



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

UNAUDITED FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

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Introduction

Perennial Real Estate Holdings Limited ("PREHL 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 and Ghana with a combined portfolio spanning about 54 million square feet in gross floor area. Perennial is also a healthcare services owner and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

Perennial is a dominant commercial developer with sizeable integrated developments in China, of which two are regional commercial hubs adjacent to the two largest high speed railway stations in the country, being Chengdu East High Speed Railway ("HSR") Integrated Development and Xi'an North HSR Integrated Development. 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.

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1 (a)(i) Consolidated Income Statement

	Note	3 months	3 months	Change	12 months	12 months	Change
		ended 31.12.2017	ended 31.12.2016		ended 31.12.2017	ended 31.12.2016	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	15,982	21,512	(25.7)	74,505	110,191	(32.4)
Cost of sales	2	(7,030)	(9,365)	24.9	(26,105)	(41,198)	36.6
Gross Profit		8,952	12,147	(26.3)	48,400	68,993	(29.8)
Other income	3	40,854	29,054	40.6	144,871	36,316	298.9
Administrative expenses	4	(7,341)	(3,772)	(94.6)	(25,815)	(26,233)	1.6
Other operating expenses		153	(9)	Nm	(3,671)	(23)	Nm
Results from operating activities		42,618	37,420	13.9	163,785	79,053	107.2
Finance income	5	6,818	11,660	(41.5)	20,044	16,349	22.6
Finance costs	6	(17,775)	(26,367)	32.6	(69,466)	(73,662)	5.7
Net finance costs		(10,957)	(14,707)	25.5	(49,422)	(57,313)	13.8
Share of results of associates and joint ventures, net of tax	7	20,933	13,320	57.2	55,826	32,178	73.5
Profit before tax		52,594	36,033	46.0	170,189	53,918	215.6
Tax expense	8	(11,313)	(5,146)	(119.8)	(31,344)	(8,533)	(267.3)
Profit for the period/year		41,281	30,887	33.7	138,845	45,385	205.9
Profit for the period/year attributable to:-							
Owners of the Company		27,594	25,562	7.9	100,299	35,053	186.1
Non-controlling interests		13,687	5,325	157.0	38,546	10,332	273.1
		41,281	30,887	33.7	138,845	45,385	205.9

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement 4Q 2017 versus 4Q 2016

(1) Revenue

Revenue for the quarter comprised mainly rental income from CHIJMES, Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu.

The decrease in revenue in 4Q 2017 was attributable to the absence of revenue from TripleOne Somerset as a result of the deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. The retained 30% equity stake in TripleOne Somerset is classified as an associate to the Group. (Please see item 8 for details.)

(2) Cost of sales

The decrease in cost of sales was mainly due to the deconsolidation of TripleOne Somerset.

(3) Other income and other operating expenses

	3 months ended 31.12.2017	3 months ended 31.12.2016	Change
	S\$'000	S\$'000	%
Other income comprises:			
Investment income	888	(48)	Nm
Foreign exchange gain	-	4,443	(100.0)
Other income	737	250	194.8
Fair value gains	39,229	24,409	60.7
Total	<u>40,854</u>	<u>29,054</u>	

Nm: denotes not meaningful

The increase in 4Q 2017's other income was mainly due to higher fair value gain on revaluation of investment properties in China held by subsidiaries.

(4) Administrative expenses

Administrative expenses comprised primarily staff costs, amortisation expenses, professional fees, share-based expenses and other expenses. The increase was mainly attributable to higher professional fees and staff costs in 4Q 2017 as well as a one-off adjustment for under accrual of staff related expenses. The staff strength has increased as the Group expanded its business operations.

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

(5) Finance income

The finance income in 4Q 2017 was contributed mainly by interest income on loans extended to joint ventures and interest income from junior bonds issued by associates.

(6) Finance costs

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The reduction in finance costs was due to the deconsolidation of TripleOne Somerset's interest expenses, partially offset by interest incurred on new loan drawdowns.

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

The increase in 4Q 2017 was mainly contributed by our share of fair value gains from investment properties held through our associated companies and joint ventures. Capitol project has a revaluation gain this quarter vis a vis a revaluation loss in the preceding year. The fair value gain from Chengdu HSR Integrated Development Plot D2 was comparatively lower than last year but this decrease was mitigated by the absence of revaluation loss on Shengyang Red Star Macalline Mall.

(8) Tax expense

The increase in 4Q 2017's tax provision was in line with the higher deferred tax on fair value gains.

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

	Note	3 months 31.12.2017 S\$'000	3 months 31.12.2016 S\$'000	Change %	12 months 31.12.2017 S\$'000	12 months 31.12.2016 S\$'000	Change %
Profit for the period/year		41,281	30,887	33.7	138,845	45,385	205.9
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		12,062	(2,178)	Nm	21,120	4,990	323.2
Foreign currency translation gains/(losses) relating to foreign operations, net of tax	1	3,871	107,838	(96.4)	(89,312)	(147,285)	39.4
Foreign currency translation losses on monetary items forming part of net investments in foreign operations, net of tax		(456)	(1,739)	73.8	(1,257)	(2,657)	52.7
Share of other comprehensive income of associate		483	-	Nm	483	-	Nm
Other comprehensive income for the period/year, net of tax		15,960	103,921	(84.6)	(68,966)	(144,952)	52.4
Total comprehensive income for the period/year		57,241	134,808	(57.5)	69,879	(99,567)	170.2
Total comprehensive income attributable to:							
Owners of the Company		42,690	102,545	(58.4)	55,367	(69,978)	179.1
Non-controlling interests		14,551	32,263	(54.9)	14,512	(29,589)	149.0
Total comprehensive income for the period/year		57,241	134,808	(57.5)	69,879	(99,567)	170.2

Nm: denotes not meaningful

Note:

- (1) The movement during this quarter is in respect of the Group's net assets which are denominated in RMB, whereby the RMB has appreciated against SGD by approximately 0.1% during the quarter. However, on a 12-month period, the RMB depreciated against SGD by approximately 2.0%.

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

	Note	Group			Company		
		31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,657	1,624	2.0	186	-	Nm
Investment properties	1	1,659,723	1,371,972	21.0	-	-	-
Subsidiaries		-	-	-	2,692,753	2,742,725	(1.8)
Associates and joint ventures	2	2,471,443	1,993,529	24.0	-	-	-
Intangible assets		80,949	83,553	(3.1)	-	-	-
Other financial assets	3	87,583	67,214	30.3	87,583	67,214	30.3
Other receivables		14,568	15,786	(7.7)	-	-	-
		4,315,923	3,533,678	22.1	2,780,522	2,809,939	(1.0)
Current assets							
Development properties	1/2	1,704,465	2,757,943	(38.2)	-	-	-
Trade and other receivables		572,668	528,493	8.4	102,267	78,546	30.2
Cash and cash equivalents	4	111,678	226,243	(50.6)	6,080	4,963	22.5
		2,388,811	3,512,679	(32.0)	108,347	83,509	29.7
Total assets		6,704,734	7,046,357	(4.8)	2,888,869	2,893,448	(0.2)
Non-current liabilities							
Loans and borrowings	2	1,369,767	1,892,456	(27.6)	279,317	605,578	(53.9)
Junior bonds	2	30,000	143,977	(79.2)	-	-	-
Redeemable preference shares	2	-	47,613	(100.0)	-	-	-
Trade and other payables		31,773	33,932	(6.4)	-	-	-
Deferred tax liabilities	1	81,373	61,375	32.6	-	-	-
		1,512,913	2,179,353	(30.6)	279,317	605,578	(53.9)
Current liabilities							
Loans and borrowings	5	974,994	823,062	18.5	337,251	29,125	Nm
Trade and other payables		290,961	257,111	13.2	9,341	21,996	(57.5)
Current tax liabilities		9,988	4,915	103.2	740	-	Nm
		1,275,943	1,085,088	17.6	347,332	51,121	Nm
Total liabilities		2,788,856	3,264,441	(14.6)	626,649	656,699	(4.6)
Net assets		3,915,878	3,781,916	3.5	2,262,220	2,236,749	1.1
Equity							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		463,554	439,756	5.4	30,513	7,764	293.0
Foreign currency translation reserve		(105,564)	(39,255)	(168.9)	-	-	-
Retained earnings		201,032	107,833	86.4	23,449	20,718	13.1
Equity attributable to owners of the Company		2,767,289	2,716,601	1.9	2,262,220	2,236,749	1.1
Non-controlling interests		1,148,589	1,065,315	7.8	-	-	-
Total equity		3,915,878	3,781,916	3.5	2,262,220	2,236,749	1.1

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) Investment properties / Development properties / Deferred tax liabilities

The increase in investment properties and part of the decrease in development properties was mainly due to a reclassification of Xi'an North HSR Development Plot 4 from development properties to investment properties. The increase in deferred tax liabilities was due to the provision made on the resultant fair value gains.

(2) Development properties / Long-term loans and borrowings / Junior bonds / Redeemable preference shares / Associates and joint ventures

The reductions in development properties, long-term loans and borrowings, junior bonds and redeemable preference shares were a result of the deconsolidation of TripleOne Somerset following the divestment of a 20.2% equity stake on 31 March 2017. The retained 30% equity stake in TripleOne Somerset is classified as an associate to the Group, thereby contributing to the increase in associates and joint ventures. Separately, the increase in associates and joint ventures was also contributed by equity injection into Shanghai RST Chinese Medicine Co., Ltd and Yanlord Perennial Investment (Singapore) Pte Ltd ("YPIS").

(3) Other financial assets

The increase in other financial assets was due to fair value gain on quoted equity securities.

(4) Cash and cash equivalents

Cash and cash equivalents were lower as these were utilised to fund new investments and working capital.

(5) Short-term loans and borrowings

The increase in short-term loans and borrowings was mainly due to the reclassification of S\$300 million retail bonds and S\$100 million medium term notes to short-term. The increase was partially offset by the reclassification of loan for CHIJMES to long-term as the loan has been refinanced to mature in 2022.

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

	Group		
	As at 31.12.2017 S\$'000	As at 31.12.2016 S\$'000	Change %
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	325,996	703,062	(53.6)
Unsecured ⁽¹⁾	648,998	120,000	440.8
	974,994	823,062	18.5
<u>Amount repayable after one year:</u>			
Secured	792,352	1,043,495	(24.1)
Unsecured ⁽¹⁾	577,415	848,961	(32.0)
	1,369,767	1,892,456	(27.6)
Total borrowings ⁽²⁾	2,344,761	2,715,518	(13.7)

Notes:

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

In July 2017, medium term notes of S\$100 million, at 3.85% p.a. due 2020 were issued by Perennial Treasury Pte Ltd, a subsidiary of the Group. As at 31 December 2017, a total of S\$325 million of fixed rate notes were issued under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015, which is unconditionally and irrevocably guaranteed by the Company.

In January 2018, medium term notes of S\$120 million, at 3.90% p.a. due 2021 were issued by the Company.

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

Details of collaterals for secured borrowings

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

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1 (c) Consolidated Statement of Cash Flows

	3 months 31.12.2017 S\$'000	3 months 31.12.2016 S\$'000	12 months 31.12.2017 S\$'000	12 months 31.12.2016 S\$'000
Cash flows from operating activities				
Profit for the period/year	41,281	30,887	138,845	45,385
Adjustments for:				
Depreciation of plant and equipment	151	174	571	758
Bad debt written-off	88	62	88	62
Amortisation of intangible assets	651	651	2,604	4,551
Change in fair value of investment properties	(39,229)	(24,409)	(84,695)	(24,409)
Foreign currency exchange loss/(gain) (net)	(250)	(4,443)	3,649	(7,031)
Net finance costs	10,957	14,707	49,422	57,313
Share of results of associates and joint ventures, net of tax	(20,933)	(13,320)	(55,826)	(32,178)
Gain on disposal of partial stake in a subsidiary	-	-	(35,519)	-
Gain on remeasurement of retained stake	-	-	(20,151)	-
Gain on disposal of other financial assets	-	-	-	(273)
Loss on disposal of an associate	-	-	-	62
Allowance for doubtful receivables	19	155	19	155
Equity-settled share-based payment transactions	1,870	273	2,980	1,483
Tax expense	11,313	5,146	31,344	8,533
	5,918	9,883	33,331	54,411
Changes in:				
- Development properties	(37,047)	(46,331)	(120,897)	(78,858)
- Trade and other receivables	(5,940)	(48)	(48,381)	(12,310)
- Trade and other payables	114	(111,099)	18,301	(36,945)
Cash used in operations	(36,955)	(147,595)	(117,646)	(73,702)
Taxes paid	(999)	(485)	(4,582)	(4,673)
Net cash used in operating activities	(37,954)	(148,080)	(122,228)	(78,375)
Cash flows from investing activities				
Interest received	2,397	3,192	5,131	8,505
Acquisition of plant and equipment	(195)	(127)	(765)	(316)
Development expenditure - investment properties	(1,442)	(333)	(33,824)	(65,053)
Dividends from an associate	1,614	186	6,106	443
Repayment from/(Loans to) joint ventures	237,989	14,669	(181,205)	(295,592)
Investment in associates and joint ventures	(38,964)	(61,752)	(163,417)	(101,382)
Other investments	(3,196)	(1,140)	(3,196)	(20,916)
Proceeds from partial disposal of interests in subsidiary, net of cash disposed of	-	-	73,118	-
Proceeds from disposal of plant and equipment	-	-	-	3
Proceeds from disposal of other investments	-	-	-	3,871
Dividends from other investments	1,011	1,018	4,072	4,075
Net cash from/(used in) investing activities	199,214	(44,287)	(293,980)	(466,362)

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

	3 months 31.12.2017 S\$'000	3 months 31.12.2016 S\$'000	12 months 31.12.2017 S\$'000	12 months 31.12.2016 S\$'000
Cash flows from financing activities				
Dividends paid to owners of the Company	-	-	(6,661)	(6,622)
Dividends paid to non-controlling interests	-	-	-	(856)
Purchase of treasury shares	(1,021)	-	(1,021)	-
Proceeds from loans and borrowings	467,330	516,428	910,644	1,369,598
Payment of upfront debt arrangement costs	(3,810)	-	(5,368)	(12,207)
Repayments of loans and borrowings	(508,221)	(244,472)	(591,586)	(686,983)
Loan from joint venture and non-controlling interest	6,956	9,255	20,429	34,120
Capital injection by non-controlling interests	8,360	-	137,703	5,099
Return of capital to non-controlling interests	(66,253)	-	(66,253)	-
Interest paid	(26,960)	(22,947)	(93,723)	(93,730)
Net cash (used in)/from financing activities	(123,619)	258,264	304,164	608,419
Net increase/(decrease) in cash and cash equivalents	37,641	65,897	(112,044)	63,682
Cash and cash equivalents at beginning of the period/year	78,387	155,494	226,243	162,030
Effect of exchange rate changes on cash balances held in foreign currencies	(4,350)	4,852	(2,521)	531
Cash and cash equivalents at end of the period/year	111,678	226,243	111,678	226,243

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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 ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 October 2017	2,208,267	449,945	(108,341)	173,877	2,723,748	1,191,932	3,915,680
Total comprehensive income for the period							
Profit for the period	-	-	-	27,594	27,594	13,687	41,281
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	11,970	-	-	11,970	92	12,062
Foreign currency translation gains relating to foreign operations, net of tax	-	-	3,233	-	3,233	638	3,871
Foreign currency translation losses on monetary items, net of tax	-	-	(456)	-	(456)	-	(456)
Share of other comprehensive income of associate	-	6	-	343	349	134	483
Total other comprehensive income	-	11,976	2,777	343	15,096	864	15,960
Total comprehensive income for the period	-	11,976	2,777	27,937	42,690	14,551	57,241
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	1,870	-	-	1,870	-	1,870
Capital injection by non-controlling interests	-	-	-	-	-	8,359	8,359
Return of capital to non-controlling interests	-	-	-	-	-	(66,253)	(66,253)
Purchase of treasury shares	-	(1,021)	-	-	(1,021)	-	(1,021)
Transfer to statutory reserve	-	782	-	(782)	-	-	-
Total contributions in ownership interests in subsidiary	-	1,631	-	(782)	849	(57,894)	(57,045)
<u>Other capital transactions</u>							
Share of reserves of associate and joint venture	-	2	-	-	2	-	2
Total other capital transactions	-	2	-	-	2	-	2
Total transactions with owners	-	1,633	-	(782)	851	(57,894)	(57,043)
At 31 December 2017	2,208,267	463,554	(105,564)	201,032	2,767,289	1,148,589	3,915,878

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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⁽¹⁾ S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 October 2017	2,208,267	17,932	11,333	2,237,532
Total comprehensive income for the period				
Profit for the period	-	-	12,107	12,107
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	11,732	-	11,732
Total other comprehensive income	-	11,732	-	11,732
Total comprehensive income for the period	-	11,732	12,107	23,839
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	1,870	-	1,870
Purchase of treasury shares	-	(1,021)	-	(1,021)
Total transactions with owners	-	849	-	849
At 31 December 2017	2,208,267	30,513	23,440	2,262,220

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

Group	Share capital S\$'000	Other reserves ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 October 2016	2,208,267	441,661	(118,416)	82,271	2,613,783	1,033,052	3,646,835
Total comprehensive income for the period							
Profit for the period	-	-	-	25,562	25,562	5,325	30,887
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	(2,178)	-	-	(2,178)	-	(2,178)
Foreign currency translation gains relating to foreign operations, net of tax	-	-	80,900	-	80,900	26,938	107,838
Foreign currency translation losses on monetary items, net of tax	-	-	(1,739)	-	(1,739)	-	(1,739)
Total other comprehensive income	-	(2,178)	79,161	-	76,983	26,938	103,921
Total comprehensive income for the period	-	(2,178)	79,161	25,562	102,545	32,263	134,808
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	273	-	-	273	-	273
Total transactions with owners	-	273	-	-	273	-	273
At 31 December 2016	2,208,267	439,756	(39,255)	107,833	2,716,601	1,065,315	3,781,916

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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 ⁽¹⁾ S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 October 2016	2,208,267	10,001	18,313	2,236,581
Total comprehensive income for the period				
Profit for the period	-	-	2,405	2,405
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	(2,510)	-	(2,510)
Total other comprehensive income	-	(2,510)	-	(2,510)
Total comprehensive income for the period	-	(2,510)	2,405	(105)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	273	-	273
Total transactions with owners	-	273	-	273
At 31 December 2016	2,208,267	7,764	20,718	2,236,749

Notes:

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

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

Issued Share Capital

As at 31 December 2017, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 1,663,975,068 (31 December 2016: 1,665,144,368) ordinary shares. Movements in the Company's issued and fully paid-up capital were as follows:

	No. of Shares ('000)
In issue at 01.10.2017	1,665,144
Issue of shares	-
Purchase of treasury shares	(1,169)
In issue at 31.12.2017	1,663,975

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

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options ('000)
As at 01.10.2017	38,330
Exercised	-
Lapsed/Cancelled	-
As at 31.12.2017	38,330

On 12 May 2017, the Company granted 22,000,000 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 ("ESOS"). The number of outstanding options represents 2.30% of the total number of shares issued as at 31 December 2017 (31 December 2016: 1.01% 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 vesting 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 ('000)
As at 01.10.2017	-
Purchase of treasury shares	1,169
As at 31.12.2017	1,169

As at 31 December 2017, the Company held 1,169,300 treasury shares (31 December 2016: Nil) which represents 0.07% (31 December 2016: Nil) 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.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2016, except for the adoption of new/revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2017 as follows:

Amendments to FRS 7 *Statement of Cash Flows*
 Amendments to FRS 12 *Income Taxes*
 Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The Group does not expect any significant impact on its financial position or performance from the adoption of these amendments to FRSs.

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

	Group			
	3 months 31.12.2017	3 months 31.12.2016	12 months 31.12.2017	12 months 31.12.2016
Profit for the period/year attributable to owners of the Company (S\$'000)	27,594	25,562	100,299	35,053
Weighted average number of shares for the period/year ('000)				
- Basic	1,665,083	1,665,144	1,665,083	1,659,645
- Diluted	1,665,083	1,665,144	1,665,083	1,659,645
EPS (cents)				
- Basic	1.66	1.54	6.02	2.11
- Diluted	1.66	1.54	6.02	2.11

7 Net Asset Value per Share

	Group		Company	
	31.12.2017 S\$/share	31.12.2016 S\$/share	31.12.2017 S\$/share	31.12.2016 S\$/share
Net assets value per share based on issued share capital at the end of the period/year	1.663	1.631	1.360	1.343

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8 Review of the Performance

	3 months ended 31.12.2017 S\$'000	3 months ended 31.12.2016 S\$'000	Change %	12 months ended 31.12.2017 S\$'000	12 months ended 31.12.2016 S\$'000	Change %
Revenue	15,982	21,512	(25.7)	74,505	110,191	(32.4)
Share of results of associates and joint ventures, net of tax	20,933	13,320	57.2	55,826	32,178	73.5
Earnings before interest and tax ("EBIT")	63,551	50,740	25.2	219,611	111,231	97.4
Net finance costs	(10,957)	(14,707)	(25.5)	(49,422)	(57,313)	(13.8)
Profit before tax	52,594	36,033	46.0	170,189	53,918	215.6
Profit for the period attributable to the owners of the Company ("PATMI")	27,594	25,562	7.9	100,299	35,053	186.1

4Q 2017 vs 4Q 2016

The Group achieved a revenue of S\$16.0 million (4Q 2016: S\$21.5 million) and a PATMI of S\$27.6 million (4Q 2016: S\$25.6 million) for the quarter ended 31 December 2017.

Revenue

The main revenue contributors are CHIJMES in Singapore as well as Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China. Revenue for 4Q 2017 was 25.7% lower than same period last year due to the absence of revenue from TripleOne Somerset as a result of the deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017.

Singapore assets contributed revenue of approximately S\$3.3 million, representing 20.4% (4Q 2016: S\$9.1 million, representing 42.2%) of the Group's revenue. The operational assets in China contributed revenue of S\$9.3 million, which represents 58.0% (4Q 2016: S\$8.4 million, representing 39.1%) of the Group's revenue. The remaining 21.6% (4Q 2016: 18.7%) of the Group's revenue came from the fee-based management businesses.

EBIT

The Group achieved S\$63.6 million of EBIT in 4Q 2017 (4Q 2016: S\$50.7 million). The EBIT was largely driven by net fair value gains on revaluation of investment properties held through subsidiaries and joint ventures. The fair value gains were mainly arising from the revaluation of Perennial International Health and Medical Hub, Xian North HSR Development Plot 4, Chengdu East HSR Integrated Development Plot D2 and Capitol project.

PATMI

The increase in PATMI as compared to 4Q 2016 was mainly due to higher net fair value gains on revaluation of investment properties and higher deferred tax expenses, but partially mitigated by lower net finance costs.

8 Review of the Performance (cont'd)

12M 2017 vs 12M 2016

The Group achieved a revenue of S\$74.5 million and a PATMI of S\$100.3 million for the full year ended 31 December 2017.

Revenue

Revenue for 12M 2017 was comparatively lower than 12M 2016 for the same reasons mentioned above as well as lower project management fee. The decrease was partially mitigated by one-off divestment fee received in respect of TripleOne Somerset and one-off management consultancy fees earned from the UEL transaction. Singapore assets' revenue of S\$20.2 million was 65.8% lower than 12M 2016, on account of the deconsolidation of TripleOne Somerset following the divestment of a 20.2% equity stake. China assets, on the other hand, registered a 6.8% increase in revenue to S\$33.0 million which was mainly attributable to higher revenue recorded by Perennial Qingyang Mall in Chengdu.

EBIT

For 12M 2016, the Group achieved S\$219.6 million of EBIT, which was 97.4% higher than 12M 2016. The EBIT was largely driven by the gain from the divestment of a partial stake in TripleOne Somerset of S\$55.7 million, the fair value gains of about S\$104 million mainly from the revaluation of Xi'an North HSR Development Plot 4, Perennial International Health and Medical Hub, Chengdu East HSR Integrated Development Plot D2, the retail and hotel components of Capitol Singapore, and AXA Tower, as well as the share of results from YPIS on the UEL transaction.

Net finance costs

Finance costs comprised mainly interest on bank borrowings, retail bonds and medium term notes, and amortisation of transaction costs incurred on financing facilities. The reduction in net finance costs was due to the deconsolidation of TripleOne Somerset and higher interest income, offset by the incurrence of finance costs for loans and borrowings taken to fund new investments. The interest income came from loan to an associate and junior bonds issued by associated companies. As at 31 December 2017, the Group's net debt-to-equity ratio stood at 0.57 times (31 Dec 2016: 0.66x). The improved debt-to-equity ratio was attributable to the deconsolidation of TripleOne Somerset, partially offset by the increase in borrowings to fund investments.

PATMI

Overall, the Group achieved a PATMI of S\$100.3 million for the full year ended 31 December 2017. This comprises mainly the divestment gain from the sale of a partial stake in TripleOne Somerset, the net fair value gains of S\$52.2 million and our effective share of results from YPIS.

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

According to advance estimates from the Ministry of Trade and Industry (MTI), the Singapore economy grew 3.1% on a year-on-year basis in 4Q 2017, easing from the 5.4% in the previous quarter. Overall, the economy grew by 3.5% in 2017 which is within MTI's forecast of 3% to 3.5%. 2018's growth is expected to be moderate; ranging from 1.5% to 3.5%.

The Group will continue the strata sales and asset enhancement works of TripleOne Somerset and AXA Tower whilst seeking opportunities for new investments.

On 3 January 2018, the Group announced the entering into of a settlement agreement with Chesham Properties Pte Ltd to enable both shareholders of the Capitol project to have come to a resolution of the deadlock.

China

China has reported a growth rate of 6.8% in 4Q 2017 and 6.9% for the whole of 2017. This exceeded the official target of 6.5% and 2016's growth of 6.7%. The target growth rate for 2018 is expected to be around 6.5%.

The Group's operational assets are in locations with good connectivity to public transportation systems and hence, are expected to remain resilient. The Perennial International Health and Medical Hub ("PIHMH") is progressively been opened from the end 2017 to 1H 2018.

On 3 January 2018, the Group announced the establishment of a joint venture with a targeted committed capital of up to USD1.2 billion, to jointly invest in, acquire and develop predominantly healthcare integrated mixed-use developments which are connected to high speed railway stations in China. The initial committed capital is USD500 million and the Group has a 45% stake in the joint venture.

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11 Dividends

(a) Current financial period

Yes. Please refer to Note 16.

(b) Corresponding period of the immediately preceding financial year

Yes. Please refer to Note 16.

(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).

Tax-exempt.

(d) Date Payable

18 May 2018

(e) Books Closure Date

4 May 2018

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

Not applicable.

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.

12M 2017	Singapore S\$'000	China S\$'000	Management businesses S\$'000	Corporate and others S\$'000	Eliminations S\$'000	Total S\$'000
Sales to external customers	20,206	33,014	21,125	160	-	74,505
Inter-segment	-	-	8,102	10,882	(18,984)	-
Total revenue	20,206	33,014	29,227	11,042	(18,984)	74,505
Segment results	67,130	98,225	15,527	(1,537)	(15,560)	163,785
Share of results of associates and joint ventures, net of tax	38,301	17,890	-	(365)	-	55,826
Net finance costs	(20,091)	(25,533)	13	(6,049)	2,238	(49,422)
Profit before tax						170,189
Tax expense						(31,344)
Profit for the year						138,845

12M 2016	Singapore S\$'000	China S\$'000	Management businesses S\$'000	Corporate and others S\$'000	Eliminations S\$'000	Total S\$'000
Sales to external customers	58,998	30,904	20,153	136	-	110,191
Inter-segment	-	-	14,710	13,137	(27,847)	-
Total revenue	58,998	30,904	34,863	13,273	(27,847)	110,191
Segment results	31,369	35,959	18,534	(3,109)	(3,700)	79,053
Share of results of associates and joint ventures, net of tax	(13,738)	46,029	-	(113)	-	32,178
Net finance costs	(30,891)	(21,251)	1,090	(7,513)	1,252	(57,313)
Profit before tax						53,918
Tax expense						(8,533)
Profit for the year						45,385

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15 Breakdown of Group's revenue and profit after tax

	12 months ended 31.12.2017	12 months ended 31.12.2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue			
- first half year	38,081	53,574	(28.9)
- second half year	36,424	56,617	(35.7)
Full year revenue	74,505	110,191	
Profit after tax before non-controlling interests ("PAT")			
- first half year	73,779	14,466	410.0
- second half year	65,066	30,919	110.4
Full year PAT	138,845	45,385	

16 Breakdown of total annual dividend (in dollar value) of the Company

Name of Dividend	Current financial period ended 31.12.2017	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share	1.0 cent	1.0 cent
Annual Dividend (S\$'000)	16,640	16,640

Name of Dividend	Previous financial period ended 31.12.2016	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share	0.4 cents	0.4 cents
Annual Dividend (S\$'000)	6,661	6,661

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2017. The actual dividend payment can only be determined on books closure date.

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17 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.

18 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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
8 February 2018