



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 2019

Table of Contents

Item No.	Description	Page
-	Introduction	2
1 (a)(i)	Consolidated Income Statement	3-5
1 (a)(ii)	Consolidated Statement of Comprehensive Income	5
1 (b)(i)	Consolidated Statement of Financial Position for the Group and the Company	6-7
1 (b)(ii)	Aggregate Amount of Borrowings for the Group	7
1 (c)	Consolidated Statement of Cash Flows	8
1 (d)(i)	Statement of Changes in Equity for the Group and the Company	9-12
1 (d)(ii)	Details of any Changes in Share Capital	13
1 (d)(iii)	Treasury Shares	13
2 & 3	Audit Statement	13
4 & 5	Changes in Accounting Policies	14
6	Earnings per Share	14
7	Net Asset Value per Share	14
8	Review of the Performance	15
9	Variance from Forecast Statement	16
10	Outlook and Prospects of the Group	16
11 & 12	Dividends	17
13	Interested Person Transactions	17
14	Segmental Information	18
15	Confirmation pursuant to Rule 705(5) of the Listing Manual	19
16	Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)	19

Introduction

Perennial Real Estate Holdings Limited ("Perennial") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia, Indonesia and Ghana with a combined portfolio spanning about 65 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

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

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

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (a)(i) Consolidated Income Statement

		3 months ended 31.03.2019	3 months ended 31.03.2018	Change
	Note	S\$'000	S\$'000	%
Revenue	1	24,861	14,945	66.3
Cost of sales	2	(15,366)	(6,227)	146.8
Gross Profit		9,495	8,718	8.9
Other income		940	999	(5.9)
Administrative expenses	3	(10,910)	(6,863)	59.0
Other operating expenses		(958)	(1,178)	(18.7)
Results from operating activities		(1,433)	1,676	(185.5)
Share of results of associates and joint ventures, net of tax	4	6,091	22,767	(73.2)
Profit before interest and tax		4,658	24,443	(80.9)
Finance income	5	809	4,426	(81.7)
Finance costs	6	(30,863)	(17,453)	76.8
Net finance costs		(30,054)	(13,027)	130.7
(Loss)/Profit before tax		(25,396)	11,416	Nm
Tax expense	7	(1,515)	(810)	87.0
(Loss)/Profit for the period		(26,911)	10,606	Nm
(Loss)/Profit for the period attributable to:-				
Owners of the Company		(26,931)	5,144	Nm
Non-controlling interests		20	5,462	(99.6)
		(26,911)	10,606	Nm

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement 1Q 2019 versus 1Q 2018

(1) Revenue

Revenue in 1Q 2019 increased by 66.3%, mainly attributable to revenue from Capitol Singapore which was consolidated since May 2018, revenue from Perennial International Health and Medical Hub (“PIHMH”) and higher fee income from our management businesses.

(2) Cost of sales

Cost of sales for the quarter was higher as it included the operational costs of Capitol Singapore and PIHMH.

(3) Administrative expenses

	3 months ended 31.03.2019 S\$'000	3 months ended 31.03.2018 S\$'000	Change %
Administrative expenses	(10,910)	(6,863)	59.0
<u>Included in administrative expenses:-</u>			
Depreciation and amortisation	(3,817)	(809)	Nm
Provision for bad debts	(4)	-	Nm
Gain on disposal of plant and equipment	1	-	Nm

The increase in administrative expenses was mainly attributable to the depreciation charge pertaining to Capitol Kempinski Hotel which commenced operations in October 2018 and increase in staff costs.

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

The decrease in share of results of associates and joint ventures was mainly due to the absence of one-off gain recorded by one of the associates in 1Q 2018.

(5) Finance income

The decrease in finance income in 1Q 2019 was due to the absence of interest income from a joint venture as the loan has been repaid since May 2018.

(6) Finance costs

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

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

Explanatory Notes to the Consolidated Income Statement 1Q 2019 versus 1Q 2018 (cont'd)

(7) Tax expense

Higher tax expenses were mainly due to higher taxable income from our management businesses and one of the China entities turning into a taxable position after fully utilising its prior years' tax losses.

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

	Note	3 months 31.03.2019 S\$'000	3 months 31.03.2018 S\$'000	Change %
(Loss)/Profit for the period		(26,911)	10,606	Nm
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences relating to foreign operations, net of tax	2	31,532	46,760	(32.6)
Foreign currency translation differences on monetary items forming part of net investments in foreign operations, net of tax		603	621	(2.9)
Share of other comprehensive income of associates and joint ventures	2	16,445	21,619	(23.9)
		48,580	69,000	(29.6)
Items that will not be reclassified subsequently to profit or loss				
Net change in fair value of financial assets, at FVOCI	1	7,164	(10,438)	168.6
Other comprehensive income for the period, net of tax		55,744	58,562	(4.8)
Total comprehensive income for the period		28,833	69,168	(58.3)
Total comprehensive income attributable to:				
Owners of the Company		17,556	47,078	(62.7)
Non-controlling interests		11,277	22,090	(48.9)
Total comprehensive income for the period		28,833	69,168	(58.3)

Nm: denotes not meaningful

Note:

- (1) The movement was due to the changes in the price of the quoted equity securities.
- (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 1.2% during the quarter.

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

	Note	Group			Company		
		31.03.2019	31.12.2018	Change	31.03.2019	31.12.2018	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		295,884	297,445	(0.5)	188	233	(19.3)
Investment properties		3,381,621	3,349,533	1.0	-	-	-
Subsidiaries		-	-	-	2,151,763	2,151,710	Nm
Associates and joint ventures		2,541,733	2,491,511	2.0	-	-	-
Intangible assets		77,694	78,345	(0.8)	-	-	-
Other financial assets		72,610	72,510	0.1	72,610	72,510	0.1
Other receivables		4,453	4,211	5.7	474,186	485,641	(2.4)
		6,373,995	6,293,555	1.3	2,698,747	2,710,094	(0.4)
Current assets							
Development properties		1,100,881	1,088,059	1.2	-	-	-
Inventories		883	1,234	(28.4)	-	-	-
Trade and other receivables	1	276,190	210,630	31.1	161,376	148,951	8.3
Cash and cash equivalents		68,678	76,856	(10.6)	4,642	4,582	1.3
		1,446,632	1,376,779	5.1	166,018	153,533	8.1
Total assets		7,820,627	7,670,334	2.0	2,864,765	2,863,627	Nm
Non-current liabilities							
Loans and borrowings		2,424,500	2,176,102	11.4	611,901	615,128	(0.5)
Junior bonds		30,000	30,000	-	-	-	-
Trade and other payables	2	118,790	84,171	41.1	-	-	-
Deferred tax liabilities		157,976	156,166	1.2	-	-	-
		2,731,266	2,446,439	11.6	611,901	615,128	(0.5)
Current liabilities							
Loans and borrowings		669,263	761,960	(12.2)	-	-	-
Trade and other payables	3	400,581	475,232	(15.7)	10,776	12,754	(15.5)
Current tax liabilities		11,407	10,325	10.5	1,000	869	15.1
		1,081,251	1,247,517	(13.3)	11,776	13,623	(13.6)
Total liabilities		3,812,517	3,693,956	3.2	623,677	628,751	(0.8)
Net assets		4,008,110	3,976,378	0.8	2,241,088	2,234,876	0.3
Equity							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		466,783	459,750	1.5	24,791	16,972	46.1
Foreign currency translation reserve		(120,134)	(158,084)	24.0	-	-	-
Retained earnings		195,940	222,712	(12.0)	8,030	9,637	(1.7)
Equity attributable to owners of the Company		2,750,856	2,732,645	0.7	2,241,088	2,234,876	0.3
Non-controlling interests		1,257,254	1,243,733	1.1	-	-	-
Total equity		4,008,110	3,976,378	0.8	2,241,088	2,234,876	0.3

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) Trade and other receivables

The increases were mainly due to new shareholders' loan extended to joint ventures and deposit paid for investment in joint ventures.

(2) Trade and other payables (Non-current)

The payables increased mainly due to reclassification of loans extended by a joint venture from short term to long term as the parties have agreed on a repayment date which is more than 12 months later.

(3) Trade and other payables (Current)

The payables were reduced mainly due to repayment of loans advanced by non-controlling interests and reclassification of loans extended by a joint venture to non-current payables.

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

	Group		
	As at	As at	Change
	31.03.2019	31.12.2018	
	S\$'000	S\$'000	%
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	227,296	226,493	0.4
Unsecured ⁽¹⁾	441,967	535,467	(17.5)
	669,263	761,960	(12.2)
<u>Amount repayable after one year:</u>			
Secured	1,243,946	1,184,266	5.0
Unsecured ⁽¹⁾	1,180,554	991,836	19.0
	2,424,500	2,176,102	11.4
Total borrowings ⁽²⁾	3,093,763	2,938,062	5.3

Notes:

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

During the quarter, S\$125 million of medium term notes ("MTN") at 4.90% due March 2019 were redeemed. To date, a total of S\$625 million of fixed rate notes had been issued, under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015, of which S\$400 million are outstanding.

- (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.

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (c) Consolidated Statement of Cash Flows

	3 months 31.03.2019 S\$'000	3 months 31.03.2018 S\$'000
Cash flows from operating activities		
(Loss)/Profit for the period	(26,911)	10,606
Adjustments for:		
Depreciation of plant and equipment	3,166	158
Amortisation of intangible assets	651	651
Foreign currency exchange loss (net)	779	1,172
Net finance costs	30,054	13,027
Share of results of associates and joint ventures, net of tax	(6,091)	(22,767)
Gain on disposal of plant and equipment	(1)	-
Dividend income	(865)	-
Provision of bad debts	4	-
Equity-settled share-based payment transactions	655	446
Tax expense	1,515	810
	2,956	4,103
Changes in:		
- inventories	351	-
- development properties	(6,035)	(4,183)
- trade and other receivables	(38,715)	(15,744)
- trade and other payables	(3,799)	(7,981)
Cash used in operations	(45,242)	(23,805)
Tax paid	(464)	(448)
Net cash used in operating activities	(45,706)	(24,253)
Cash flows from investing activities		
Interest received	30	327
Acquisition of plant and equipment	(1,534)	(194)
Development expenditure - investment properties	(2,746)	(2,542)
Loans to an associate and a joint venture	(30,472)	(6,082)
Investment in associates and joint ventures	(28,174)	(12,503)
Proceeds from disposal of other financial assets	5,229	-
Proceeds from disposal of plant and equipment	6	-
Dividends from other financial assets	1,055	1,061
Net cash used in investing activities	(56,606)	(19,933)
Cash flows from financing activities		
Purchase of treasury shares	-	(352)
Proceeds from loans and borrowings	302,600	296,833
Payment of financing transaction costs	(2,800)	(27)
Repayments of loans and borrowings	(157,899)	(383,869)
Loan from affiliated company	-	142,996
Loans from a joint venture	3,754	-
Repayment of loans from non-controlling interests	(27,199)	-
Capital injection by non-controlling interests	2,244	2,036
Interest paid	(27,744)	(17,170)
Net cash from financing activities	92,956	40,447
Net decrease in cash and cash equivalents	(9,356)	(3,739)
Cash and cash equivalents at beginning of the period	76,856	111,678
Effect of exchange rate changes on cash balances held in foreign currencies	1,178	929
Cash and cash equivalents at end of the period	68,678	108,868

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2019	2,208,267	459,750	(158,084)	222,712	2,732,645	1,243,733	3,976,378
Total comprehensive income for the period							
(Loss)/Profit for the period	-	-	-	(26,931)	(26,931)	20	(26,911)
<i>Other comprehensive income</i>							
Net change in fair value of financial assets, at FVOCI	-	7,164	-	-	7,164	-	7,164
Foreign currency translation differences relating to foreign operations, net of tax	-	-	19,095	-	19,095	12,437	31,532
Foreign currency translation differences on monetary items, net of tax	-	-	1,019	-	1,019	(416)	603
Share of other comprehensive income of associates and joint ventures	-	(786)	17,836	159	17,209	(764)	16,445
Total other comprehensive income	-	6,378	37,950	159	44,487	11,257	55,744
Total comprehensive income for the period	-	6,378	37,950	(26,772)	17,556	11,277	28,833
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	-	655	-	-	655	-	655
Capital injection by non-controlling interests	-	-	-	-	-	2,244	2,244
Total transactions with owners	-	655	-	-	655	2,244	2,899
At 31 March 2019	2,208,267	466,783	(120,134)	195,940	2,750,856	1,257,254	4,008,110

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2019	2,208,267	16,972	9,637	2,234,876
Total comprehensive income for the period				
Loss for the period	-	-	(1,607)	(1,607)
<u>Other comprehensive income</u>				
Net change in fair value of financial assets, at FVOCI	-	7,164	-	7,164
Total other comprehensive income	-	7,164	-	7,164
Total comprehensive income for the period	-	7,164	(1,607)	5,557
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	655	-	655
Total transactions with owners	-	655	-	655
At 31 March 2019	2,208,267	24,791	8,030	2,241,088

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 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	-	-	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
<i>Other comprehensive income</i>							
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							
<i>Contributions by and distributions to owners</i>							
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
<i>Other capital transactions</i>							
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

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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				
Loss for the period	-	-	(1,123)	(1,123)
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	(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				
<u>Contributions by and distributions to owners</u>				
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

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.

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

Issued Share Capital

As at 31 March 2019, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,661,709,368 (31 December 2018: 1,661,709,368) ordinary shares.

	No. of Shares (‘000)
In issue at 01.01.2019 / 31.03.2019	1,661,709

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options (‘000)
As at 01.01.2019	56,540
Granted	27,719.5
Exercised	-
Lapsed/Cancelled	(335)
As at 31.03.2019	83,924.5

On 25 February 2019, the Company granted 27,719,500 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 (“ESOS”). The number of outstanding options represents 5.05% of the total number of shares issued as at 31 March 2019 (31 December 2018: 3.40% of issued shares of 1,661,709,368). 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

As at 31 March 2019, the Company held 3,435,000 treasury shares (31 December 2018: 3,435,000) which represents 0.21% (31 December 2018: 0.21%) of the total number of issued shares (excluding treasury shares).

There has been no movement in the number of treasury shares during the quarter.

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 2018, except for the adoption of new/revised Singapore Financial Reporting Standards (International) (SFRS(I)s) applicable for the financial period beginning 1 January 2019 as follows:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
- Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)
- Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and SFRS(I) 11)
- Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I) 1-12)
- Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)
- Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

The Group does not expect any significant impact on its financial position or performance from the adoption of these new/amendments to SFRS(I)s.

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 31.03.2019	3 months 31.03.2018
(Loss)/Profit for the period attributable to owners of the Company (S\$'000)	(26,931)	5,144
Weighted average number of shares for the period ('000)		
- Basic	1,661,709	1,663,582
- Diluted	1,661,709	1,663,582
EPS (cents)		
- Basic	(1.62)	0.31
- Diluted	(1.62)	0.31

7 Net Asset Value per Share

	Group		Company	
	31.03.2019 S\$/share	31.12.2018 S\$/share	31.03.2019 S\$/share	31.12.2018 S\$/share
Net asset value per share based on issued share capital at the end of the period/year	1.655	1.644	1.349	1.345

8 Review of the Performance

	3 months ended 31.03.2019	3 months ended 31.03.2018	Change
	S\$'000	S\$'000	%
Revenue	24,861	14,945	66.3
Share of results of associates and joint ventures, net of tax	6,091	22,767	(73.2)
Earnings before interest and tax ("EBIT")	4,658	24,443	(80.9)
Net finance costs	(30,054)	(13,027)	(130.7)
(Loss)/Profit before tax	(25,396)	11,416	Nm
(Loss)/Profit for the period attributable to the owners of the Company ("PATMI")	(26,931)	5,144	Nm

1Q 2019 vs 1Q 2018

The Group registered a revenue of S\$24.9 million (1Q 2018: S\$14.9 million) and an EBIT of S\$4.7 million (1Q 2018: S\$24.4 million) for the quarter ended 31 March 2019.

Revenue

The main revenue contributors are CHIJMES and Capitol in Singapore as well as Perennial Jihua Mall, Foshan, Perennial Qingyang Mall and PIHMH, Chengdu in China. Revenue for 1Q 2019 was 66.3% higher than same period last year, mainly attributable to revenue from Capitol which was consolidated since May 2018, revenue from PIHMH and higher fee income from our management businesses.

Singapore assets contributed revenue of approximately S\$9.2 million, representing 37.0% (1Q 2018: S\$3.2 million, representing 21.1%) of the Group's revenue. The operational assets in China contributed revenue of S\$10.9 million, which represents 43.9% (1Q 2018: S\$8.9 million, which represents 59.7%) of the Group's revenue. The remaining 19.1% (1Q 2018: 19.2%) of the Group's revenue came from the fee-based management businesses.

EBIT

The decrease in EBIT was mainly because 1Q 2018 EBIT included a one-off gain recognised by one of the associates. Excluding this, EBIT would be higher by 43.6%, mainly attributable to higher contribution from management businesses.

PATMI

The decrease in PATMI was due to the absence of the one-off gain and higher net finance costs. Finance costs increased with the consolidation of Capitol's debt and new loans to fund new investments and higher interest rates. In addition, interest expenses in respect of PIHMH previously capitalised were expensed off on completion.

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

The Singapore economy grew 1.3% in the first quarter of 2019 based on advance estimates released by the Ministry of Trade and Industry. This was a slowdown from 1.9% in the previous quarter and below the expectation of 1.4%.

For our Singapore assets, the focus would be to drive improvement in operating performance through active marketing of strata units in 111 Somerset and repositioning of Capitol Singapore.

Riding on the improving office market sentiment, 111 Somerset's strata-sale of the office units has gained traction and over 10 office units were sold at the recent launch. In addition, the new two-storey retail podium on Levels 1 and 2 of the development has commenced operations progressively since end-March 2019. On Levels 3 and 4, a co-working space operator, some medical and healthcare-related tenants have also commenced operations.

Separately, Capitol Singapore registered a total committed occupancy of 84% as at 31 March 2019 and expects to achieve over 90% by 3Q 2019.

On 27 March 2019, the Urban Redevelopment Authority ("URA") announced the Draft Master Plan 2019 which allows certain developments to enjoy an uplift in gross plot ratio ("GPR"), coupled with additional GPR under the CBD Incentive Scheme which encourages the conversion of existing commercial developments to integrate hotel and residential usage. Under this new masterplan, AXA Tower's gross floor area could potentially increase by approximately 46.5%, from 1.05 million sq ft to 1.55 million sq ft. The Group seeks to actively pursue this redevelopment scheme to incorporate office, hotel and residential components to maximise the value of the development for all our stakeholders.

On 22 April 2019, the Group had announced that Perennial Chinatown Point LLP had executed a Sale and Purchase Agreement to divest its entire 50.64% stake in Chinatown Point Mall at an agreed property price of S\$520 million. The Group's proportionate share of the net proceeds is expected to be S\$125.3 million and its share of the divestment gain is approximately S\$17.2 million. The Group's subsidiary will continue to be the property manager of Chinatown Point Mall post-completion of this transaction. This divestment is part of the Group's capital recycling strategy to unlock value, enhance financial flexibility and rebalance its portfolio.

China

China's economy reported a 6.4% growth in the first quarter of 2019, slightly above forecast of 6.3%.

The Group's stabilised assets such as Qingyang and Foshan Malls continue to perform well with full occupancies. The newly opened PIHMH registered an increase in committed occupancy to 92.8% as at 31 March 2019 and its anchor tenant, Gleneagles Chengdu Hospital, is expected to commence operations in 2H 2019. The Group will continue to enhance performance of PIHMH while sourcing for more sites near High Speed Railways for injection into the healthcare joint venture.

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 2019.

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.

PERENNIAL REAL ESTATE HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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
	31.03.2019	31.03.2018	
	S\$'000	S\$'000	%
Singapore	9,205	3,153	191.9
China	10,902	8,920	22.2
Management Businesses	6,673	4,773	39.8
Corporate and Others	19	24	(20.8)
Eliminations	(1,938)	(1,925)	0.7
	24,861	14,945	66.3

	EBIT		
	3 months ended	3 months ended	Change
	31.03.2019	31.03.2018	
	S\$'000	S\$'000	%
Singapore	695	21,960	(96.8)
China	4,238	4,316	(1.8)
Management Businesses	3,049	1,914	59.3
Corporate and Others	(3,085)	(3,509)	(12.1)
Eliminations	(238)	(238)	-
	4,659	24,443	(80.9)

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 position, 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 2019 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

7 May 2019