



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 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 over 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 Integrated Development and Xi'an North High Speed Railway 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 ended 31.03.2017	3 months ended 31.03.2016	Change %
		S\$'000	S\$'000	
Revenue	1	20,229	29,486	(31.4)
Cost of sales		(8,014)	(8,044)	(0.4)
Gross Profit		12,215	21,442	(43.0)
Other income	2	56,666	3,261	Nm
Administrative expenses	3	(6,527)	(8,981)	(27.3)
Other operating expenses	4	(1,604)	(6)	Nm
Results from operating activities		60,750	15,716	286.5
Finance income	5	3,869	1,147	237.3
Finance costs	6	(19,844)	(13,808)	43.7
Net finance costs		(15,975)	(12,661)	26.2
Share of results of associates and joint ventures, net of tax	7	698	10,314	(93.2)
Profit before tax		45,473	13,369	240.1
Tax expense	8	(6,163)	(1,300)	374.1
Profit for the period		39,310	12,069	225.7
Profit for the period attributable to:-				
Owners of the Company		38,662	8,472	356.4
Non-controlling interests		648	3,597	(82.0)
		39,310	12,069	225.7

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement 1Q 2017 versus 1Q 2016

(1) Revenue

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

The decrease in revenue in 1Q 2017 was attributable to lower project management fees as well as lower rental revenue from TripleOne Somerset due to asset enhancement works for strata sale. (Please see item 8 for details.)

(2) Other income

	3 months ended 31.03.2017	3 months ended 31.03.2016	Change
	S\$'000	S\$'000	%
Other income comprises:			
Investment income	929	1,853	(49.9)
Foreign exchange gain (net)	-	888	(100.0)
Other income	67	520	(87.1)
Divestment and remeasurement gains	<u>55,670</u>	-	Nm
Total	<u><u>56,666</u></u>	<u><u>3,261</u></u>	

Nm: denotes not meaningful

The increase in 1Q 2017's other income was mainly due to the gain on divestment of our 20.2% equity stake and the resultant remeasurement gain for the 30% retained stake in TripleOne Somerset.

(3) Administrative expenses

Administrative expenses comprised primarily staff costs, amortisation expenses, professional fees, share-based expenses and other expenses. The decrease was mainly attributable to the absence of a write-off of intangible asset made in 1Q 2016.

(4) Other operating expenses

The increased other operating expenses mainly arose from foreign exchange losses arising from depreciation of USD against SGD during the quarter.

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

(5) Finance income

The increase in finance income in 1Q 2017 was mainly due to higher interest income on loans extended to joint ventures effective from March 2016, and interest income from junior bonds issued by an associate.

(6) Finance costs

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The increase was mainly due to drawdown of loans and borrowings to fund new investments.

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

The decrease in 1Q 2017 was mainly due to the absence of share of fair value gain on the revaluation of Chengdu East High Speed Railway Integrated Development Plot D2 ("Chengdu Plot D2") in 1Q 2016 and a one-off adjustment from a lease restructuring with Shenyang Red Star Macalline Furniture Mall.

(8) Tax expense

The increase in 1Q 2017's tax provision was in line with the higher profits.

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

	Note	3 months 31.03.2017 S\$'000	3 months 31.03.2016 S\$'000	Change %
Profit for the period		39,310	12,069	225.7
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		5,832	5,373	8.5
Foreign currency translation losses relating to foreign operations, net of tax	1	(108,201)	(125,325)	(13.7)
Foreign currency translation losses on monetary items forming part of net investments in foreign operations, net of tax		(516)	(1,783)	(71.1)
Other comprehensive income for the period, net of tax		(102,885)	(121,735)	(15.5)
Total comprehensive income for the period		(63,575)	(109,666)	(42.0)
Total comprehensive income attributable to:				
Owners of the Company		(36,215)	(85,039)	(57.4)
Non-controlling interests		(27,360)	(24,627)	11.1
Total comprehensive income for the period		(63,575)	(109,666)	(42.0)

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 depreciated against SGD by approximately 2.7% during the quarter.

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

	Note	Group			Company		
		31.03.2017	31.12.2016	Change	31.03.2017	31.12.2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,455	1,624	(10.4)	-	-	-
Investment properties		1,360,536	1,371,972	(0.8)	-	-	-
Subsidiaries		-	-	-	2,740,781	2,742,725	(0.1)
Associates and joint ventures	1	2,126,495	1,993,529	6.7	-	-	-
Intangible assets		82,902	83,553	(0.8)	-	-	-
Other financial assets		72,917	67,214	8.5	72,918	67,214	8.5
Other receivables		14,825	15,786	(6.1)	-	-	-
		3,659,130	3,533,678	3.6	2,813,699	2,809,939	0.1
Current assets							
Development properties	1	1,734,552	2,757,943	(37.1)	-	-	-
Trade and other receivables		590,581	528,493	11.7	72,841	78,546	(7.3)
Cash and cash equivalents		165,013	226,243	(27.1)	5,985	4,963	20.6
		2,490,146	3,512,679	(29.1)	78,826	83,509	(5.6)
Total assets		6,149,276	7,046,357	(12.7)	2,892,525	2,893,448	(0.0)
Non-current liabilities							
Loans and borrowings	1	1,313,667	1,892,456	(30.6)	606,176	605,578	0.1
Junior bonds	1	30,000	143,977	(79.2)	-	-	-
Redeemable preference shares	1	-	47,613	(100.0)	-	-	-
Trade and other payables		31,178	33,932	(8.1)	-	-	-
Deferred tax liabilities		59,784	61,375	(2.6)	-	-	-
		1,434,629	2,179,353	(34.2)	606,176	605,578	0.1
Current liabilities							
Loans and borrowings	2	762,632	823,062	(7.3)	29,770	29,125	Nm
Trade and other payables		220,587	257,111	(14.2)	15,511	21,996	(29.5)
Current tax liabilities		9,955	4,915	102.5	-	-	-
		993,174	1,085,088	(8.5)	45,281	51,121	(11.4)
Total liabilities		2,427,803	3,264,441	(25.6)	651,457	656,699	(0.8)
Net assets		3,721,473	3,781,916	(1.6)	2,241,068	2,236,749	0.2
Equity							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		445,894	439,756	1.4	13,881	7,764	78.8
Foreign currency translation reserve		(119,964)	(39,255)	205.6	-	-	-
Retained earnings		146,495	107,833	35.9	18,920	20,718	(8.7)
Equity attributable to owners of the Company		2,680,692	2,716,601	(1.3)	2,241,068	2,236,749	0.2
Non-controlling interests		1,040,781	1,065,315	(2.3)	-	-	-
Total equity		3,721,473	3,781,916	(1.6)	2,241,068	2,236,749	0.2

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

The movements in development properties, long-term loans and borrowings, junior bonds and redeemable preference shares are 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.

(2) Short-term loans and borrowings

The decrease in short-term loans and borrowings is mainly due to reclassification of loan for CHIJMES to long-term upon completion of refinancing of the loan. This reduction is partially offset by the reclassification of medium term notes due in March 2018 to short-term borrowings.

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

	Group		
	As at 31.03.2017 S\$'000	As at 31.12.2016 S\$'000	Change %
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	507,894	703,062	(27.8)
Unsecured ⁽¹⁾	254,738	120,000	112.3
	762,632	823,062	(7.3)
<u>Amount repayable after one year:</u>			
Secured	562,116	1,043,495	(46.1)
Unsecured ⁽¹⁾	751,551	848,961	(11.5)
	1,313,667	1,892,456	(30.6)
Total borrowings ⁽²⁾	2,076,299	2,715,518	(23.5)

Notes:

- (1) Unsecured borrowings include unsecured bank facilities as well as notes issued under the multicurrency debt programme.
- (2) The above borrowings were stated net of unamortised financing 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 31.03.2017 S\$'000	3 months 31.03.2016 S\$'000
Cash flows from operating activities		
Profit for the period	39,310	12,069
Adjustments for:		
Depreciation of plant and equipment	152	204
Amortisation of intangible assets	651	651
Written-off of intangible assets	-	1,947
Foreign currency exchange loss/(gain) (net)	1,598	(888)
Net finance costs	15,975	12,661
Share of results of associates and joint ventures, net of tax	(698)	(10,314)
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	-	(206)
Loss on disposal of an associate	-	62
Equity-settled share-based payment transactions	285	648
Tax expense	6,163	1,300
	7,766	18,134
Changes in:		
- Development properties	(23,179)	(3,143)
- Trade and other receivables	(518)	(1,297)
- Trade and other payables	1,516	35,028
Cash flows (used in)/generated from operations	(14,415)	48,722
Taxes paid	(604)	(392)
Net cash (used in)/from operating activities	(15,019)	48,330
Cash flows from investing activities		
Interest received	287	207
Acquisition of plant and equipment	(34)	(15)
Development expenditure - investment properties	(4,566)	(42,275)
Loans to joint ventures	(7,515)	(305,500)
Investment in associates and joint ventures	(49,362)	(17,190)
Other investments	-	(13,918)
Proceeds from disposal of partial stake in a subsidiary, net of cash disposed	(21,986)	-
Proceeds from disposal of other investments	-	3,804
Proceeds from other investments	1,058	1,103
Net cash used in investing activities	(82,118)	(373,784)
Cash flows from financing activities		
Proceeds from loans and borrowings	51,710	320,544
Payment of upfront debt arrangement costs	(9)	(6,639)
Repayments of loans and borrowings	(407)	(420)
Loan from a joint venture	5,739	-
Capital injection by non-controlling interests	5,472	-
Interest paid	(24,278)	(16,880)
Net cash from financing activities	38,227	296,605
Net decrease in cash and cash equivalents	(58,910)	(28,849)
Cash and cash equivalents at beginning of the period	226,243	162,030
Effect of exchange rate changes on cash balances held in foreign currencies	(2,320)	(1,355)
Cash and cash equivalents at end of the period	165,013	131,826

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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 January 2017	2,208,267	439,756	(39,255)	107,833	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 losses relating to foreign operations, net of tax	-	-	(80,193)	-	(80,193)	(28,008)	(108,201)
Foreign currency translation losses on monetary items, net of tax	-	-	(516)	-	(516)	-	(516)
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 interests 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 a 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	(119,964)	146,495	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				
Loss 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

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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 2016	2,195,373	448,658	70,766	79,402	2,794,199	1,088,194	3,882,393
Total comprehensive income for the period							
Profit for the period	-	-	-	8,472	8,472	3,597	12,069
<i>Other comprehensive income</i>							
Net change in fair value of available-for-sale financial assets	-	5,373	-	-	5,373	-	5,373
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(97,101)	-	(97,101)	(28,224)	(125,325)
Foreign currency translation losses on monetary items, net of tax	-	-	(1,783)	-	(1,783)	-	(1,783)
Total other comprehensive income	-	5,373	(98,884)	-	(93,511)	(28,224)	(121,735)
Total comprehensive income for the period	-	5,373	(98,884)	8,472	(85,039)	(24,627)	(109,666)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	-	648	-	-	648	-	648
Non-reciprocal capital contribution made to a non-wholly owned subsidiary	-	(8,435)	-	-	(8,435)	8,435	-
Total contributions by and distributions to owners	-	(7,787)	-	-	(7,787)	8,435	648
<i>Other capital transactions</i>							
Share of reserves of a joint venture	-	12	-	-	12	-	12
Total other capital transactions	-	12	-	-	12	-	12
Total transactions with owners	-	(7,775)	-	-	(7,775)	8,435	660
At 31 March 2016	2,195,373	446,256	(28,118)	87,874	2,701,385	1,072,002	3,773,387

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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 2016	2,195,373	1,623	25,690	2,222,686
Total comprehensive income for the period				
Profit for the period	-	-	669	669
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	5,373	-	5,373
Total other comprehensive income	-	5,373	-	5,373
Total comprehensive income for the period	-	5,373	669	6,042
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	648	-	648
Total transactions with owners	-	648	-	648
At 31 March 2016	2,195,373	7,644	26,359	2,229,376

Notes:

- (1) Other reserves include capital reserve, available-for-sale reserve and equity compensation reserves.
- (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

	No. of Shares (‘000)
In issue at 01.01.2017	1,665,144
Issue of shares	-
In issue at 31.03.2017	1,665,144

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options (‘000)
As at 01.01.2017	16,880
Exercised	-
Lapsed/Cancelled	(60)
As at 31.03.2017	16,820

The number of outstanding options represents 1.01% of the total number of shares issued as at 31 March 2017 (31 March 2016: 1.17% of issued shares of 1,655,468,453).

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

The Company has no treasury shares at the beginning and end of the reporting period.

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 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 31.03.2017	3 months 31.03.2016
Profit for the period attributable to Owners of the Company (S\$'000)	38,662	8,472
Weighted average number of shares for the period ('000)		
- Basic	1,665,144	1,655,468
- Diluted	1,665,144	1,655,468
EPS (cents)		
- Basic	2.32	0.51
- Diluted	2.32	0.51

7 Net Asset Value per Share

	Group		Company	
	31.03.2017 S\$/share	31.12.2016 S\$/share	31.03.2017 S\$/share	31.12.2016 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.610	1.631	1.346	1.343

8 Review of the Performance

	3 months ended 31.03.2017	3 months ended 31.03.2016	Change
	S\$'000	S\$'000	%
Revenue	20,229	29,486	(31.4)
Share of results of associates and joint ventures, net of tax	698	10,314	(93.2)
Earnings before interest and tax ("EBIT")	61,448	26,030	136.1
Net finance costs	(15,975)	(12,661)	26.2
Profit before tax	45,473	13,369	240.1
Profit for the period attributable to the owners of the Company ("PATMI")	38,662	8,472	356.4

1Q 2017 vs 1Q 2016

The Group achieved a revenue of S\$20.2 million (1Q 2016: S\$29.5 million) and a PATMI of S\$38.7 million (1Q 2016: S\$8.5 million) for the quarter ended 31 March 2017.

Revenue

The main revenue contributors are CHIJMES and TripleOne Somerset in Singapore as well as Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China. Revenue for 1Q 2017 was 31.4% lower than same period last year due to lower project management fees as well as lower rental revenue from TripleOne Somerset as the property has commenced its asset enhancement works for strata sale.

Singapore assets contributed revenue of approximately S\$10.2 million, representing 50.4% (1Q 2016: S\$14.8 million, representing 50.2%) of the Group's revenue. The operational assets in China contributed revenue of S\$7.6 million, which represents 37.4% (1Q 2016: S\$7.6 million, representing 25.9%) of the Group's revenue. The remaining 12.2% (1Q 2016: 23.9%) of the Group's revenue came from the fee-based management businesses.

EBIT

The Group achieved S\$61.4 million of EBIT in 1Q 2017 (1Q 2016: S\$26.0 million). The EBIT included a divestment gain from the sale of 20.2% equity stake in TripleOne Somerset and the gain on remeasurement for the 30% retained stake totalling approximately S\$55.7 million. The increase in EBIT was partially offset by lower share of results from joint ventures arising from a one-off adjustment from a lease restructuring with Shenyang Red Star Macalline Furniture Mall, lower investment income, and foreign exchange loss.

1Q 2016's EBIT included the Group's share of fair value gain of S\$7.5 million on revaluation of Chengdu Plot D2 and this was partially offset by a one-time write-off of intangible assets of S\$1.9 million upon disposal of 112 Katong.

PATMI

The increase in PATMI was contributed by the gain from the divestment of partial stake in TripleOne Somerset and this was partially offset by higher finance costs and lower share of results from joint ventures.

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 and China's economic growth are likely to be modestly-paced amid the global uncertainties. The Group will continue to focus on expanding the base of stable and recurring income and growing its healthcare business while remaining diligent on execution of development assets.

Singapore

According to advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew 2.5% on a year-on-year basis in 1Q 2017, easing from the 2.9% growth in the previous quarter.

The Group remains focus on the strata sales and asset enhancement works of TripleOne Somerset and AXA Tower while at the same time, exploring investment opportunities which would yield recurring income.

China

In the first quarter of 2017, China's GDP grew 6.9% year-on-year, beating market expectations and the target set by the Chinese government.

The Group completed the acquisition of 49.9% equity stake in Shanghai RST Chinese Medicine Co., Ltd ("Renshoutang") on 31 March 2017. The Group is making good inroads into healthcare business in China and will continue to scale up the healthcare business in cities where there is demand.

The Perennial International Health and Medical Hub ("PIHMH"), Chengdu and Chengdu Xiehe International Eldercare and Retirement Home ("Chengdu Xiehe Home"), located at Chengdu East High Speed Railway Integrated Development Plot D2, are slated for opening in 2H 2017 and will serve as the signature showcase of the Group's integrated medical cum retail development. For the other integrated development projects, the Group will complete the construction and at the opportunate time, harness or unlock their inherent value.

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 2017.

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
	31.03.2017	31.03.2016	
	S\$'000	S\$'000	%
Singapore	10,203	14,814	(31.1)
China	7,569	7,646	(1.0)
Management Businesses	4,929	9,788	(49.6)
Corporate and Others	2,789	3,893	(28.4)
Eliminations	(5,261)	(6,655)	(20.9)
	20,229	29,486	(31.4)

	EBIT		
	3 months ended	3 months ended	Change
	31.03.2017	31.03.2016	
	S\$'000	S\$'000	%
Singapore	61,816	10,237	Nm
China	5,025	14,188	(64.6)
Management Businesses	428	3,865	(88.9)
Corporate and Others	(5,821)	(2,260)	157.6
	61,448	26,030	136.1

Nm: denotes not meaningful

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 2017 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 2017