



(a business trust constituted on 22 February 2011 under the laws of the Republic of Singapore)

Managed by Perennial China Retail Trust Management Pte. Ltd.

PERENNIAL CHINA RETAIL TRUST
2014 Third Quarter Unaudited Financial Statements and Distribution Announcement

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Introduction

Perennial China Retail Trust (“**PCRT**”) was constituted by a trust deed dated 22 February 2011 (as amended) entered into by Perennial China Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**”).

PCRT is Singapore’s first pure-play People’s Republic of China retail development trust. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 June 2011, PCRT has a market capitalisation of approximately S\$624.4 million as at 3 November 2014 and an asset value of approximately S\$1.86 billion (approximately RMB9.23 billion valued on an ‘as if complete’ basis) as at 30 June 2014. As at 30 September 2014, these assets are stated at S\$1.65 billion in the Consolidated Statement of Financial Position in accordance with their respective stages of development or completion.

PCRT’s portfolio comprises a 50.0% interest in each of Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices, a 100.0% interest in Perennial Jihua Mall, Foshan, a 100.0% interest in Perennial Qingyang Mall, Chengdu, a 50.0% interest and the right to acquire a further 30.0% interest in Perennial Dongzhan Mall, Chengdu, and a 10.0% interest in the predominantly retail Beijing Tongzhou Integrated Development (Phase 1).

PCRT has access to a strong pipeline of projects from its Sponsor and its strategic partners, which includes the option to invest in the Xi’an North High Speed Railway Integrated Development, which is directly connected to the Xi’an North High Speed Railway Station, and the right of first refusal to invest in the block retail component of the Beijing Tongzhou Integrated Development (Phase 1 and Phase 2).

PCRT aims to provide its Unitholders with sustainable total returns from the steady growth of PCRT’s net asset value per unit and regular distributions from stabilised income-producing assets. PCRT is sponsored by Perennial Real Estate Holdings Limited (“**Sponsor**”), an integrated real estate owner, developer and manager listed on the Singapore Exchange, and is managed by Perennial China Retail Trust Management Pte. Ltd.

PCRT’s distribution policy is to distribute at least 50.0% of PCRT’s distributable income. The distributable income comprises net income from operations, and realised gains, each as more particularly described in the prospectus dated 27 May 2011. The distribution of realised gains to Unitholders is at the discretion of the Trustee-Manager, after taking into consideration PCRT’s budget, operations and strategy.

Whilst distributions to Unitholders have so far been made semi-annually based on the half-yearly results of PCRT, the Trustee-Manager may also in its discretion declare interim distributions.

In view of the voluntary conditional general offer for PCRT announced on 27 October 2014 by Perennial Real Estate Holdings Limited (*formerly known as St. James Holdings Limited*), the Trustee-Manager is pleased to inform Unitholders that PCRT will distribute 0.95 cents per Unit for the period from 1 July 2014 to 30 September 2014 on 3 December 2014 on a one-off basis.

SUMMARY OF PCRT GROUP RESULTS

Quarter ended 30 September 2014	3Q 2014 ⁽¹⁾ S\$'000	3Q 2013 ⁽¹⁾ S\$'000	Variance %
Operating results			
Revenue	5,171	1,338	Nm
Net property income/(expenses)	2,137	(1,955)	Nm
Share of profit of joint venture, net of tax	1,669	1,837	(9.1)
Profit for the period attributable to Unitholders	7,349	6,494	13.2
Distributable income⁽³⁾	10,905	10,905	-

Nine months ended 30 September 2014	YTD 2014 ⁽²⁾ S\$'000	YTD 2013 ⁽²⁾ S\$'000	Variance %
Operating results			
Revenue	11,666	1,338	Nm
Net property income/(expenses)	3,126	(3,398)	Nm
Share of profit of joint venture, net of tax	6,345	3,447	84.1
Profit for the period attributable to Unitholders	29,051	13,970	Nm
Distributable income⁽³⁾	32,715	32,673	0.1

Footnotes:

- (1) The 3Q 2014 results of PCRT's foreign operations were translated using the average SGD/CNY rate of 4.9481 (3Q 2013: 4.8238).
- (2) The YTD 2014 results of PCRT's foreign operations were translated using the average SGD/CNY rate of 4.9007 (YTD 2013: 4.9423).
- (3) For 3Q 2014 and YTD 2014, this related to the drawdowns from the Additional Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant periods from 1 July to 30 September 2014 and 1 January to 30 September 2014 respectively.

For 2Q 2013 and YTD 2013, this related to the drawdowns from the New Earn-out Deed and Additional Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant periods from 1 July to 30 September 2013 and 1 January to 30 September 2013 respectively.

Please refer to Sections 1 and 8 for the review of performance and their comparative figures.

Distribution Details

Amount Available for Distribution	S\$10,905,000
Distribution Period	1 July 2014 to 30 September 2014
Distribution per Unit	0.95 Singapore cents
Units Trading Ex-Distribution	Monday, 10 November 2014 at 9.00 a.m.
Books Closure Date	Wednesday, 12 November 2014 at 5.00 p.m.
Distribution Payment Date	Wednesday, 3 December 2014

Nm: Not meaningful

1(a)(i) Consolidated Income Statement and Distribution Statement

	Note	3Q 2014 S\$'000	3Q 2013 S\$'000	Change %	YTD 2014 S\$'000	YTD 2013 S\$'000	Change %
Revenue	1	5,171	1,338	Nm	11,666	1,338	Nm
Property operating expenses	2	(3,034)	(3,293)	(7.9)	(8,540)	(4,736)	80.3
Net property income/(expenses)		2,137	(1,955)	Nm	3,126	(3,398)	Nm
Other income	3	9,756	10,860	(10.2)	33,384	32,673	2.2
Net change in fair value of investment properties	4	-	-	-	5,999	-	Nm
Trustee-Manager's fees		(1,666)	(1,303)	27.9	(4,739)	(4,045)	17.2
Other expenses	5	(600)	(202)	Nm	(1,624)	(7,866)	(79.4)
		9,627	7,400	30.1	36,146	17,364	Nm
Finance income	6	18	10	80.0	47	17	Nm
Finance costs	7	(3,895)	(2,682)	45.2	(9,966)	(6,917)	44.1
Net finance costs		(3,877)	(2,672)	45.1	(9,919)	(6,900)	43.8
Share of net profit of joint venture (excluding net change in fair value of investment properties, net of tax)		1,669	1,837	(9.1)	6,133	3,447	77.9
Share of net change in fair value of investment properties, net of tax		-	-	-	212	-	Nm
Share of profit of joint venture, net of tax	8	1,669	1,837	(9.1)	6,345	3,447	84.1
Profit before tax		7,419	6,565	13.0	32,572	13,911	Nm
Income tax expense		(125)	(96)	30.2	(1,929)	(216)	Nm
Profit for the period		7,294	6,469	12.8	30,643	13,695	Nm
Profit for the period attributable to:							
Unitholders of the Trust		7,349	6,494	13.2	29,051	13,970	Nm
Non-controlling interests		(55)	(25)	Nm	1,592	(275)	Nm
		7,294	6,469	12.8	30,643	13,695	Nm
Profit for the period attributable to Unitholders of the Trust		7,349	6,494	13.2	29,051	13,970	Nm
Add/(Less):							
- Trustee-Manager's management fees payable in units		-	-	-	-	2,533	Nm
- Unrealised foreign exchange loss/(gain)	5, 3	1,618	(1,241)	Nm	(172)	3,187	Nm
- Share of net change in fair value of investment properties of joint venture, net of tax		-	-	-	(212)	-	Nm
- Net change in fair value of investment properties, net of tax		-	-	-	(2,781)	-	Nm
- Amortisation of transaction costs on borrowings		477	592	(19.4)	1,262	1,117	13.0
- Net loss of group entities	9	1,364	5,002	(72.7)	5,307	11,720	(54.7)
- Others		97	58	67.2	260	146	78.1
Distributable income	10	10,905	10,905	-	32,715	32,673	0.1

Notes:

(1) Revenue

Revenue comprised rental revenue generated by Perennial Jihua Mall, Foshan (operational since 3Q 2013), and Perennial Qingyang Mall, Chengdu, which commenced operations in 2Q 2014.

(2) Property operating expenses

Property operating expenses in YTD 2014 comprised mainly operating costs of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, including staff costs, mall maintenance expenses and marketing and promotions expenses. They also comprised staff costs and pre-operation costs of Perennial Dongzhan Mall, Chengdu.

Property operating expenses in YTD 2013 comprised mainly staff costs, pre-operation costs, mall maintenance expenses and marketing and promotions costs relating to Perennial Jihua Mall, Foshan, and staff costs and pre-operational costs incurred on Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.

(3) Other income

Other income for YTD 2014 comprised:

- (i) realised and unrealised foreign exchange gain totaling S\$0.7 million on progress payments relating to Perennial Dongzhan Mall, Chengdu, and translation of payables denominated in foreign currencies, and
- (ii) drawdown of S\$32.7 million under the RMB342.0 million (S\$68.1 million) earn-out deed (the "Additional Earn-out Deed").

Other income for YTD 2013 comprised drawdowns of S\$23.7 million under the RMB226.5 million (S\$45.5 million) earn-out deed (the "New Earn-out Deed") and S\$9.0 million under the RMB342.0 million (S\$68.1 million) Additional Earn-out Deed.

Under the terms of the New and Additional Earn-out Deeds, the earn-out amounts are available for draw down for payment to Unitholders if the net property income of properties held by Shenyang Summit Real Estate Development Co., Ltd. ("Shenyang Summit") for each relevant period falls below a certain amount set out in these deeds. Following the drawdown of S\$32.7 million under the Additional Earn-out Deed for YTD 2014, the remaining earn-out amount available to support distribution for 4Q 2014 amounted to RMB77.9 million (S\$15.5 million).

(4) Net change in fair value of investment properties

In view of the Pre-conditional Voluntary Offer⁽¹⁾ announced on 14 March 2014 by Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) to acquire all the issued units in the capital of PCRT, a valuation exercise was undertaken by an independent professional valuer to assess the fair value⁽²⁾ of PCRT's investment properties comprising (i) Perennial Jihua Mall, Foshan, (ii) Perennial Qingyang Mall, Chengdu, and (iii) Perennial Dongzhan Mall, Chengdu, as at 30 June 2014.

(1) Please refer to PCRT's SGXNet announcements released between 14 March 2014 and 18 March 2014 relating to this matter.

(2) The fair values were expressed in Chinese Renminbi and converted into Singapore dollars at the exchange rate prevailing on 30 June 2014.

(5) Other expenses

Other expenses of PCRT included recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, audit and tax advisor's fees, investor relations costs and other miscellaneous expenses. It also included general and administrative, and operating expenses of the subsidiaries of PCRT.

In addition to the recurring trust expenses, included in other expenses for YTD 2013 were:

- (i) unrealised net foreign exchange loss of S\$3.2 million on translation of cash and cash equivalents and payables denominated in foreign currencies,
- (ii) realised net foreign exchange loss of S\$2.5 million on progress payments relating to Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, as well as project development costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, and
- (iii) expenses of S\$0.8 million relating to the management of the MTN Programme (as defined in note 7 on page 6).

(6) Finance income

Finance income comprised mainly interest income from deposits.

(7) Finance costs

YTD 2014 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu. The related finance costs of Perennial Qingyang Mall, Chengdu, were taken to the profit or loss statement after the substantial completion of the mall in 2Q 2014;
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015 and S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the S\$500.0 million Multicurrency Medium Term Note Programme established on 20 January 2012 (the "MTN Programme"); and
- (iii) amortised transaction costs incurred on the S\$285.0 million (previously S\$325.0 million) credit facilities.

YTD 2013 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan;
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015, and S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the MTN Programme; and
- (iii) amortised transaction costs incurred on the S\$285.0 million (previously S\$325.0 million) credit facilities.

(8) Share of profit of joint venture, net of tax

Share of profit of joint venture related to PCRT Group's 50.0% equity interest in Shenyang Summit which owns Shenyang Red Star Macalline Furniture Mall ("Shenyang Furniture Mall"), Shenyang Longemont Shopping Mall and Shenyang Longemont Offices.

YTD 2014 share of profit of joint venture included the change in fair value of investment properties held by Shenyang Summit, based on valuations performed by an independent valuer in view of the Pre-conditional Voluntary Offer described in note 4 on page 5.

(9) Net loss of group entities

Net loss of group entities referred to the net losses after applicable taxes attributable to the Trust and certain subsidiaries of the Group.

(10) Distributable income

Distributable income for YTD 2014 comprised drawdowns of S\$32.7 million from the Additional and New Earn-out Deeds (refer to note 3 on page 5 for details). The same amount was drawn down from these earn-out deeds for YTD 2013.

Please refer to Section 8 for review of the performance.

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

	3Q 2014 S\$'000	3Q 2013 S\$'000	Change %	YTD 2014 S\$'000	YTD 2013 S\$'000	Change %
Profit for the period	7,294	6,469	12.8	30,643	13,695	Nm
Other comprehensive income for the period, net of tax						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation gain/(loss) relating to foreign operations, net of tax ⁽¹⁾	37,423	(4,842)	Nm	(13,026)	52,442	Nm
Foreign currency translation gain/(loss) on monetary item forming part of net investment in foreign operations, net of tax	5	(8)	Nm	(75)	91	Nm
	37,428	(4,850)	Nm	(13,101)	52,533	Nm
Total comprehensive income for the period	44,722	1,619	Nm	17,542	66,228	(73.5)
Total comprehensive income attributable to:						
Unitholders of the Trust	43,626	1,780	Nm	16,326	64,965	(74.9)
Non-controlling interests	1,096	(161)	Nm	1,216	1,263	(3.7)
	44,722	1,619	Nm	17,542	66,228	(73.5)

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Footnote:

(1) For 3Q 2014, this related to the fluctuation of foreign exchange rates between September 2014 and June 2014 (3Q 2013: September 2013 and June 2013) in respect of the Group's net assets denominated in Chinese Renminbi (RMB). For YTD 2014, this related to the fluctuation of foreign exchange rates between September 2014 and December 2013 (YTD 2013: September 2013 and December 2012) in respect of the Group's net assets denominated in RMB.

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

	Note	Group			Trust		
		Sep 2014 S\$'000	Dec 2013 S\$'000	Change %	Sep 2014 S\$'000	Dec 2013 S\$'000	Change %
Non-current assets							
Plant and equipment		851	536	58.8	-	-	-
Investment properties	1	776,697	700,178	10.9	-	-	-
Subsidiaries		-	-	-	1,098,490	1,062,040	3.4
Joint venture	2	749,515	751,016	(0.2)	-	-	-
Available-for-sale investment	3	51,187	50,320	1.7	-	-	-
Other receivables	4	13,915	1,727	Nm	-	-	-
		1,592,165	1,503,777	5.9	1,098,490	1,062,040	3.4
Current assets							
Trade and other receivables	5	22,399	27,621	(18.9)	668	491	36.0
Cash and cash equivalents	6	13,717	41,665	(67.1)	4,714	33,489	(85.9)
		36,116	69,286	(47.9)	5,382	33,980	(84.2)
Total assets		1,628,281	1,573,063	3.5	1,103,872	1,096,020	0.7
Non-current liabilities							
Loans and borrowings	7	349,088	178,334	95.7	309,176	178,334	73.4
Deferred tax liabilities		43,196	41,657	3.7	-	-	-
		392,284	219,991	78.3	309,176	178,334	73.4
Current liabilities							
Loans and borrowings	7	129,319	233,362	(44.6)	129,319	233,362	(44.6)
Trade and other payables	8	201,774	199,633	1.1	19,885	28,296	(29.7)
		331,093	432,995	(23.5)	149,204	261,658	(43.0)
Total liabilities		723,377	652,986	10.8	458,380	439,992	4.2
Net assets		904,904	920,077	(1.6)	645,492	656,028	(1.6)
Unitholders' funds							
Units in issue		721,594	721,594	-	721,594	721,594	-
Capital reserve	9	(8,300)	(8,300)	-	-	-	-
Foreign currency translation reserve	10	79,061	91,786	(13.9)	-	-	-
Accumulated profits/(losses)		71,280	74,944	(4.9)	(76,102)	(65,566)	16.1
Net assets attributable to Unitholders		863,635	880,024	(1.9)	645,492	656,028	(1.6)
Non-controlling interests	11	41,269	40,053	3.0	-	-	-
		904,904	920,077	(1.6)	645,492	656,028	(1.6)

Notes:

(1) Investment properties

Investment properties related to Perennial Jihua Mall, Foshan (operational), Perennial Qingyang Mall, Chengdu (commenced operations in April 2014), and Perennial Dongzhan Mall, Chengdu (under development).

The increase was mainly attributable to:

- (i) S\$57.0 million in project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu,
- (ii) S\$5.8 million of capitalised finance costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu,
- (iii) S\$14.0 million of accrued progress payments relating to Perennial Dongzhan Mall, Chengdu, and
- (iv) S\$6.0 million of fair value gain on the investment properties, which at 30 June 2014 and 31 December 2013, were stated at fair values based on independent professional valuations.

The valuations were expressed in Chinese Renminbi and converted into Singapore dollars at the exchange rate prevailing on 30 September 2014.

This increase was offset by S\$6.3 million in foreign exchange loss on translation of the value of the investment properties denominated in Chinese Renminbi (RMB).

(2) Joint venture

This related to PCRT's 50.0% equity interest in Shenyang Summit that owns Shenyang Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices.

The decrease arose mainly from foreign exchange loss of S\$7.8 million on translation of the financial statements of Shenyang Summit, which was partially mitigated by the Group's share of profit of S\$6.1 million in the joint venture and fair value gain of S\$0.2 million on the above investment properties.

(3) Available-for-sale investment

Available-for-sale investment of S\$51.2 million related to PCRT's effective equity interest of 10.0% in the Beijing Tongzhou Integrated Development (Phase 1). An additional S\$0.9 million was invested in the development in 1Q 2014.

(4) Other receivables (non-current)

Other receivables (non-current) included (i) unamortised lease incentives of S\$1.5 million and S\$0.7 million in respect of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, respectively, and (ii) advance project development payments of S\$1.7 million and S\$10.0 million pertaining to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, respectively.

(5) Trade and other receivables (current)

The decrease of S\$5.2 million in trade and other receivables (current) was mainly attributed to a decrease of (i) S\$10.9 million in the income support receivable under the earn-out deeds (refer to note 3 on page 5 for details) as only three months of the receivable were recorded as at 30 September 2014, as compared to six months as at 31 December 2013, and (ii) advance project development payments of S\$1.0 million and S\$0.9 million pertaining to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, respectively. This was offset by an increase in the (i) unamortised rent-free lease incentives of S\$0.9 million and S\$2.3 million for Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, respectively, (ii) accounts receivables of S\$0.6 million relating to Perennial Qingyang Mall, Chengdu, and (iii) a refundable USD-denominated advance of S\$3.7 million made to an entity within the Beijing Tongzhou (Phase 1) group of companies to bridge land funding requirements imposed by the PRC land authority.

(6) Cash and cash equivalents

Please refer to Section 1(c) Consolidated Statement of Cash Flows for details.

(7) Loans and borrowings (non-current and current)

Loans and borrowings comprised:

- (i) loans drawn down from the S\$285.0 million (previously S\$325.0 million) bank credit facilities to finance progress payments and project development costs for Perennial Qingyang Mall, Chengdu, and progress payments for Perennial Jihua Mall, Foshan. These loans were classified as non-current liabilities as at 30 September 2014 pursuant to committed bank credit facilities to refinance these loans before their maturity;
- (ii) non-current onshore loan facilities of RMB396.0 million pertaining to the Perennial Dongzhan Mall, Chengdu, under which RMB193.0 million were drawn down as at 30 September 2014;
- (iii) non-current borrowings of S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the MTN Programme in 2013; and
- (iv) current borrowings of S\$130.0 million 6.375% Fixed Rate Notes due 2015 issued under the MTN Programme in 2012 and maturing in September 2015.

(8) Trade and other payables (current)

The increase of S\$2.1 million in trade and other payables was mainly attributed to (i) higher payables of S\$5.8 million relating to the project development costs of Perennial Dongzhan Mall, Chengdu, and Perennial Qingyang Mall, Chengdu, (ii) higher tenancy-related deposits of S\$3.1 million, (iii) a net increase of S\$6.4 million in other payables including trustee-manager's fees, and (iv) an increase of S\$8.2 million in entrustment loans from joint venture. These were offset by (i) lower accrued interest payables of S\$2.6 million, (ii) a decrease of S\$7.6 million on payments made for mall improvement works and the final progress payment relating to Perennial Jihua Mall, Foshan, and (iii) a decrease of S\$10.8 million of distribution payable, as only three months were recorded as at 30 September 2014, as compared to six months as at 31 December 2013.

(9) Capital reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(10) Foreign currency translation reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(11) Non-controlling interests

Non-controlling interests pertained to the 20.0% interest of the non-controlling shareholder of the subsidiary that holds Perennial Dongzhan Mall, Chengdu.

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

	Group		
	Sep 2014 S\$'000	Dec 2013 S\$'000	Change %
Secured bank borrowings			
- Amount repayable within one year	-	233,362	Nm
- Amount repayable after one year	299,453	-	Nm
Unsecured borrowings⁽¹⁾			
- Amount repayable within one year	129,319	-	Nm
- Amount repayable after one year	49,635	178,334	(72.2)
Total borrowings⁽²⁾	478,407	411,696	16.2

Footnotes:

- (1) On 21 September 2012, PCRT issued S\$130.0 million 6.375% Fixed Rate Notes due 2015, payable semi-annually in arrears, under the MTN Programme. On 26 July 2013, PCRT issued S\$50.0 million 5.25% Fixed Rate Notes due 2016, payable semi-annually in arrear, under the MTN Programme. All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by Perennial China Retail Pte. Ltd., a wholly-owned subsidiary of PCRT.

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

Details of collaterals for secured borrowings

As at 30 September 2014, the Group has:

- (i) offshore bank credit facilities of S\$285.0 million (previously S\$325.0 million), out of which S\$260.0 million were utilised; and
- (ii) onshore bank credit facilities of RMB396.0 million (S\$81.9 million), out of which RMB193.0 million (S\$39.9 million) were utilised.

The offshore bank credit facilities of S\$285.0 million (previously S\$325.0 million) are secured on the following:

- (a) share charges over all the shares in certain subsidiaries, namely, Perennial China Retail Pte. Ltd., Shenyang Retail (BVI) 1 Limited, Shenyang Retail (BVI) 2 Limited, Shenyang Retail 1 Limited, Shenyang Retail 2 Limited, Perennial Qingyang Retail (BVI) Limited, Perennial Qingyang Retail Limited, Sky Surpass Investments Limited and Best Field Holdings Limited (collectively, the “Offshore Companies”);
- (b) an equity pledge over the Group’s 50.0% equity interest in the joint venture, Shenyang Summit;
- (c) equity pledges over all the shares in Perennial (Chengdu) Industries Co., Ltd. and Perennial Foshan Retail Co., Ltd. (collectively, the “WFOEs”) which hold Perennial Qingyang Mall, Chengdu, and Perennial Jihua Mall, Foshan, respectively;
- (d) assignments by PCRT and the Offshore Companies of all rights under intercompany loans to the Offshore Companies and WFOEs;
- (e) assignments by the Offshore Companies of all rights under intercompany loans to PCRT;
- (f) corporate guarantees from the Offshore Companies; and
- (g) debentures over the Offshore Companies.

The onshore bank credit facilities of RMB396.0 million are secured on land use rights (国有土地使用权) held by Chengdu Ruifeng Real Estate Development Co., Ltd.

1 (c) Consolidated Statement of Cash Flows

	Note	Group			
		3Q 2014 S\$'000	3Q 2013 S\$'000	YTD 2014 S\$'000	YTD 2013 S\$'000
Cash flows from operating activities					
Profit before tax		7,419	6,565	32,572	13,911
Adjustments for:					
Depreciation of plant and equipment		67	23	166	50
Finance income		(18)	(10)	(47)	(17)
Finance costs		3,895	2,682	9,966	6,917
Trustee-Manager's management fees payable in units		-	-	-	2,533
Unrealised foreign exchange loss/(gain)		1,618	(1,241)	(172)	3,187
Share of profit of joint venture, net of tax		(1,669)	(1,837)	(6,345)	(3,447)
Net change in fair value of investment properties		-	-	(5,999)	-
Operating profit before changes in working capital		11,312	6,182	30,141	23,134
Changes in working capital:					
Trade and other receivables	1	16,175	6,244	(7,016)	(15,358)
Trade and other payables	2	(12,518)	(8,754)	2,291	(8,587)
		3,657	(2,510)	(4,725)	(23,945)
Cash from/(used in) operating activities		14,969	3,672	25,416	(811)
Income tax paid		-	-	-	(105)
Net cash from/(used in) operating activities		14,969	3,672	25,416	(916)
Cash flows from investing activities					
Additions to investment properties under development	2	(14,086)	(22,468)	(56,920)	(134,451)
Additions to available-for-sale investment	3	-	-	(867)	-
Purchase of plant and equipment		(73)	(93)	(482)	(262)
Interest received		18	10	47	16
Net cash used in investing activities		(14,141)	(22,551)	(58,222)	(134,697)
Cash flows from financing activities					
Distribution payment to Unitholders	4	(21,767)	(21,721)	(43,535)	(43,814)
Proceeds from loans and borrowings	5	25,445	70,367	64,668	142,285
Payment of transaction costs on borrowings		-	(579)	-	(579)
Interest paid		(9,392)	(5,789)	(16,252)	(12,507)
Withdrawal of cash in escrow accounts	6	-	2,893	-	25,028
Net cash (used in)/from financing activities		(5,714)	45,171	4,881	110,413
Net increase/(decrease) in cash and cash equivalents		(4,886)	26,292	(27,925)	(25,200)
Cash and cash equivalents at beginning of the period		18,309	42,744	41,657	94,192
Effect of exchange rate fluctuations on cash held		286	194	(23)	238
Cash and cash equivalents at end of the period		13,709	69,230	13,709	69,230

Comprising:

	Group			
	3Q 2014 S\$'000	3Q 2013 S\$'000	YTD 2014 S\$'000	YTD 2013 S\$'000
Cash at bank and in hand	13,717	43,238	13,717	43,238
Fixed deposits with a financial institution	-	26,000	-	26,000
Cash and cash equivalents	13,717	69,238	13,717	69,238
Less: Restricted cash ⁽¹⁾	(8)	(8)	(8)	(8)
Cash and cash equivalents in the consolidated statement of cash flows	13,709	69,230	13,709	69,230

Footnote:

- (1) Restricted cash related to funds deposited into escrow accounts under the various Earn-out Deeds (please refer to notes 3 and 10 in Section 1(a)(i) for details) entered into by the Group.

Notes:

- (1) Changes in trade and other receivables included a refundable advance of S\$3.7 million made to an entity within the Beijing Tongzhou (Phase 1) group of companies, income support receivable of S\$10.9 million, increase of S\$0.7 million in trade receivables and S\$3.2 million in lease incentives pertaining to Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, and prepaid construction costs of S\$9.9 million relating to Perennial Dongzhan Mall, Chengdu. These were offset by the receipt of the earn-out amount of S\$21.8 million for 2H 2013 distribution to Unitholders on 11 March 2014.
- (2) In YTD 2014, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.
 In YTD 2013, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, and progress payment and mall improvement works for Perennial Jihua Mall, Foshan.
- (3) In YTD 2014, an additional S\$0.9 million was invested in Beijing Tongzhou Integrated Development (Phase 1).
- (4) In YTD 2014, the following distributions were made to Unitholders:
 (i) on 11 March 2014, S\$21.8 million for the period from 1 July to 31 December 2013; and
 (ii) on 5 September 2014, S\$21.7 million for the period from 1 January to 30 June 2014.
 In YTD 2013, the following distributions were made to Unitholders:
 (i) on 18 March 2013, S\$22.1 million for the period from 1 July to 31 December 2012; and
 (ii) on 11 September 2013, S\$21.7 million for the period 1 January to 30 June 2013.
- (5) In YTD 2014, the following bank loans were drawn down:
 (i) S\$24.8 million to finance the ongoing project development costs for Perennial Qingyang Mall, Chengdu; and
 (ii) RMB193.0 million (equivalent to S\$39.9 million) to finance the ongoing project development costs for Perennial Dongzhan Mall, Chengdu.
 In YTD 2013, the following bank loans were drawn down:
 (i) S\$65.3 million to finance the progress payments and ongoing project development costs for Perennial Qingyang Mall, Chengdu; and
 (ii) S\$27.0 million to finance the progress payment for Perennial Jihua Mall, Foshan.
 On 26 July 2013, PCRT issued S\$50.0 million Fixed Rate Notes under the MTN Programme.
- (6) In YTD 2013, the movement in restricted cash included:
 (i) placement of S\$18.9 million in an escrow account under the New Earn-out Deed; and
 (ii) drawdown of earn-out amounts which were distributed to Unitholders as follows:
 (a) S\$22.1 million for the period 1 July to 31 December 2012; and
 (b) S\$21.7 million for the period 1 January to 30 June 2013.

**1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust
(3Q 2014 vs 3Q 2013)**

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 July 2014	721,594	(8,300)	42,784	74,836	830,914	40,173	871,087
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	7,349	7,349	(55)	7,294
Other comprehensive income							
Foreign currency translation gain relating to foreign operations, net of tax	-	-	36,272	-	36,272	1,151	37,423
Foreign currency translation gain on monetary item forming part of net investment in foreign operations, net of tax	-	-	5	-	5	-	5
Total other comprehensive income	-	-	36,277	-	36,277	1,151	37,428
Total comprehensive income for the period	-	-	36,277	7,349	43,626	1,096	44,722
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Amount available for distribution to Unitholders ⁽³⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	-	-	-	(10,905)	(10,905)	-	(10,905)
At 30 September 2014	721,594	(8,300)	79,061	71,280	863,635	41,269	904,904

PERENNIAL CHINA RETAIL TRUST
2014 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 July 2013	721,594	(8,300)	76,183	52,945	842,422	35,739	878,161
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	6,494	6,494	(25)	6,469
Other comprehensive income							
Foreign currency translation loss relating to foreign operations, net of tax	-	-	(4,706)	-	(4,706)	(136)	(4,842)
Foreign currency translation loss on monetary item forming part of net investment in foreign operations, net of tax	-	-	(8)	-	(8)	-	(8)
Total other comprehensive income	-	-	(4,714)	-	(4,714)	(136)	(4,850)
Total comprehensive income for the period	-	-	(4,714)	6,494	1,780	(161)	1,619
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Amount available for distribution to Unitholders ⁽⁴⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	-	-	-	(10,905)	(10,905)	-	(10,905)
At 30 September 2013	721,594	(8,300)	71,469	48,534	833,297	35,578	868,875

PERENNIAL CHINA RETAIL TRUST
2014 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Trust	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 July 2014	721,594	(79,636)	641,958
Total comprehensive income for the period			
Profit for the period	-	14,439	14,439
Transaction with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Amount available for distribution to Unitholders ⁽³⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	-	(10,905)	(10,905)
At 30 September 2014	721,594	(76,102)	645,492

At 1 July 2013	721,594	(52,057)	669,537
Total comprehensive income for the period			
Profit for the period	-	16,272	16,272
Transactions with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Amount available for distribution to Unitholders ⁽⁴⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	-	(10,905)	(10,905)
At 30 September 2013	721,594	(46,690)	674,904

Footnotes (3Q 2014 vs 3Q 2013):

- (1) The capital reserve related to the reserve arising from the capital contribution made by the Group to a non-wholly owned subsidiary.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations and joint venture, and foreign exchange differences arising from a monetary item forming part of net investment in foreign operations.
- (3) This related to the earn-out amount in respect of the relevant period from 1 July to 30 September 2014, available for distribution to Unitholders.
- (4) This related to the earn-out amount in respect of the relevant period from 1 July to 30 September 2013 and, together with the earn-out amount for the period from 1 October to 31 December 2013, was paid to Unitholders on 11 March 2014.

**1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust
(YTD 2014 vs YTD 2013)**

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2014	721,594	(8,300)	91,786	74,944	880,024	40,053	920,077
Total comprehensive income for the period							
Profit for the period	-	-	-	29,051	29,051	1,592	30,643
Other comprehensive income							
Foreign currency translation loss relating to foreign operations, net of tax	-	-	(12,650)	-	(12,650)	(376)	(13,026)
Foreign currency translation loss on monetary item forming part of net investment in foreign operations, net of tax	-	-	(75)	-	(75)	-	(75)
Total other comprehensive income	-	-	(12,725)	-	(12,725)	(376)	(13,101)
Total comprehensive income for the period	-	-	(12,725)	29,051	16,326	1,216	17,542
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Distribution to Unitholders ⁽³⁾	-	-	-	(21,810)	(21,810)	-	(21,810)
Amount available for distribution to Unitholders ⁽⁴⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	-	-	-	(32,715)	(32,715)	-	(32,715)
At 30 September 2014	721,594	(8,300)	79,061	71,280	863,635	41,269	904,904

PERENNIAL CHINA RETAIL TRUST
2014 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2013	719,061	(8,300)	20,474	67,237	798,472	34,315	832,787
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	13,970	13,970	(275)	13,695
Other comprehensive income							
Foreign currency translation gain relating to foreign operations, net of tax	-	-	50,904	-	50,904	1,538	52,442
Foreign currency translation gain on monetary item forming part of net investment in foreign operations, net of tax	-	-	91	-	91	-	91
Total other comprehensive income	-	-	50,995	-	50,995	1,538	52,533
Total comprehensive income for the period	-	-	50,995	13,970	64,965	1,263	66,228
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Units issued and to be issued as payment of Trustee- Manager's management fees	2,533	-	-	-	2,533	-	2,533
Distribution to Unitholders ⁽⁵⁾	-	-	-	(21,768)	(21,768)	-	(21,768)
Amount available for distribution to Unitholders ⁽⁶⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	2,533	-	-	(32,673)	(30,140)	-	(30,140)
At 30 September 2013	721,594	(8,300)	71,469	48,534	833,297	35,578	868,875

PERENNIAL CHINA RETAIL TRUST
2014 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Trust	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2014	721,594	(65,566)	656,028
Total comprehensive income for the period			
Profit for the period	-	22,179	22,179
Transaction with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Distribution to Unitholders ⁽³⁾	-	(21,810)	(21,810)
Amount available for distribution to Unitholders ⁽⁴⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	-	(32,715)	(32,715)
At 30 September 2014	721,594	(76,102)	645,492

At 1 January 2013	719,061	(40,177)	678,884
Total comprehensive income for the period			
Profit for the period	-	26,160	26,160
Transactions with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Units issued and to be issued as payment of Trustee-Manager's management fees	2,533	-	2,533
Distribution to Unitholders ⁽⁵⁾	-	(21,768)	(21,768)
Amount available for distribution to Unitholders ⁽⁶⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	2,533	(32,673)	(30,140)
At 30 September 2013	721,594	(46,690)	674,904

Footnotes (YTD 2014 vs YTD 2013):

- (1) The capital reserve related to the reserve arising from the capital contribution made by the Group to a non-wholly owned subsidiary.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations and joint venture, and foreign exchange differences arising from a monetary item forming part of net investment in foreign operations.
- (3) This related to the earn-out amount in respect of the relevant period from 1 January to 30 June 2014 and was paid to Unitholders on 5 September 2014.
- (4) This related to the earn-out amount in respect of the relevant period from 1 July to 30 September 2014, available for distribution to Unitholders.
- (5) This related to the earn-out amount in respect of the relevant period from 1 January to 30 June 2013 and was paid to Unitholders on 11 September 2013.
- (6) This related to the earn-out amount in respect of the relevant period from 1 July to 30 September 2013 and, together with the earn-out amount for the period from 1 October to 31 December 2013, was paid to Unitholders on 11 March 2014.

1 (d)(ii) Details of any Changes in Units

	3Q 2014 Number of Units '000	3Q 2013 Number of Units '000	YTD 2014 Number of Units '000	YTD 2013 Number of Units '000
Units in issue at the beginning of the period	1,145,654	1,143,230	1,145,654	1,139,290
Creation of new units relating to: - Trustee-Manager's management fees paid in units	-	2,424	-	6,364
Total Units in issue at the end of the period	1,145,654	1,145,654	1,145,654	1,145,654

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

Pursuant to the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers, the financial information set out in Sections 1(a), 1(b)(i), 1(c) and 1(d)(i) of this announcement has been reviewed by the Trust's independent auditors in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The comparative figures for the financial period ended 30 September 2013 have not been audited or reviewed by the auditors.

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

Please refer to the independent auditor's review report dated 4 November 2014 appended to this announcement.

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

Except as disclosed in Section 5 below, the accounting policies and methods of computation applied are consistent with those described in the audited financial statements for the financial year ended 31 December 2013.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for financial periods beginning 1 January 2014, including FRS 111 *Joint Arrangements*.

The adoption of these new standards, amendments to standards and interpretations has no significant impact on the Group's consolidated financial statements.

6 Earnings per Unit and Distribution per Unit

	3Q 2014	3Q 2013	YTD 2014	YTD 2013
Earnings per unit ("EPU")				
Profit for the period attributable to Unitholders (S\$'000)	7,349	6,494	29,051	13,970
Weighted average number of units for the period ('000)				
Basic	1,145,654	1,144,179	1,145,654	1,142,142
Diluted	1,145,654	1,144,179	1,145,654	1,142,142
EPU (Singapore cents)				
Basic	0.64	0.56	2.54	1.22
Diluted	0.64	0.56	2.54	1.22

	3Q 2014	3Q 2013	YTD 2014	YTD 2013
Distribution per unit ("DPU")				
Amount available for distribution (S\$'000)	10,905	10,905	32,715	32,673
Number of units entitled to distribution ⁽¹⁾ ('000)	1,145,654	1,145,654	1,145,654	1,145,654
DPU (Singapore cents)	0.95	0.95	2.86	2.85

Footnote:

(1) Being the total units in issue at the end of the period.

7 Net Asset Value per Unit

	Group		Trust	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value ("NAV") per unit	S\$0.75	S\$0.77	S\$0.56	S\$0.57

Note:

NAV per unit was computed based on net assets attributable to the Unitholders and total units in issue and to be issued at the end of the current period and the immediately preceding financial year.

The lower Group NAV per unit was mainly affected by fluctuation in the SGD/CNY rate, which moved from 4.7845 as at 31 December 2013 to 4.8357 as at 30 September 2014.

8 Review of the Performance

	3Q 2014 S\$'000	3Q 2013 S\$'000	Change S\$'000	Change %	YTD 2014 S\$'000	YTD 2013 S\$'000	Change S\$'000	Change %
Revenue	5,171	1,338	3,833	Nm	11,666	1,338	10,328	Nm
Property operating expenses	(3,034)	(3,293)	259	(7.9)	(8,540)	(4,736)	(3,804)	80.3
Net property income/(expenses)	2,137	(1,955)	4,092	Nm	3,126	(3,398)	6,524	Nm
Other income	9,756	10,860	(1,104)	(10.2)	33,384	32,673	711	2.2
Net change in fair value of investment properties	-	-	-	-	5,999	-	5,999	Nm
Trustee-Manager's fees	(1,666)	(1,303)	(363)	27.9	(4,739)	(4,045)	(694)	17.2
Other expenses	(600)	(202)	(398)	Nm	(1,624)	(7,866)	6,242	(79.4)
	9,627	7,400	2,227	30.1	36,146	17,364	18,782	Nm
Finance income	18	10	8	80.0	47	17	30	Nm
Finance costs	(3,895)	(2,682)	(1,213)	45.2	(9,966)	(6,917)	(3,049)	44.1
Net finance costs	(3,877)	(2,672)	(1,205)	45.1	(9,919)	(6,900)	(3,019)	43.8
Share of net profit of joint venture (excluding net change in fair value of investment properties, net of tax)	1,669	1,837	(168)	(9.1)	6,133	3,447	2,686	77.9
Share of net change in fair value of investment properties, net of tax	-	-	-	-	212	-	212	Nm
Share of profit of joint venture, net of tax	1,669	1,837	(168)	(9.1)	6,345	3,447	2,898	84.1
Profit before tax	7,419	6,565	854	13.0	32,572	13,911	18,661	Nm
Income tax expense	(125)	(96)	(29)	30.2	(1,929)	(216)	(1,713)	Nm
Profit for the period	7,294	6,469	825	12.8	30,643	13,695	16,948	Nm
Profit for the period attributable to:								
Unitholders of the Trust	7,349	6,494	855	13.2	29,051	13,970	15,081	Nm
Non-controlling interests	(55)	(25)	(30)	Nm	1,592	(275)	1,867	Nm
	7,294	6,469	825	12.8	30,643	13,695	16,948	Nm

3Q 2014 vs 3Q 2013

Perennial Jihua Mall, Foshan, generated revenue of S\$2.3 million in 3Q 2014 as compared to S\$1.3 million in 3Q 2013, during which it was operational for only about a month. Perennial Qingyang Mall, Chengdu, which commenced operations in 2Q 2014, generated revenue of S\$2.9 million in 3Q 2014.

The decrease of S\$0.3 million or 7.9% in property operating expenses for 3Q 2014 as compared to 3Q 2013 was attributable to:

- (i) a reduction S\$1.5 million in respect of Perennial Jihua Mall, Foshan, due mainly to the absence of leasing commission of S\$1.2 million, and expenditure incurred on marketing, advertising and promotion activities relating to the mall's opening in 3Q 2013;

Offset by increases of:

- (i) S\$1.0 million in respect of Perennial Qingyang Mall, Chengdu, which only commenced operations in 2Q 2014, due mainly to property operating expenses such as maintenance, utilities and staff costs; and
- (ii) S\$0.2 million in respect of Perennial Dongzhan Mall, Chengdu, due mainly to marketing expenses.

Net property income for 3Q 2014 increased by S\$4.1 million over 3Q 2013 as a result of the above.

3Q 2014 vs 3Q 2013 (cont'd)

Excluding the effect of net foreign exchange loss of S\$1.1 million in 3Q 2014 results, other income for both 3Q 2014 and 3Q 2013 were S\$10.9 million each, and related to drawdowns under the Additional Earn-out Deed in 3Q 2014 and the Additional and New Earn-out Deeds in 3Q 2013 for distribution to Unitholders.

The increase of S\$0.4 million or 27.9% in Trustee-Manager's fees for 3Q 2014 as compared to 3Q 2013 was attributed to the increase in total assets value as at end of 3Q 2014 as compared to 3Q 2013.

Excluding 3Q 2013's effect of net foreign exchange gain of S\$0.1 million, other expenses, which included recurring trust expenses, for 3Q 2014 were S\$0.3 million higher than 3Q 2013's due to increased professional services and higher depreciation of fixed assets.

The higher finance costs of S\$1.2 million or 45.2% for 3Q 2014 as compared to 3Q 2013 were mainly due to:

- (i) an increase of S\$1.1 million in interest costs incurred on financing facilities relating to progress payments for Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu. As Perennial Qingyang Mall, Chengdu, was substantially completed, its interest costs were taken to the profit or loss statement from 2Q 2014 onwards; and
- (ii) additional S\$0.1 million in interest costs relating to the S\$50.0 million Fixed Rate Notes issued under the MTN Programme in end-July 2013.

Share of profit of joint venture decreased marginally by S\$0.2 million or 9.1% in 3Q 2014 as compared to 3Q 2013. This was mainly attributed to impairment loss on receivables from master lease tenant Guangcai Group, an antique wholesale market operator in the West Wing of Shenyang Red Star Macalline Furniture Mall. This was offset by:

- (i) higher net property income from Shenyang Longemont Shopping Mall following the mall's tenancy remixing and reconfiguration initiatives; and
- (ii) higher net property income from Shenyang Longemont Offices arising from improved occupancy since 2Q 2014.

As a result of the above, the profit for 3Q 2014 increased by S\$0.8 million or 12.8% as compared to 3Q 2013.

YTD 2014 vs YTD 2013

Perennial Jihua Mall, Foshan, generated revenue of S\$6.3 million during the nine months ended 30 September 2014, as compared to S\$1.3 million in YTD 2013, during which it was operational for only about a month. Perennial Qingyang Mall, Chengdu, which commenced operations in end-April 2014, generated revenue of S\$5.4 million during the five-month period.

The increase of S\$3.8 million or 80.3% in property operating expenses for YTD 2014 as compared to YTD 2013 was attributable to:

- (i) S\$0.4 million in respect of Perennial Jihua Mall, Foshan, which was operational for nine months in YTD 2014, as compared to only about a month in YTD 2013 during which one-time leasing commission, mall opening and promotions expenses were incurred;
- (ii) S\$3.1 million in respect of Perennial Qingyang Mall, Chengdu, which commenced operations in end-April 2014, due mainly to marketing and promotions expenses relating to its official opening activities, property operating expenses such as maintenance and utilities costs, and higher staff costs; and
- (iii) S\$0.3 million in respect of Perennial Dongzhan Mall, Chengdu, due mainly to marketing expenses.

Net property income for YTD 2014 increased by S\$6.5 million over YTD 2013 as a result of the above.

Excluding the effect of total realised and unrealised foreign exchange gain of S\$0.7 million in YTD 2014 results, other income for both YTD 2014 and YTD 2013 were S\$32.7 million each, and related to drawdowns under the Additional Earn-out Deed in YTD 2014 and the Additional and New Earn-out Deeds in YTD 2013 for distribution to Unitholders.

YTD 2014 vs YTD 2013 (cont'd)

In view of the Pre-conditional Voluntary Offer announced on 14 March 2014 by Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) to acquire all the issued units in the capital of PCRT, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of PCRT's investment properties comprising (i) Perennial Jihua Mall, Foshan, (ii) Perennial Qingyang Mall, Chengdu, and (iii) Perennial Dongzhan Mall, Chengdu, as at 30 June 2014. Please refer to note 4 on page 5 for more details. The gain of S\$6.0 million in the fair values was mainly contributed by the higher valuation of Perennial Qingyang Mall, Chengdu, which was substantially completed in 1H 2014.

The increase of S\$0.7 million or 17.2% in Trustee-Manager's fees for YTD 2014 as compared to YTD 2013 was attributed to the increase in total assets value as at end of YTD 2014 as compared to YTD 2013.

Excluding YTD 2013's effect of net foreign exchange loss of S\$5.7 million and one-off expenses of S\$0.8 million relating to the management of the MTN Programme, other expenses for YTD 2014 and YTD 2013, which included recurring trust expenses, remained stable at S\$1.6 million and S\$1.4 million respectively. The marginal increase from YTD 2013 was mainly due to increased professional services and higher depreciation of fixed assets.

The higher finance costs of S\$3.0 million or 44.1% for YTD 2014 as compared to YTD 2013 were mainly due to:

- (i) an increase of S\$2.2 million in interest and related transaction costs incurred on financing facilities relating to progress payments for Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu. As Perennial Qingyang Mall, Chengdu, was substantially completed, its interest costs were taken to the profit or loss statement from 2Q 2014 onwards; and
- (ii) additional S\$0.8 million in interest costs relating to the S\$50.0 million Fixed Rate Notes issued under the MTN Programme in July 2013.

Share of profit of joint venture increased by S\$2.9 million in YTD 2014 as compared to YTD 2013. This was mainly attributed to:

- (i) improvement of S\$2.7 million in operating results arising from:
 - higher net property income from Shenyang Longemont Shopping Mall following the mall's tenancy remixing and reconfiguration initiatives; and
 - higher net property income from Shenyang Longemont Offices arising from improved occupancy since 4Q 2013.
- (ii) in view of the Pre-conditional Voluntary Offer announced on 14 March 2014 by Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) to acquire all the issued units in the capital of PCRT, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of (i) Shenyang Furniture Mall, (ii) Shenyang Longemont Shopping Mall, and (iii) Shenyang Longemont Offices, as at 30 June 2014. Please refer to note 4 on page 5 for more information on the announced corporate exercise. The gain of S\$0.2 million in the fair values, net of deferred tax, was contributed by the marginal increase in the valuation of Shenyang Longemont Shopping Mall.

Income tax expense for YTD 2014 increased by S\$1.7 million as compared to YTD 2013. This was mainly attributed to higher deferred tax expense in line with the increase in fair values of investment properties.

Excluding S\$4.7 million of net gain in fair values and the corresponding deferred tax expense of the investment properties, but including those held by Shenyang Summit, the profit after tax for YTD 2014 was S\$25.9 million, an increase of S\$12.2 million over YTD 2013. This was mainly attributable to the absence of net foreign exchange loss, higher net property income from Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, which were operational for a longer period in YTD 2014 than in YTD 2013, and improved results from joint venture.

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

No forecast, or a prospect statement, has been previously disclosed.

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

China's Gross Domestic Product ("GDP") grew at 7.3% year-on-year in first three quarters of 2014. However, there are some concerns on China's ability to maintain its targeted GDP growth rate.

We continue to see challenging quarters ahead as we work on stabilising our operating assets in Shenyang, Foshan and Chengdu. We continue to intensify our leasing efforts to prepare Perennial Dongzhan Mall, Chengdu, for its target opening in 2015.

Shenyang Market Update

In 1H 2014, Shenyang's GDP grew 7.2% year-on-year to RMB373.9 billion. In 1H 2014, retail sales of consumer goods reached RMB168.5 billion, an increase of 12.4% over 1H 2013. Per capita disposable income grew 9.6% year-on-year to RMB15,700 in 1H 2014 (source:- Statistics Bureau of Shenyang).

According to DTZ Research, the total stock of Grade A offices reached 598,700 sm in 3Q 2014. In the 3Q 2014, the availability ratio is at 28.7%, primarily due to the new office supply in 2Q 2014. The average rent for Grade A offices achieved in this quarter decreased by 0.66% over the previous quarter to RMB112.0 per sm per month (source:- DTZ Research).

Chengdu Market Update

In 1H 2014, Chengdu's GDP grew 8.7% year-on-year to RMB484.3 billion. Retail sales of consumer goods in 1H 2014 reached RMB205.1 billion, an increase of 13.0% compared to 1H 2013. Per capita disposable income in 1H 2014 grew 9.7% year-on-year to RMB16,805 (source:- Statistics Bureau of Chengdu).

In 3Q 2014, the average city vacancy rate decreased by 1.5% q-o-q to 6.0%. Mall operators are introducing experiential components that are more lifestyle focused in their trade mix and holding more periodic events and promotions to enhance shopping experience thereby marginally improving the occupancy in this quarter. (source:- DTZ Research).

In 3Q 2014, the overall citywide rent decreased 1% q-o-q to RMB691.9 per sm per month (source:- DTZ Research).

Foshan Market Update

In 1H 2014, Foshan's GDP grew 8.0% year-on-year to RMB345.3 billion. Retail sales of consumer goods in 1H 2014 reached RMB122.5 billion, an increase of 12.1% year-on-year (source:- Foshan Statistics Bureau).

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Distribution Period	1 July 2014 to 30 September 2014
Distribution per Unit	0.95 Singapore cents

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period of the immediately preceding financial year?	Yes
Distribution Period	1 July 2013 to 30 September 2013 ⁽¹⁾
Distribution per Unit	0.95 Singapore cents

Footnote:

(1) The distribution for 3Q 2013, together with the distribution for 4Q 2013, was made to Unitholders on 11 March 2014.

(c) Tax Rate : The Distribution will be exempt from Singapore income tax in the hands of all Unitholders. The Distribution is also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits for any taxes paid by Perennial China Retail Trust Management Pte. Ltd., the trustee-manager of PCRT, on the income of PCRT against their Singapore income tax liability.

(d) Date Payable : Wednesday, 3 December 2014

(e) Books Closure Date : Wednesday, 12 November 2014 at 5.00 p.m.

12 If no distribution has been declared / recommended, a statement to that effect

Not applicable.

13 If PCRT has obtained a general mandate from Unitholders 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.

PCRT did not obtain a general mandate from Unitholders for interested person transactions.

14 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 of the Trustee-Manager of Perennial China Retail Trust which may render the unaudited interim financial results of the Group and the Trust as at and for the period from 1 January 2014 to 30 September 2014, to be false or misleading in any material aspect.

On behalf of the Board of the Trustee-Manager

Koh Ming Chye
Chief Executive Officer

By Order of the Board
Perennial China Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Perennial China Retail Trust)
(Company registration no. 201024622Z)

Sim Ai Hua
Company Secretary
4 November 2014



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Report on review of Interim Financial Information

The Board of Directors
Perennial China Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Perennial China Retail Trust)

Introduction

We have reviewed the accompanying financial information of Perennial China Retail Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Trust as at 30 September 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows of the Group for the nine-month period then ended, and a summary of significant accounting policies and certain explanatory notes (the "Interim Financial Information").

Perennial China Retail Trust Management Pte. Ltd., the Trustee-Manager of the Trust, is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information as of and for the nine-month period ended 30 September 2014 for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
4 November 2014