151
At 31 December 2019	2,208,267	452,705	(263,316)	234,778	2,632,434	1,219,167	3,851,601

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company						
	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	2,208,267	452,705	(263,316)	234,778	2,632,434	1,219,167	3,851,601
Total comprehensive income for the year							
Profit for the year	–	–	–	19,044	19,044	(3,342)	15,702
Other comprehensive income							
Foreign currency translation differences relating to foreign operations, net of tax	–	–	91,066	–	91,066	54,274	145,340
Foreign currency translation differences on monetary item forming part of net investment in foreign operations, net of tax	–	–	1,293	–	1,293	583	1,876
Share of other comprehensive income of associates and joint ventures	–	–	96,740	(11,494)	85,246	(378)	84,868
Other comprehensive income of associates reclassified to profit or loss upon disposal	–	–	2,689	–	2,689	4,185	6,874
Total other comprehensive income	–	–	191,788	(11,494)	180,294	58,664	238,958
Total comprehensive income for the year	–	–	191,788	7,550	199,338	55,322	254,660
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	–	5,378	–	–	5,378	–	5,378
Settlement of share-based payment liabilities	–	(4,007)	–	–	(4,007)	–	(4,007)
Transfer to retained earnings upon cancellation of Perennial ESOS 2014	–	(13,883)	–	13,883	–	–	–
Dividends (note 18)	–	–	–	(10,583)	(10,583)	(7,648)	(18,231)
Capital distribution to non-controlling interests	–	–	–	–	–	(48,894)	(48,894)
Capital injection by non-controlling interests	–	–	–	–	–	665	665
Transfer to statutory reserve	–	1,591	–	(1,591)	–	–	–
Total contributions by and distributions to owners	–	(10,921)	–	1,709	(9,212)	(55,877)	(65,089)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without change in control	–	17,458	–	–	17,458	(56,428)	(38,970)
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	166,661	166,661
Total changes in ownership interests in subsidiaries	–	17,458	–	–	17,458	110,233	127,691
Total transactions with owners	–	6,537	–	1,709	8,246	54,356	62,602
At 31 December 2020	2,208,267	459,242	(71,528)	244,037	2,840,018	1,328,845	4,168,863

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit for the year		15,702	5,457
Adjustments for:			
Amortisation of intangible assets	8	2,604	2,604
Change in fair value of investment properties	6	11,897	(48,242)
Depreciation of property, plant and equipment	5	14,576	13,846
Dividend income		–	(1,231)
Equity-settled share-based payment transactions	24	5,378	3,485
Foreign currency exchange gain (net)		433	(910)
Gain on bargain purchase on acquisition of a subsidiary	21	(22,913)	–
(Gain)/Loss on disposal of associates		(37,478)	15,233
Impairment losses on trade and other receivables	25	503	169
Loss/(Gain) on disposal of property, plant and equipment		10	(108)
Net finance costs	22	88,601	108,705
Property, plant and equipment written off		–	243
Remeasurement to fair value of pre-existing equity interests in an associate	21	(3,119)	–
Share of results of associates and joint ventures, net of tax		(55,458)	(80,919)
Tax expense	23	7,445	21,822
		28,181	40,154
Changes in:			
– development properties		4,433	(32,016)
– inventories		133	907
– trade and other receivables		29,297	(68,496)
– trade and other payables		(443)	(11,580)
Cash generated from/(used in) operations		61,601	(71,031)
Tax paid		(7,712)	(5,828)
Net cash from/(used in) operating activities		53,889	(76,859)
Cash flows from investing activities			
Acquisition of non-controlling interest	27	(38,970)	–
Acquisition of property, plant and equipment	5	(1,959)	(8,912)
Capital distributions by associates	7	63,894	49,338
Development expenditure – investment properties		(8,827)	(45,376)
Dividends from associates	7	84,030	77,360
Dividends from other financial assets		–	1,231
Interest received		14,062	4,440
Investment in associates and joint ventures		(117,937)	(92,860)
Loans to associates and joint ventures		(15,435)	(67,317)
Loans to a related corporation		–	(5,706)
Net cash inflows arising from acquisition of a subsidiary	27	6,196	–
Proceeds from disposal of associates		149,472	242,736
Proceeds from disposal of other financial assets		–	77,440
Proceeds from disposal of property, plant and equipment		–	2,195
Redemption of investment in junior bonds in an associate		49,920	–
Repayment from joint ventures		67,453	–
Net cash from investing activities		251,899	234,569

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from financing activities			
Capital distributions to non-controlling interests		(48,894)	–
Capital injection by non-controlling interests		665	9,313
Dividends paid to owners of the Company		(6,583)	(6,647)
Dividends paid to non-controlling interests		(7,648)	–
Interest paid		(117,715)	(125,444)
Loans from a joint venture		–	41,407
Loans from non-controlling interests		5,853	–
Payment of lease liabilities		(733)	(733)
Payment of upfront debt arrangement costs		(14,310)	(3,816)
Proceeds from loans and borrowings		1,043,338	564,578
Repayment of loans and borrowings		(1,147,692)	(530,944)
Repayment of loans to a joint venture		(14,316)	–
Repayment of loans to non-controlling interests		(123)	(28,822)
Repayment of loans to a third party		–	(29,716)
Net cash used in financing activities		(308,158)	(110,824)
Net (decrease)/increase in cash and cash equivalents		(2,370)	46,886
Cash and cash equivalents at beginning of the year		119,808	76,856
Effect of exchange rate fluctuations on cash held		5,797	(3,934)
Cash and cash equivalents at end of the year	11	123,235	119,808

Significant non-cash transactions

a) The purchase consideration of a subsidiary of $132,911,000 as disclosed in note 27 comprised withholding tax payable of $7,497,000, deferred consideration payable of $8,690,000 and non-cash consideration of $116,724,000; and

b) The disposal consideration of an associate of $189,383,000 as disclosed in note 27 comprised cash consideration received of $3,081,000 and non-cash consideration of $186,302,000.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised by the Board of Directors on 10 May 2021.

1 DOMICILE AND ACTIVITIES

Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited and Perennial Real Estate Holdings Pte. Ltd.) (the "Company") is a company incorporated in the Republic of Singapore and has its registered address at 8 Shenton Way, #36-01, AXA Tower, Singapore 068811.

The consolidated financial statements as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Group are those of investment holding, real estate investment and development, asset and property management services, and healthcare services.

The Company's immediate and ultimate holding company is Perennial Group Private Limited, a company incorporated in the Republic of Singapore.

On 12 June 2020, Primero Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore, made a voluntary cash offer to acquire all the issued and paid-up ordinary shares in the capital of the Company (excluding treasury shares). On 11 September 2020, Primero Investment Holdings Pte. Ltd. has completed the said acquisition and consequently, Primero Investment Holdings Pte. Ltd. became the immediate and ultimate holding company of the Company. The Company was subsequently delisted from the Mainboard of the Singapore Exchange Securities Trading Limited on 14 September 2020.

On 25 January 2021, Primero Investment Holdings Pte. Ltd. changed its name to Perennial Group Private Limited.

2 GOING CONCERN

As at 31 December 2020, the Group's total current liabilities exceeded its total current assets by $421.2 million and has capital commitments amounting to $748.4 million (see note 33).

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its funding requirements and to refinance or repay its borrowing obligations as and when they fall due. The Group's ability to settle its liabilities as and when they are due for settlement within the next twelve months is highly dependent on its ability to obtain new credit facilities, refinance its existing borrowing obligations or divest its assets as part of its capital recycling strategy.

The Group had put in place a $2 billion multicurrency debt issuance programme established on 22 January 2015. As at the date of these financial statements, the uncommitted facilities available to the Group under the programme amounted to $1,922.0 million and other available banking facilities approximately $30.0 million.

As at the date of this financial statements, the Group has also undertaken the following financing actions:

(i) On 12 January 2021, the Group fully redeemed its $76.25 million medium term note;

(ii) On 5 February 2021, the Group renewed unsecured loan facilities of $90 million with a new maturity date of 30 June 2021 and another $90 million with a new maturity date of 27 October 2022;

(iii) On 5 May 2021, the Group renewed secured loan facilities of $675.9 million and $100 million with new maturity dates of 7 May 2024 and 6 May 2022 respectively;

(iv) On 8 January 2021, 1 February 2021 and 28 April 2021, the Group obtained new unsecured loan facilities of $80 million, $30 million and $45 million respectively, with maturity dates of 29 January 2024, 31 May 2021 and 29 October 2021, respectively; and

(v) On 27 April 2021, the Group obtained a new secured loan facility of $33 million with a maturity date of 28 November 2022.

Management believes that the refinancing or repayment of the Group's borrowing obligations will occur as required. Management anticipates that any additional cash required will be met out of operating cash flows or from alternative forms of capital raised such as further asset sales or new loan or debt facilities. In addition, management does not consider that it is probable that a claim will be made against the Group under the financial guarantee contracts issued to certain financial institutions in respect of banking facilities drawn by a joint venture.

Management acknowledges that uncertainties remain over the ability of the Group to meet its funding requirements and to refinance or repay its borrowing obligations as and when they fall due, particularly in light of the unfavourable effects of COVID-19 pandemic over the Group's financial position and performance. However, as described above, management has a reasonable expectation that the Group is able to continue in operational existence for the foreseeable future. If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4.6 and note 6 – Classification of investment properties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year is included in the following notes:

Note 6	–	Determination of fair value of investment properties
Note 8	–	Impairment test: key assumptions underlying recoverable amounts of cash-generating unit ("CGU") containing goodwill
Note 11	–	Determination of net realisable value of development properties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations, broker quotes or pricing services, is used to measure fair values, then the management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation matters are reported to the Group's Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ***Level 1:*** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ***Level 2:*** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ***Level 3:*** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3 BASIS OF PREPARATION (continued)

3.4 Use of estimates and judgements (continued)

Measurement of fair values (continued)

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6	–	Investment properties
Note 15	–	Share-based payment arrangements
Note 26	–	Financial instruments

3.5 Changes in significant accounting polices

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business (Amendments to SFRS(I) 3)*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)*
- *Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)*

Other than the amendments relating to definition of a business, the application of these amendments to standards does not have a material effect on the financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in note 4.1(i). See also note 27 for details of the Group's acquisition of a subsidiary during the year.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.5, which addresses changes in accounting policies.

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note 4.1(iii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

(i) Business combinations (continued)

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Asset acquisition

When the Group acquires an asset or a group of assets that does not constitute a business, the acquisition is accounted for as asset acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The cost of acquisition is allocated between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(v) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(vi) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of an equity investment designated as at fair value through other comprehensive income ("FVOCI") are recognised in OCI.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either other income or other operating expenses depending on whether foreign currency movements are in a net gain or net loss position.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

4.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(vii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land and buildings	Lease period ranging from 47 to 91 years
• Renovation	3 years or lease term whichever is shorter
• Computer equipment and software	1 – 3 years
• Plant and machinery	5 – 15 years
• Furniture, fittings and equipment	3 – 10 years
• Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Intangible assets and goodwill (continued)

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current year and comparative years are as follows:

- Asset management agreements 10 years
- Property management agreements 10 years

Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

4.6 Investment properties

Investment properties (including investment properties under development) are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property that is being constructed for future use as investment property is accounted for at fair value.

Transfer to, or from, investment properties are made where there is a change in use. Examples of evidence of a change in use include:

- commencement of development with a view to sell, for a transfer from investment properties to development properties;
- commencement of leasing activities, for a transfer from development properties to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

4.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Leases (continued)

(i) As a lessee (continued)

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 4.6.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and 'lease liabilities' in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has early adopted COVID-19-Related Rent Concessions - Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.9 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to performance obligations satisfied at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The write-down to net realisable value is presented as allowance for foreseeable losses.

When a development property is transferred to investment property, any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

4.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and intra-group financial guarantee contracts ("FGC").

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Impairment (continued)

(i) Non-derivative financial assets (continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment properties, development properties and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

4.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

4.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

4.13 Revenue

(i) Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned.

(ii) Hotel revenue

Revenue from hotel operations mainly comprises room rental, food and beverage sales, and is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. Revenue is recognised at a point in time when the goods are delivered or services are rendered.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Revenue (continued)

(iii) Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. In respect of a development property where the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion. The percentage of completion is measured by reference to the work performed, based on the ratio of construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer, revenue is recognised upon handover of units to the customers.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

(iv) Revenue from real estate management services

Property management and asset management services are provided as a series of distinct good or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single PO. Accordingly, the revenue from property management and asset management services is recognised as the service is performed over time.

Revenue from acquisition, divestment and leasing services is recognised upon completion of the service, at a point in time.

(v) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

4.14 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

4.15 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provision, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

4.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and directors.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire investment properties and development properties.

4.19 Results from operating activities

Results from operating activities is generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Results from operating activities excludes net finance costs, share of results of equity-accounted investees and income taxes.

4.20 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS (I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to SFRS(I) 1-37)*
- *Annual Improvements to SFRS(I)s 2018 – 2020*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16)*
- *Amendments to SFRS(I) 17*
- *Extension of the Temporary Exemption from Applying SFRS(I) 9 (Amendments to SFRS(I) 4)*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Renovation $'000	Computer equipment and software $'000	Plant and machinery $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1 January 2019	220,214	5,755	3,956	31,362	45,655	436	307,378
Additions	–	615	402	524	7,371	–	8,912
Disposals	–	(1,694)	(494)	(75)	(235)	–	(2,498)
Written-off	–	(324)	(162)	–	(464)	–	(950)
Reclassification	–	–	(44)	(2,571)	2,615	–	–
Translation differences	–	(98)	(45)	(15)	(114)	(7)	(279)
At 31 December 2019	220,214	4,254	3,613	29,225	54,828	429	312,563
At 1 January 2020	220,214	4,254	3,613	29,225	54,828	429	312,563
Additions	–	279	245	88	1,347	–	1,959
Disposals	–	–	(7)	–	(79)	–	(86)
Written-off	–	–	(58)	–	–	–	(58)
Translation differences	–	164	73	2	205	12	456
At 31 December 2020	220,214	4,697	3,866	29,315	56,301	441	314,834
Accumulated depreciation							
At 1 January 2019	1340	1,177	1,978	685	3,162	125	8,467
Depreciation charge for the year	4,056	804	669	2,192	6,082	43	13,846
Disposals	–	(308)	–	(17)	(86)	–	(411)
Written-off	–	(324)	(162)	–	(221)	–	(707)
Reclassification	–	–	(48)	(344)	392	–	–
Translation differences	–	(20)	(20)	(2)	(35)	(2)	(79)
At 31 December 2019	5,396	1,329	2,417	2,514	9,294	166	21,116
At 1 January 2020	5,396	1,329	2,417	2,514	9,294	166	21,116
Depreciation charge for the year	4,056	636	475	2,005	7,363	41	14,576
Disposals	–	–	(7)	–	(69)	–	(76)
Written-off	–	–	(58)	–	–	–	(58)
Translation differences	–	47	46	1	71	7	172
At 31 December 2020	9,452	2,012	2,873	4,520	16,659	214	35,730
Carrying amounts							
At 1 January 2019	218,874	4,578	1,978	30,677	42,493	311	298,911
At 31 December 2019	214,818	2,925	1,196	26,711	45,534	263	291,447
At 31 December 2020	210,762	2,685	993	24,795	39,642	227	279,104

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	Computer equipment and software $'000	Motor vehicles $'000	Total $'000
Company			
Cost			
At 1 January 2019	162	197	359
Additions	20	–	20
At 31 December 2019	182	197	379
At 1 January 2020	182	197	379
Additions	44	–	44
At 31 December 2020	226	197	423
Accumulated depreciation			
At 1 January 2019	95	31	126
Depreciation charge for the year	79	20	99
At 31 December 2019	174	51	225
At 1 January 2020	174	51	225
Depreciation charge for the year	41	20	61
At 31 December 2020	215	71	286
Carrying amounts			
At 1 January 2019	67	166	233
At 31 December 2019	8	146	154
At 31 December 2020	11	126	137

Right-of-use assets

As at 31 December 2020, the Group's property, plant and equipment includes right-of-use assets of $0.2 million (2019: $0.8 million) related to leased properties (see note 32).

Security

As at 31 December 2020, leasehold land and building of the Group with a total carrying amount of $210.6 million (2019: $214.0 million) were pledged as security for loans and borrowings (see note 12).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6 INVESTMENT PROPERTIES

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	3,378,695	3,349,533
Additions	26,167	56,950
Change in fair value	(11,897)	48,242
Translation differences	131,720	(76,030)
At end of the year	3,524,685	3,378,695

Investment properties comprise 5 (2019: 5) completed commercial properties which are leased to third parties and 3 (2019: 3) investment properties under development. The leases contain initial lease terms ranging from 1 year to 15 years. Subsequent renewals are negotiated with the lessees. See note 32 for further information.

Contingent rental, based on tenants' gross turnover rental, recognised in profit or loss amounted to $2.8 million (2019: $4.8 million).

During the year, borrowing costs capitalised in investment properties under development amounted to $17.3 million (2019: $11.6 million). These borrowing costs were incurred at interest rates ranging from 3.26% – 10.00% (2019: 4.19% – 5.15%) per annum.

Classification of investment properties

In determining whether a property is classified as investment property or development property, the Group determines the business model of the property (see note 4.6 for transfer to, or from, investment properties).

Measurement of fair value

The fair value of investment properties is determined by external independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuers have considered valuation techniques including the residual method, direct comparison method, capitalisation approach and discounted cash flows method in arriving at the open market value as at the reporting date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales prices to that, reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

In deriving residual method of valuation, the estimated gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation. The gross development value is derived based on valuation techniques above.

The independent valuers have considered available information as at 31 December 2020 relating to COVID-19 pandemic and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review. The management reviews the appropriateness of the valuation methodologies, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 31 December 2020.

Changes in fair values are recognised as gains in profit or loss and included in other income. All gains/losses are unrealised.

Fair value hierarchy

As at 31 December 2020, the fair value measurement for the investment properties of $3,524.7 million (2019: $3,378.7 million) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 3.4).

Level 3 fair values

The Level 3 fair value table which shows a reconciliation from the opening to the ending balance is set out in the table above.

6 INVESTMENT PROPERTIES (continued)

Valuation technique and significant unobservable inputs

As a result of the COVID-19 pandemic, assessing fair value as at the reporting date involved considering uncertainties around the underlying assumptions and inputs to fair value given the forward-looking nature of these assumptions. The COVID-19 pandemic has also created unprecedented economic uncertainty, in particular the absence of a significant level of market transactions which are ordinarily a key source of evidence for assessing the fair value of investment properties.

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable input and fair value measurement
Investment properties – Singapore	Capitalisation approach	• Capitalisation rate 4.25% – 5.00% (2019: 4.25% – 5.00%)	The estimated fair value increases with decreases in the capitalisation rate.
	Direct comparison	• Not applicable (2019: Average value of \$26,372 – \$37,694) per square metre	The estimated fair value increases with increases in average value of a similar class of assets.
Investment properties – People's Republic of China ("PRC")	Capitalisation approach	• Capitalisation rate 5.00% (2019: 5.00%)	The estimated fair value increases with decreases in the capitalisation rate.
	Direct comparison	• Average value of RMB10,000 – RMB14,500 (2019: RMB9,274 – RMB17,712) per square metre	The estimated fair value increases with increases in average value of a similar class of assets.
	Discounted cash flow method	• Discount rate 7.50% – 8.50% (2019: 8.00% – 8.50%) • Terminal yield rate 5.25% – 6.25% (2019: 5.00% – 5.50%)	The estimated fair value increases with decreases in the discount rate and terminal yield rate.
Investment properties under development – PRC	Capitalisation approach	• Capitalisation rate 4.00% – 5.25% (2019: 3.75% – 5.25%)	The estimated fair value increases with decreases in the capitalisation rate.
	Direct comparison	• Average value of RMB10,000 – RMB76,000 (2019: Not applicable) per square metre	The estimated fair value increases with increases in average value of a similar class of assets.
	Discounted cash flow method	• Discount rate 8.75% (2019: 7.25% – 8.75%) • Terminal yield rate 5.50% (2019: 4.00% – 5.50%)	The estimated fair value increases with decreases in the discount rate and terminal yield rate.

Security

As at 31 December 2020, investment properties together with land use rights with a total carrying amount of $3,261.2 million (2019: $3,132.6 million) were pledged as security for loans and borrowings (see note 12) and junior bonds (see note 13).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7 ASSOCIATES AND JOINT VENTURES

	Group 2020 $'000	Group 2019 $'000
Interests in associates	27,783	641,837
Interests in joint ventures	2,106,623	1,436,762
Loans to associates	54,552	66,737
Loans to joint ventures	156,172	109,133
	2,345,130	2,254,469

Loans to associates and joint ventures are classified as financial assets at amortised cost. There is no allowance for impairment losses arising from these loans as the ECL is insignificant.

The loan to a joint venture of $94.4 million (2019: $89.4 million) is unsecured, bears interest rate of 5% per annum and has no fixed terms of repayment. The loans to associates and remaining amounts of loans to joint ventures are unsecured, interest-free and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

In 2019, the Group's interests in the associates included investment in junior bonds of $118.6 million and redeemable preference shares of $28.7 million which were stapled together with the equity investment of the associates. The junior bonds bore interest at the lower of 10% per annum and excess fund (determined based on the profits for the period before interest on junior bonds). These investments in junior bonds of $118.6 million and redeemable preference shares of $28.7 million have been fully redeemed during the financial year.

Associates

The Group has 3 (2019: 5) associates that are material and a number of associates that are individually immaterial to the Group. The material associates own and develop commercial, retail, hospitality and residential related real estate assets and healthcare services which are aligned to the Group's principal activities. All associates are equity-accounted. The following are material associates:

Name of associates	Principal activities	Country of incorporation	Ownership interests held by the Group 2020 %	Ownership interests held by the Group 2019 %
Nation Mind Development Limited and its subsidiaries[(a)(c)] ("Nation Mind")	Investment holding and property development	Hong Kong	–	30.0
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries[(b)(d)] ("Perennial Tongzhou Holdings")	Investment holding and property development	Singapore	–	46.6
Perennial Shenton Investors Pte. Ltd. and its subsidiaries[(b)] ("Perennial Shenton")	Investment and property holding	Singapore	31.2	31.2
Perennial Somerset Investors Pte. Ltd. and its subsidiaries[(a)(e)] ("Perennial Somerset")	Investment and property holding	Singapore	–	30.0
PRE 3 Investments Pte. Ltd. and its investee[(b)] ("Chinatown Point")	Investment holding	Singapore	37.2	37.2
PRE 13 Pte. Ltd. and its joint venture[(b)] ("PRE 13")	Investment and property holding	Singapore	20.0	–

(a) Audited by other auditors.
(b) Audited by KPMG LLP, Singapore.
(c) Effective interest held by the Group was 20%. The entire equity interests were fully disposed on 28 December 2020.
(d) The Group acquired additional 25.8% equity interests on 28 December 2020 (see note 31).
(e) The entire equity interests were fully disposed on 29 May 2020.

7 ASSOCIATES AND JOINT VENTURES (continued)

Changes in interest in associates

(i) On 6 May 2020, Perennial Shenton entered into a share purchase agreement to dispose its 50% equity interests in its subsidiary, Perennial Shenton Holdings Pte. Ltd. ("PSH") to an external party. Concurrently, Perennial Shenton also entered into another share purchase agreement to dispose its remaining 50% equity interests in PSH to PRE 13, which the Group reinvested for 20% equity interests in PRE 13. Consequently, the effective interests held by the Group in PSH is 10%.

(ii) On 28 December 2020, Perennial China Investment Holdings Pte. Ltd. a direct subsidiary of the Company, acquired 25.8% additional equity interests in Perennial Tongzhou Holdings, for a consideration of RMB652.1 million (approximately $132.9 million). Consequently, the Group's equity interests in Perennial Tongzhou Holdings increased from 46.6% to 72.4% and Perennial Tongzhou Holdings ceased to be an associate and became an indirect subsidiary of the Company (see note 31). Accordingly, the financial information of each of the Group's material associates presented below includes the results of Perennial Tongzhou Holdings only for the period from 1 January 2020 to 28 December 2020.

The remeasurement to fair value of the Group's pre-existing 46.6% equity interests in Perennial Tongzhou Holdings resulted in a gain of $3.1 million, which has been recognised in other income (see note 21).

The Group recognised a gain on bargain purchase amounting to $22.9 million, which has been recognised in other income (see note 21). The gain on bargain purchase represents the excess of fair values of the identifiable net assets over the total purchase consideration.

Disposal of associates

(i) On 31 May 2019, the Group's associate, Chinatown Point disposed all its subsidiaries based on an agreed property price of $520.0 million.

(ii) On 19 September 2019, the Group disposed its entire equity interests in its associate, Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd. for a cash consideration of $40.0 million, resulting in a gain on disposal of $9.8 million included in the consolidated statement of profit or loss for the year ended 31 December 2019.

(iii) On 25 October 2019, the Group disposed its entire equity interests in its associate, Yanlord Investment (Singapore) Pte. Ltd. ("YIS") for a cash consideration of $202.7 million, resulting in a loss on disposal of $25.1 million included in the consolidated statement of profit or loss for the year ended 31 December 2019.

(iv) On 16 April 2020, the Group disposed its entire equity interests in Perennial Somerset for a total cash consideration of $155.8 million (inclusive of settlement of junior bond's interest payable of $9.4 million), resulting in a gain on disposal of $27.7 million included in the consolidated statement of profit or loss for the year ended 31 December 2020.

(v) On 28 December 2020, Perennial Hengqin Investment Group Pte. Ltd., an indirect subsidiary of the Company, disposed its entire equity interests in Nation Mind for a total consideration of RMB928.1 million (approximately $189.4 million) (see note 27), resulting in a gain on disposal of $9.8 million included in the consolidated statement of profit or loss for the year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7 ASSOCIATES AND JOINT VENTURES (continued)

The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit or loss and OCI of the remaining individually immaterial associates.

	Nation Mind $'000	Perennial Tongzhou Holdings $'000	Perennial Shenton $'000	Perennial Somerset $'000	Chinatown Point $'000	PRE 13 $'000	Immaterial associates $'000	Total $'000
31 December 2020								
Revenue	–	–	25,065	13,620	–	–		
(Loss)/Profit after tax	(2,572)	(124)	185,249	1,178	(11)	4,187		
OCI	(3,776)	28,462	–	–	–	–		
Total comprehensive income	(6,348)	28,338	185,249	1,178	(11)	4,187		
Attributable to associate's shareholders	(6,348)	28,338	185,249	1,178	(11)	4,187		
Non-current assets	–	–	–	–	–	302,971		
Current assets	–	–	135,907	–	3,905	50		
Non-current liabilities	–	–	–	–	–	(272,762)		
Current liabilities	–	–	(133,971)	–	(860)	(28)		
Net assets	–	–	1,936	–	3,045	30,231		
Attributable to associate's shareholders	–	–	1,936	–	3,045	30,231		
Carrying amount of interest in associate at end of the year	–	–	604	–	1,172	6,046		
Group's interest in net assets of associate at beginning of the year	97,519	265,108	140,650	118,319	1,180	–	19,061	641,837
Group's share of:								
– (Loss)/Profit after tax	(772)	(58)	57,798	353	(8)	837	–	58,150
– OCI	(1,133)	13,264	–	–	–	–	900	13,031
Total comprehensive income	(1,905)	13,206	57,798	353	(8)	837	900	71,181
Additions during the year	–	–	–	–	–	5,209	–	5,209
Capital distribution received during the year	–	–	(63,894)	–	–	–	–	(63,894)
Dividends received during the year	–	–	(84,030)	–	–	–	–	(84,030)
Disposals during the year	(95,614)	–	–	(118,672)	–	–	–	(214,286)
Redemption of investment in junior bonds	–	–	(49,920)	–	–	–	–	(49,920)
Carrying amount of interest in associate acquired as subsidiary	–	(278,314)	–	–	–	–	–	(278,314)
Carrying amount of interest in associate at end of the year	–	–	604	–	1,172	6,046	19,961	27,783

7 ASSOCIATES AND JOINT VENTURES (continued)

	Nation Mind $'000	Perennial Tongzhou Holdings $'000	Perennial Shenton $'000	Perennial Somerset $'000	Chinatown Point $'000	YIS $'000	Immaterial associates $'000	Total $'000
31 December 2019								
Revenue	–	–	51,887	158,478	13,056	–		
(Loss)/Profit after tax	(260)	(14)	7,046	(1,241)	38,177	2,890		
OCI	(2,504)	(16,610)	–	–	–	(5,940)		
Total comprehensive income	(2,764)	(16,624)	7,046	(1,241)	38,177	(3,050)		
Attributable to associate's shareholders	(2,764)	(16,624)	7,046	(1,241)	38,177	(3,050)		
Non-current assets	38	560,778	132,600	533	–	–		
Current assets	837,714	8,348	1,195,321	1,066,955	8,140	–		
Non-current liabilities	(246,381)	–	(856,854)	(4,443)	–	–		
Current liabilities	(266,309)	(240)	(20,264)	(668,650)	(5,084)	–		
Net assets	325,062	568,886	450,803	394,395	3,056	–		
Attributable to associate's shareholders	325,062	568,886	450,803	394,395	3,056	–		
Carrying amount of interest in associate at end of the year	97,519	265,108	140,650	118,319	1,180	–		
Group's interest in net assets of associate at beginning of the year	98,348	272,856	138,452	118,691	108,142	218,879	46,325	1,001,693
Group's share of:								
– (Loss)/Profit after tax	(78)	(7)	2,198	(372)	19,340	1,299	1,978	24,358
– OCI	(751)	(7,741)	–	–	–	(2,671)	(138)	(11,301)
Total comprehensive income	(829)	(7,748)	2,198	(372)	19,340	(1,372)	1,840	13,057
Additions during the year	–	–	–	–	–	5,220	1,636	6,856
Capital distribution received during the year	–	–	–	–	(49,338)	–	–	(49,338)
Dividends received during the year	–	–	–		(76,964)	–	(396)	(77,360)
Disposals during the year	–	–	–	–	–	(222,727)	(29,614)	(252,341)
Other adjustments	–	–	–	–	–	–	(730)	(730)
Carrying amount of interest in associate at end of the year	97,519	265,108	140,650	118,319	1,180	–	19,061	641,837

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Year ended 31 December 2020

7 ASSOCIATES AND JOINT VENTURES (continued)

Joint ventures

The Group has 6 (2019: 5) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. The material joint ventures own and develop commercial, retail, hospitality and residential related real estate assets and healthcare services which are aligned to the Group's principal activities. All joint ventures are equity accounted. The following are material joint ventures:

Name of joint ventures	Principal activities	Country of incorporation	Ownership interests held by the Group	
			2020 %	2019 %
Chengdu Huifeng Commercial Real Estate Co., Ltd.[(b)] ("Chengdu Huifeng")	Property development	PRC	50.0	50.0
Chengdu Changfeng Real Estate Development Co., Ltd.[(b)] ("Chengdu Changfeng")	Property development	PRC	50.0	50.0
Perennial Mei Rong Jia 4 (Beijing) Real Estate Co., Ltd., Perennial Mei Rong Jia 5 (Beijing) Real Estate Co., Ltd. and Perennial Mei Rong Jia 6 (Beijing) Real Estate Co., Ltd.[(d)] ("Perennial Mei Rong Jia 4-6")	Property development	PRC	50.0	–
Shenyang Summit Real Estate Development Co., Ltd.[(b)] ("Shenyang Summit")	Investment and property holding	PRC	50.0	50.0
Shanghai Renshoutang Eldercare Group Co., Ltd. (formerly known as Shanghai Yixian Renshoutang Eldercare Group Co., Ltd.)[(c)] ("Renshoutang")	Investment holding	PRC	49.9	49.9
Perennial HC Holdings Pte. Ltd.[(a)] ("PHCH")	Investment holding	Singapore	45.0	45.0

(a) Audited by KPMG LLP, Singapore.
(b) Audited by other member firms of KPMG International.
(c) Audited by other auditors.
(d) The Group acquired additional 25.8% equity interests in Perennial Tongzhou Holdings on 28 December 2020. Accordingly, Perennial Mei Rong Jia 4-6, which are the investees of Perennial Tongzhou became joint ventures of the Group.

7 ASSOCIATES AND JOINT VENTURES (continued)

Joint ventures (continued)

The following summarises the financial information of each of the Group's material joint ventures based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit or loss and OCI of the remaining individually immaterial joint ventures.

	Chengdu Huifeng $'000	Chengdu Changfeng $'000	Perennial Mei Rong Jia 4-6 $'000	Shenyang Summit $'000	Renshoutang $'000	PHCH $'000	Immaterial joint ventures $'000	Total $'000
31 December 2020								
Revenue	–	–	–	24,799	66,783	–		
(Loss)/Profit after tax[(a)]	8	3,082	–	21,269	(4,393)	(1,706)		
OCI	17,569	18,458	–	78,055	16,053	16,054		
Total comprehensive income	17,577	21,540	–	99,324	11,660	14,348		
Attributable to NCI	–	–	–	–	–	–		
Attributable to joint venture's shareholder	17,577	21,540	–	99,324	11,660	14,348		
[(a)] Includes:								
– Depreciation and amortisation	–	–	–	(33)	(4,508)	(6)		
– Interest expense	–	–	–	–	(6,424)	–		
– Tax expense	–	(1,120)	–	(2,009)	(6)	(820)		
Non-current assets	–	427,208	17	1,716,265	441,586	352,475		
Current assets[(b)]	357,760	125,444	1,840,097	250,269	66,964	35,312		
Non-current liabilities[(c)]	–	(32,523)	(502,288)	(295,483)	(120,254)	(13,735)		
Current liabilities[(d)]	–	(142,288)	(144,771)	(67,903)	(64,336)	(37,677)		
Net assets	357,760	377,841	1,193,055	1,603,148	323,960	336,375		
Attributable to NCI	–	–	–	–	(104)	–		
Attributable to joint venture's shareholder	357,760	377,841	1,193,055	1,603,148	324,064	336,375		
Carrying amount of interest in joint venture at end of the year	178,880	188,920	596,527	801,574	162,032	151,369		
[(b)] Includes cash and cash equivalents	35	1,658	2,896	7,419	14,416	32,590		
[(c)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	–	–	(502,288)	–	(114,938)	–		
[(d)] Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	–	–	(11,363)	–		
Group's interest in net assets of joint venture at beginning of the year	170,092	178,151	–	751,912	156,202	140,868	39,537	1,436,762
Group's share of:								
– (Loss)/Profit after tax	4	1,541	–	10,634	(2,196)	(768)	(11,907)	(2,692)
– OCI	8,784	9,228	–	39,028	8,026	7,225	(454)	71,837
Total comprehensive income	8,788	10,769	–	49,662	5,830	6,457	(12,361)	69,145
Additions/Acquisitions during the year	–	–	–	–	–	4,044	143	4,187
Arising from business combination during the year (note 27)	–	–	596,527	–	–	–	–	596,527
Other adjustments	–	–	–	–	–	–	2	2
Carrying amount of interest in joint venture at end of the year	178,880	188,920	596,527	801,574	162,032	151,369	27,321	2,106,623

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7 ASSOCIATES AND JOINT VENTURES (continued)

Joint ventures (continued)

	Chengdu Huifeng $'000	Chengdu Changfeng $'000	Shenyang Summit $'000	Renshoutang $'000	PHCH $'000	Immaterial joint ventures $'000	Total $'000
31 December 2019							
Revenue	–	–	45,041	55,763	–		
(Loss)/Profit after tax[(a)]	–	2,467	24,789	5,033	91,241		
OCI	(10,253)	(10,724)	(45,178)	(9,385)	(8,931)		
Total comprehensive income	(10,253)	(8,257)	(20,389)	(4,352)	82,310		
Attributable to NCI	–	–	–	(90)	–		
Attributable to joint venture's shareholder	(10,253)	(8,257)	(20,389)	(4,262)	82,310		
[(a)] Includes:							
– Depreciation and amortisation	–	–	(15)	(2,470)	(4)		
– Interest expense	–	–	–	(4,224)	(292)		
– Tax expense	(1,045)	–	(4,465)	(32)	(12,458)		
Non-current assets	–	395,283	1,633,195	395,737	268,997		
Current assets[(b)]	340,191	110,347	209,565	48,710	58,413		
Non-current liabilities[(c)]	–	(32,743)	(280,973)	(89,868)	(12,242)		
Current liabilities	(8)	(116,586)	(57,965)	(40,692)	(2,127)		
Net assets	340,183	356,301	1,503,822	313,887	313,041		
Attributable to NCI	–	–	–	1,483	–		
Attributable to joint venture's shareholder	340,183	356,301	1,503,822	312,404	313,041		
Carrying amount of interest in joint venture at end of the year	170,092	178,151	751,912	156,202	140,868		
[(b)] Includes cash and cash equivalents	1,229	31	6,928	6,234	45,198		
[(c)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	–	–	–	(89,107)	–		
[(d)] Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	–	–	–		
Group's interest in net assets of joint venture at beginning of the year	175,218	182,279	762,106	158,333	85,216	38,081	1,401,233
Group's share of:							
– (Loss)/Profit after tax	–	1,234	12,395	2,562	41,188	(818)	56,561
– OCI	(5,126)	(5,362)	(22,589)	(4,693)	(4,074)	615	(41,229)
Total comprehensive income	(5,126)	(4,128)	(10,194)	(2,131)	37,114	(203)	15,332
Additions/Acquisitions during the year	–	–	–	–	18,538	66	18,604
Carrying amount of interest in joint venture acquired as subsidiary	–	–	–	–	–	1,600	1,600
Other adjustments	–	–	–	–	–	(7)	(7)
Carrying amount of interest in joint venture at end of the year	170,092	178,151	751,912	156,202	140,868	39,537	1,436,762

The share in a joint venture was pledged as security for loans and borrowings (see note 12).

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill $'000	Management contracts $'000	Total $'000
Group			
Cost			
At 1 January 2019, 31 December 2019 and 31 December 2020	63,155	26,040	89,195
Accumulated amortisation			
At 1 January 2019	–	10,850	10,850
Amortisation charge for the year	–	2,604	2,604
At 31 December 2019	–	13,454	13,454
Amortisation charge for the year	–	2,604	2,604
At 31 December 2020	–	16,058	16,058
Carrying amounts			
At 1 January 2019	63,155	15,190	78,345
At 31 December 2019	63,155	12,586	75,741
At 31 December 2020	63,155	9,982	73,137

Amortisation

The amortisation of management contracts is included in administrative expenses.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGU as follows:

	Group	
	2020 $'000	2019 $'000
Management business	63,155	63,155

The recoverable amount of this CGU was based on value in use. Value in use was determined by discounting future cash flows to be generated from the continuing use of the CGU based on the most recent forecasts approved by management for the next five years.

The key assumptions used in the estimation of the recoverable amount are set out below.

	Group	
	2020 %	2019 %
Discount rate	9.3 – 10.6	9.3 – 10.6
Terminal value growth rate	3.0	3.0
Budgeted EBITDA growth rate	3.0	3.0

The discount rate used was pre-tax and reflected specific risks relating to the management business segment. The cash flow projections included specific estimates for the years and terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated revenue growth for the next five years, including the impact arising from COVID-19 pandemic.

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Year ended 31 December 2020

8 INTANGIBLE ASSETS AND GOODWILL (continued)

As at 31 December 2020, the recoverable amount of the CGU exceeded its carrying amount by $68.7 million (2019: $24.4 million).

Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	2020 %	2019 %
Change required for carrying amount to equal the recoverable amount		
Increase in discount rate	7.2	2.2

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables	38,109	20,741	103 9	9
Trade amounts due from:				
– subsidiaries	–	–	6,893	21,909
– associates	6	1,464	2	2
– joint ventures	7,641	4,989	7	4
Non-trade amounts due from:				
– immediate holding company	11	–	11	–
– subsidiaries	–	–	79,544	49,218
– associates	26	13,951	–	–
– joint ventures	16,262	–	59	–
– an affiliated company	500	500	–	–
– non-controlling interests	57,611	83,499	–	–
Loans to associates	19,529	33,755	–	–
Loans to joint ventures	51,405	87,197	–	–
Loans to a related corporation	5,859	5,571	–	–
Interest receivables	12,721	17,938	123,585	109,880
Other receivables	47,427	43,674	3,031	1,994
Deposits	11,693	9,558	3,432	3,759
	268,800	322,837	216,667	186,775
Prepayments	24,574	17,683	179	79
	293,374	340,520	216,846	186,854
Non-current	23,522	9,573	–	–
Current	269,852	330,947	216,846	186,854
	293,374	340,520	216,846	186,854

Non-trade amounts due from immediate holding company, subsidiaries, associates, joint ventures, an affiliated company and non-controlling interests are unsecured, interest-free and repayable on demand.

Loans to associates consist of the following:

(i) Loan of $19.5 million (2019: $11.6 million) which is unsecured, bears interest rate at 4.90% (2019: 4.90%) per annum and repayable more than 12 months (2019: repayable on demand); and

(ii) In 2019, loan of $22.2 million which was unsecured, bore interest rate at 4.35% – 9.00% per annum and repayable on demand.

9 TRADE AND OTHER RECEIVABLES (continued)

Loans to joint ventures consist of the following:

(i) Loans of $34.7 million (2019: $5.5 million), which are unsecured, bear interest rate at 4.35% – 9.00% (2019: 4.90% - 5.22%) per annum and repayable on demand; and

(ii) The remaining amount of $16.7 million (2019: $87.2 million), which are unsecured, interest-free and repayable on demand.

Loans to a related corporation is unsecured, interest-free and repayable on demand.

There is no allowance for impairment losses arising from the non-trade balances with subsidiaries and related parties as the ECL is insignificant.

The Group and the Company's exposure to credit and market risks related to trade and other receivables are disclosed in note 25.

10 DEVELOPMENT PROPERTIES

	Group	
	2020	2019
	$'000	$'000
Development properties, at cost	1,138,095	1,094,073

Development properties consist of completed commercial properties for sale and land parcels that the Group has intention to develop and sell upon completion. The Group assessed the net realisable value of the completed properties for sale by reference to the recent transacted prices for the property or comparable properties and prevailing property market conditions. The net realisable value of the land parcels was assessed by reference to the gross development value of the properties and estimated costs to complete the development. The assessment of the gross development value involved making certain assumptions, including market rental, capitalisation and discount rates. Changes in market condition may affect the net realisable value of the development properties and accordingly, the carrying value of the development properties may have to be written down in the future periods.

During the year, borrowing costs capitalised in development properties amounted to $8.3 million (2019: $4.7 million). These borrowing costs were incurred at interest rates ranging from 3.26% – 7.72% (2019: 4.19% – 5.15%) per annum.

Development properties of the Group recognised as cost of sales, excluding foreseeable losses amounted to $8.7 million (2019: $8.7 million).

Security

As at 31 December 2020, development properties with a total carrying amount of $744.6 million (2019: $720.7 million) were pledged as security for loans and borrowings (see note 12) and junior bonds (see note 13).

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash at bank and in hand	86,362	77,841	4,688	785
Short-term deposits	36,873	41,967	–	–
Cash and cash equivalents in the statements of financial position	123,235	119,808	4,688	785

Cash and cash equivalents amounting to $49.6 million (2019: $42.8 million) are charged or assigned by way of security for credit facilities granted to the Group (see note 12).

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Year ended 31 December 2020

12 LOANS AND BORROWINGS

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current liabilities				
Bank loans (secured)	1,139,417	1,335,189	–	–
Bank loans (unsecured)	109,578	214,786	–	–
Medium term notes (unsecured)	77,608	119,914	77,608	119,914
	1,326,603	1,669,889	77,608	119,914
Current liabilities				
Bank loans (secured)	845,859	105,895	–	–
Bank loans (unsecured)	621,099	633,391	–	–
Medium term notes (unsecured)	76,250	279,541	76,250	179,613
Retail bonds (unsecured)	–	279,902	–	279,902
	1,543,208	1,298,729	76,250	459,515

The Group and the Company's exposure to liquidity and market risks related to loans and borrowings are disclosed in note 25.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31 December 2020					
Bank loans (secured)	RMB	4.90 – 5.39	2021 – 2034	247,400	244,577
Bank loans (secured)	SGD	1.28 – 4.19	2021 – 2022	1,749,401	1,740,699
Bank loans (unsecured)	SGD	1.78 – 4.75	2021 – 2022	731,166	730,677
Medium term notes (unsecured)[(1)]	SGD	3.90	2021	76,250	76,250
Medium term notes (unsecured)[(1)]	SGD	3.90	2022	33,500	33,434
Medium term notes (unsecured)[(1)]	SGD	5.95	2022	44,250	44,174
				2,881,967	2,869,811
Company					
31 December 2020					
Medium term notes (unsecured)[(1)]	SGD	3.90	2021	76,250	76,250
Medium term notes (unsecured)[(1)]	SGD	3.90	2022	33,500	33,434
Medium term notes (unsecured)[(1)]	SGD	5.95	2022	44,250	44,174
				154,000	153,858

12 LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule (continued)

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31 December 2019					
Bank loans (secured)	RMB	5.15 – 5.39	2020 – 2032	181,849	181,355
Bank loans (secured)	SGD	2.91 – 4.09	2020 – 2022	1,264,651	1,259,729
Bank loans (unsecured)	SGD	3.60 – 5.06	2020 – 2022	849,414	848,177
Medium term notes (unsecured)[1]	SGD	3.85	2020	100,000	99,928
Medium term notes (unsecured)[1]	SGD	3.90	2021	120,000	119,914
Medium term notes (unsecured)[1]	SGD	5.95	2020	180,000	179,613
Retail bonds (unsecured)	SGD	4.55	2020	280,000	279,902
				2,975,914	2,968,618
Company					
31 December 2019					
Medium term notes (unsecured)[1]	SGD	3.90	2021	120,000	119,914
Medium term notes (unsecured)[1]	SGD	5.95	2020	180,000	179,613
Retail bonds (unsecured)	SGD	4.55	2020	280,000	279,902
				580,000	579,429

(1) Medium term notes issued by the Company and Perennial Treasury Pte. Ltd., a subsidiary of the Group, under its $2 billion multicurrency debt issuance programme established on 22 January 2015. The notes are unconditionally and irrevocably guaranteed by the Company.

Security

As at 31 December 2020, the bank loans are secured on the following:

- Legal mortgage over certain property, plant and equipment (see note 5), the investment properties and land use rights of the investment properties under development (see note 6) and development properties (see note 10);
- First fixed charge over the bank accounts and other assets of certain subsidiaries (see note 11);
- An assignment of all the rights, benefit, title and interest of the Group in relation to the sale and purchase agreements and tenancy agreements (including sale proceeds and rental proceeds) relating to investment properties;
- Assignments of rights under all material agreements and contracts (including tenancy agreements and construction agreements), property management agreement, insurance policies (as applicable);
- First legal mortgage over receivables from investment properties including all rights under, and all proceeds arising from tenancy agreements, sales agreements and property management agreement; and
- Share charges over all the shares in certain subsidiaries and joint venture.

Reconciliation of liabilities arising from financing activities

	1 January 2019 $'000	Financing cash flows $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: Other changes $'000	31 December 2019 $'000
Loans and borrowings	2,938,062	29,818[1]	6,904	(6,166)	–	2,968,618
Interest payables	24,049	(125,444)	133,786	(390)	–	32,001
Non-trade amounts due to a joint venture	81,302	41,407	–	(2,235)	–	120,474
Non-trade amounts due to non-controlling interests	93,067	(28,822)	–	(1,942)	–	62,303
Non-trade amounts due to an affiliated company	109,599	–	–	(3,207)	–	106,392
Non-trade amounts due to a third party	29,890	(29,716)	–	(174)	–	–
Lease liabilities	1,579	(733)	48	–	–	894

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Year ended 31 December 2020

12 LOANS AND BORROWINGS (continued)

Reconciliation of liabilities arising from financing activities (continued)

	1 January 2020 $'000	Financing cash flows $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: Other changes $'000	31 December 2020 $'000
Loans and borrowings	2,968,618	(118,664)[(1)]	9,518	10,339	–	2,869,811
Interest payables	32,001	(117,715)	113,445	875	–	28,606
Non-trade amounts due to a joint venture	120,474	(14,316)	–	5,957	6	112,121
Non-trade amounts due to non-controlling interests	62,303	5,730	–	2,949	(25,946)	45,036
Non-trade amounts due to an affiliated company	106,392	–	–	5,495	–	111,887
Lease liabilities	894	(733)	21	–	–	182
Dividend payable to immediate holding company	–	(6,583)	–	–	10,583	4,000

(1) Net proceeds from loans and borrowings, repayment of loans and borrowings, and payment of transaction costs related to loans and borrowings.

Breach of loan covenant

An indirect subsidiary of the Group has a secured bank loan with a carrying amount of $681 million as at 31 December 2020, which will mature in May 2021. The loan contains a covenant on 12-month interest coverage ratio and in 2020, the said subsidiary did not meet the above loan covenant. Notwithstanding this, the subsidiary has obtained a waiver from the banks on 22 December 2020 until its maturity in May 2021. On 5 May 2021, the said subsidiary renewed the facility for three years with a new maturity date of 7 May 2024.

13 JUNIOR BONDS

	Group 2020 $'000	Group 2019 $'000
Junior bonds (secured)	30,000	30,000

The junior bonds were issued by certain subsidiaries of the Group (the "Subsidiaries").

Terms and debt repayment schedule

Group	Currency	Nominal interest rate %	Year of maturity	Face value 2020 $'000	Face value 2019 $'000	Carrying amount 2020 $'000	Carrying amount 2019 $'000
Junior bonds (secured)	SGD	Lower of 10% per annum and excess fund*	2025	30,000	30,000	30,000	30,000

* Excess fund is determined based on the profits of the Subsidiaries for the year before interest on junior bonds.

Security

The junior bonds are secured on the following but subordinated to senior borrowings of the Subsidiaries:

(i) a legal mortgage over an investment property (see note 6);

(ii) an assignment of the insurance policy relating to an investment property; and

(iii) an assignment of all the rights, benefit, title and interest of the Subsidiaries in relation to the sale and purchase agreements and tenancy agreements (including sale proceeds and rental proceeds) relating to an investment property.

14 SHARE-BASED PAYMENT ARRANGEMENTS

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 2014 was approved by shareholders of the Company at an Extraordinary General Meeting held on 10 October 2014.

Under the rules of the Perennial ESOS 2014, all directors (including non-executive and independent directors) and employees of the Company and its subsidiaries are eligible to participate in the Perennial ESOS 2014. Controlling shareholders are also eligible to participate in the Perennial ESOS 2014 subject to the approval of independent shareholders in the form of separate resolutions for each participant.

Under the Perennial ESOS 2014, the option entitles eligible participants to subscribe for ordinary share in the Company at a price equal to the volume-weighted average price of the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three consecutive trading days immediately preceding the Date of Grant of that Option ("Market Price") or at a discount to the Market Price (up to a maximum 20%).

The maximum number of shares (in respect of the options) that may be granted under the Perennial ESOS 2014, after taking into account of (i) the total number of new shares allotted and issued and/or to be allotted and issued (excluding treasury shares) pursuant to options granted under the Perennial ESOS 2014; and (ii) the total number of shares subject to any other share option or share incentive schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares) provided always that all number of shares available to each controlling shareholder or each of their associates shall not exceed 10% of the shares available under the Perennial ESOS 2014.

The Remuneration Committee ("RC") is charged with the administration of the Perennial ESOS 2014 in accordance with the rules of the Perennial ESOS 2014. The number of options to be awarded to a participant is dependent on job grade level, performance and criticality to the long-term growth and profitability of the Group.

On 4 March 2020, the Company granted options to employees of the Group to subscribe for a total of 19,010,500 shares at $0.50 per share (based on Market Price). All options granted under the Perennial ESOS 2014 are valid for a term of 5 years from the date of their grants and are exercisable in the following manner for eligible participants who have been in employment with more than 12 months services as at date of grant:

- After 1st anniversary of the date of grant – 25% of options granted
- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted

For eligible participants who have been in employment with less than 12 months services as at date of grant:

- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted
- After 4.5th anniversary of the date of grant – 25% of options granted

In respect of the Perennial ESOS 2014, no participant received option which totaled 5% or more of the total number of shares available under the scheme except as disclosed below:

Name of participant	Options granted during the period from 1/1/2020 to 14/9/2020 '000	Aggregate options granted since the commencement of the scheme to 14/9/2020 '000	Aggregate options exercised since the commencement of the scheme to 14/9/2020 '000	Aggregate options cancelled since commencement of the option scheme to 14/9/2020 '000	Aggregate options outstanding as at 14/9/2020 '000
Pua Seck Guan	–	20,400	–	(20,400)	–

No option has been granted with exercise price set at a discount to the Market Price of the shares at the date of grant.

On 14 September 2020, the Company was delisted from the Mainboard of the Singapore Exchange Securities Trading Limited. Following the delisting, the RC has determined in accordance with the discretion granted to it under rules of the Perennial ESOS 2014 that all unvested options issued to employees shall not be capable of being exercised into shares. All remaining unvested option as at 14 September 2020 were cancelled.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

14 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

During the financial year, details of the unissued ordinary shares under options are as follows:

Unissued Shares under Perennial ESOS 2014

Date of grant	As at 1/1/2020 '000	No. of options granted during the year '000	No. of options cancelled '000	No. of options exercised '000	As at 14/9/2020 '000	Exercise price per share $	Exercise period
8/10/2015	5,100	–	(5,100)	–	–	0.95	9/10/2016 – 8/10/2020
12/5/2017	19,610	–	(8,087)	(11,523)	–	0.88	13/5/2018 – 12/5/2022
22/3/2018	20,920	–	(12,417)	(8,503)	–	0.87	23/3/2019 – 22/3/2023
25/2/2019	26,836	–	(20,757)	(6,079)	–	0.68	26/2/2020 – 25/2/2024
4/3/2020	–	19,011	(19,011)	–	–	0.50	5/3/2021 – 4/3/2025
Total	72,466	19,011	(65,372)	(26,105)	–		

As at 31 December 2019, the total number of outstanding options under the grant was 72,465,500, which represented 4.36% of the total number of shares issued (excluding treasury shares).

Measurement of fair values – Equity-settled share-based payment arrangements

The fair value of the share options is measured using the Binomial Option Pricing Model which include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour, expected dividends, and the risk-free interest rate (based on government bonds).

The fair values and assumptions are set out below:

Year of grant	2020	2019	2018	2017
Fair value at grant date ($)	0.114	0.134	0.128	0.168
Share price at grant date ($)	0.515	0.685	0.865	0.880
Exercise price ($)	0.500	0.680	0.870	0.880
Expected volatility (%)	21.81	18.73	19.16	19.46
Expected life (years)	5.0	5.0	5.0	5.0
Expected dividend yield (%)	0.39	0.62	1.13	0.60
Risk-free interest rate (%)	1.32	2.00	2.15	1.75

Expense recognised in profit or loss

For details on the related employee benefit expenses, see note 24.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options are as follows:

	Weighted average exercise price per share 2020 $	Number of options 2020 '000	Weighted average exercise price per share 2019 $	Number of options 2019 '000
Outstanding at the beginning of the year	0.82	72,466	0.92	56,540
Granted during the year	0.50	19,011	0.68	27,720
Lapsed during the year	–	–	0.97	(11,794)
Exercised during the year	0.95	(26,105)	–	–
Cancelled during the year	0.71	(65,372)	–	–
Outstanding at end of the year	–	–	0.82	72,466
Exercisable at end of the year	–	–	0.95	20,135

In 2019, the options outstanding had a weighted-average exercise price of $0.82 per share and a weighted-average contractual life of 3.1 years.

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade payables	10,831	10,006	–	–
Accrued development expenditures	67,806	56,373	–	–
Accrued operating expenses	24,637	19,541	4,230	3,779
Interest payables	28,606	32,001	4,169	8,072
Other payables	57,789	60,872	2,233	74
Security deposits	14,858	16,037	–	–
Dividend payable to immediate holding company	4,000	–	4,000	–
Non-trade amounts due to:				
– subsidiaries	–	–	131,522	922
– an associate	–	6	–	–
– joint ventures	112,121	120,474	–	–
– related corporation	53,130	39,636	–	–
– an affiliated company	111,887	106,392	–	–
– non-controlling interests	45,036	62,303	–	–
	530,701	523,641	146,154	12,847
Advance rental received	2,762	2,833	–	–
	533,463	526,474	146,154	12,847
Non-current	128,914	152,097	130,900	–
Current	404,549	374,377	15,254	12,847
	533,463	526,474	146,154	12,847

Non-trade amounts due to joint ventures consist of the following:

(i) Loan of $130.9 million (2019: $Nil), which is unsecured, bears interest rate at 3.26% per annum and repayable more than 12 months; and

(ii) The remaining amount of $0.6 million (2019: $0.9 million), which are unsecured, interest-free and repayable on demand.

Non-trade amounts due to an associate are unsecured, interest-free and repayable on demand.

Non-trade amounts due to joint ventures consist of the following:

(i) Loan of $109.0 million (2019: $119.5 million), which is unsecured, interest-free and repayable more than 12 months (2019: except for an interest bearing amount of $23.2 million, which bears interest rate of 4.57% – 6.00% per annum); and

(ii) The remaining amount of $3.1 million (2019: $1.0 million), which are unsecured, interest-free and repayable on demand.

Non-trade amounts due to related corporations consist of the following:

(i) Amount of $44.2 million (2019: $39.6 million), which are unsecured, interest free and repayable on demand; and

(ii) The remaining amount of $8.9 million (2019: $Nil) relates mainly to deferred consideration payable for acquisition of additional equity interests in Perennial Tongzhou Holdings Pte. Ltd. (see note 27), which are unsecured, interest-free and repayable in 2023.

Non-trade amount due to an affiliated company is unsecured, bears interest rate at 5.15% (2019: 5.15%) per annum and repayable on demand.

Non-trade amounts due to non-controlling interests consist of the following:

(i) In 2019, loan of $22.5 million, which was unsecured, interest-free and repayable on demand. As at 31 December 2019, the non-controlling shareholders had undertaken not to demand settlement of the amounts for the next twelve months;

(ii) Loan of $15.2 million (2019: $11.5 million) which is unsecured, interest-free and repayable on demand, except for an amount of $2.7 million (2019: $Nil), which is repayable in 2022; and

(iii) Loan of $29.8 million (2019: $28.3 million) which is unsecured, bears interest rate at 5.15% (2019: 5.15%) per annum and repayable on demand.

Other payables include retention sums of $17.0 million (2019: $17.1 million).

The Group and the Company's exposures to liquidity and market risks relating to trade and other payables are disclosed in note 25.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

16 DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Movements in deferred tax liabilities during the year are as follows:

	Balance as at 1/1/2019 $'000	Recognised in profit or loss (note 23) $'000	Foreign exchange differences $'000	Balance as at 31/12/2019 $'000
Group				
Investment properties	156,166	10,405	(4,835)	161,736

	Balance as at 1/1/2020 $'000	Recognised in profit or loss (note 23) $'000	Foreign exchange differences $'000	Balance as at 31/12/2020 $'000
Group				
Investment properties	161,736	(109)	8,398	170,025

Unrecognised deferred tax liabilities

At 31 December 2020, a deferred tax liability of $2.1 million (2019: $2.1 million) for temporary differences of $42.7 million (2019: $41.5 million) related to investments in subsidiaries and a joint venture were not recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint venture – i.e. the Group controls the timing of reversal of the related taxable temporary differences and it is satisfied they will not reverse in the foreseeable future.

Deferred tax assets have not been recognised in respect of the following item:

	Group	
	2020 $'000	2019 $'000
Tax losses	54,530	42,191

Tax losses with expiry dates are as follows:

	Group	
	2020 $'000	2019 $'000
Within 5 years	34,878	24,103

The remaining tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

17 SHARE CAPITAL

	Ordinary shares	
	2020 Number of shares '000	2019 Number of shares '000
Company		
In issue at beginning and end of the year, including treasury shares	1,665,144	1,665,144
Less: Treasury shares	(3,435)	(3,435)
In issue at end of the year, excluding treasury shares	1,661,709	1,661,709

(a) All issued ordinary shares (excluding treasury shares) are fully paid, with no par value. All shares rank equally with regards to the Company's residual assets.

(b) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company. All rights attached to the treasury shares are suspended until those shares are reissued.

18 RESERVES

Other reserves

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Equity compensation reserve	–	12,512	–	12,609
Reserve for own shares	(2,977)	(2,977)	(2,977)	(2,977)
Statutory reserve	4,320	2,729	–	–
Capital reserve	457,899	440,441	–	–
	459,242	452,705	(2,977)	9,632

Equity compensation reserve

Equity compensation reserve comprised the cumulative value of employee services received for the issue of the share options of the Company.

Reserve for own shares

The reserve of the Company's own shares comprises the cost of the Company's share held by the Group. As at 31 December 2020, the Group held 3,435,000 (2019: 3,435,000) of the Company's shares.

Statutory reserve

Statutory reserve comprises at least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations, allocated to statutory reserve until the cumulative total of the reserve reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

Capital reserve

Capital reserve comprises mainly:

(i) the difference between the paid up capital of the ordinary shares issued and the fair value of the initial acquisition;

(ii) reserve arising from the non-reciprocal capital contribution made to a non-wholly-owned subsidiary; and

(iii) reserves arising from the Group's acquisition of non-controlling interests in subsidiaries.

Foreign currency translation reserve

Foreign currency translation reserve comprises exchange differences arising from the translation of financial statements of foreign operations, share of currency translation reserve of foreign equity-accounted investees and exchange differences on monetary items which form part of the Group's net investment on foreign operations, provided certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

18 RESERVES (continued)

Dividends

The following exempt (one-tier) dividends were declared by the Group and Company during the year:

	Group and Company	
	2020 $'000	2019 $'000
Paid by the Company to owners of the Company		
Interim dividend of 0.44 Singapore cent per qualifying ordinary share	7,260	–
Final dividend of 0.20 Singapore cent per qualifying ordinary share (2019: 0.40 Singapore cent)	3,323	6,647
	10,583	6,647

For the financial year ended 31 December 2020, interim tax-exempt dividends of 0.44 Singapore cent per ordinary share were declared during the year.

For the financial year ended 31 December 2019, a final tax-exempt dividend of 0.20 Singapore cent per ordinary share was approved at the annual general meeting held on 26 June 2020.

For the financial year ended 31 December 2018, a final tax-exempt dividend of 0.40 Singapore cent per ordinary share was approved at the annual general meeting held on 25 April 2019.

	Group	
	2020 $'000	2019 $'000
Paid by subsidiaries		
Paid by subsidiaries to the non-controlling interests	7,648	–

19 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group:

Name of subsidiaries	Country of incorporation	Ownership interests held by NCI	
		2020 %	2019 %
Chengdu Ruifeng Real Estate Development Co., Ltd. ("Chengdu Ruifeng")	PRC	20.0	20.0
Xi'an Perennial Cheng Tou West Real Estate Co., Ltd. ("Xi'an West")(a)	PRC	34.3	49.0
Xi'an Perennial Cheng Tou East Real Estate Co., Ltd. ("Xi'an East")	PRC	34.3	34.3
Perennial (CHIJMES) Pte. Ltd. and its subsidiaries ("Perennial CHIJMES")	Singapore	48.4	48.4
Perennial Tongzhou Development Pte. Ltd. and its subsidiaries ("Perennial Tongzhou Development")	Singapore	47.4	47.4
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries ("Perennial Tongzhou Holdings")(b)	Singapore	27.6	–
Perennial Hengqin Investment Group Pte. Ltd. ("Perennial Hengqin")	Singapore	33.3	33.3
Perennial UW Pte. Ltd. ("Perennial UW")	Singapore	27.8	27.8

(a) On 26 February 2020, the Group acquired additional 14.7% equity interests in Xi'an West from a non-controlling shareholder.
(b) On 28 December 2020, the Group acquired additional 25.8% equity interests in Perennial Tongzhou Holdings. Consequently, the Group's equity interests in Perennial Tongzhou Holdings increased from 46.6% to 72.4% and Perennial Tongzhou Holdings ceased to be an associate and became an indirect subsidiary of the Company (see note 31).

19 NON-CONTROLLING INTERESTS (continued)

The following summarises the financial information for the above subsidiaries prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Chengdu Ruifeng $'000	Xi'an West $'000	Xi'an East $'000	Perennial CHIJMES $'000	Perennial Tongzhou Development $'000	Perennial Tongzhou Holdings	Perennial Hengqin $'000	Perennial UW $'000	Other immaterial NCI $'000	Total $'000
31 December 2020										
Revenue	15,159	–	–	10,575	–	–	–	–		
Profit/(Loss) after tax	(3,434)	2,706	(378)	1,237	(417)	–	(12,022)	(5)		
OCI	26,567	19,415	9,375	–	62,688	–	9,497	–		
Total comprehensive income	23,133	22,121	8,997	1,237	62,271	–	(2,525)	(5)		
Attributable to NCI:										
– Profit/(Loss) after tax	(687)	925	(130)	599	(256)	–	(4,007)	(1)	215	(3,342)
– OCI	5,313	7,969	3,215	–	37,625	–	5,060	–	(518)	58,664
Total comprehensive income	4,626	8,894	3,085	599	37,369	–	1,053	(1)	(303)	55,322
Non-current assets	805,519	263,506	49	335,872	1,551,170	596,527	96,939	–		
Current assets	44,711	175,413	191,348	7,582	571,805	7,646	3,123	48		
Non-current liabilities	(245,587)	(25,303)	–	(259,046)	(561,677)	–	–	–		
Current liabilities	(65,858)	(16,516)	(649)	(4,512)	(279,629)	(255)	(6)	(5)		
Net assets	538,785	397,100	190,748	79,896	1,281,669	603,918	100,056	43		
Net assets attributable to NCI	107,757	136,205	65,426	38,659	768,197	166,661	33,352	12	12,576	1,328,845
Cash flows from/(used in) operating activities	(17,393)	(6,811)	(3,009)	6,504	2,065	–	(11,200)	(7)		
Cash flows from/(used in) investing activities	(6,999)	(631)	15	(971)	(10,094)	–	85,502	–		
Cash flows from/(used in) financing activities	24,643	1,121	2,007	(5,676)	20,298	–	(71,232)	–		
Net increase/(decrease) in cash and cash equivalents	251	(6,321)	(987)	(143)	12,269	–	3,070	(7)		

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19 NON-CONTROLLING INTERESTS (continued)

	Chengdu Ruifeng $'000	Xi'an West $'000	Xi'an East $'000	Perennial CHIJMES $'000	Perennial Tongzhou Development $'000	Perennial Hengqin $'000	Perennial UW $'000	Other immaterial NCI $'000	Total $'000
31 December 2019									
Revenue	14,943	–	–	14,509	–	–	–		
Profit/(Loss) after tax	8,696	7,724	(267)	252	5,193	1,972	(23,778)		
OCI	(13,066)	(11,008)	(5,421)	–	(36,544)	(2,763)	–		
Total comprehensive income	(4,370)	(3,284)	(5,688)	252	(31,351)	(791)	(23,778)		
Attributable to NCI:									
– Profit/(Loss) after tax	1,739	3,785	(92)	122	1,877	649	(6,605)	150	1,625
– OCI	(3,098)	(5,394)	(1,859)	–	(21,926)	(921)	–	(2,306)	(35,504)
Total comprehensive income	(1,359)	(1,609)	(1,951)	122	(20,049)	(272)	(6,605)	(2,156)	(33,879)
Non-current assets	766,517	246,128	64	335,568	1,455,628	164,256	–		
Current assets	35,623	169,019	181,022	7,832	522,803	54	202,710		
Non-current liabilities	(194,165)	(23,103)	–	(259,825)	(518,157)	(22,469)	–		
Current liabilities	(92,325)	(17,065)	(1,275)	(4,916)	(240,900)	(44,942)	(7)		
Net assets	515,650	374,979	179,811	78,659	1,219,374	96,899	202,703		
Net assets attributable to NCI	103,130	183,740	61,675	38,060	730,828	32,300	56,306	13,128	1,219,167
Cash flows from/(used in) operating activities	(9,870)	(7,263)	(1,551)	9,744	(10,173)	(8)	(7)		
Cash flows from/(used in) investing activities	(3,648)	(4,027)	33	(1,492)	(21,289)	–	4,563		
Cash flows from/(used in) financing activities	13,302	15,454	69	(8,335)	34,005	–	(4,563)		
Net increase/(decrease) in cash and cash equivalents	(216)	4,164	(1,449)	(83)	2,543	(8)	(7)		

20 REVENUE

	Group 2020 $'000	Group 2019 $'000
Revenue from sale of development properties	9,800	9,716
Revenue from hotel operations	12,294	18,991
Revenue from real estate management services	20,033	18,971
	42,127	47,678
Property rental and related income	69,053	76,543
	111,180	124,221

The Group has granted rental relief to a number of its tenants in light of mandatory government shutdowns, increased social distancing and work from home measures. Each rental relief request has been reviewed and considered on a case-by-case basis. The relief provided are mainly rental rebates, rental payment deferrals or a combination of these.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by timing of revenue recognition.

	Group					
	2020			2019		
	Point in time $'000	Over time $'000	Total $'000	Point in time $'000	Over time $'000	Total $'000
Revenue from sale of development properties	9,800	–	9,800	9,716	–	9,716
Revenue from hotel operations	12,294	–	12,294	18,991	–	18,991
Revenue from real estate management services	4,752	15,281	20,033	4,414	14,557	18,971
	26,846	15,281	42,127	33,121	14,557	47,678

21 OTHER INCOME

	Group 2020 $'000	Group 2019 $'000
Change in fair value of investment properties	(11,897)	48,242
Remeasurement to fair value of pre-existing equity interests in an associate	3,119	–
Gain on bargain purchase on acquisition of a subsidiary	22,913	–
Gain on disposal of associates	37,478	–
Government grants	7,708	–
Others	4,332	3,651
	63,653	51,893

In 2020, various government grants were received to help business deal with the impact from COVID-19 pandemic:

(i) government grant income of $3.7 million related to Job Support Schemes; and

(ii) government grant income of $4.0 million related to property tax rebates and cash grants received from the Singapore Government. The Group is obliged to pass on the benefits to its tenants and transferred these to the tenants in the form of rent rebates during the current financial year.

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22 NET FINANCE COSTS

	Group 2020 $'000	Group 2019 $'000
Interest income on loans to associates and joint ventures	6,659	4,674
Interest income on junior bonds of associates	1,241	10,614
Interest income on bank deposits	829	439
Finance income	8,729	15,727
Interest expense on financial liabilities measured at amortised cost	122,984	140,738
Less: Borrowing costs capitalised in:		
– investment properties	(17,340)	(11,574)
– development properties	(8,314)	(4,732)
Finance costs	97,330	124,432
Net finance costs recognised in profit or loss	88,601	108,705

23 TAX EXPENSE

	Note	Group 2020 $'000	Group 2019 $'000
Current tax expense			
Current year		5,314	11,945
Changes in estimates related to prior years		(10,478)	(528)
Withholding taxes		12,718	–
		7,554	11,417
Deferred tax expense			
Origination and reversal of temporary differences		(101)	10,563
Changes in estimates related to prior years		(8)	(158)
	16	(109)	10,405
Total tax expense		7,445	21,822

Reconciliation of effective tax rate

	Group 2020 $'000	Group 2019 $'000
Profit before tax	23,147	27,279
Less: Share of results of associates and joint ventures, net of tax	(55,458)	(80,919)
	(32,311)	(53,640)
Tax using Singapore tax rate of 17% (2019: 17%)	(5,493)	(9,119)
Effect of tax rates in foreign jurisdictions	730	13,161
Non-deductible expenses	22,217	23,964
Tax exempt income	(14,202)	(7,938)
Current year losses for which no deferred tax asset was recognised	2,098	2,317
Changes in estimates related to prior years	(10,486)	(686)
Withholding taxes	12,718	–
Others	(137)	123
	7,445	21,822

24 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group 2020 $'000	Group 2019 $'000
Direct operating expenses arising from rental of investment properties	33,233	42,595
Depreciation and amortisation expense	17,180	16,450
Employee benefits expense (see below)	45,633	43,029
(Gain)/Loss on disposal of associates	(37,478)	15,233
Employee benefits expense		
Salaries, bonuses and other costs	36,901	35,593
Contributions to defined contribution plans	3,354	3,951
Equity-settled share-based payment transactions	5,378	3,485
	45,633	43,029

25 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's receivables from tenants of its operating assets and balances with related parties.

The carrying amounts of financial assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets, except for balances with tenants where security deposits are obtained.

Risk management policy

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy that all tenants are subject to credit verification procedure. Credit evaluations are performed by management before lease agreements are entered into with tenants. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographical region and type of counterparty was:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
By geographical areas				
Singapore	60,426	58,421	216,667	186,775
PRC	204,899	194,730	–	–
Malaysia	34	67,149	–	–
Others	3,441	2,537	–	–
	268,800	322,837	216,667	186,775
By type of counterparty				
Related parties	158,850	230,928	210,101	181,013
Non-related parties	109,950	91,909	6,566	5,762
	268,800	322,837	216,667	186,775

As at 31 December 2020, the Group's most significant counterparties, an associate, two joint ventures and two non-controlling interests (2019: two associates, two joint ventures and three non-controlling interests), account for $125.9 million (2019: $205.4 million) of trade and other receivables carrying amount. Other than balances with related parties, there is no concentration of customer risk at the Company level.

Expected credit loss assessment

Trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past four years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Group		Company	
	Gross carrying amount $'000	Impairment loss allowance $'000	Gross carrying amount $'000	Impairment loss allowance $'000
2020				
Current (not past due)	40,665	–	103	–
1 – 30 days past due	2,195	–	1	–
31 – 60 days past due	816	–	–	–
61 – 90 days past due	2,784	(704)	6,901	–
	46,460	(704)	7,005	–
2019				
Current (not past due)	23,707	–	137	–
1 – 30 days past due	2,495	–	–	–
31 – 60 days past due	491	–	–	–
61 – 90 days past due	695	(194)	21,787	–
	27,388	(194)	21,924	–

25 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Movements in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	
	2020 $'000	2019 $'000
Balance at 1 January	194	58
Impairment loss recognised	503	169
Amounts written off	(3)	(33)
Translation differences	10	–
Balance at 31 December	704	194

Other receivables

The Group assesses on a forward-looking basis for the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk for these counterparties has not increased.

Amounts due from subsidiaries, associates, immediate holding company, joint ventures, related corporation, affiliated company and non-controlling interests

These balances are amounts lent to related parties to satisfy short term funding requirements. The Group and the Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

Guarantees

At the reporting date, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries and a joint venture (2019: subsidiaries, an associate and a joint venture) (see note 29). These guarantees are subject to the impairment assessment under SFRS(I) 9. The Company has assessed that these subsidiaries, associate and joint venture have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses from these guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement).

Cash and cash equivalents

The Group and Company held cash and cash equivalents of $123.2 million and $4.7 million respectively at 31 December 2020 (2019: $119.8 million and $0.8 million), which represent its maximum credit exposure on these assets. The cash and cash equivalents are held with banks with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group has contractual commitments to incur capital expenditure with regards to its investment properties under development, development properties and investments in joint ventures (see note 33).

As at 31 December 2020, the Group has approximately $86.0 million (2019: $133.0 million) available bank facilities. The Group had put in place a $2 billion multicurrency debt issuance programme established on 22 January 2015 (see note 12). As at 31 December 2020, the uncommitted facilities available to the Group under the programme amounted to $1,846.0 million (2019: $1,600.0 million). The Group's ability to settle its liabilities as and when they are due for settlement within the next twelve months is highly dependent on its ability to obtain new credit facilities, refinance its existing borrowing obligations or divest its assets as part of its capital recycling strategy.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Loans and borrowings	2,869,811	(3,022,862)	(1,598,852)	(1,247,268)	(176,742)
Junior bonds	30,000	(31,826)	(450)	(31,376)	–
Lease liabilities	182	(183)	(183)	–	–
Trade and other payables[(1)]	530,701	(530,758)	(401,843)	(126,920)	(1,995)
	3,430,694	(3,585,629)	(2,001,328)	(1,405,564)	(178,737)
31 December 2019					
Non-derivative financial liabilities					
Loans and borrowings	2,968,618	(3,159,846)	(1,388,612)	(1,634,235)	(136,999)
Junior bonds	30,000	(36,575)	(1,300)	(5,204)	(30,071)
Lease liabilities	894	(916)	(733)	(183)	–
Trade and other payables[(1)]	523,641	(531,773)	(379,673)	(150,654)	(1,446)
	3,523,153	(3,729,110)	(1,770,318)	(1,790,276)	(168,516)

(1) Excludes advanced rental received.

25 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Cash flows 2 to 5 years $'000
Company				
31 December 2020				
Non-derivative financial liabilities				
Loans and borrowings	153,858	(160,187)	(80,280)	(79,907)
Trade and other payables	146,154	(150,434)	(19,522)	(130,912)
	300,012	(310,621)	(99,802)	(210,819)
31 December 2019				
Non-derivative financial liabilities				
Loans and borrowings	579,429	(596,107)	(475,940)	(120,167)
Trade and other payables	12,847	(12,847)	(12,847)	–
	592,276	(608,954)	(488,787)	(120,167)

The maturity analyses show the undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity.

The Group has several bank loans which contains debt covenants. A future breach of any covenant may require the Group to repay the loan earlier than indicated in the table above. The covenants are monitored on a regular basis by the Treasury department and regularly reported to management to ensure compliance with the covenants. The interest payments on variable interest rate loans and borrowings in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

In addition to the above table, the Company has exposure to liquidity risk from financial guarantees issued to certain financial institutions, in respect of banking facilities and debt securities drawn by its subsidiaries and a joint venture (2019: subsidiaries, an associate and a joint venture) of $1,634.2 million (2019: $1,303.1 million). At reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantee contracts. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts. See note 29 for further information.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

When necessary, the Group uses financial instruments such as foreign currency borrowings for the purposes of managing certain financial risks and does not engage in speculation.

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Year ended 31 December 2020

25 FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Currency risk

Risk management policy

The Group is exposed to currency risk mainly arising from sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk include United States Dollar ("USD"), Chinese Renminbi ("RMB") and Malaysia Ringgit ("MYR").

The Group management monitors the Group's currency risk exposure and does not hedge foreign currency exposure.

The Group's exposure to currency risk is as follows:

	USD $'000	RMB $'000	MYR $'000
Group			
31 December 2020			
Cash and cash equivalents	1,784	3,102	–
Trade and other receivables	14,825	10,090	10
Trade and other payables	(6,645)	(52,478)	–
	9,964	(39,286)	10
31 December 2019			
Cash and cash equivalents	13,656	29	–
Trade and other receivables	11,684	3,507	67,159
Trade and other payables	(7,793)	(41,285)	–
	17,547	(37,749)	67,159

Sensitivity analysis

A reasonable possible strengthening/(weakening) of the above currencies against the respective functional currencies of Group entities at the reporting date would have increased/(decreased) profit or loss (before any tax effects) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit or loss	
	2020 $'000	2019 $'000
USD (5% strengthening)	498	877
RMB (5% strengthening)	(1,964)	(1,887)
MYR (5% strengthening)	*	3,358
USD (5% weakening)	(498)	(877)
RMB (5% weakening)	1,964	1,887
MYR (5% weakening)	*	(3,358)

*less than S$1000

Interest rate risk

Risk management policy

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group manages its interest rate exposure by entering into a mixture of fixed rate instruments and variable rate instruments.

25 FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk (continued)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Note	Group Nominal amount 2020 $'000	Group Nominal amount 2019 $'000	Company Nominal amount 2020 $'000	Company Nominal amount 2019 $'000
Fixed rate instruments					
Loans to joint ventures	7	94,400	89,354	–	–
Trade and other receivables	9	19,529	33,756	–	–
Cash and cash equivalents	11	36,873	41,967	–	–
Loans and borrowings	12	(154,000)	(680,000)	(154,000)	(580,000)
Trade and other payables	15	(141,639)	(134,683)	–	–
Lease liabilities	32	(182)	(894)	–	–
		(145,019)	(650,500)	(154,000)	(580,000)
Variable rate instruments					
Loans to subsidiaries	31	–	–	170,969	498,137
Interest in associates – Junior bonds	7	–	118,620	–	–
Trade and other receivables	9	34,715	5,549	–	–
Cash and cash equivalents	11	86,362	77,841	4,688	785
Loans and borrowings	12	(2,727,967)	(2,295,914)	–	–
Junior bonds	13	(30,000)	(30,000)	–	–
Trade and other payables	15	–	(23,213)	(130,900)	–
		(2,636,890)	(2,147,117)	44,757	498,922

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 10 basis points in the interest rates at the reporting date would have decreased profit or loss (before any tax effects) by $2.6 million (2019: $2.1 million) and $0.1 million (2019: $0.5 million) for the Group and the Company respectively. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. A decrease of 10 basis points in the interest rates at the reporting date would have had the equal but opposite effect, on the basis that all other variables remain constant.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure so as to maximise shareholders' value. Capital consists of all equity.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted-average cost of capital or divest assets to reduce borrowings.

Management monitors capital based on a set of financial ratios with the primary focus on gearing ratio.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
Group	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020								
Financial assets not measured at fair value								
Loans to associates and joint ventures	7	210,724	–	210,724				
Trade and other receivables[1]	9	268,800	–	268,800				
Cash and cash equivalents	11	123,235	–	123,235				
		602,759	–	602,759				
Financial liabilities not measured at fair value								
Loans and borrowings								
– Secured and unsecured bank loans	12	–	(2,715,953)	(2,715,953)				
– Medium term notes	12	–	(153,858)	(153,858)	–	(117,219)	–	(117,219)
Junior bonds	13	–	(30,000)	(30,000)	–	–	(30,000)	(30,000)
Trade and other payables[2]	15	–	(515,843)	(515,843)				
Security deposits	16	–	(14,858)	(14,858)	–	–	(14,024)	(14,024)
		–	(3,430,512)	(3,430,512)				
31 December 2019								
Financial assets not measured at fair value								
Loans to associates and joint ventures	7	175,870	–	175,870				
Interest in associates								
– Junior bonds	7	118,620	–	118,620				
– Redeemable preference shares	7	28,682	–	28,682				
Trade and other receivables[1]	9	322,837	–	322,837				
Cash and cash equivalents	11	119,808	–	119,808				
		765,817	–	765,817				
Financial liabilities not measured at fair value								
Loans and borrowings								
– Secured and unsecured bank loans	12	–	(2,289,261)	(2,289,261)				
– Medium term notes	12	–	(399,455)	(399,455)	–	(388,531)	–	(388,531)
– Retail bonds	12	–	(279,902)	(279,902)	(278,029)	–	–	(278,029)
Junior bonds	13	–	(30,000)	(30,000)	–	–	(30,000)	(30,000)
Trade and other payables[2]	15	–	(507,604)	(507,604)				
Security deposits	15	–	(16,037)	(16,037)	–	–	(13,578)	(13,578)
		–	(3,522,259)	(3,522,259)				

25 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

Company	Note	Carrying amount			Fair value			
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020								
Financial assets not measured at fair value								
Loans to subsidiaries	31	1,487,023	–	1,487,023				
Trade and other receivables[1]	9	216,667	–	216,667				
Cash and cash equivalents	11	4,688	–	4,688				
		1,708,378	–	1,708,378				
Financial liabilities not measured at fair value								
Loans and borrowings								
– Medium term notes	12	–	(153,858)	(153,858)	–	(117,219)	–	(117,219)
Trade and other payables	15	–	(146,154)	(146,154)				
		–	(300,012)	(300,012)				
31 December 2019								
Financial assets not measured at fair value								
Loans to subsidiaries	32	1,815,343	–	1,815,343				
Trade and other receivables[1]	10	186,775	–	186,775				
Cash and cash equivalents	12	785	–	785				
		2,002,903	–	2,002,903				
Financial liabilities not measured at fair value								
Loans and borrowings								
– Medium term notes	13	–	(299,527)	(299,527)	–	(290,838)	–	(290,838)
– Retail bonds	13	–	(279,902)	(279,902)	(278,029)	–	–	(278,029)
Trade and other payables	16	–	(12,847)	(12,847)				
		–	(592,276)	(592,276)				

(1) Excludes prepayments
(2) Excludes security deposit and advanced rental received

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Year ended 31 December 2020

25 FINANCIAL INSTRUMENTS (continued)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

Type	Valuation technique
Medium term notes	The fair value is determined based on quoted price of the notes in markets that are not active.
Security deposits and junior bonds	Discounted cash flows: The valuation model considers the present value of future principal and interest cash flows, discounted using a risk adjusted discount rate. The discount rate used is 2.33% (2019: 3.96%).

(ii) Transfers between the levels

There were no transfers between the levels during the year.

26 EARNINGS PER SHARE

	Group	
	2020	2019
Earnings per share (cents)		
Basic	1.15	0.23
Diluted	1.15	0.23

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and weighted-average number of ordinary shares in issue during the year, calculated as follows:

	Group	
	2020 $'000	2019 $'000
Profit for the year attributable to owners of the Company	19,044	3,832

Weighted-average number of ordinary shares

	Group	
	2020 Number of shares '000	2019 Number of shares '000
Weighted-average number of ordinary shares in issue during the year	1,661,709	1,661,709

Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares existing during the year. As at 31 December 2020, there are no outstanding share options (see note 14). In 2019, 72,465,500 share options were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

27 ACQUISITION OF SUBSIDIARIES

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

(A) Business combination

On 22 December 2020, the Group entered into share swap agreements with a joint venture partner ("JV Partner"), who is also the shareholder of both Perennial Tongzhou Holdings Pte. Ltd. ("Perennial Tongzhou Holdings") and Nation Mind Development Limited ("Nation Mind") to undertake the following share swap transactions:

(i) Perennial China Investment Holdings Pte. Ltd., a direct subsidiary of the Company, acquired additional 25.8% equity interests in Perennial Tongzhou Holdings from the JV Partner for a consideration of RMB652.1 million (approximately $132.9 million). Consequently, the Group's equity interests in Perennial Tongzhou Holdings increased from 46.6% to 72.4% and Perennial Tongzhou Holdings ceased to be an associate and became an indirect subsidiary of the Company; and

(ii) Perennial Hengqin Investment Group Pte. Ltd., an indirect subsidiary of the Company, disposed its entire equity interests in Nation Mind to the JV Partner for a total consideration of RMB928.1 million (approximately $189.4 million).

The above transactions were completed on 28 December 2020.

Included in the identifiable assets and liabilities of Perennial Tongzhou Holdings acquired at the date of acquisition are inputs (land, construction works), construction processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

The remeasurement to fair value of the Group's pre-existing 46.6% equity interests in Perennial Tongzhou Holdings resulted in a gain of $3.1 million, which has been recognised in other income (see note 21).

The Group recognised a gain on bargain purchase amounting to $22.9 million, which has been recognised in other income (see note 21). The gain on bargain purchase represents the excess of fair values of the identifiable net assets over total purchase consideration.

Consideration transferred for acquisition of Perennial Tongzhou Holdings

	$'000
Purchase consideration for acquisition of 25.8% equity interests	132,911

Pursuant to the share swap agreement, the purchase consideration below of RMB652.1 million (approximately $132.9 million) was partly offsetted with the disposal consideration of Nation Mind of RMB928.1 million (approximately $189.4 million).

	$'000
Purchase consideration of Perennial Tongzhou Holdings comprises:	
– Withholding tax liabilities of JV Partner to be settled on behalf by the Group	7,497
– Deferred consideration payable in 2023	8,690
– Considerations to be set off with the disposal consideration of Nation Mind (See below)	116,724
	132,911
Sale consideration of Nation Mind comprises:	
– Cash received	3,081
– Withholding tax liabilities of the Group to be settled on behalf by the JV Partner	11,225
– Consideration received by the non-controlling shareholder of Perennial Hengqin Investment Group Pte. Ltd.	58,353
– Remaining considerations to be set off with the purchase consideration of Perennial Tongzhou Holdings	116,724
	189,383

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Year ended 31 December 2020

27 ACQUISITION OF SUBSIDIARIES (continued)

(A) Business combination (continued)

Identifiable assets acquired and liabilities of Perennial Tongzhou Holdings assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	$'000
Investment in joint ventures	596,527
Trade and other receivables	1,450
Cash and cash equivalents	6,196
Trade and other payables	(255)
	603,918
Non-controlling interests	(166,661)
Net identifiable assets and liabilities acquired	437,257
Less: Gain on bargain purchase on acquisition of a subsidiary	(22,913)
Total purchase consideration	414,344
Less: Fair value remeasurement of pre-existing 46.6% equity interests	(281,433)
Purchase consideration for acquisition of 25.8% equity interests	132,911

Effect of cash flows relating to acquisition of Perennial Tongzhou Holdings

	$'000
Net cash inflows arising from the acquisition of a subsidiary	6,196

Measurement of fair values of Perennial Tongzhou Holdings

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets required	Valuation technique
Investment in joint ventures	Direct comparison and capitalisation approach: The fair values on investment in joint ventures approximate the fair value of properties held by these entities, supported by independent external valuations using the direct comparison and capitalisation approach.

Acquisition-related costs

The Group incurred acquisition-related costs of $104,000 on legal fees and professional fees. These costs have been included in 'administrative expenses'.

(B) Acquisition of non-controlling interests

On 26 February 2020, the Group acquired additional 14.7% equity interests in Xi'an Perennial Cheng Tou West Real Estate Co., Ltd. ("Xi'an West") for a cash consideration of RMB190 million (approximately $38.9 million). As a result, the Group's equity interests in Xi'an West increased from 51% to 65.7%.

	$'000
Carrying amount of NCI acquired	56,428
Consideration paid	(38,970)
Increase in equity attributable to owners of the Company	17,458

The increase in equity attributable to owners of the Company has been recognised in capital reserve.

28 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Group's CEO for strategic decisions making and resources allocation. For management purposes, the Group is organised into Singapore, China, management businesses and corporate and others.

The China segment comprises mainly large scale integrated mixed use projects which are under development, 2 operational retail malls and 2 operational integrated development as well as contribution from healthcare services. The Singapore segment comprises mainly income producing projects located in downtown civic district, central business district and Orchard Road precinct. Management businesses include asset management, development and/or project management, as well as property management. Other developing markets together with corporate function are included under corporate and others.

Management monitors the operating results of each of its business units for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax ("EBIT"). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Tax expenses are managed on a group basis and are not allocated to operating segments. Inter-segment pricing is determined on arm's length basis.

Information about reportable segments

	Singapore $'000	China $'000	Management businesses $'000	Corporate and others $'000	Eliminations $'000	Total $'000
31 December 2020						
Revenue:						
Sales to external customers	42,655	48,492	19,296	737	–	111,180
Inter-segment	–	–	12,597	14,619	(27,216)	–
Total revenue	42,655	48,492	31,893	15,356	(27,216)	111,180
Results:						
Segment results	10,808	52,914	12,617	(3,959)	(16,090)	56,290
Share of results of associates and joint ventures, net of tax	53,700	2,788	(98)	(932)	–	55,458
Net finance cost	(27,313)	(54,719)	1,554	(8,123)	–	(88,601)
Profit before tax						23,147
Tax expense						(7,445)
Profit for the year						15,702
Assets and liabilities:						
Segment assets	1,406,267	3,975,833	291,493	4,039,715	(4,287,160)	5,426,148
Associates and joint ventures	166,967	2,116,031	–	62,132	–	2,345,130
Unallocated assets						5,675
Total assets						7,776,953
Segment liabilities	1,476,079	3,325,186	353,840	442,470	(3,341,626)	2,255,949
Unallocated liabilities						1,352,141
Total liabilities						3,608,090
Capital expenditure	2,876	30,402	113	44	–	33,435

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

	Singapore $'000	China $'000	Management businesses $'000	Corporate and others $'000	Eliminations $'000	Total $'000
31 December 2019						
Revenue:						
Sales to external customers	56,225	50,902	17,022	72	–	124,221
Inter-segment	–	–	14,775	12,040	(26,815)	–
Total revenue	56,225	50,902	31,797	12,112	(26,815)	124,221
Results:						
Segment results	(14,184)	77,900	14,668	(5,864)	(17,455)	55,065
Share of results of associates and joint ventures, net of tax	22,105	59,208	–	(394)	–	80,919
Net finance cost	(39,943)	(61,062)	234	(9,395)	1,461	(108,705)
Profit before tax						27,279
Tax expense						(21,822)
Profit for the year						5,457
Assets and liabilities:						
Segment assets	1,473,433	3,707,990	290,241	4,511,319	(4,688,015)	5,294,968
Associates and joint ventures	364,978	1,867,842	–	21,649	–	2,254,469
Unallocated assets						5,642
Total assets						7,555,079
Segment liabilities	1,712,281	3,161,818	350,707	765,677	(3,409,839)	2,580,644
Unallocated liabilities						1,122,834
Total liabilities						3,703,478
Capital expenditure	23,685	87,393	210	20	–	111,308

29 FINANCIAL GUARANTEE CONTRACTS

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities and debt securities drawn by subsidiaries and a joint venture (2019: subsidiaries, an associate and a joint venture). The maximum exposure of the Company is $1,634.2 million (2019: $1,303.1 million). At the reporting date, the Company has not recognised an ECL provision. The Company does not consider it probable that a claim will be made against the Company under the guarantees. The periods in which the financial guarantees will expire are as follows:

	Company	
	2020 $'000	2019 $'000
Within one year	779,117	827,367
Between one and five years	755,792	475,755
Above five years	99,274	–
	1,634,183	1,303,122

30 RELATED PARTIES

Key management personnel remuneration

Key management personnel compensation comprised:

	Group	
	2020 $'000	2019 $'000
Salaries, bonuses and other costs	6,588	4,176
Contributions to defined contribution plans	97	97
Share-based payments	1,864	1,617
Directors' fees	297	420
	8,846	6,310

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the following were significant related party transactions based on agreed terms:

	Group	
	2020 $'000	2019 $'000
Associates and joint ventures		
Acquisition fee	–	1,030
Divestment fee income	4,235	1,271
Leasing fee income	416	2,048
Property and asset management fee income	7,985	10,649
Project management fee income	2,297	192

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Year ended 31 December 2020

31 SUBSIDIARIES

	Company 2020 $'000	Company 2019 $'000
Equity investments, at cost	834,863	834,752
Loans to subsidiaries:		
– Interest-bearing	170,969	498,137
– Interest-free	1,316,054	1,317,206
	2,321,886	2,650,095

The loans are unsecured, bear interest rates ranging from 3.26% – 4.73% (2019: 3.02% – 6.51%) per annum and are not expected to be repaid within the next twelve months from 31 December 2020.

As at 31 December 2020, the shares in certain subsidiaries were pledged as security for loans and borrowings (see note 12).

Name of subsidiaries	Country of incorporation	Ownership interests 2020 %	Ownership interests 2019 %
Directly held by the Company			
Perennial Treasury Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial China Retail Trust[(1)(5)]	Singapore	100.0	100.0
Perennial China Investment Holdings Pte. Ltd[(1)]	Singapore	100.0	100.0
Perennial Singapore Investment Holdings Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial Management Investment Holdings Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial EM Holdings Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial Healthcare Pte. Ltd.[(1)]	Singapore	100.0	100.0
Directly or indirectly held by Perennial China Retail Trust			
Perennial China Retail Pte. Ltd.[(1)]	Singapore	100.0	100.0
Shenyang Retail 1 (BVI) Limited[(3)]	British Virgin Islands ("BVI")	100.0	100.0
Shenyang Retail 2 (BVI) Limited[(3)]	BVI	100.0	100.0
Perennial (Chengdu) Industries Co., Ltd.[(2)]	PRC	100.0	100.0
Perennial Foshan Retail Co., Ltd.[(2)]	PRC	100.0	100.0
Chengdu Ruifeng Real Estate Development Co., Ltd.[(2)]	PRC	80.0	80.0
Directly or indirectly held by Perennial China Investment Holdings Pte. Ltd.			
Perennial Xi'an Development Holding 1 Pte. Ltd.[(1)]	Singapore	100.0	100.0
Xi'an Perennial Cheng Tou West Real Estate Co., Ltd.[(2)]	PRC	65.7	51.0
Perennial Xi'an Development Holding 2 Pte. Ltd.[(1)]	Singapore	100.0	100.0
Xi'an Perennial Cheng Tou East Real Estate Co., Ltd.[(2)]	PRC	65.7	65.7
Perennial Hengqin Investment Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial Hengqin Investment Group Pte. Ltd.[(1)]	Singapore	66.7	66.7
Perennial Tongzhou Development Pte. Ltd.[(1)(6)]	Singapore	52.6	52.6
Perennial Mei Rong Jia 1 Real Estate (Beijing) Company Limited[(2)]	PRC	76.0	76.0
Perennial Mei Rong Jia 2 Real Estate (Beijing) Company Limited[(2)]	PRC	76.0	76.0
Perennial Mei Rong Jia 3 Real Estate (Beijing) Company Limited[(2)]	PRC	76.0	76.0
Perennial Tongzhou Holdings Pte. Ltd.[(1)(8)]	Singapore	72.4	46.6
Perennial Chenghua C Pte. Ltd.[(1)]	Singapore	100.0	100.0
Perennial Chenghua D Pte. Ltd.[(1)]	Singapore	100.0	100.0
PRE 2 Investments Pte. Ltd.[(1)]	Singapore	100.0	100.0
Guangdong Pengxiang Management Co., Ltd.[(3)]	PRC	70.0	70.0
Peng Xi (Beijing) Eldercare Co. Ltd.[(3)]	PRC	100.0	100.0

31 SUBSIDIARIES (continued)

Name of subsidiaries	Country of incorporation	Ownership interests 2020 %	Ownership interests 2019 %
Directly or indirectly held by Perennial Singapore Investment Holdings Pte. Ltd.			
Perennial (CHIJMES) Pte. Ltd.(1)	Singapore	51.6	51.6
PRE 8 Investments Pte. Ltd.(1)	Singapore	51.6	51.6
Perennial (Capitol) Pte. Ltd.(1)	Singapore	100.0	100.0
New Capitol Pte. Ltd.(1)	Singapore	100.0	100.0
Capitol Singapore(1)	Singapore	100.0	100.0
Perennial TYN Investment Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial UW Pte. Ltd.(1)	Singapore	72.2	72.2
PRE 9 Pte. Ltd.(1)	Singapore	100.0	100.0
PRE 10 Pte. Ltd.(1)	Singapore	100.0	100.0
PRE 14 Pte. Ltd.(7)	Singapore	100.0	–
Directly or indirectly held by Perennial Management Investment Holdings Pte. Ltd.			
Perennial Real Estate Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial China Retail Trust Management Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial (Singapore) Asset Management Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial (Singapore) Retail Management Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial (China) Retail Management Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial (Shanghai) Retail Management Co., Ltd.(4)	PRC	100.0	100.0
Perennial Qiaojian (Guangzhou) Management Co., Ltd.(3)	PRC	70.0	70.0
Perennial Healthcare Real Estate Management Pte. Ltd.(1)	Singapore	90.0	90.0
Directly or indirectly held by Perennial EM Holdings Pte. Ltd.			
Skillplus Investments Ltd.(3)	BVI	55.0	55.0
Perennial Ghana Development Ltd.(4)	Ghana	100.0	100.0
Perennial Penang Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial SL Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial BSL Pte. Ltd.(1)	Singapore	100.0	100.0
Perennial MTP Pte. Ltd.(1)	Singapore	100.0	100.0
Sanctuary City 2 Pte. Ltd.(7)	Singapore	100.0	–
Directly or indirectly held by Perennial Healthcare Pte. Ltd.			
Chengdu Penghong Management Co., Ltd.(3)	PRC	100.0	100.0
Chengdu Pengyi Management Co., Ltd.(4)	PRC	100.0	100.0
Perennial (Shanghai) Health Management Co., Ltd.(3)	PRC	100.0	100.0
PRE 11 Pte. Ltd.(7)	Singapore	100.0	–
Wecare Services Pte. Ltd.(7)	Singapore	100.0	–

(1) Audited by KPMG LLP, Singapore.
(2) Audited by other member firms of KPMG International.
(3) Not subject to audit by law of country of incorporation.
(4) Audited by other auditors.
(5) Includes 2.3% interest indirectly held through Perennial China Retail Trust Management Pte. Ltd.
(6) Includes 13.3% interest indirectly held through Perennial China Retail Trust.
(7) Not subject to audit for financial year ended 31 December 2020.
(8) On 28 December 2020, the Group acquired additional 25.8% equity interests in Perennial Tongzhou Holdings Pte. Ltd. Consequently, the Group's equity interests in Perennial Tongzhou Holdings Pte. Ltd. increased from 46.6% to 72.4% and Perennial Tongzhou Holdings Pte. Ltd. ceased to be an associate and became an indirect subsidiary of the Company.

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32 LEASES

Leases as lessee

The Group leases office premises. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are renegotiated at renewal to reflect market rentals.

The Group also leases certain equipment, which are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 5).

	Land and buildings $'000
Group	
At 1 January 2019	1,466
Depreciation charge for the year	(652)
At 31 December 2019	814
Depreciation charge for the year	(652)
At 31 December 2020	162

Lease liabilities

	Group 2020 $'000	Group 2019 $'000
Non-current liabilities		
Lease liabilities	–	182
Current liabilities		
Lease liabilities	182	712
	182	894

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

Group	Currency	Nominal interest rate per annum %	Year of maturity	2020 Face value $'000	2020 Carrying amount $'000	2019 Face value $'000	2019 Carrying amount $'000
Lease liabilities	SGD	3.78	2021	183	182	916	894

The Group's exposures to liquidity and interest rate risks related to lease liabilities are disclosed in note 25.

32 LEASES (continued)

Amounts recognised in consolidated statement of profit or loss

	Group	
	2020 $'000	2019 $'000
Interest on lease liabilities	21	48
Expenses relating to short-term leases and leases of low-value assets	352	486

Amounts recognised in consolidated statement of cash flows

	2020 $'000	2019 $'000
Total cash outflow for leases	733	733

Extension options

The property leases contain extension options exercisable by the Group. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $2.1 million.

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 6 sets out information about the operating leases of investment property.

Rental income from investment property recognised by the Group during 2020 was $69,053,000 (2019: $76,543,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2020 $'000	2019 $'000
Less than one year	59,503	64,972
One to two years	45,124	53,120
Two to three years	35,168	41,576
Three to four years	27,428	33,744
Four to five years	25,647	31,338
More than five years	108,296	150,023
Total	301,166	374,773

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33 COMMITMENTS

At the reporting date, the Group has the following commitments in respect of:

	Group 2020 $'000	Group 2019 $'000
(a) capital and development expenditures contracted but not provided for	519,347	930,448
(b) capital contributions in joint ventures	229,014	235,095
	748,361	1,165,543

34 EVENTS OCCURRING AFTER THE REPORTING DATE

(a) On 25 January 2021, the Company changed its name from Perennial Real Estate Holdings Pte. Ltd. to Perennial Holdings Private Limited.

(b) On 17 February 2021, the Group together with other shareholders completed the acquisition of Perennial Business City, for a total consideration of $118.0 million in relation to a sale and purchase agreement entered on 4 December 2020. Consequently, the Group has an effective interest of 63% in this investment.

(c) On 19 February 2021, the Group together with another shareholder completed the acquisition of the entire equity interests in Caldecott Properties Pte. Ltd. ("Caldecott"), for a total consideration of $281.0 million in relation to a tender of award granted on 11 December 2020. Consequently, the Group has an effective interest of 50% in this investment.

(d) On 3 March 2021, the Group entered into a joint venture agreement for a proposed integrated development in Hangzhou, PRC, which the expected capital contribution by the Group is $83.6 million.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year are as follows:

Group			
Name of Interested Person	Nature of Relationship		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000) S$'000
Wilmar International Limited ("WIL") and its associates	Controlling shareholder	Entry into joint venture with Wilmar (Shanghai) IT Services Co., Ltd. to develop an eldercare management IT platform	1,550
		Entry into joint venture with Pyramid Wilmar Plantations (Private) Limited to invest in a mixed-use development in Colombo, Sri Lanka	23,600
		Provision of design and project management support to the construction of Wilmar Singapore office	586
		Entry into joint venture with Piermont Holdings Limited in relation to the sale and purchase of stake in AXA Tower	271,200
Mr. Kuok Khoon Hong and his associates	Director and controlling shareholder	Entry into joint venture with HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd and Longhlin Asia Limited to invest in a mixed-use development in Colombo, Sri Lanka	23,600
		Entry into joint venture with HPRY Holdings Limited in relation to the sale and purchase of stake in AXA Tower	271,200
		Purchase of N95 face masks from Camtech Biomedical Pte. Ltd.	136
		Interest paid/payable in relation to subscription of fixed rate notes	6,986
Mr. Ron Sim and his associate	Director and controlling shareholder	Interest paid/payable in relation to subscription of fixed rate notes	595
Mr. Pua Seck Guan and his associate	Director and Chief Executive Officer	Interest paid/payable in relation to subscription of fixed rate notes	298

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Kuok Khoon Hong
Chairman and Non-Executive Director

Mr Ron Sim
Co-Vice Chairman and Non-Executive Director

Mr Fang Fenglei
Co-Vice Chairman and Non-Executive Director

Ms Teo La-Mei
Non-Executive Director

Mr Lau Teck Sien
Alternate Director to Mr Fang Fenglei

Mr Pua Seck Guan
Chief Executive Officer and Executive Director

BOARD COMMITTEES

Remuneration Committee
Mr Kuok Khoon Hong (Chairman)
Mr Ron Sim
Mr Fang Fenglei

Corporate Disclosure Committee
Ms Teo La-Mei
Mr Pua Seck Guan

Executive Committee
Mr Kuok Khoon Hong (Chairman)
Mr Ron Sim
Mr Lau Teck Sien
Mr Pua Seck Guan

COMPANY SECRETARIES

Ms Yan Li Fang, Phyllis
Ms Tan Si Si Helen

INDEPENDENT AUDITOR

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Audit Partner-in-Charge: Ms Karen Lee Shu Pei
(Appointed since 27 October 2014)

PRINCIPAL BANKERS

Bangkok Bank Public Company Limited
China Construction Bank Corporation
DBS Bank Ltd.
Hong Leong Finance Limited
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
United Overseas Bank Limited

REGISTERED OFFICE

8 Shenton Way
#36-01 AXA Tower
Singapore 068811
Tel: (65) 6602 6800
Fax: (65) 6602 6801
Website: www.perennialholdings.com

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Ms Tong Ka-Pin
Email: tong.ka-pin@perennialholdings.com

PLACE OF INCORPORATION

Singapore
Company Registration Number: 200210338M