



**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 2018**

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## **Introduction**

Perennial Real Estate Holdings Limited ("Perennial or the Group") 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 and Ghana with a combined portfolio spanning over 58 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Three of Perennial's developments, Chengdu East High Speed Railway ("HSR") Integrated Development, Xi'an North HSR Integrated Development and Tianjin South HSR Integrated Development, are regional healthcare and commercial hubs which are situated adjacent to three of the country's key interchange HSR stations and incorporate medical, healthcare and eldercare facilities. Other landmark projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

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

**PERENNIAL REAL ESTATE HOLDINGS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER**  
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**1 (a)(i) Consolidated Income Statement**

	Note	3 months ended 30.09.2018	3 months ended 30.09.2017	Change	9 months ended 30.09.2018	9 months ended 30.09.2017	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	22,229	20,442	8.7	55,304	58,523	(5.5)
Cost of sales	2	(14,205)	(6,138)	(131.4)	(29,915)	(19,075)	(56.8)
<b>Gross Profit</b>		<b>8,024</b>	<b>14,304</b>	(43.9)	<b>25,389</b>	<b>39,448</b>	(35.6)
Other income	3	242,823	806	Nm	283,187	104,017	172.3
Administrative expenses	4	(8,639)	(5,729)	(50.8)	(26,933)	(18,474)	(45.8)
Other operating expenses	5	427	(1,599)	126.7	(393)	(3,824)	(89.7)
<b>Results from operating activities</b>		<b>242,635</b>	<b>7,782</b>	Nm	<b>281,250</b>	<b>121,167</b>	132.1
Finance income	6	2,441	4,859	(49.8)	9,203	13,226	(30.4)
Finance costs	7	(29,655)	(17,305)	(71.4)	(67,770)	(51,691)	(31.1)
<b>Net finance costs</b>		<b>(27,214)</b>	<b>(12,446)</b>	(118.7)	<b>(58,567)</b>	<b>(38,465)</b>	(52.3)
Share of results of associates and joint ventures, net of tax	8	4,859	29,766	(83.7)	32,628	34,893	(6.5)
<b>Profit before tax</b>		<b>220,280</b>	<b>25,102</b>	Nm	<b>255,311</b>	<b>117,595</b>	117.1
Tax expense	9	(61,831)	(1,317)	Nm	(71,309)	(20,031)	(256.0)
<b>Profit for the period/year</b>		<b>158,449</b>	<b>23,785</b>	Nm	<b>184,002</b>	<b>97,564</b>	88.6
<b>Profit for the period attributable to:-</b>							
Owners of the Company		48,264	16,919	185.3	62,056	72,705	(14.6)
Non-controlling interests		110,185	6,866	Nm	121,946	24,859	Nm
		<b>158,449</b>	<b>23,785</b>	Nm	<b>184,002</b>	<b>97,564</b>	88.6

Nm: denotes not meaningful

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

**Explanatory Notes to the Consolidated Income Statement 3Q 2018 versus 3Q 2017**

**(1) Revenue**

3Q 2018 revenue increased mainly attributable to revenue from Capitol Singapore and Perennial International Health and Medical Hub (“PIHMH”) which started contributing since 2Q 2018, acquisition fee earned from the healthcare joint venture as well as improved performance from Perennial Qingyang Mall and Perennial Jihua Mall. The increase was partially offset by the absence of a one-off fee recognised from the United Engineers Limited (“UEL”) transaction in 3Q 2017.

**(2) Cost of sales**

Cost of sales for the quarter was higher as it included the operational costs of Capitol Singapore and PIHMH. In addition, there was pre-opening expenses, including hotel staff costs incurred prior to the opening of Capitol Kempinski Hotel in October 2018 as well as advertising and marketing expenses incurred by PIHMH which recently commenced operations.

**(3) Other income**

Other income in 3Q 2018 was mainly due to fair value gain of S\$241.9 million from the valuation of two plots on Beijing Tongzhou Integrated Development Phase 1 which were identified for lease, following the receipt of construction permits.

**(4) Administrative expenses**

The increase in administrative expenses was attributable to the consolidation of Capitol Singapore expenses, increase in staff costs, higher professional fees and depreciation incurred on the renovation, fittings and equipment of the new Perennial International Specialist Medical Centre.

**(5) Other operating expenses**

The other operating expenses in 3Q 2018 were positive mainly due to unrealised foreign exchange gain whilst foreign exchange losses were incurred in 3Q 2017.

**(6) Finance income**

The decrease in finance income in 3Q 2018 was due to the absence of interest income from a joint venture as the loan to the joint venture has been repaid since May 2018.

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

**(7) Finance costs**

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The higher finance costs were mainly due to increased borrowings as the Group consolidated Capitol Singapore's debt and took on additional loans to fund investments. In addition, finance costs previously capitalised for the construction of PIHMH were expensed off following the completion of the project.

**(8) Share of results of associates and joint ventures, net of tax**

The share of results was comparatively lower as there was a one-off gain on bargain purchase of S\$25.9 million arising from the UEL transaction.

**(9) Tax expense**

Higher tax expenses were mainly due to tax provision in respect of the fair value gain.

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

	Note	3 months 30.09.2018 S\$'000	3 months 30.09.2017 S\$'000	Change %	9 months 30.09.2018 S\$'000	9 months 30.09.2017 S\$'000	Change %
<b>Profit for the period/year</b>		<b>158,449</b>	<b>23,785</b>	Nm	<b>184,002</b>	<b>97,564</b>	88.6
<b>Other comprehensive income Items that are or may be reclassified subsequently to profit or loss</b>							
Net change in fair value of available-for-sale financial assets	1	-	(82)	Nm	-	9,056	Nm
Foreign currency translation (losses)/gains relating to foreign operations, net of tax	2	(130,033)	7,362	Nm	(70,486)	(54,576)	(29.2)
Foreign currency translation losses on monetary items forming part of net investments in foreign operations, net of tax		(4,790)	(273)	Nm	(4,987)	(801)	Nm
Share of other comprehensive income of associate	2	(76,758)	638	Nm	(37,342)	(38,606)	Nm
		(211,581)	7,645	Nm	(112,815)	(84,927)	(32.8)
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Net change in fair value of financial assets, at FVOCI	1	8,302	-	Nm	(8,555)	-	Nm
Other comprehensive income for the period/year, net of tax		(203,279)	7,645	Nm	(121,370)	(84,927)	(42.9)
<b>Total comprehensive income for the period/year</b>		<b>(44,830)</b>	<b>31,430</b>	(242.6)	<b>62,632</b>	<b>12,637</b>	Nm
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(102,545)	22,925	Nm	(30,577)	12,676	Nm
Non-controlling interests		57,715	8,505	Nm	93,209	(39)	Nm
<b>Total comprehensive income for the period/year</b>		<b>(44,830)</b>	<b>31,430</b>	(242.6)	<b>62,632</b>	<b>12,637</b>	Nm

Nm: denotes not meaningful

Note:

- (1) The movement was due to the changes in the price of the quoted equity securities. The change of classification is due to adoption of SFRS(I) 9. Please refer to item 4 for more details.
- (2) 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 4.7% during the quarter.

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

	Note	Group				Company		
		30.09.2018 S\$'000	31.12.2017 S\$'000 (Restated)	01.01.2017 S\$'000 (Restated)	Change %	30.09.2018 S\$'000	31.12.2017 S\$'000	Change %
<b>Non-current assets</b>								
Plant and equipment	1	9,728	1,657	1,624	Nm	279	186	Nm
Investment properties	2, 3	3,580,547	1,659,723	1,371,972	115.7	-	-	-
Subsidiaries Associates and joint ventures		-	-	-	-	2,945,537	2,692,753	9.4
Intangible assets		2,412,388	2,471,443	1,993,529	(2.4)	-	-	-
Other financial assets		83,043	80,949	83,553	2.6	-	-	-
Other receivables		78,621	87,583	67,214	(10.2)	78,621	87,583	(10.2)
		3,688	14,568	15,786	(74.7)	-	-	-
		<b>6,168,015</b>	<b>4,315,923</b>	<b>3,533,678</b>	<b>42.9</b>	<b>3,024,437</b>	<b>2,780,522</b>	<b>8.8</b>
<b>Current assets</b>								
Development properties	2, 3	1,117,899	1,704,465	2,757,943	(34.4)	-	-	-
Inventories		54	-	-	Nm	-	-	-
Trade and other receivables	2	199,209	572,668	528,493	(65.2)	139,084	102,267	36.0
Cash and cash equivalents		113,154	111,678	226,243	1.3	6,958	6,080	14.4
		<b>1,430,316</b>	<b>2,388,811</b>	<b>3,512,679</b>	<b>(40.1)</b>	<b>146,042</b>	<b>108,347</b>	<b>34.8</b>
<b>Total assets</b>		<b>7,598,331</b>	<b>6,704,734</b>	<b>7,046,357</b>	<b>13.3</b>	<b>3,170,479</b>	<b>2,888,869</b>	<b>9.7</b>
<b>Non-current liabilities</b>								
Loans and borrowings	2, 4	2,142,436	1,369,767	1,892,456	56.4	578,125	279,317	107.0
Junior bonds Redeemable preference shares		30,000	30,000	143,977	-	-	-	-
Trade and other payables		-	-	47,613	Nm	-	-	-
Deferred tax liabilities	5	33,666	31,773	33,932	6.0	-	-	-
		144,828	81,373	61,375	78.0	-	-	-
		<b>2,350,930</b>	<b>1,512,913</b>	<b>2,179,353</b>	<b>55.4</b>	<b>578,125</b>	<b>279,317</b>	<b>107.0</b>
<b>Current liabilities</b>								
Loans and borrowings		951,897	974,994	823,062	(2.4)	337,291	337,251	0.0
Trade and other payables		323,933	290,961	257,111	11.3	17,533	9,341	87.7
Current tax liabilities		11,283	9,988	4,915	13.0	610	740	(17.6)
		<b>1,287,113</b>	<b>1,275,943</b>	<b>1,085,088</b>	<b>0.9</b>	<b>355,434</b>	<b>347,332</b>	<b>2.3</b>
<b>Total liabilities</b>		<b>3,638,043</b>	<b>2,788,856</b>	<b>3,264,441</b>	<b>30.4</b>	<b>933,559</b>	<b>626,649</b>	<b>49.0</b>
<b>Net assets</b>		<b>3,960,288</b>	<b>3,915,878</b>	<b>3,781,916</b>	<b>1.1</b>	<b>2,236,920</b>	<b>2,262,220</b>	<b>(1.1)</b>
<b>Equity</b>								
Share capital		2,208,267	2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves Foreign currency translation reserve		464,998	463,554	439,756	0.3	22,051	30,513	(27.7)
Retained earnings		(151,248)	(66,309)	-	(128.1)	-	-	-
<b>Equity attributable to owners of the Company</b>		<b>2,077,500</b>	<b>1,605,512</b>	<b>1,648,023</b>	<b>28.4</b>	<b>2,230,318</b>	<b>2,238,780</b>	<b>(1.1)</b>
Non-controlling interests		207,750	161,777	68,578	28.4	6,602	23,440	(71.8)
		<b>2,279,767</b>	<b>2,767,289</b>	<b>2,716,601</b>	<b>(1.4)</b>	<b>2,236,920</b>	<b>2,262,220</b>	<b>(1.1)</b>
<b>Total equity</b>		<b>3,960,288</b>	<b>3,915,878</b>	<b>3,781,916</b>	<b>1.1</b>	<b>2,236,920</b>	<b>2,262,220</b>	<b>(1.1)</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) Plant and equipment**

The increase was due to renovations, fittings and equipment for the new Perennial International Specialist Medical Centre.

**(2) Investment properties / Development properties / Trade and other receivables / Long-term loans and borrowings**

The increases in investment properties, development properties and long-term loans and borrowings were a result of the consolidation of the Capitol Singapore entities following the completion of the acquisition of the remaining 50% stake. Consequently, the shareholder's loan extended to Capitol Singapore was also repaid, hence resulting in the decrease in trade and other receivables.

**(3) Investment properties / Development properties**

The increase in investment properties was partly contributed by the reclassification of two plots on Beijing Tongzhou Integrated Development Phase 1 from development properties. These two plots were identified for lease and reclassified following the receipt of construction permits.

**(4) Long-term loans and borrowings**

Besides the consolidation of Capitol Singapore's debt, the increase in long-term loans and borrowings was contributed by the issuance of medium term notes in August 2018 of S\$180 million.

**(5) Deferred tax liabilities**

The increase in deferred tax liabilities was due to the provision made on fair value gains.

**(6) Restatement of comparatives**

The foreign currency translation reserve and retained earnings as at 1 January 2017 had been restated with the adoption of SFRS(I) 1. Please refer to item 4 for more details.



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

	<b>Group</b>		
	<b>As at</b>	<b>As at</b>	<b>Change</b>
	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>%</b>
	S\$'000	S\$'000	%
<b><u>Amount repayable in one year or less, or on demand:</u></b>			
Secured	234,653	325,996	(28.0)
Unsecured <sup>(1)</sup>	717,244 <sup>(2)</sup>	648,998	10.5
	<b>951,897</b>	<b>974,994</b>	<b>(2.4)</b>
<b><u>Amount repayable after one year:</u></b>			
Secured	1,391,176	792,352	75.6
Unsecured <sup>(1)</sup>	751,260	577,415	30.1
	<b>2,142,436</b>	<b>1,369,767</b>	<b>56.4</b>
<b>Total borrowings <sup>(3)</sup></b>	<b>3,094,333</b>	<b>2,344,761</b>	<b>32.0</b>

Notes:

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

In January and August 2018, medium term notes of S\$120 million, at 3.90% p.a. due 2021 and S\$180 million, at 5.95% p.a. due 2020 were issued by the Company, the proceeds of which had been utilised to redeem the S\$100 million 4.25% notes due in March 2018 and part finance the redemption of the S\$300 million retail bonds due in October 2018. 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.

- (2) The S\$300 million retail bonds were redeemed on 23 October 2018.

- (3) 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 30.09.2018 S\$'000</b>	<b>3 months 30.09.2017 S\$'000</b>	<b>9 months 30.09.2018 S\$'000</b>	<b>9 months 30.09.2017 S\$'000</b>
<b>Cash flows from operating activities</b>				
Profit for the period/year	158,449	23,785	184,002	97,564
Adjustments for:				
Depreciation of plant and equipment	546	134	894	420
Amortisation of intangible assets	651	651	1,953	1,953
Foreign currency exchange (gain)/loss (net)	(743)	1,685	(462)	3,899
Change in fair value of investment properties	(241,885)	-	(270,600)	(45,466)
Net finance costs	27,214	12,446	58,567	38,465
Share of results of associates and joint ventures, net of tax	(4,859)	(29,766)	(32,628)	(34,893)
Gain on disposal of partial interest in a subsidiary	-	-	-	(35,519)
Re-measurement to fair value of existing/remaining equity interest in a former joint venture/subsidiary	-	-	(9,065)	(20,151)
Equity-settled share-based payment transactions	1,094	446	1,985	1,110
Tax expense	61,831	1,317	71,309	20,031
	<b>2,298</b>	<b>10,698</b>	<b>5,955</b>	<b>27,413</b>
<b>Changes in:</b>				
- Inventories	(29)	-	(55)	-
- Development properties	(11,210)	(2,484)	(28,441)	(83,849)
- Trade and other receivables	39,284	1,105	40,821	(6,431)
- Trade and other payables	(43,937)	(29,081)	(51,553)	(17,824)
Cash used in operations	(13,594)	(19,762)	(33,273)	(80,691)
Taxes paid	(1,677)	(751)	(4,055)	(3,583)
<b>Net cash used in operating activities</b>	<b>(15,271)</b>	<b>(20,513)</b>	<b>(37,328)</b>	<b>(84,274)</b>
<b>Cash flows from investing activities</b>				
Interest received	747	281	3,668	2,733
Acquisition of subsidiaries, net of cash acquired	27	-	(95,025)	-
Proceeds from partial disposal of interests in subsidiary, net of cash disposed of	880	-	880	73,118
Acquisition of plant and equipment	(4,488)	(156)	(9,237)	(569)
Development expenditure - investment properties	(1,102)	(25,695)	(57,904)	(32,382)
Loans to associates and joint ventures	(2,282)	(407,770)	(37,594)	(419,194)
Investment in associates and joint ventures	(31,895)	(44,163)	(64,533)	(124,453)
Dividends from associates	1,035	-	3,056	4,492
Dividends from other investments	1,008	1,016	3,060	3,061
<b>Net cash used in investing activities</b>	<b>(36,070)</b>	<b>(476,487)</b>	<b>(253,629)</b>	<b>(493,194)</b>

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

	<b>3 months</b> <b>30.09.2018</b> S\$'000	<b>3 months</b> <b>30.09.2017</b> S\$'000	<b>9 months</b> <b>30.09.2018</b> S\$'000	<b>9 months</b> <b>30.09.2017</b> S\$'000
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(16,618)	(6,661)
Purchase of treasury shares	-	-	(1,892)	-
Proceeds from loans and borrowings	195,554	285,675	1,737,772	443,314
Payment of upfront debt arrangement costs	(1,370)	(428)	(5,567)	(1,558)
Repayments of loans and borrowings	(183,735)	(17,219)	(1,374,419)	(83,365)
Loans from joint venture and non-controlling interests	27,257	7,734	37,218	13,473
Capital injection by non-controlling interests	-	123,871	8,274	129,343
Acquisition of non-controlling interests	-	-	(18,781)	-
Interest paid	(24,226)	(17,995)	(68,260)	(66,763)
<b>Net cash from financing activities</b>	<b>13,480</b>	<b>381,638</b>	<b>297,727</b>	<b>427,783</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(37,861)</b>	<b>(115,362)</b>	<b>6,770</b>	<b>(149,685)</b>
Cash and cash equivalents at beginning of the period/year	154,675	189,438	111,678	226,243
Effect of exchange rate changes on cash balances held in foreign currencies	(3,660)	4,311	(5,294)	1,829
<b>Cash and cash equivalents at end of the period/year</b>	<b>113,154</b>	<b>78,387</b>	<b>113,154</b>	<b>78,387</b>

**PERENNIAL REAL ESTATE HOLDINGS LIMITED**  
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**1 (d)(i) Statement of Changes in Equity for the Group and the Company**

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)**

<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 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
<u>Other comprehensive income</u>				
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>				
<u>Contributions by and distributions to owners</u>				
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>

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

<b>Group</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Foreign currency translation reserve<sup>(2)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 July 2017, as previously reported</b>	<b>2,208,267</b>	<b>449,581</b>	<b>(114,429)</b>	<b>156,958</b>	<b>2,700,377</b>	<b>1,059,556</b>	<b>3,759,933</b>
Effect of change in accounting policy <sup>(3)</sup>	-	-	39,255	(39,255)	-	-	-
<b>At 1 July 2017, restated</b>	<b>2,208,267</b>	<b>445,894</b>	<b>(75,174)</b>	<b>117,703</b>	<b>2,680,692</b>	<b>1,040,781</b>	<b>3,721,473</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	16,919	16,919	6,866	23,785
<i>Other comprehensive income</i>							
Net change in fair value of available-for-sale financial assets	-	(82)	-	-	(82)	-	(82)
Foreign currency translation gains relating to foreign operations, net of tax	-	-	5,723	-	5,723	1,639	7,362
Foreign currency translation losses on monetary items, net of tax	-	-	(273)	-	(273)	-	(273)
Share of other comprehensive income of associate	-	-	638	-	638	-	638
Total other comprehensive income	-	(82)	6,088	-	6,006	1,639	7,645
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(82)</b>	<b>6,088</b>	<b>16,919</b>	<b>22,925</b>	<b>8,505</b>	<b>31,430</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	-	446	-	-	446	-	446
Capital injection by non-controlling interests	-	-	-	-	-	123,871	123,871
<b>Total transactions with owners</b>	<b>-</b>	<b>446</b>	<b>-</b>	<b>-</b>	<b>446</b>	<b>123,871</b>	<b>124,317</b>
<b>At 30 September 2017</b>	<b>2,208,267</b>	<b>449,945</b>	<b>(69,086)</b>	<b>134,622</b>	<b>2,723,748</b>	<b>1,191,932</b>	<b>3,915,680</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 2017</b>	2,208,267	17,568	11,587	2,237,422
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	(254)	(254)
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	(82)	-	(82)
Total other comprehensive income	-	(82)	-	(82)
<b>Total comprehensive income for the period</b>	-	(82)	(254)	(336)
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	446	-	446
<b>Total transactions with owners</b>	-	446	-	446
<b>At 30 September 2017</b>	<b>2,208,267</b>	<b>17,932</b>	<b>11,333</b>	<b>2,237,532</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.
- (3) Please see item 4 for details.

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

Issued Share Capital

As at 30 September 2018, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,661,814,568 (31 December 2017: 1,663,975,068) ordinary shares.

Movements in the Company's issued and fully paid-up capital were as follows:

	No. of Shares ( <b>'000</b> )
In issue at 01.07.2018	1,661,814
Issue of shares	-
Purchase of treasury shares	-
In issue at 30.09.2018	<b>1,661,814</b>

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options ( <b>'000</b> )
As at 01.07.2018	61,820
Granted	-
Exercised	-
Lapsed/Cancelled	(5,280)
As at 30.09.2018	<b>56,540</b>

On 22 March 2018, the Company granted 23,740,000 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 ("ESOS"). The number of outstanding options represents 3.40% of the total number of shares issued as at 30 September 2018 (30 September 2017: 2.30% of issued shares of 1,665,144,368). 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**

Movements in the Company's treasury shares were as follows:

	No. of Shares ( <b>'000</b> )
As at 01.07.2018	3,330
Purchase of treasury shares	-
As at 30.09.2018	<b>3,330</b>

As at 30 September 2018, the Company held 3,329,800 treasury shares (31 December 2017: 1,169,300) which represents 0.20% (31 December 2017: 0.07%) of the total number of issued shares (excluding treasury shares).

**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.

**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 adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), with effect from 1 January 2018 and has prepared its first set of financial statements under SFRS(I)s for the nine months ended 30 September 2018.

Under the transition requirements of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*, the date of transition is on 1 January 2017 and accordingly, the statement of financial position has been restated from 1 January 2017.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset the foreign currency translation reserves for all foreign operations to nil at the date of transition on 1 January 2017. As a result, the cumulative foreign currency translation reserves of S\$39.3 million was reclassified from foreign exchange translation reserves to retained earnings as at 1 January 2017.

In addition to the adoption of the new framework, the Group has also concurrently applied the following new SFRS(I), interpretations of the SFRS(I) and the requirements of SFRS(I) which are mandatorily effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers*;
- SFRS(I) 9 *Financial Instruments*;
- Requirements in SFRS(I) 2 *Share-based Payment*;
- Requirements in SFRS(I) 1-40 *Investment Property*;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters*;
- Requirements in SFRS(I) 1-28 *Investments in Associate or Joint Venture*; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

Adoption of SFRS(I) 9

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics to determine the appropriate classification for each financial asset under SFRS(I) 9. The Group classified the equity securities as financial assets at fair value through OCI and presented the changes of fair value in OCI.

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- 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 30.09.2018</b>	<b>3 months 30.09.2017</b>	<b>9 months 30.09.2018</b>	<b>9 months 30.09.2017</b>
Profit for the period attributable to owners of the Company (S\$'000)	48,264	16,919	62,056	72,705
Weighted average number of shares for the period ('000)				
- Basic	1,661,814	1,665,144	1,662,484	1,665,144
- Diluted	1,661,814	1,665,144	1,662,484	1,665,144
<b>EPS (cents)</b>				
- Basic	2.90	1.02	3.73	4.37
- Diluted	2.90	1.02	3.73	4.37

**7 Net Asset Value per Share**

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
	S\$/share	S\$/share	S\$/share	S\$/share
Net assets value per share based on issued share capital at the end of the period	1.643	1.663	1.346	1.360

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**8 Review of the Performance**

	<b>3 months ended 30.09.2018</b>	<b>3 months ended 30.09.2017</b>	<b>Change</b>	<b>9 months ended 30.09.2018</b>	<b>9 months ended 30.09.2017</b>	<b>Change</b>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	22,229	20,442	8.7	55,304	58,523	(5.5)
Share of results of associates and joint ventures, net of tax	4,859	29,766	(83.7)	32,628	34,893	(6.5)
Earnings before interest and tax ("EBIT")	247,494	37,548	Nm	313,878	156,060	101.1
Net finance costs	(27,214)	(12,446)	(118.7)	(58,567)	(38,465)	(52.3)
<b>Profit before tax</b>	<b>220,280</b>	<b>25,102</b>	Nm	<b>255,311</b>	<b>117,595</b>	117.1
<b>Profit for the period attributable to the owners of the Company ("PATMI")</b>	<b>48,264</b>	<b>16,919</b>	185.3	<b>62,056</b>	<b>72,705</b>	(14.6)

**3Q 2018 vs 3Q 2017**

The Group achieved a revenue of S\$22.2 million (3Q 2017: S\$20.4 million) and a PATMI of S\$48.3 million (3Q 2017: S\$16.9 million) for the quarter ended 30 September 2018.

**Revenue**

3Q 2018 revenue increased mainly attributable to revenue from Capitol Singapore and Perennial International Health and Medical Hub ("PIHMH") which started contributing since 2Q 2018, acquisition fee earned from the healthcare joint venture as well as improved performance from Perennial Qingyang Mall and Perennial Jihua Mall. The increase was partially offset by the absence of a one-off fee recognised from the United Engineers Limited ("UEL") transaction in 3Q 2017.

Singapore assets contributed revenue of approximately S\$6.6 million, representing 29.8% (3Q 2017: S\$3.2 million, representing 15.6%) of the Group's revenue. The operational assets in China contributed revenue of S\$11.3 million, which represented 50.9% (3Q 2017: S\$8.4 million, which represented 41.1%) of the Group's revenue. The remaining 19.3% (3Q 2017: 43.3%) of the Group's revenue came from the fee-based management businesses.

**EBIT**

The Group achieved S\$247.5 million of EBIT in 3Q 2018 (3Q 2017: S\$37.5 million) mainly on account of fair value gain recognised in this quarter. 3Q 2018 EBIT increased mainly due to fair value gain of S\$241.9 million from the valuation of two plots on Beijing Tongzhou Integrated Development Phase 1, following the receipt of construction permits. For 3Q 2017, EBIT included share of results from an associated company, comprising a gain on bargain purchase of S\$25.9 million arising from the UEL transaction.

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

**PATMI**

3Q 2018 PATMI increased mainly due to net fair value gain, partially offset by higher net finance costs. Finance costs increased with the consolidation of Capitol Singapore's debt and new loans to fund new investments as well as the expensing off of interest costs relating to PIHMH following its completion.

**9M 2018 vs 9M 2017**

The Group achieved a revenue of S\$55.3 million and a PATMI of S\$62.1 million for the nine months ended 30 September 2018.

**Revenue**

9M 2018's revenue was mainly contributed by CHIJMES as well as Perennial Jihua Mall and Perennial Qingyang Mall in China. The slight decrease in revenue in 9M 2018 versus 9M 2017 was mainly due to lower management fee income as there was a one-off fee earned from the UEL transaction and divestment fee for TripleOne Somerset in 9M 2017. The revenue from Capitol Singapore and PIHMH compensated for the absence of revenue from TripleOne Somerset.

**EBIT**

For 9M 2018, the Group achieved S\$313.9 million of EBIT, which was 101.1% higher than 9M 2017. 9M 2018's EBIT increased mainly due to higher fair value gains, partially offset by the absence of a one-off gain from the sale of a 20.2% equity stake in TripleOne Somerset, totalling approximately S\$55.7 million in 9M 2017.

**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 increased borrowings. During the quarter, the Company issued S\$180 million medium term notes, the proceeds of which were used to part finance the redemption of the retail bonds due in October 2018. As at 30 September 2018, the Group's net debt-to-equity ratio stood at 0.75 times (31 December 2017: 0.57x).

**PATMI**

Overall, the Group achieved a PATMI of S\$62.1 million for the nine months ended 30 September 2018. The decrease in PATMI was due to the absence of the one-off gain from the divestment of the 20.2% equity stake in TripleOne Somerset and the UEL transaction fee as well as higher finance costs, partially mitigated by higher net fair value gains.

**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

Singapore's Q3 2018 economic growth moderated to 2.6%, down from 4.1% in Q2. Full-year growth forecast is projected to be between 2.5% and 3.5%.

The Group continues with the asset enhancement works for TripleOne Somerset which are expected to complete by 1Q 2019. For AXA Tower, the Group is exploring enbloc sale with interested parties.

At Capitol Singapore, the Capitol Kempinski Hotel has started operations on 1 October 2018 and works are currently underway in the Galleria to house 2 first-in-Singapore food concepts to be operated by Kempinski. At the same time, the positioning of the Capitol Singapore mall will be enhanced with new and well known retail offerings.

China

China's Q3 GDP growth was 6.5%, missing the expectations of 6.6%, due in part to the on-going trade war. Despite this, the China's economy is expected to achieve its targeted growth of 6.5%.

The focus for the Group is leveraging on China's HSR network to deliver integrated real estate and healthcare hubs. Whilst working on the development of the existing integrated projects, the Group will continue to source for other similar integrated projects that are well-connected and in tier one or tier two provincial capitals to be held through its healthcare joint venture.

In 3Q 2018, the healthcare joint venture in which the Group has a 45% stake, won the tender for 3 land sites in Tianjin which are strategically located near the Tianjin South HSR station and within the Tianjin South high-tech commercial zone.

**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**

No dividend has been declared for the nine months ended 30 September 2018.

**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
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Singapore</b>	6,623	3,183	108.1	14,938	16,942	(11.8)
<b>China Management Businesses</b>	11,306	8,407	34.5	29,649	23,749	24.8
	6,615	10,743	(38.4)	16,595	23,990	(30.8)
<b>Corporate and Others</b>	14	13	7.7	50	49	2.0
<b>Eliminations</b>	(2,329)	(1,904)	22.3	(5,928)	(6,207)	(4.5)
	22,229	20,442	8.7	55,304	58,523	(5.5)

	EBIT					
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Singapore</b>	2,981	27,407	(89.1)	33,778	91,238	(63.0)
<b>China Management Businesses</b>	247,905	6,795	Nm	287,327	64,600	Nm
	1,014	7,380	(86.3)	4,352	13,975	(68.9)
<b>Corporate and Others</b>	(4,168)	(3,795)	9.8	(10,864)	(12,931)	(16.0)
<b>Eliminations</b>	(238)	(239)	(0.4)	(715)	(822)	(13.0)
	247,494	37,548	Nm	313,878	156,060	101.1

**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 statement, 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 2018 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

Sim Ai Hua  
Company Secretary

7 November 2018