



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

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## **Introduction**

Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia, Indonesia, Myanmar and Ghana with a combined portfolio spanning over 65 million square feet in gross floor area. Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Tianjin South HSR Integrated Development and Perennial Kunming South HSR International Healthcare and Business City, are regional healthcare and commercial hubs which are situated adjacent to four of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development, Zhuhai Hengqin Integrated Development, Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

In Singapore, Perennial has invested in and/or manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as Capitol Singapore, CHIJMES, AXA Tower, 111 Somerset, Chinatown Point and House of Tan Yeok Nee.

**PERENNIAL REAL ESTATE HOLDINGS LIMITED**  
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**1 (a)(i) Consolidated Income Statement**

	Note	3 months	3 months	Change	9 months	9 months	Change
		ended 30.09.2019	ended 30.09.2018		ended 30.09.2019	ended 30.09.2018	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	38,683	22,229	74.0	91,170	55,304	64.9
Cost of sales	2	(26,616)	(14,205)	(87.4)	(58,223)	(29,915)	(94.6)
<b>Gross Profit</b>		<b>12,067</b>	<b>8,024</b>	50.4	<b>32,947</b>	<b>25,389</b>	29.8
Other income	3	13,092	242,823	(94.6)	14,508	283,187	(94.9)
Administrative expenses		(9,929)	(8,639)	(14.9)	(32,705)	(26,933)	(21.4)
Other operating expenses	4	857	427	100.7	1,037	(393)	Nm
<b>Results from operating activities</b>		<b>16,087</b>	<b>242,635</b>	(93.2)	<b>15,787</b>	<b>281,250</b>	(94.2)
Share of results of associates and joint ventures, net of tax		5,719	4,859	17.7	45,572	32,628	39.7
<b>Profit before interest and tax</b>		<b>21,806</b>	<b>247,494</b>	<b>(91.2)</b>	<b>61,359</b>	<b>313,878</b>	<b>(80.5)</b>
Finance income	5	4,474	2,441	83.3	6,112	9,203	(33.6)
Finance costs	6	(31,086)	(29,655)	(4.8)	(93,794)	(67,770)	(38.4)
<b>Net finance costs</b>		<b>(26,612)</b>	<b>(27,214)</b>	2.2	<b>(87,682)</b>	<b>(58,567)</b>	(49.7)
<b>(Loss)/profit before tax</b>		<b>(4,806)</b>	<b>220,280</b>	(102.2)	<b>(26,323)</b>	<b>255,311</b>	(110.3)
Tax expense	7	(5,092)	(61,831)	91.8	(8,261)	(71,309)	88.4
<b>(Loss)/profit for the period</b>		<b>(9,898)</b>	<b>158,449</b>	(106.2)	<b>(34,584)</b>	<b>184,002</b>	(118.8)
<b>(Loss)/profit for the period attributable to:-</b>							
Owners of the Company		(9,931)	48,264	(120.6)	(34,690)	62,056	(155.9)
Non-controlling interests		33	110,185	(100.0)	106	121,946	(99.9)
		<b>(9,898)</b>	<b>158,449</b>	(106.2)	<b>(34,584)</b>	<b>184,002</b>	(118.8)

Nm: denotes not meaningful

**1 (a)(i) Consolidated Income Statement (cont'd)**

**Explanatory Notes to the Consolidated Income Statement 3Q 2019 versus 3Q 2018**

**(1) Revenue**

Revenue in 3Q 2019 increased by 74.0%, mainly attributable to improved revenue contribution from Perennial International Health and Medical Hub (“PIHMH”) in Chengdu and Capitol Singapore which included the sale of a unit in Eden Residences, offset by lower management fee due to the absence of a one-off acquisition fee.

**(2) Cost of sales**

Cost of sales was higher as it included the property cost of the unit sold during the quarter.

**(3) Other income**

The other income comprised mainly the gain on the divestment of our 20% stake in Aidigong. In 3Q 2018, the other income pertained to fair value gain of two plots on Beijing Tongzhou Phase 1.

**(4) Other operating expenses**

The other operating expenses were in credit balance due to higher exchange gain in 3Q 2019 as compared to 3Q 2018.

**(5) Finance income**

The increase in finance income in 3Q 2019 was due to higher interest income on junior bonds distributed by associates.

**(6) Finance costs**

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The finance costs increased by 4.8% mainly due to higher interest rates.

**(7) Tax expense**

Tax expenses were lower in this quarter as 3Q 2018’s tax expenses included the deferred tax in respect of fair value gain on Beijing Tongzhou Phase 1.

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**1 (a)(ii) Consolidated Statement of Comprehensive Income**

	Note	3 months 30.09.2019 S\$'000	3 months 30.09.2018 S\$'000	Change %	9 months 30.09.2019 S\$'000	9 months 30.09.2018 S\$'000	Change %
<b>(Loss)/profit for the period</b>		<b>(9,898)</b>	<b>158,449</b>	<b>(106.2)</b>	<b>(34,584)</b>	<b>184,002</b>	<b>(118.8)</b>
<b>Other comprehensive income</b>							
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Foreign currency translation gains/(losses) relating to foreign operations, net of tax	1	(41,505)	(130,033)	68.1	(70,936)	(70,486)	(0.6)
Foreign currency translation losses on monetary items forming part of net investments in foreign operations, net of tax		(2,781)	(4,790)	41.9	(7,787)	(4,987)	(56.1)
Share of other comprehensive income of associates/joint ventures	1	(24,787)	(76,758)	67.7	(43,123)	(37,342)	(15.5)
		(69,073)	(211,581)	67.4	(121,846)	(112,815)	(8.0)
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Net change in fair value of financial assets, at FVOCI		-	8,302	(100.0)	4,930	(8,555)	157.6
Other comprehensive income for the period, net of tax		(69,073)	(203,279)	66.0	(116,916)	(121,370)	3.7
<b>Total comprehensive income for the period</b>		<b>(78,971)</b>	<b>(44,830)</b>	<b>(76.2)</b>	<b>(151,500)</b>	<b>62,632</b>	<b>Nm</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(61,616)	(102,545)	39.9	(120,637)	(30,577)	(294.5)
Non-controlling interests		(17,355)	57,715	(130.1)	(30,863)	93,209	(133.1)
<b>Total comprehensive income for the period</b>		<b>(78,971)</b>	<b>(44,830)</b>	<b>(76.2)</b>	<b>(151,500)</b>	<b>62,632</b>	<b>(341.9)</b>

Nm: denotes not meaningful

Note:

- (1) The movement during this quarter was in respect of the Group's net assets which were denominated in RMB, whereby RMB has depreciated against SGD by approximately 1.5% during the quarter.

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**1 (b)(i) Consolidated Statement of Financial Position for the Group and the Company**

	Note	Group			Company		
		30.09.2019	31.12.2018	Change	30.09.2019	31.12.2018	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Plant and equipment		293,725	297,445	(1.3)	151	233	(35.2)
Investment properties		3,303,712	3,349,533	(1.4)	-	-	-
Subsidiaries		-	-	-	2,151,921	2,151,710	0.0
Associates and joint ventures		2,450,131	2,491,511	(1.7)	-	-	-
Intangible assets		76,392	78,345	(2.5)	-	-	-
Other financial assets		-	72,510	(100.0)	-	72,510	(100.0)
Other receivables		10,706	4,211	154.2	494,828	485,641	1.9
		<b>6,134,666</b>	<b>6,293,555</b>	<b>(2.5)</b>	<b>2,646,900</b>	<b>2,710,094</b>	<b>(2.3)</b>
<b>Current assets</b>							
Development properties		1,067,431	1,088,059	(1.9)	-	-	-
Inventories		378	1,234	(69.4)	-	-	-
Trade and other receivables	1	278,915	210,630	32.4	179,753	148,951	20.7
Cash and cash equivalents		99,593	76,856	29.6	704	4,582	(84.6)
		<b>1,446,317</b>	<b>1,376,779</b>	<b>5.1</b>	<b>180,457</b>	<b>153,533</b>	<b>17.5</b>
<b>Total assets</b>		<b>7,580,983</b>	<b>7,670,334</b>	<b>(1.2)</b>	<b>2,827,357</b>	<b>2,863,627</b>	<b>(1.3)</b>
<b>Non-current liabilities</b>							
Loans and borrowings		1,973,866	2,176,102	(9.3)	118,769	615,128	(80.7)
Junior bonds		30,000	30,000	-	-	-	-
Trade and other payables	2	146,830	84,171	74.4	-	-	-
Deferred tax liabilities		150,725	156,166	(3.5)	-	-	-
		<b>2,301,421</b>	<b>2,446,439</b>	<b>(5.9)</b>	<b>118,769</b>	<b>615,128</b>	<b>(80.7)</b>
<b>Current liabilities</b>							
Loans and borrowings		1,087,059	761,960	42.7	460,000	-	Nm
Trade and other payables	3	352,523	475,232	(25.8)	11,214	12,754	(12.1)
Current tax liabilities		13,484	10,325	30.6	707	869	(18.6)
		<b>1,453,066</b>	<b>1,247,517</b>	<b>16.5</b>	<b>471,921</b>	<b>13,623</b>	<b>Nm</b>
<b>Total liabilities</b>		<b>3,754,487</b>	<b>3,693,956</b>	<b>1.6</b>	<b>590,690</b>	<b>628,751</b>	<b>(6.1)</b>
<b>Net assets</b>		<b>3,826,496</b>	<b>3,976,378</b>	<b>(3.8)</b>	<b>2,236,667</b>	<b>2,234,876</b>	<b>0.1</b>
<b>Equity</b>							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		450,960	459,750	(1.9)	8,874	16,972	(47.7)
Foreign currency translation reserve		(249,956)	(158,084)	(58.1)	-	-	-
Retained earnings		198,818	222,712	(10.7)	19,526	9,637	102.6
<b>Equity attributable to owners of the Company</b>		<b>2,608,089</b>	<b>2,732,645</b>	<b>(4.6)</b>	<b>2,236,667</b>	<b>2,234,876</b>	<b>0.1</b>
Non-controlling interests		1,218,407	1,243,733	(2.0)	-	-	-
<b>Total equity</b>		<b>3,826,496</b>	<b>3,976,378</b>	<b>(3.8)</b>	<b>2,236,667</b>	<b>2,234,876</b>	<b>0.1</b>

Nm: denotes not meaningful

1 (b)(i) Consolidated Statement of Financial Position for the Group and the Company (cont'd)

Explanatory Notes to the Consolidated Statement of Financial Position

(1) Trade and other receivables

The increases were mainly due to additional shareholders' loan extended to a joint venture.

(2) Trade and other payables (Non-current)

The payables increased mainly due to a loan from a joint venture where the repayment date has been extended to a date which is more than 12 months later.

(3) Trade and other payables (Current)

The payables were reduced mainly due to repayment of loans advanced by non-controlling interests and reclassification of a loan extended by a joint venture to non-current payables.

1 (b)(ii) Aggregate Amount of Borrowings for the Group

	Group		
	As at 30.09.2019	As at 31.12.2018	Change
	S\$'000	S\$'000	%
<b><u>Amount repayable in one year or less, or on demand:</u></b>			
Secured	100,132	226,493	(55.8)
Unsecured <sup>(1)</sup>	986,927	535,467	84.3
	<b>1,087,059</b>	<b>761,960</b>	<b>42.7</b>
<b><u>Amount repayable after one year:</u></b>			
Secured	1,348,654	1,184,266	13.9
Unsecured <sup>(1)</sup>	625,212	991,836	(37.0)
	<b>1,973,866</b>	<b>2,176,102</b>	<b>(9.3)</b>
<b>Total borrowings <sup>(2)</sup></b>	<b>3,060,925</b>	<b>2,938,062</b>	<b>4.2</b>

Notes:

- (1) Unsecured borrowings include unsecured bank facilities as well as notes issued under the multicurrency debt programme and retail bonds.

To date, a total of S\$625 million of fixed rate notes had been issued, under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015, of which S\$400 million are outstanding.

- (2) The above borrowings were stated net of unamortised financing related transaction costs.

Details of collaterals for secured borrowings

Secured bank borrowings are generally secured by mortgages on the borrowing subsidiaries' properties and assignment of all rights and benefits with respect to the properties mortgaged.

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**1 (c) Consolidated Statement of Cash Flows**

	<b>3 months</b> <b>30.09.2019</b> S\$'000	<b>3 months</b> <b>30.09.2018</b> S\$'000	<b>9 months</b> <b>30.09.2019</b> S\$'000	<b>9 months</b> <b>30.09.2018</b> S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period	(9,898)	158,449	(34,584)	184,002
Adjustments for:				
Depreciation of plant and equipment	3,394	546	9,751	894
Amortisation of intangible assets	651	651	1,953	1,953
Foreign currency exchange gain (net)	(946)	(743)	(1,365)	(462)
Change in fair value of investment properties	-	(241,885)	-	(270,600)
Net finance costs	26,612	27,214	87,682	58,567
Share of results of associates and joint ventures, net of tax	(5,719)	(4,859)	(45,572)	(32,628)
Re-measurement to fair value of existing equity interest in a former joint venture	-	-	-	(9,065)
Loss on disposal of plant and equipment	8	-	7	-
Gain on disposal of an associate	(9,997)	-	(9,997)	-
Dividend income	-	-	(1,231)	-
Provision for bad debts	37	-	171	-
Equity-settled share-based payment transactions	693	1,094	2,728	1,985
Tax expense	5,092	61,831	8,261	71,309
	<b>9,927</b>	<b>2,298</b>	<b>17,804</b>	<b>5,955</b>
<b>Changes in:</b>				
- Inventories	256	(29)	856	(55)
- Development properties	6,567	(11,210)	(4,503)	(28,441)
- Trade and other receivables	(27,374)	39,284	(48,351)	40,821
- Trade and other payables	4,387	(43,937)	10,967	(51,553)
Cash generated from/(used in) operations	(6,237)	(13,594)	(23,227)	(33,273)
Tax paid	(1,634)	(1,677)	(4,963)	(4,055)
<b>Net cash used in operating activities</b>	<b>(7,871)</b>	<b>(15,271)</b>	<b>(28,190)</b>	<b>(37,328)</b>
<b>Cash flows from investing activities</b>				
Interest received	202	747	2,205	3,668
Acquisition of subsidiaries, net of cash acquired of	-	27	-	(95,025)
Acquisition of plant and equipment	672	(4,488)	(7,788)	(9,237)
Development expenditure - investment properties	(2,655)	(1,102)	(17,713)	(57,904)
Loans to associates and joint ventures	(5,384)	(2,282)	(123,129)	(37,594)
Advance to a non-controlling interest	(980)	-	(980)	-
Investment in associates and joint ventures	-	(31,895)	(29,691)	(64,533)
Proceeds from disposal of other financial assets	-	-	78,061	-
Proceeds from disposal of plant and equipment	1,481	-	1,488	-
Proceeds from partial disposal of interests in subsidiary, net of cash disposed of	-	880	-	880
Dividends from an associate	-	1,035	15,280	3,056
Distribution from an associate arising from gain on disposal of its subsidiaries	1,547	-	111,858	-
Proceeds from disposal of an associate	40,055	-	40,055	-
Dividends from other investments	-	1,008	1,450	3,060
<b>Net cash from/(used in) investing activities</b>	<b>34,938</b>	<b>(36,070)</b>	<b>71,096</b>	<b>(253,629)</b>



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**1 (c) Consolidated Statement of Cash Flows (cont'd)**

	<b>3 months</b>	<b>3 months</b>	<b>9 months</b>	<b>9 months</b>
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(6,647)	(16,618)
Purchase of treasury shares	-	-	-	(1,892)
Proceeds from loans and borrowings	195,111	195,554	536,198	1,737,772
Payment of upfront debt arrangement costs	(69)	(1,370)	(3,355)	(5,567)
Repayments of loans and borrowings	(156,881)	(183,735)	(439,849)	(1,374,419)
Loan from joint venture	1,889	27,257	11,218	37,218
Loans from/(repayment of loans) to non-controlling interests	1,973	-	(27,813)	-
Capital injection by non-controlling interests	-	-	5,537	8,274
Acquisition of non-controlling interests	-	-	-	(18,781)
Interest paid	(29,751)	(24,226)	(91,549)	(68,260)
<b>Net cash from/(used in) financing activities</b>	<b>12,272</b>	<b>13,480</b>	<b>(16,260)</b>	<b>297,727</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>39,339</b>	<b>(37,861)</b>	<b>26,646</b>	<b>6,770</b>
Cash and cash equivalents at beginning of the period	60,456	154,675	76,856	111,678
Effect of exchange rate changes on cash balances held in foreign currencies	(202)	(3,660)	(3,909)	(5,294)
<b>Cash and cash equivalents at end of the period</b>	<b>99,593</b>	<b>113,154</b>	<b>99,593</b>	<b>113,154</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company**

<b>Group</b>	<b>Share capital S\$'000</b>	<b>Other reserves<sup>(1)</sup> S\$'000</b>	<b>Foreign currency translation reserve<sup>(2)</sup> S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>	<b>Non-controlling interests S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 July 2019</b>	<b>2,208,267</b>	<b>450,392</b>	<b>(196,857)</b>	<b>207,210</b>	<b>2,669,012</b>	<b>1,235,762</b>	<b>3,904,774</b>
<b>Total comprehensive income for the period</b>							
(Loss)/profit for the period	-	-	-	(9,931)	(9,931)	33	(9,898)
<u>Other comprehensive income</u>							
Foreign currency translation differences relating to foreign operations, net of tax	-	-	(26,598)	1,539	(25,059)	(16,446)	(41,505)
Foreign currency translation differences on monetary items, net of tax	-	-	(2,251)	-	(2,251)	(530)	(2,781)
Share of other comprehensive income of associates and joint ventures	-	(125)	(24,250)	-	(24,375)	(412)	(24,787)
Total other comprehensive income	-	(125)	(53,099)	1,539	(51,685)	(17,388)	(69,073)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(125)</b>	<b>(53,099)</b>	<b>(8,392)</b>	<b>(61,616)</b>	<b>(17,355)</b>	<b>(78,971)</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	693	-	-	693	-	693
<b>Total transactions with owners</b>	<b>-</b>	<b>693</b>	<b>-</b>	<b>-</b>	<b>693</b>	<b>-</b>	<b>693</b>
<b>At 30 September 2019</b>	<b>2,208,267</b>	<b>450,960</b>	<b>(249,956)</b>	<b>198,818</b>	<b>2,608,089</b>	<b>1,218,407</b>	<b>3,826,496</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

<b>Company</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000
<b>At 1 July 2019</b>	<b>2,208,267</b>	<b>8,181</b>	<b>19,247</b>	<b>2,235,695</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	279	279
<b>Total comprehensive income for the period</b>	-	-	279	279
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	693	-	693
<b>Total transactions with owners</b>	-	693	-	693
<b>At 30 September 2019</b>	<b>2,208,267</b>	<b>8,874</b>	<b>19,526</b>	<b>2,236,667</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

Group	Share Capital S\$'000	Other reserves <sup>(1)</sup> S\$'000	Foreign currency translation reserve <sup>(2)</sup> S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>At 1 July 2018</b>	<b>2,208,267</b>	<b>455,183</b>	<b>8,286</b>	<b>159,367</b>	<b>2,831,103</b>	<b>1,168,237</b>	<b>3,999,340</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	48,264	48,264	110,185	158,449
<u>Other comprehensive income</u>							
Net change in fair value of financial assets, at FVOCI	-	8,302	-	-	8,302	-	8,302
Foreign currency translation gains relating to foreign operations, net of tax	-	-	(78,901)	-	(78,901)	(51,132)	(130,033)
Foreign currency translation losses on monetary items, net of tax	-	-	(3,251)	-	(3,251)	(1,539)	(4,790)
Share of other comprehensive income of associates and joint ventures	-	419	(77,382)	4	(76,959)	201	(76,758)
Total other comprehensive income	-	8,721	(159,534)	4	(150,809)	(52,470)	(203,279)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>8,721</b>	<b>(159,534)</b>	<b>48,268</b>	<b>(102,545)</b>	<b>57,715</b>	<b>(44,830)</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	1,094	-	-	1,094	-	1,094
Capital injection by non-controlling interests	-	-	-	-	-	3,814	3,814
Total contributions in ownership interests in subsidiary	-	1,094	-	-	1,094	3,814	4,908
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(10)	(10)
Disposal of subsidiary without a change in control	-	-	-	115	115	765	880
Total other capital transactions	-	-	-	115	115	755	870
<b>Total transactions with owners</b>	<b>-</b>	<b>1,094</b>	<b>-</b>	<b>115</b>	<b>1,209</b>	<b>4,569</b>	<b>5,778</b>
<b>At 30 September 2018</b>	<b>2,208,267</b>	<b>464,998</b>	<b>(151,248)</b>	<b>207,750</b>	<b>2,729,767</b>	<b>1,230,521</b>	<b>3,960,288</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

Company	Share capital S\$'000	Other reserves <sup>(1)</sup> S\$'000	Retained earnings S\$'000	Total S\$'000
<b>At 1 July 2018</b>	2,208,267	12,655	5,168	2,226,090
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,434	1,434
<i>Other comprehensive income</i>				
Net change in fair value of financial assets, at FVOCI	-	8,302	-	8,302
Total other comprehensive income	-	8,302	-	8,302
<b>Total comprehensive income for the period</b>	-	8,302	1,434	9,736
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	1,094	-	1,094
<b>Total transactions with owners</b>	-	1,094	-	1,094
<b>At 30 September 2018</b>	<b>2,208,267</b>	<b>22,051</b>	<b>6,602</b>	<b>2,236,920</b>

Notes:

- (1) Other reserves include capital reserve, fair value reserve, equity compensation reserve, reserve for own shares and statutory reserve
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations, associates and joint ventures, and foreign exchange differences arising from monetary items forming part of net investment in foreign operations.

**1 (d)(ii) Details of any Changes in Share Capital**

Issued Share Capital

As at 30 September 2019, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,661,709,368 (31 December 2018: 1,661,709,368) ordinary shares.

	<b>No. of Shares (‘000)</b>
In issue at 01.01.2019 / 30.09.2019	1,661,709

Outstanding Options under Perennial Employee Share Options Scheme 2014

	<b>No. of Share Options (‘000)</b>
As at 01.07.2019	73,103.5
Granted	-
Exercised	-
Lapsed/Cancelled	(638.0)
As at 30.09.2019	72,465.5

On 25 February 2019, the Company granted 27,719,500 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 (“ESOS”). The number of outstanding options represents 4.40% of the total number of shares issued as at 30 September 2019 (31 December 2018: 3.40% of issued shares of 1,661,709,368). The options have a validity of 5 years from the date of grant and are vested over a period of 4 years.

**1 (d)(iii) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares at the end of the current financial period reported on**

As at 30 September 2019, the Company held 3,435,000 treasury shares (31 December 2018: 3,435,000) which represents 0.21% (31 December 2018: 0.21%) of the total number of issued shares (excluding treasury shares).

There has been no movement in the number of treasury shares during the quarter.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

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**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of new/revised Singapore Financial Reporting Standards (International) (SFRS(I)s) applicable for the financial period beginning 1 January 2019 as follows:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
- Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)
- Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and SFRS(I) 11)
- Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I) 1-12)
- Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)
- Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

The Group does not expect any significant impact on its financial position or performance from the adoption of these new/amendments to SFRS(I)s.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to item 4 above.

**6 Earnings per Share**

	<b>Group</b>			
	<b>3 months 30.09.2019</b>	<b>3 months 30.09.2018</b>	<b>9 months 30.09.2019</b>	<b>9 months 30.09.2018</b>
(Loss)/profit for the period attributable to owners of the Company (S\$'000)	(9,931)	48,264	(34,690)	62,056
Weighted average number of shares for the period ('000)				
- Basic	1,661,709	1,661,814	1,661,709	1,662,484
- Diluted	1,661,709	1,661,814	1,661,709	1,662,484
<b>EPS (cents)</b>				
- Basic	(0.60)	2.90	(2.09)	3.73
- Diluted	(0.60)	2.90	(2.09)	3.73

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**7 Net Asset Value per Share**

	Group		Company	
	30.09.2019 S\$/share	31.12.2018 S\$/share	30.09.2019 S\$/share	31.12.2018 S\$/share
Net asset value per share based on issued share capital at the end of the period/year	1.570	1.644	1.346	1.345

**8 Review of the Performance**

	3 months ended 30.09.2019 S\$'000	3 months ended 30.09.2018 S\$'000	Change %	9 months Ended 30.09.2019 S\$'000	9 months ended 30.09.2018 S\$'000	Change %
	Revenue	38,683	22,229	74.0	91,170	55,304
Share of results of associates and joint ventures, net of tax	5,719	4,859	17.7	45,572	32,628	39.7
Earnings before interest and tax ("EBIT")	21,806	247,494	(91.2)	61,359	313,878	(80.5)
Net finance costs	(26,612)	(27,214)	2.2	(87,682)	(58,567)	(49.7)
<b>(Loss)/profit before tax</b>	<b>(4,806)</b>	<b>220,280</b>	<b>(102.2)</b>	<b>(26,323)</b>	<b>255,311</b>	<b>(110.3)</b>
<b>(Loss)/profit attributable to the owners of the Company ("PATMI")</b>	<b>(9,931)</b>	<b>48,264</b>	<b>(120.6)</b>	<b>(34,690)</b>	<b>62,056</b>	<b>(155.9)</b>

**3Q 2019 vs 3Q 2018**

The Group registered a revenue of S\$38.7 million (3Q 2018: S\$22.2 million) and an EBIT of S\$21.8 million (3Q 2018: S\$247.5 million) for the quarter ended 30 September 2019.

**Revenue**

The main revenue contributors are CHIJMES and Capitol in Singapore as well as Perennial Jihua Mall, Perennial Qingyang Mall and PIHMH in China. Revenue for 3Q 2019 was 74.0% higher than same period last year, mainly attributable to revenue contributions from PIHMH and Capitol Singapore which included the sale of a unit in Eden Residences, offset by lower management fee due to the absence of a one-off acquisition fee.

Singapore assets contributed revenue of approximately S\$22.4 million, representing 57.8% (3Q 2018: S\$6.6 million, representing 29.8%) of the Group's revenue. The operational assets in China contributed revenue of S\$12.9 million, which represents 33.5% (3Q 2018: S\$11.3 million, which represents 50.9%) of the Group's revenue. The remaining 8.7% (3Q 2018: 19.3%) of the Group's revenue came from the fee-based management businesses.



**8 Review of the Performance (cont'd)**

**EBIT**

The decrease in EBIT was mainly due to the absence of fair value gain of two plots on Beijing Tongzhou Phase 1 in 3Q 2018, mitigated by the gain on divestment of our 20% stake in Aidigong. Excluding the fair value gain in 3Q 2018 and divestment gain in 3Q 2019, EBIT would be higher by S\$5.8 million in 3Q 2019, due primarily to better performance of PIHMH and Qingyang as well as higher share of results from healthcare associates and joint ventures.

**(Loss)/PATMI**

The loss was mainly due to lower EBIT and higher finance costs. Finance costs were comparatively higher due to higher interest rates.

**9M 2019 vs 9M 2018**

The Group registered a revenue of S\$91.2 million and an EBIT of S\$61.4 million for the nine months ended 30 September 2019.

**Revenue**

Revenue for 9M 2019 was higher than 9M 2018 mainly due to the inclusion of Capitol Singapore and PIHMH's revenue for the full nine months in 9M 2019 as compared to four months in 9M 2018, sale of a unit in Eden Residences as well as higher fee income from management businesses.

**EBIT**

For 9M 2019, the Group achieved S\$61.4 million of EBIT, which was 80.5% lower than 9M 2018. The decrease in EBIT was primarily due to the absence of fair value gains from the revaluation of PIHMH and two plots on Beijing Tongzhou Phase 1 as well as a one-off gain recognised by an associated company in 9M 2018, mitigated by the gain on divestment of Aidigong and higher share of results from associates, mainly the gain on disposal of Chinatown Point. Excluding the one-off items such as fair value gains in 9M 2018 and divestment gain in 9M 2019, EBIT would be higher by S\$4.6 million in 9M 2019, due to the inclusion of 5 more months of results as well as improving performance from PIHMH, higher management fees and higher share of results from associates and joint ventures, offset by the lower performance of Capitol Singapore as it is in the process of ramping up.

**Net finance costs**

Finance costs comprised mainly interest on bank borrowings and medium term notes, and amortisation of transaction costs incurred on financing facilities. The net finance costs for the period were higher than last year same period due to the higher interest rates, additional loans drawn to fund new investments and interest expenses of PIHMH which were expensed off on completion of the project. As at 30 September 2019, the Group's net debt-to-equity ratio stood at 0.77 times (31 Dec 2018: 0.72 times). The increase in net debt-to-equity ratio was due to an increase in debt of about S\$100 million coupled with a reduction in equity due to foreign currency translation losses arising from the depreciation of RMB against the SGD.

**(Loss)/PATMI**

The lower EBIT and higher finance costs resulted in a loss for 9M 2019.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There is no material change from the previous prospect statement.

**10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

Singapore

Based on advance estimates from Ministry of Trade and Industry (MTI), Singapore economy grew by 0.1% year on year in the third quarter. The ongoing trade tensions between US and China continue to weigh on the economy, with business sentiment weakening as growth declines.

The revamp at Capitol Singapore is taking shape as total committed occupancy reached 91.5%. A number of new tenants commenced operations in the quarter, including Dyson, which opened its first-in-Singapore concept store featuring a demonstration and service centre. The Capitol Kempinski Hotel Singapore also opened three more food and beverage (“F&B”) establishments, being Chalerm Thai (Thai cuisine), La Scala Ristorante (Italian cuisine) and El Teatro Tapas (Spanish cuisine), completing the suite of F&B offerings at the Arcade@The Capitol Kempinski.

At 111 Somerset, the sales of strata office units picked up in 3Q 2019 as we see continued interest in office units’ investment. A total of 13 office units and 2 medical units with gross sales of S\$40.75 million were recognised in 3Q 2019 with another 24 office units with gross sales of S\$60.9 million to be recognised in 4Q 2019. Year-to-date, a total of 47 office and medical units were sold at an average sale price of S\$2,754 per square foot, with total sales amounting to approximately S\$119.6 million.

China

China’s GDP grew by 6.0% in the third quarter of 2019, the slowest in 27 years.

Our operational retail malls in Qingyang and Foshan continue to perform well with close to full occupancy. PIHMH, our newly operational asset in Chengdu, is forecasted to improve its performance as its anchor tenant, Gleneagles Chengdu Hospital had its soft opening on 26 Oct 2019. Separately, on the two existing sites under the healthcare joint venture, the Tianjin site has obtained its planning permit and is expected to receive its construction permit by 4Q 2019. The site at Kunming has obtained its land permit and is in the process of procuring its planning permit.

Overall, the revamping of Capitol Singapore and PIHMH are progressing well and their operating performance are expected to improve by next year. However, if the trade war between the USA and China is not resolved and the global economic outlook remains weak, these would have a bearing on the Group’s operating performance.

**11 Dividends**

**(a) Current financial period**

None

**(b) Corresponding period of the immediately preceding financial year**

None

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

**(d) Date Payable**

Not applicable

**(e) Books Closure Date**

Not applicable

**12 If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared for the nine months ended 30 September 2019. It is not the Group's usual practice to declare interim dividends.

**13 If the Company has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.**

The Company did not obtain a general mandate from shareholders for interested person transactions.

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**14 Segmental revenue and results for business or geographical segments of the Group with comparative information for the immediately preceding year.**

	Revenue					
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	22,350	6,623	237.5	41,505	14,938	177.8
<b>China</b>	12,941	11,306	14.5	36,803	29,649	24.1
<b>Management Businesses</b>	5,675	6,615	(14.2)	18,873	16,595	13.7
<b>Corporate and Others</b>	11	14	(21.4)	43	50	(14.0)
<b>Eliminations</b>	(2,294)	(2,329)	(1.5)	(6,054)	(5,928)	2.1
	38,683	22,229	74.0	91,170	55,304	64.9

	EBIT					
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	1,240	2,981	(58.4)	16,434	33,778	(51.3)
<b>China</b>	22,560	247,905	(90.9)	50,385	287,327	(82.5)
<b>Management Businesses</b>	1,358	1,014	33.9	6,380	4,352	46.6
<b>Corporate and Others</b>	(3,114)	(4,168)	(25.3)	(5,626)	(10,864)	(48.2)
<b>Eliminations</b>	(238)	(238)	-	(6,214)	(715)	Nm
	21,806	247,494	(91.2)	61,359	313,878	(80.5)

**15 Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 September 2019 and for the nine months ended on that date, to be false or misleading in any material aspect.

**16 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

On behalf of the Board

Kuok Khoon Hong  
Chairman

Pua Seck Guan  
Chief Executive Officer

By Order of the Board

Wong Chuen Shya  
Company Secretary

5 November 2019