



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

UNAUDITED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 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 and Ghana with a combined portfolio spanning about 54 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. Two of Perennial's developments, Chengdu East High Speed Railway ("HSR") Integrated Development and Xi'an North HSR Integrated Development, are regional commercial hubs which are situated adjacent to two of the country's largest 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.

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1 (a)(i) Consolidated Income Statement

		3 months ended 31.03.2018	3 months ended 31.03.2017	Change
	Note	S\$'000	S\$'000	%
Revenue	1	14,945	20,229	(26.1)
Cost of sales	2	(6,227)	(8,014)	22.3
Gross Profit		8,718	12,215	(28.6)
Other income	3	999	56,666	(98.2)
Administrative expenses		(6,863)	(6,527)	(5.1)
Other operating expenses	4	(1,178)	(1,604)	26.6
Results from operating activities		1,676	60,750	(97.2)
Finance income	5	4,426	3,869	14.4
Finance costs	6	(17,453)	(19,844)	12.0
Net finance costs		(13,027)	(15,975)	18.5
Share of results of associates and joint ventures, net of tax	7	22,767	698	Nm
Profit before tax		11,416	45,473	(74.9)
Tax expense	8	(810)	(6,163)	86.9
Profit for the period		10,606	39,310	(73.0)
Profit for the period attributable to:-				
Owners of the Company		5,144	38,662	(86.7)
Non-controlling interests		5,462	648	Nm
		10,606	39,310	(73.0)

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement 1Q 2018 versus 1Q 2017

(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 1Q 2018 was attributable to the absence of revenue from TripleOne Somerset as a result of deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. Excluding TripleOne Somerset's revenue contribution, 1Q 2018 revenue was 10.1% higher, mainly attributable to Perennial Qingyang Mall, Chengdu. (Please see item 8 for details.)

(2) Cost of sales

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

(3) Other income

Other income in 1Q 2017 was significantly higher as it included the one-off divestment and re-measurement gain arising from the sale of our 20.2% equity stake in TripleOne Somerset.

(4) Other operating expenses

The decrease in other operating expenses was due to lower unrealised foreign exchange losses.

(5) Finance income

The finance income in 1Q 2018 was contributed mainly by interest income on loans extended to joint ventures and interest income on junior bonds distributed by associates.

(6) Finance costs

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The decrease was due to the deconsolidation of TripleOne Somerset but it was partially offset by interest incurred on drawdown of loans and borrowings to fund new investments.

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

The increase in share of results of associates and joint ventures was mainly contributed by Yanlord Perennial Investment (Singapore) Pte Ltd ("YPIS") and Perennial Chinatown Point LLP ("Chinatown Point") in Singapore and Shenyang Summit Real Estate Development Co., Ltd ("Shenyang") in China. In February 2018, YPIS acquired an additional 19.9% stake in WBL Corporation Limited ("WBL") and recognised a gain between the acquisition price and the fair value of the acquired net assets. The higher contribution of Chinatown Point was attributable to the Group's increased stake of 5.49% acquired in November 2017. For Shenyang, there was a one-off adjustment from a lease restructuring with Shenyang Red Star Macalline Furniture Mall in 1Q 2017.

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

(8) Tax expense

The decrease in 1Q 2018's tax provision was in line with the lower profits.

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

	Note	3 months 31.03.2018 S\$'000	3 months 31.03.2017 S\$'000	Change %
Profit for the period		10,606	39,310	(73.0)
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	1	-	5,832	Nm
Foreign currency translation differences relating to foreign operations, net of tax	2	46,760	(67,299)	169.5
Foreign currency translation differences on monetary items forming part of net investments in foreign operations, net of tax		621	(516)	220.3
Share of other comprehensive income of associates and joint ventures	2	21,619	(40,902)	152.9
		69,000	(102,885)	167.1
Items that will not be reclassified subsequently to profit or loss				
Net change in fair value of financial assets, at FVOCI	1	(10,438)	-	Nm
Other comprehensive income for the period, net of tax		58,562	(102,885)	156.9
Total comprehensive income for the period		69,168	(63,575)	208.8
Total comprehensive income attributable to:				
Owners of the Company		47,078	(36,215)	230.0
Non-controlling interests		22,090	(27,360)	180.7
Total comprehensive income for the period		69,168	(63,575)	208.8

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 appreciated against SGD by approximately 1.7% during the quarter.

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

	Note	Group				Company		
		(A)	(B)	(A) - (B)		31.03.2018	31.12.2017	Change
		31.03.2018	31.12.2017	01.01.2017	Change			
S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Non-current assets			(Restated)	(Restated)				
Plant and equipment		1,667	1,657	1,624	0.6	181	186	Nm
Investment properties		1,709,161	1,659,723	1,371,972	3.0	-	-	-
Subsidiaries		-	-	-	-	2,800,414	2,692,753	4.0
Associates and joint ventures		2,529,182	2,471,443	1,993,529	2.3	-	-	-
Intangible assets		80,298	80,949	83,553	(0.8)	-	-	-
Other financial assets	1	76,991	87,583	67,214	(12.1)	76,991	87,583	(12.1)
Other receivables		15,349	14,568	15,786	5.4	-	-	-
		4,412,648	4,315,923	3,533,678	2.2	2,877,586	2,780,522	3.5
Current assets								
Development properties		1,737,159	1,704,465	2,757,943	1.9	-	-	-
Trade and other receivables		592,094	572,668	528,493	3.4	114,896	102,267	12.3
Cash and cash equivalents		108,868	111,678	226,243	(2.5)	10,053	6,080	65.3
		2,438,121	2,388,811	3,512,679	2.1	124,949	108,347	15.3
Total assets		6,850,769	6,704,734	7,046,357	2.2	3,002,535	2,888,869	3.9
Non-current liabilities								
Loans and borrowings		1,470,895	1,369,767	1,892,456	7.4	399,153	279,317	42.9
Junior bonds		30,000	30,000	143,977	-	-	-	-
Redeemable preference shares		-	-	47,613	Nm	-	-	-
Trade and other payables		31,317	31,773	33,932	(1.4)	-	-	-
Deferred tax liabilities		82,739	81,373	61,375	1.7	-	-	-
		1,614,951	1,512,913	2,179,353	6.7	399,153	279,317	42.9
Current liabilities								
Loans and borrowings		935,615	974,994	823,062	(4.0)	336,330	337,251	(0.3)
Trade and other payables		302,647	290,961	257,111	4.0	15,462	9,341	65.5
Current tax liabilities		10,358	9,988	4,915	3.7	837	740	Nm
		1,248,620	1,275,943	1,085,088	(2.1)	352,629	347,332	1.5
Total liabilities		2,863,571	2,788,856	3,264,441	2.7	751,782	626,649	20.0
Net assets		3,987,198	3,915,878	3,781,916	1.8	2,250,753	2,262,220	(0.5)
Equity								
Share capital		2,208,267	2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		453,244	463,554	439,756	(2.2)	20,169	30,513	(33.9)
Foreign currency translation reserve	2	(13,949)	(66,309)	-	79.0	-	-	-
Retained earnings	2	166,921	161,777	68,578	3.2	22,317	23,440	(4.8)
Equity attributable to owners of the Company		2,814,483	2,767,289	2,716,601	1.7	2,250,753	2,262,220	(0.5)
Non-controlling interests		1,172,715	1,148,589	1,065,315	2.1	-	-	-
Total equity		3,987,198	3,915,878	3,781,916	1.8	2,250,753	2,262,220	(0.5)

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) Other financial assets

The reduction in other financial assets was attributable to the movement in price of the quoted equity securities.

(2) 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.

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

	Group		
	As at 31.03.2018 S\$'000	As at 31.12.2017 S\$'000	Change %
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	330,300	325,996	1.3
Unsecured ⁽¹⁾	605,315	648,998	(6.7)
	935,615	974,994	(4.0)
<u>Amount repayable after one year:</u>			
Secured	798,002	792,352	0.7
Unsecured ⁽¹⁾	672,893	577,415	16.5
	1,470,895	1,369,767	7.4
Total borrowings ⁽²⁾	2,406,510	2,344,761	2.6

Notes:

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

In January 2018, medium term notes of S\$120 million, at 3.90% p.a. due 2021 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. To date, a total of S\$445 million of fixed rate notes had been 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.

- (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 31.03.2018 S\$'000	3 months 31.03.2017 S\$'000
Cash flows from operating activities		
Profit for the period	10,606	39,310
Adjustments for:		
Depreciation of plant and equipment	158	152
Amortisation of intangible assets	651	651
Foreign currency exchange loss (net)	1,172	1,598
Net finance costs	13,027	15,975
Share of results of associates and joint ventures, net of tax	(22,767)	(698)
Gain on disposal of partial interest in a subsidiary	-	(35,519)
Re-measurement to fair value of remaining equity interest in a former subsidiary	-	(20,151)
Equity-settled share-based payment transactions	446	285
Tax expense	810	6,163
	4,103	7,766
Changes in:		
- development properties	(4,183)	(23,179)
- trade and other receivables	(15,744)	(518)
- trade and other payables	(7,981)	1,516
Cash used in operations	(23,805)	(14,415)
Tax paid	(448)	(604)
Net cash used in operating activities	(24,253)	(15,019)
Cash flows from investing activities		
Interest received	327	287
Acquisition of plant and equipment	(194)	(34)
Development expenditure - investment properties	(2,542)	(4,566)
Loans to an associate and a joint venture	(6,082)	(7,515)
Investment in associates and joint ventures	(12,503)	(49,362)
Proceeds from partial disposal of interest in a subsidiary, net of cash disposed	-	(21,986)
Dividends from other financial assets	1,061	1,058
Net cash used in investing activities	(19,933)	(82,118)
Cash flows from financing activities		
Purchase of treasury shares	(352)	-
Proceeds from loans and borrowings	439,829	51,710
Payment of upfront debt arrangement costs	(27)	(9)
Repayments of loans and borrowings	(383,869)	(407)
Loan from joint venture	-	5,739
Capital injection by non-controlling interests	2,036	5,472
Interest paid	(17,170)	(24,278)
Net cash from financing activities	40,447	38,227
Net decrease in cash and cash equivalents	(3,739)	(58,910)
Cash and cash equivalents at beginning of the period	111,678	226,243
Effect of exchange rate changes on cash balances held in foreign currencies	929	(2,320)
Cash and cash equivalents at end of the period	108,868	165,013

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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 31 December 2017, as previously reported	2,208,267	463,554	(105,564)	201,032	2,767,289	1,148,589	3,915,878
Effect of change in accounting policy ⁽³⁾	-	-	39,255	(39,255)	-	-	-
At 1 January 2018, restated	2,208,267	463,554	(66,309)	161,777	2,767,289	1,148,589	3,915,878
Total comprehensive income for the period							
Profit for the period	-	-	-	5,144	5,144	5,462	10,606
<u>Other comprehensive income</u>							
Net change in fair value of financial assets, at FVOCI	-	(10,438)	-	-	(10,438)	-	(10,438)
Foreign currency translation differences relating to foreign operations, net of tax	-	-	30,132	-	30,132	16,628	46,760
Foreign currency translation differences on monetary items, net of tax	-	-	621	-	621	-	621
Share of other comprehensive income of associates and joint ventures	-	12	21,607	-	21,619	-	21,619
Total other comprehensive income	-	(10,426)	52,360	-	41,934	16,628	58,562
Total comprehensive income for the period	-	(10,426)	52,360	5,144	47,078	22,090	69,168
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	446	-	-	446	-	446
Capital injection by non-controlling interests	-	-	-	-	-	2,036	2,036
Purchase of treasury shares	-	(352)	-	-	(352)	-	(352)
Total transactions with owners	-	94	-	-	94	2,036	2,130
<u>Other capital transactions</u>							
Share of reserves of joint venture	-	22	-	-	22	-	22
Total other capital transactions	-	22	-	-	22	-	22
Total transactions with owners	-	116	-	-	116	2,036	2,152
At 31 March 2018	2,208,267	453,244	(13,949)	166,921	2,814,483	1,172,715	3,987,198

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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 January 2018	2,208,267	30,513	23,440	2,262,220
Total comprehensive income for the period				
Profit for the period	-	-	(1,123)	(1,123)
<i>Other comprehensive income</i>				
Net change in fair value of financial assets, at FVOCI	-	(10,438)	-	(10,438)
Total other comprehensive income	-	(10,438)	-	(10,438)
Total comprehensive income for the period	-	(10,438)	(1,123)	(11,561)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	446	-	446
Purchase of treasury shares	-	(352)	-	(352)
Total transactions with owners	-	94	-	94
At 31 March 2018	2,208,267	20,169	22,317	2,250,753

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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 January 2017, as previously reported	2,208,267	439,756	(39,255)	107,833	2,716,601	1,065,315	3,781,916
Effect of change in accounting policy ⁽³⁾	-	-	39,255	(39,255)	-	-	-
At 1 January 2017, restated	2,208,267	439,756	-	68,578	2,716,601	1,065,315	3,781,916
Total comprehensive income for the period							
Profit for the period	-	-	-	38,662	38,662	648	39,310
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	5,832	-	-	5,832	-	5,832
Foreign currency translation differences relating to foreign operations, net of tax	-	-	(39,291)	-	(39,291)	(28,008)	(67,299)
Foreign currency translation differences on monetary items, net of tax	-	-	(516)	-	(516)	-	(516)
Share of other comprehensive income of associates and joint ventures	-	-	(40,902)	-	(40,902)	-	(40,902)
Total other comprehensive income	-	5,832	(80,709)	-	(74,877)	(28,008)	(102,885)
Total comprehensive income for the period	-	5,832	(80,709)	38,662	(36,215)	(27,360)	(63,575)
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	285	-	-	285	-	285
Capital injection by non-controlling interests	-	-	-	-	-	5,472	5,472
Total contributions in ownership interests in subsidiary	-	285	-	-	285	5,472	5,757
<u>Changes in ownership interests in subsidiary</u>							
Disposal of interest in a subsidiary	-	-	-	-	-	(2,646)	(2,646)
Total changes in ownership interests in subsidiary	-	-	-	-	-	(2,646)	(2,646)
<u>Other capital transactions</u>							
Share of reserves of joint venture	-	21	-	-	21	-	21
Total other capital transactions	-	21	-	-	21	-	21
Total transactions with owners	-	306	-	-	306	2,826	3,132
At 31 March 2017	2,208,267	445,894	(80,709)	107,240	2,680,692	1,040,781	3,721,473

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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 January 2017	2,208,267	7,764	20,718	2,236,749
Total comprehensive income for the period				
Profit for the period	-	-	(1,798)	(1,798)
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	5,832	-	5,832
Total other comprehensive income	-	5,832	-	5,832
Total comprehensive income for the period	-	5,832	(1,798)	4,034
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	285	-	285
Total transactions with owners	-	285	-	285
At 31 March 2017	2,208,267	13,881	18,920	2,241,068

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.

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

Issued Share Capital

As at 31 March 2018, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,663,575,068 (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 ('000)
In issue at 01.01.2018	1,663,975
Issue of shares	-
Purchase of treasury shares	(400)
In issue at 31.03.2018	1,663,575

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options ('000)
As at 01.01.2018	38,330
Granted	23,740
Exercised	-
Lapsed/Cancelled	-
As at 31.03.2018	62,070

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 3.73% of the total number of shares issued as at 31 March 2018 (31 March 2017: 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 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 01.01.2018	1,169
Purchase of treasury shares	400
As at 31.03.2018	1,569

As at 31 March 2018, the Company held 1,569,300 treasury shares (31 December 2017: 1,169,300) which represents 0.09% (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 quarter ended 31 March 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.

- 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 31.03.2018	3 months 31.03.2017
Profit for the period attributable to owners of the Company (S\$'000)	5,144	38,662
Weighted average number of shares for the period ('000)		
- Basic	1,663,582	1,665,144
- Diluted	1,663,582	1,665,144
EPS (cents)		
- Basic	0.31	2.32
- Diluted	0.31	2.32

7 Net Asset Value per Share

	Group		Company	
	31.03.2018 S\$/share	31.12.2017 S\$/share	31.03.2018 S\$/share	31.12.2017 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.692	1.663	1.353	1.360

8 Review of the Performance

	3 months ended 31.03.2018	3 months ended 31.03.2017	Change
	S\$'000	S\$'000	%
Revenue	14,945	20,229	(26.1)
Share of results of associates and joint ventures, net of tax	22,767	698	Nm
Earnings before interest and tax ("EBIT")	24,443	61,448	(60.2)
Net finance costs	(13,027)	(15,975)	18.5
Profit before tax	11,416	45,473	(74.9)
Profit for the period attributable to the owners of the Company ("PATMI")	5,144	38,662	(86.7)

1Q 2018 vs 1Q 2017

The Group achieved a revenue of S\$14.9 million (1Q 2017: S\$20.2 million) and a PATMI of S\$5.1 million (1Q 2017: S\$38.7 million) for the quarter ended 31 March 2018.

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 1Q 2018 was 26.1% lower than same period last year due to the absence of revenue from TripleOne Somerset as a result of deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. Excluding TripleOne Somerset's revenue contribution, 1Q 2018 revenue was 10.1% higher, mainly attributable to Perennial Qingyang Mall, Chengdu.

Singapore assets contributed revenue of approximately S\$3.2 million, representing 21.1% (1Q 2017: S\$10.2 million, representing 50.4%) of the Group's revenue. The operational assets in China contributed revenue of S\$8.9 million, which represents 59.7% (1Q 2017: S\$7.6 million, which represents 37.4%) of the Group's revenue. The remaining 19.2% (1Q 2017: 12.2%) of the Group's revenue came from the fee-based management businesses.

EBIT

The Group achieved S\$24.4 million of EBIT in 1Q 2018 (1Q 2017: S\$61.4 million). The decrease in EBIT was mainly because 1Q17 EBIT included the divestment gain from the sale of the 20.2% equity stake in TripleOne Somerset and the resultant re-measurement gain on the 30% retained stake, totalling approximately S\$55.7 million. Excluding this divestment and re-measurement gain, 1Q18 EBIT would be higher and the increase was contributed by higher share of results from YPIS and Chinatown Point in Singapore and Shenyang in China. In February 2018, YPIS acquired an additional 19.9% stake in WBL and recognised a gain between the acquisition price and the fair value of the acquired net assets. The higher contribution of Chinatown Point was attributable to the Group's increased stake of 5.49% acquired in November 2017. For Shenyang, there was a one-off adjustment from a lease restructuring with Shenyang Red Star Macalline Furniture Mall in 1Q 2017.

8 Review of the Performance (cont'd)

PATMI

The decrease in PATMI was due to the absence of a one-off gain from the divestment of partial stake in TripleOne Somerset in 1Q 2017. The decrease was partially mitigated by higher share of results from associates.

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 4.3% in 1Q 2018 on the back of a strong manufacturing growth. This increase was in line with economists’ expectations and was higher than the 3.6% growth registered in 1Q 2017.

The Group continues its strategy of strata sales and asset enhancement on AXA Tower and TripleOne Somerset. It is also actively seeking for opportunities to grow the Singapore portfolio through acquisitions or participation in land tenders.

On 12 March 2018, the Group has announced that it had executed a Sale and Purchase Agreement to acquire the 50% shares in the Capitol Entities held by Chesham and the completion is scheduled on 8 May 2018. On completion, the Capitol Entities will become wholly-owned subsidiaries of the Group.

In Singapore, the Group has also entered into a 40-60 partnership with Qingjian Group, to jointly develop a freehold residential site in Toh Tuck Road which was acquired through an enbloc sale.

China

China’s economy grew 6.8% in 1Q 2018 which topped the consensus estimate of 6.7% and it was the third consecutive quarter whereby 6.8% growth was registered.

The Group’s focus is on the impending opening of Perennial International Health and Medical Hub in June 2018, showcasing the Group’s integrated real estate and healthcare model. It will also continue to build its pipeline of projects in locations with good connectivity.

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 three months ended 31 March 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
	31.03.2018	31.03.2017	
	S\$'000	S\$'000	%
Singapore	3,153	10,203	(69.1)
China	8,920	7,569	17.8
Management Businesses	4,773	4,929	(3.2)
Corporate and Others	24	14	71.4
Eliminations	(1,925)	(2,486)	(22.6)
	14,945	20,229	(26.1)

	EBIT		
	3 months ended	3 months ended	Change
	31.03.2018	31.03.2017	
	S\$'000	S\$'000	%
Singapore	21,960	61,816	(64.5)
China	4,316	5,025	(14.1)
Management Businesses	1,914	773	147.6
Corporate and Others	(3,509)	(5,821)	(39.7)
Eliminations	(238)	(345)	(31.0)
	24,443	61,448	(60.2)

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 31 March 2018 and for the three 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

8 May 2018