



PERENNIAL REAL ESTATE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200210338M)

RESPONSES TO SGX QUERIES

Perennial Real Estate Holdings Limited (the “**Company**”) refers to its announcement dated 5 November 2019 on the “Unaudited Financial Statements for the Third Quarter Ended 30 September 2019” and wishes to provide the following clarifications in response to queries received from the Singapore Exchange Trading Limited (the “**SGX**”) on 11 November 2019.

SGX’s queries:

We refer to Perennial Real Estate Holdings Limited’s 3Q 2019 results for the nine months’ ended 30 September 2019 (“3Q 2019”), filed on 5 November 2019. Please provide clarification on the following:

1. At para 1(b)(i)(1), the Company disclosed that trade and other receivables in 3Q 2019 increased by 32.4% as compared to the same period last year, “mainly due to shareholders’ loan extended to a joint venture”.
 - a. Please disclose and explain why is the shareholders’ loan classified under “trade and other receivables” and not under “loans and borrowings”. To explain whether this is in accordance with accounting standards.

Company’s response: The shareholders’ loan was an advance from one of the Company’s subsidiaries to the joint venture company which holds the Light City project in Penang (“**Penang JVCo**”), prior to the Penang JVCo putting in place its bank financing at the project level. The shareholders’ loan will be repayable within the year once the bank financing has been put in place. Hence, it was classified under trade and other receivables and this is in accordance with accounting standards. Loans and borrowings relate to external debt such as bank borrowings and debt securities.

- b. Please provide a breakdown of and explain the material variances between the trade and other receivables in 3Q 2019 and the previous corresponding period in 3Q 2018; for the financial year ended 30 September 2018.

Company’s response: The breakdown of the trade and other receivables in 3Q 2019 and 3Q 2018 is tabulated below:-

	3Q 2019	3Q 2018
	S\$'000	S\$'000
Trade receivables	18,205	10,327
Other receivables	57,485	33,505
Interest receivables	10,537	3,981
Deposits & Prepayment	23,982	17,354
Amount due from related corporation	-	23,554
Amount due from associates and joint ventures	132,164	73,869
Amount due from affiliated company	500	500
Amount due from NCI	36,042	36,119
	278,915	199,209

The increase in amount due from associates and joint ventures arose mainly from the shareholders' loan extended to the Penang JVCo as mentioned in the response to query 1(a) above.

- 2. The Company disclosed at para 1(b)(i)(2), that “trade and other payables (non-current)” in 3Q 2019 increased by 74.4% as compared to the same period in 3Q 2018, “mainly due to a loan from a joint venture where the repayment date has been extended to a date which is more than 12 months later”.**

- a. Please explain why the Company is receiving a loan from a joint venture and quantify the loan amount;**

Company's response: The loan was extended by a joint venture company in Shenyang, Shenyang Summit Real Estate Development Co., Ltd. (“**Shenyang JVCo**”), of which the Company is an indirect 50% shareholder. As the Shenyang JVCo had surplus funds from its operations, it on-lent these funds through intercompany loans to related entities of the respective joint venture partners on a *pro rata* basis. The loan amount was S\$39.5 million.

- b. Please disclose which joint venture this is and how is it related to the Company's operations;**

Company's response: The Shenyang JVCo owns the Shenyang Longemont Integrated Development.

- c. Please disclose when the loan was extended.**

Company's response: The loan was first granted in June 2016 and was renewed on a yearly basis. The repayment date was subsequently extended to beyond one year in 1Q 2019.

3. In para 1(c) of the Consolidated Statement of Cash Flows, the Company recorded dividend payment of \$6.6million for the nine months' ended 30 September 2019. Therefore please confirm the accuracy of para 12 of the 3Q 2019 results, where the Company disclosed that “no dividend has been declared for the nine months ended 30 September 2019. It is not the Group’s usual practice to declare interim dividends”.

Company’s response: The Company confirms that “no dividend has been declared for the nine months ended 30 September 2019. It is not the Group’s usual practice to declare interim dividends”. The dividend payment of S\$6.6 million was the first and final dividend declared in respect of FY2018, which was approved at the Company’s AGM in April 2019 and was paid in May 2019. Hence, the dividend payment was included in the Consolidated Statement of Cash Flows for the nine months ended 30 September 2019.

BY ORDER OF THE BOARD

Wong Chuen Shya
Company Secretary

13 November 2019
Singapore

About Perennial Real Estate Holdings Limited (www.perennialrealestate.com.sg)

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

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

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