



(a business trust constituted on 22 February 2011 under the laws of the Republic of Singapore)

Managed by Perennial China Retail Trust Management Pte. Ltd.

PERENNIAL CHINA RETAIL TRUST
2014 First Quarter Unaudited Financial Statements Announcement

Table of Contents

Item No.	Description	Page
-	Introduction	2
-	Summary of PCRT Group Results	3
1 (a)(i)	Consolidated Income Statement and Distribution Statement	4-6
1 (a)(ii)	Consolidated Statement of Other Comprehensive Income	6
1 (b)(i)	Consolidated Statement of Financial Position for the Group and Statement of Financial Position for the Trust	7-9
1 (b)(ii)	Aggregate Amount of Borrowings and Debt Securities for the Group	9-10
1 (c)	Consolidated Statement of Cash Flows	10-11
1 (d)(i)	Statement of Changes in Unitholders' Funds for the Group and the Trust	12-14
1 (d)(ii)	Details of any Changes in Units	15
2 & 3	Audit Statement	15
4 & 5	Changes in Accounting Policies	15-16
6	Earnings per Unit and Distribution per Unit	16
7	Net Asset Value per Unit	16
8	Review of the Performance	17-18
9	Variance between the Previous Forecast and the Actual Results	18
10	Outlook and Prospects of the Group	18-19
11 & 12	Distribution	19-20
13	General Mandate relating to Interested Person Transactions	20
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	20

Introduction

Perennial China Retail Trust (“**PCRT**”) was constituted by a trust deed dated 22 February 2011 (as amended) entered into by Perennial China Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**”).

PCRT is Singapore’s first pure-play People’s Republic of China retail development trust. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 June 2011, PCRT has a market capitalisation of approximately S\$624.4 million as at 5 May 2014 and an asset value of approximately S\$1.93 billion (approximately RMB9.22 billion valued on an ‘as if complete’ basis) as at 31 December 2013. As at 31 March 2014, these assets are stated at S\$1.56 billion in the Consolidated Statement of Financial Position in accordance with their respective stages of development or completion.

PCRT’s portfolio comprises a 50.0% interest in each of Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices, a 100.0% interest in Perennial Jihua Mall, Foshan, a 100.0% interest in Perennial Qingyang Mall, Chengdu, a 50.0% interest and the right to acquire a further 30.0% interest in Perennial Dongzhan Mall, Chengdu, and a 10.0% interest in the predominantly retail Beijing Tongzhou Integrated Development (Phase One).

PCRT has access to a strong pipeline of projects from its Sponsor and its strategic partners, which includes the option to invest in the Xi’an North High Speed Railway Integrated Development, which is directly connected to the Xi’an North High Speed Railway Station, and the right of first refusal to invest in the block retail component of the Beijing Tongzhou Integrated Development (Phases One and Two).

PCRT aims to provide its Unitholders with sustainable total returns from the steady growth of PCRT’s net asset value per unit and regular distributions from stabilised income-producing assets. PCRT is sponsored by Perennial Real Estate Holdings Pte. Ltd. (“**Sponsor**”) and is managed by Perennial China Retail Trust Management Pte. Ltd.

PCRT’s distribution policy is to distribute at least 50.0% of PCRT’s distributable income. The distributable income comprises net income from operations, and realised gains, each as more particularly described in the prospectus dated 27 May 2011. The distribution of realised gains to Unitholders is at the discretion of the Trustee-Manager, after taking into consideration PCRT’s budget, operations and strategy. Distribution to Unitholders will be made semi-annually based on the half-yearly results of PCRT.

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

SUMMARY OF PCRT GROUP RESULTS

Quarter ended 31 March 2014	1Q 2014⁽¹⁾ S\$'000	1Q 2013⁽¹⁾ S\$'000	Variance %
Operating results			
Revenue	2,006	-	Nm
Net property income/(expenses)	209	(433)	Nm
Share of profit of joint venture, net of tax	2,533	533	Nm
Profit for the period attributable to Unitholders	10,403	4,976	Nm
Distributable income⁽²⁾	10,905	10,905	-

Footnotes:

(1) The 1Q 2014 results of PCRT's foreign operations were translated using the average SGD/CNY rate of 4.7899 (1Q 2013: 5.0503).

(2) For 1Q 2014, this related to the drawdown from the Additional Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant period from 1 January to 31 March 2014.

For 1Q 2013, this related to the drawdown from the New Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant period from 1 January to 31 March 2013.

Please refer to Sections 1 and 8 for the review of performance and their comparative figures.

Nm: Not meaningful

1(a)(i) Consolidated Income Statement and Distribution Statement

	Note	1Q 2014 S\$'000	1Q 2013 S\$'000	Change %
Revenue	1	2,006	-	Nm
Property operating expenses	2	(1,797)	(433)	Nm
Net property income/(expenses)		209	(433)	Nm
Other income	3	12,313	10,908	12.9
Trustee-Manager's fees		(1,517)	(1,315)	15.4
Other expenses	4	(436)	(2,750)	(84.1)
		10,569	6,410	64.9
Finance income	5	16	2	Nm
Finance costs	6	(2,612)	(2,037)	28.2
Net finance costs		(2,596)	(2,035)	27.6
Share of profit of joint venture, net of tax	7	2,533	533	Nm
Profit before tax		10,506	4,908	Nm
Income tax expense		(127)	(27)	Nm
Profit for the period		10,379	4,881	Nm
Profit for the period attributable to:				
Unitholders of the Trust		10,403	4,976	Nm
Non-controlling interests		(24)	(95)	(74.7)
		10,379	4,881	Nm
Profit for the period attributable to Unitholders of the Trust		10,403	4,976	Nm
Add/(Less):				
- Trustee-Manager's management fees payable in units		-	1,213	Nm
- Unrealised foreign exchange (gain)/loss	3, 4	(1,505)	2,158	Nm
- Amortisation of transaction costs on borrowings		351	263	33.5
- Net loss of group entities	8	1,580	2,255	(29.9)
- Others		76	40	90.0
Distributable income	9	10,905	10,905	-

Notes:

(1) Revenue

Revenue comprised rental revenue generated by Perennial Jihua Mall, Foshan, which commenced operations in 3Q 2013.

(2) Property operating expenses

Property operating expenses in 1Q 2014 comprised mainly operating costs of Perennial Jihua Mall, Foshan, which included staff costs, mall maintenance expenses and marketing and promotions expenses. They also comprised staff costs and pre-operation costs of Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.

Property operating expenses in 1Q 2013 comprised mainly staff costs and pre-operation costs incurred on Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu.

(3) Other income

Other income for 1Q 2014 comprised:

- (i) net foreign exchange gain of S\$1.4 million which pertained to unrealised foreign exchange gain of S\$1.5 million on translation of payables denominated in foreign currencies, and realised foreign exchange loss of S\$0.1 million on payments relating to Perennial Qingyang Mall, Chengdu.
- (ii) drawdown of S\$10.9 million under the RMB342.0 million (S\$68.1 million) earn-out deed (the "Additional Earn-out Deed").

Other income for 1Q 2013 comprised drawdown of S\$10.9 million under the RMB226.5 million (S\$44.9 million) earn-out deed (the "New Earn-out Deed").

Under the terms of the New and Additional Earn-out Deeds, the earn-out amounts are available for draw down for payment to Unitholders if the net property income of properties held by Shenyang Summit Real Estate Development Co., Ltd. ("Shenyang Summit") for each relevant period falls below a certain amount set out in these deeds. Following the drawdown of S\$10.9 million under the Additional Earn-out Deed for 1Q 2014, the earn-out amount available to support distribution for FY2014 amounted to RMB187.4 million (S\$37.3 million).

(4) Other expenses

Other expenses of PCRT included recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, audit and tax advisor's fees, investor relations costs and other miscellaneous expenses. It also included annual operating expenses of the subsidiaries of PCRT.

In addition to the recurring trust expenses, included in other expenses for 1Q 2013 were (i) unrealised net foreign exchange loss of S\$2.2 million on translation of cash and cash equivalents and payables denominated in foreign currencies, and (ii) realised net foreign exchange loss of S\$0.1 million on payments for project development costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.

(5) Finance income

Finance income comprised mainly interest income from deposits.

(6) Finance costs

1Q 2014 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan, and
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015 and S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the S\$500.0 million Multicurrency Medium Term Note Programme established on 20 January 2012 (the "MTN Programme").

1Q 2013 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan, and
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015 issued under the MTN Programme.

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

(7) Share of profit of joint venture, net of tax

Share of profit of joint venture related to PCRT Group's 50.0% equity interest in Shenyang Summit which owns Shenyang Red Star Macalline Furniture Mall ("Shenyang Furniture Mall"), Shenyang Longemont Shopping Mall and Shenyang Longemont Offices.

(8) Net loss of group entities

Net loss of group entities referred to the net losses after applicable taxes attributable to the Trust and certain subsidiaries of the Group.

(9) Distributable income

Distributable income for 1Q 2014 and 1Q 2013 comprised drawdowns of S\$10.9 million each from the Additional and New Earn-out Deeds respectively (refer to note 3 on page 5).

Please refer to Section 8 for review of the performance.

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

	1Q 2014 S\$'000	1Q 2013 S\$'000	Change %
Profit for the period	10,379	4,881	Nm
Other comprehensive income for the period, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation (loss)/gain relating to foreign operations, net of tax ⁽¹⁾	(40,928)	19,212	Nm
Foreign currency translation (loss)/gain on monetary item forming part of net investment in foreign operations, net of tax	(65)	35	Nm
	(40,993)	19,247	Nm
Total comprehensive income for the period	(30,614)	24,128	Nm
Total comprehensive income attributable to:			
Unitholders of the Trust	(29,347)	23,668	Nm
Non-controlling interests	(1,267)	460	Nm
	(30,614)	24,128	Nm

Footnote:

- (1) For 1Q 2014, this related to the fluctuation of foreign exchange rates between March 2014 and December 2013 (1Q 2013: March 2013 and December 2012) in respect of the Group's net assets denominated in Chinese Renminbi (RMB).

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

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

	Note	Group			Trust		
		Mar 2014 S\$'000	Dec 2013 S\$'000	Change %	Mar 2014 S\$'000	Dec 2013 S\$'000	Change %
Non-current assets							
Plant and equipment		552	536	3.0	-	-	-
Investment properties	1	702,091	700,178	0.3	-	-	-
Subsidiaries		-	-	-	1,082,479	1,062,040	1.9
Joint venture	2	730,081	751,016	(2.8)	-	-	-
Available-for-sale investment	3	51,187	50,320	1.7	-	-	-
Other receivables	4	2,260	1,727	30.9	-	-	-
		1,486,171	1,503,777	(1.2)	1,082,479	1,062,040	1.9
Current assets							
Trade and other receivables	5	28,733	27,621	4.0	549	491	11.8
Cash and cash equivalents	6	11,864	41,665	(71.5)	8,867	33,489	(73.5)
		40,597	69,286	(41.4)	9,416	33,980	(72.3)
Total assets		1,526,768	1,573,063	(2.9)	1,091,895	1,096,020	(0.4)
Non-current liabilities							
Loans and borrowings	7	178,537	178,334	0.1	178,537	178,334	0.1
Deferred tax liabilities		40,513	41,657	(2.7)	-	-	-
		219,050	219,991	(0.4)	178,537	178,334	0.1
Current liabilities							
Loans and borrowings	7	236,652	233,362	1.4	236,652	233,362	1.4
Trade and other payables	8	192,508	199,633	(3.6)	16,725	28,296	(40.9)
		429,160	432,995	(0.9)	253,377	261,658	(3.2)
Total liabilities		648,210	652,986	(0.7)	431,914	439,992	(1.8)
Net assets		878,558	920,077	(4.5)	659,981	656,028	0.6
Unitholders' funds							
Units in issue		721,594	721,594	-	721,594	721,594	-
Capital reserve	9	(8,300)	(8,300)	-	-	-	-
Foreign currency translation reserve	10	52,036	91,786	(43.3)	-	-	-
Accumulated profits/(losses)		74,442	74,944	(0.7)	(61,613)	(65,566)	(6.0)
Net assets attributable to Unitholders		839,772	880,024	(4.6)	659,981	656,028	0.6
Non-controlling interests	11	38,786	40,053	(3.2)	-	-	-
		878,558	920,077	(4.5)	659,981	656,028	0.6

Notes:

(1) Investment properties

Investment properties related to Perennial Jihua Mall, Foshan (operational), Perennial Qingyang Mall, Chengdu (commenced operations in April 2014), and Perennial Dongzhan Mall, Chengdu (under development).

The increase was mainly due to:

- (i) S\$21.9 million in project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu; and
 - (ii) S\$2.5 million of capitalised finance costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu,
- offset by S\$22.5 million in foreign exchange loss on translation of the value of the investment properties denominated in Chinese Renminbi (RMB).

(2) Joint venture

This related to PCRT's 50.0% equity interest in Shenyang Summit that owns Shenyang Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices.

The decrease arose mainly from foreign exchange loss of S\$23.4 million on translation of the financial statements of Shenyang Summit, which was partially mitigated by the Group's share of profit of S\$2.5 million in the joint venture.

(3) Available-for-sale investment

Available-for-sale investment of S\$51.2 million related to PCRT's effective equity interest of 10.0% in the Beijing Tongzhou Integrated Development (Phase One). An additional S\$0.9 million was invested in the development in 1Q 2014.

(4) Other receivables (non-current)

Other receivables (non-current) pertained to unamortised lease incentives of S\$0.7 million and S\$1.6 million in respect of Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu, respectively.

(5) Trade and other receivables (current)

The increase in trade and other receivables (current) was mainly due to an increase in the (i) unamortised rent-free lease incentives of S\$0.2 million of Perennial Jihua Mall, Foshan, (ii) prepaid construction costs of S\$0.8 million relating to Perennial Qingyang Mall, Chengdu, and (iii) a refundable USD-denominated advance of S\$11.1 million made to an entity within the Beijing Tongzhou (Phase One) group of companies to bridge land funding requirements imposed by the PRC land authority. These were offset by a decrease of S\$10.9 million in the income support receivable under the earn-out deeds (refer to note 3 on page 5 for details), as only three months of the receivable were recorded as at 31 March 2014, as compared to six months as at 31 December 2013.

(6) Cash and cash equivalents

Please refer to Section 1(c) Consolidated Statement of Cash Flows for details.

(7) Loans and borrowings (non-current and current)

Loans and borrowings comprised:

- (i) loans drawn from the S\$285.0 million (formerly S\$325.0 million) bank credit facilities to finance progress payments and project development costs for Perennial Qingyang Mall, Chengdu, and progress payments for Perennial Jihua Mall, Foshan. These loans mature in December 2014 and were classified as current liabilities as at 31 March 2014;
- (ii) non-current borrowings of S\$130.0 million 6.375% Fixed Rate Notes due 2015 issued under the MTN Programme in 2012; and
- (iii) non-current borrowings of S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the MTN Programme in 2013.

(8) Trade and other payables (current)

The decrease of S\$7.1 million in trade and other payables was mainly due to (i) payments of S\$6.0 million made for ongoing project development costs of Perennial Qingyang Mall, Chengdu, and mall improvement works relating to Perennial Jihua Mall, Foshan, and (ii) a decrease of S\$10.9 million in distribution payable, as only three months were recorded as at 31 March 2014, as compared to six months as at 31 December 2013. These were offset by an increase of S\$9.8 million in the payables relating to the project development costs of Perennial Dongzhan Mall, Chengdu.

(9) Capital reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(10) Foreign currency translation reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(11) Non-controlling interests

Non-controlling interests pertained to the 20.0% interest of the non-controlling shareholder of the subsidiary that holds Perennial Dongzhan Mall, Chengdu.

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

	Group		
	Mar 2014 S\$'000	Dec 2013 S\$'000	Change %
Secured bank borrowings			
- Amount repayable within one year	236,652	233,362	1.4
- Amount repayable after one year	-	-	-
Unsecured borrowings⁽¹⁾			
- Amount repayable within one year	-	-	-
- Amount repayable after one year	178,537	178,334	0.1
Total borrowings⁽²⁾	415,189	411,696	0.8

Footnotes:

(1) On 21 September 2012, PCRT issued S\$130.0 million 6.375% Fixed Rate Notes due 2015, payable semi-annually in arrears, under the MTN Programme. On 26 July 2013, PCRT issued S\$50.0 million 5.25% Fixed Rate Notes due 2016, payable semi-annually in arrear, under the MTN Programme. All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by Perennial China Retail Pte. Ltd., a wholly-owned subsidiary of PCRT.

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

Details of any collaterals

The Group has bank credit facilities of S\$285.0 million (formerly S\$325.0 million), out of which S\$238.1 million were utilised as at 31 March 2014.

They are secured on the following:

- share charges over all the shares in certain subsidiaries, namely, Perennial China Retail Pte. Ltd., Shenyang Retail (BVI) 1 Limited, Shenyang Retail (BVI) 2 Limited, Shenyang Retail 1 Limited, Shenyang Retail 2 Limited, Perennial Qingyang Retail (BVI) Limited, Perennial Qingyang Retail Limited, Sky Surpass Investments Limited and Best Field Holdings Limited (collectively, the "Offshore Companies");
- an equity pledge over the Group's 50.0% equity interest in the joint venture, Shenyang Summit;
- equity pledges over all the shares in Perennial (Chengdu) Industries Co., Ltd. and Perennial Foshan Retail Co., Ltd. (collectively, the "WFOEs") which hold Perennial Qingyang Mall, Chengdu, and Perennial Jihua Mall, Foshan, respectively;

Details of any collaterals (cont'd)

- (d) assignments by PCRT and the Offshore Companies of all rights under intercompany loans to the Offshore Companies and WFOEs;
- (e) assignments by the Offshore Companies of all rights under intercompany loans to PCRT;
- (f) corporate guarantees from the Offshore Companies; and
- (g) debentures over the Offshore Companies.

1 (c) Consolidated Statement of Cash Flows

Note	Group	
	1Q 2014 S\$'000	1Q 2013 S\$'000
Cash flows from operating activities		
Profit before tax	10,506	4,908
Adjustments for:		
Depreciation of plant and equipment	44	9
Finance income	(16)	(2)
Finance costs	2,612	2,037
Trustee-Manager's management fees payable in units	-	1,213
Unrealised foreign exchange (gain)/loss	(1,505)	2,158
Share of profit of joint venture, net of tax	(2,533)	(533)
Operating profit before changes in working capital	9,108	9,790
Changes in working capital:		
Trade and other receivables	1 (1,329)	(11,084)
Trade and other payables	2 (128)	(3,116)
	(1,457)	(14,200)
Cash from/(used in) operating activities	7,651	(4,410)
Income tax paid	-	(88)
Net cash from/(used in) operating activities	7,651	(4,498)
Cash flows from investing activities		
Additions to investment properties under development	2 (10,635)	(53,223)
Additions to available-for-sale investment	3 (867)	-
Purchase of plant and equipment	(78)	(58)
Interest received	16	2
Net cash used in investing activities	(11,564)	(53,279)
Cash flows from financing activities		
Distribution payment to Unitholders	4 (21,768)	(22,093)
Proceeds from loans and borrowings	5 2,819	44,918
Interest paid	(6,846)	(5,332)
Withdrawal of cash in escrow accounts	6 -	22,135
Net cash (used in)/from financing activities	(25,795)	39,628
Net decrease in cash and cash equivalents	(29,708)	(18,149)
Cash and cash equivalents at beginning of the period	41,657	94,192
Effect of exchange rate fluctuations on cash held	(93)	10
Cash and cash equivalents at end of the period	11,856	76,053

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

Comprising:

	Group	
	1Q 2014 S\$'000	1Q 2013 S\$'000
Cash at bank and in hand	6,864	77,354
Fixed deposits with a financial institution	5,000	1,600
Cash and cash equivalents	11,864	78,954
Less: Restricted cash ⁽¹⁾	(8)	(2,901)
Cash and cash equivalents in the consolidated statement of cash flows	11,856	76,053

Footnote:

- (1) Restricted cash related to funds deposited into escrow accounts under the various Earn-out Deeds (please refer to notes 3 and 9 in Section 1(a)(i) for details) entered into by the Group.

Notes:

- (1) Changes in trade and other receivables included a refundable advance of S\$11.1 million made to an entity within the Beijing Tongzhou (Phase One) group of companies, income support receivable of S\$10.9 million, increase of S\$0.5 million in lease incentives pertaining to Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, and prepaid construction costs of S\$0.8 million relating to Perennial Qingyang Mall, Chengdu. These were offset by the receipt of the earn-out amount of S\$21.8 million for 1H 2013 distribution to Unitholders on 11 March 2014.
- (2) In 1Q 2014, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.
In 1Q 2013, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, and mall improvement works for Perennial Jihua Mall, Foshan.
- (3) In 1Q 2014, an additional S\$0.9 million was invested in Beijing Tongzhou Integrated Development (Phase One).
- (4) In 1Q 2014, a distribution of S\$21.8 million for the period from 1 July to 31 December 2013 was made to Unitholders on 11 March 2014.
In 1Q 2013, a distribution of S\$22.1 million for the period from 1 July to 31 December 2012 was made to Unitholders on 18 March 2013.
- (5) In 1Q 2014, a bank loan of S\$2.8 million was drawn down to finance the ongoing project development costs for Perennial Qingyang Mall, Chengdu.
In 1Q 2013, bank loans totaling S\$44.9 million were drawn down to finance the progress payments and ongoing project development costs for Perennial Qingyang Mall, Chengdu.
- (6) In 1Q 2013, the movement in restricted cash related to the drawdown of earn-out amount of S\$22.1 million for the period 1 July to 31 December 2012, which was distributed to Unitholders on 18 March 2013.

**1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust
(1Q 2014 vs 1Q 2013)**

Group

	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2014	721,594	(8,300)	91,786	74,944	880,024	40,053	920,077
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	10,403	10,403	(24)	10,379
Other comprehensive income							
Foreign currency translation loss relating to foreign operations, net of tax	-	-	(39,685)	-	(39,685)	(1,243)	(40,928)
Foreign currency translation loss on monetary item forming part of net investment in foreign operations, net of tax	-	-	(65)	-	(65)	-	(65)
Total other comprehensive income	-	-	(39,750)	-	(39,750)	(1,243)	(40,993)
Total comprehensive income for the period	-	-	(39,750)	10,403	(29,347)	(1,267)	(30,614)
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Amount available for distribution to Unitholders ⁽³⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	-	-	-	(10,905)	(10,905)	-	(10,905)
At 31 March 2014	721,594	(8,300)	52,036	74,442	839,772	38,786	878,558

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2013	719,061	(8,300)	20,474	67,237	798,472	34,315	832,787
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	4,976	4,976	(95)	4,881
Other comprehensive income							
Foreign currency translation gain relating to foreign operations, net of tax	-	-	18,657	-	18,657	555	19,212
Foreign currency translation gain on monetary item forming part of net investment in foreign operations, net of tax	-	-	35	-	35	-	35
Total other comprehensive income	-	-	18,692	-	18,692	555	19,247
Total comprehensive income for the period	-	-	18,692	4,976	23,668	460	24,128
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Units issued and to be issued as payment of Trustee- Manager's management fees	1,213	-	-	-	1,213	-	1,213
Amount available for distribution to Unitholders ⁽⁴⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	1,213	-	-	(10,905)	(9,692)	-	(9,692)
At 31 March 2013	720,274	(8,300)	39,166	61,308	812,448	34,775	847,223

PERENNIAL CHINA RETAIL TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT

Trust	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2014	721,594	(65,566)	656,028
Total comprehensive income for the period			
Profit for the period	-	14,858	14,858
Total comprehensive income for the period	-	14,858	14,858
Transaction with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Amount available for distribution to Unitholders ⁽³⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	-	(10,905)	(10,905)
At 31 March 2014	721,594	(61,613)	659,981

At 1 January 2013	719,061	(40,177)	678,884
Total comprehensive income for the period			
Profit for the period	-	16,519	16,519
Total comprehensive income for the period	-	16,519	16,519
Transactions with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Units issued and to be issued as payment of Trustee-Manager's management fees	1,213	-	1,213
Amount available for distribution to Unitholders ⁽⁴⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	1,213	(10,905)	(9,692)
At 31 March 2013	720,274	(34,563)	685,711

Footnotes (1Q 2014 vs 1Q 2013):

- (1) The capital reserve related to the reserve arising from the capital contribution made by the Group to a non-wholly owned subsidiary.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations and joint venture, and foreign exchange differences arising from a monetary item forming part of net investment in foreign operations.
- (3) This related to the earn-out amount in respect of the relevant period from 1 January to 31 March 2014, available for distribution to Unitholders.
- (4) This related to the earn-out amount in respect of the relevant period from 1 January to 31 March 2013 and was paid to Unitholders on 11 September 2013, together with the earn-out amount for the period from 1 April to 30 June 2013.

1 (d)(ii) Details of any Changes in Units

	1Q 2014 Number of Units '000	1Q 2013 Number of Units '000
Units in issue at the beginning of the period	1,145,654	1,139,290
Creation of new units relating to: - Trustee-Manager's management fees paid in units	-	2,042
Total Units in issue at the end of the period	1,145,654	1,141,332
Units to be issued: - Trustee-Manager's management fees payable in units ⁽¹⁾	-	2,081
Total Units in issue and to be issued at the end of the period	1,145,654	1,143,413

Footnote:

(1) The actual number of units to be issued was determined based on the volume-weighted average traded price per unit, for the period of 10 business days following the date of release of results.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

Pursuant to the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers, the financial information set out in Sections 1(a), 1(b)(i), 1(c) and 1(d)(i) of this announcement has been reviewed by the Trust's independent auditors in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The figures for the financial period ended 31 March 2013 have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please refer to the independent auditor's review report dated 6 May 2014 appended to this announcement.

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

Except as disclosed in Section 5 below, the accounting policies and methods of computation applied are consistent with those described in the audited financial statements for the financial year ended 31 December 2013.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for financial periods beginning 1 January 2014, including FRS 111 *Joint Arrangements*.

The adoption of these new standards, amendments to standards and interpretations has no significant impact on the Group's consolidated financial statements.

6 Earnings per Unit and Distribution per Unit

	1Q 2014	1Q 2013
Earnings per unit ("EPU")		
Profit for the period attributable to Unitholders (S\$'000)	10,403	4,976
Weighted average number of units for the period ('000)		
Basic	1,145,654	1,140,039
Diluted	1,145,654	1,140,039
EPU (Singapore cents)		
Basic	0.91	0.44
Diluted	0.91	0.44
Distribution per unit ("DPU")		
Amount available for distribution (S\$'000)	10,905	10,905
Number of units entitled to distribution ⁽¹⁾ ('000)	1,145,654	1,143,413
DPU (Singapore cents)	0.95	0.95

Footnote:

(1) Being the total units in issue and to be issued at the end of the period.

7 Net Asset Value per Unit

	Group		Trust	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net asset value ("NAV") per unit	S\$0.73	S\$0.77	S\$0.58	S\$0.57

Note:

NAV per unit was computed based on net assets attributable to the Unitholders and total units in issue and to be issued at the end of the current period and the immediately preceding financial year.

The lower NAV per unit was mainly affected by fluctuation in the SGD/CNY rate, which moved from 4.7845 as at 31 December 2013 to 4.9380 as at 31 March 2014.

8 Review of the Performance

	1Q 2014 S\$'000	1Q 2013 S\$'000	Change S\$'000	Change %
Revenue	2,006	-	2,006	Nm
Property operating expenses	(1,797)	(433)	(1,364)	Nm
Net property income/(expenses)	209	(433)	642	Nm
Other income	12,313	10,908	1,405	12.9
Trustee-Manager's fees	(1,517)	(1,315)	(202)	15.4
Other expenses	(436)	(2,750)	2,314	(84.1)
	10,569	6,410	4,159	64.9
Finance income	16	2	14	Nm
Finance costs	(2,612)	(2,037)	(575)	28.2
Net finance costs	(2,596)	(2,035)	(561)	27.6
Share of profit of joint venture, net of tax	2,533	533	2,000	Nm
Profit before tax	10,506	4,908	5,598	Nm
Income tax expense	(127)	(27)	(100)	Nm
Profit for the period	10,379	4,881	5,498	Nm
Profit for the period attributable to:				
Unitholders of the Trust	10,403	4,976	5,427	Nm
Non-controlling interests	(24)	(95)	71	(74.7)
Profit for the period	10,379	4,881	5,498	Nm

1Q 2014 vs 1Q 2013

The revenue of S\$2.0 million for 1Q 2014 related mainly to Perennial Jihua Mall, Foshan.

The increase of S\$1.4 million in property operating expenses for 1Q 2014 as compared to 1Q 2013 was due to:

- S\$1.0 million in respect of Perennial Jihua Mall, Foshan, which was operational and hence incurred property operating expenses in 1Q 2014; the mall was not operational in 1Q 2013;
- S\$0.3 million in respect of Perennial Qingyang Mall, Chengdu, due mainly to pre-operation costs, including maintenance costs and staff costs, as the project approached commencement of operations in April 2014; and
- S\$0.1 million in respect of Perennial Dongzhan Mall, Chengdu, due mainly to marketing expenses.

Net property income for 1Q 2014 increased by S\$0.6 million over 1Q 2013 as a result of the above.

Excluding the effect of net foreign exchange gain of S\$1.4 million in 1Q 2014 results, other income for each of 1Q 2014 and 1Q 2013 was S\$10.9 million respectively, and related to drawdowns under the Additional Earn-out Deed in 1Q 2014 and the New Earn-out Deed in 1Q 2013 for distribution to Unitholders.

The increase of S\$0.2 million or 15.4% in Trustee-Manager's fees for 1Q 2014 as compared to 1Q 2013 was attributed to the increase in total assets value as at end of 1Q 2014 as compared to 1Q 2013.

Excluding the effect of net foreign exchange loss of S\$2.3 million in 1Q 2013 results, other expenses for 1Q 2014 and 1Q 2013, which included recurring trust expenses, remained stable at S\$0.4 million and S\$0.5 million respectively.

The higher finance costs of S\$0.6 million or 28.2% for 1Q 2014 as compared to 1Q 2013 were mainly due to:

- (i) S\$0.2 million in interest costs incurred on financing facilities relating to the progress payments for Perennial Jihua Mall, Foshan; and
- (ii) additional S\$0.3 million in interest costs relating to the S\$50.0 million Fixed Rate Notes issued under the MTN Programme in July 2013.

Share of profit of joint venture increased by S\$2.0 million in 1Q 2014 as compared to 1Q 2013. This was mainly attributed to:

- (i) higher net property income from Shenyang Furniture Mall as a result of the master-lease arrangement with Guangcai Group;
- (ii) higher revenue from Shenyang Longemont Shopping Mall arising from successful tenant repositioning activities, as well as cost savings on utilities due to the warmer weather in 1Q 2014; and
- (iii) higher net property income from Shenyang Longemont Offices arising from improved occupancy since 1Q 2013.

As a result of the above, the profit for 1Q 2014 increased by S\$5.5 million as compared to 1Q 2013.

9 Where a forecast, or a prospect statement, has been previously disclosed to Unitholders, any variance between it and the actual results

No forecast, or a prospect statement, has been previously disclosed.

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

Recent releases of economic data suggest that US and China may be trending towards a slower pace of economic growth. Continuation of this softening over the next few quarters may materially influence the spending patterns of consumers and therefore affect the near-term operating performance of the retail sector in general and our malls in particular.

China's Gross Domestic Product ("GDP") grew at 7.4% in 1Q 2014 over the same period of the previous year, slightly lower than the government's official target of 7.5%. The consensus growth forecast amongst economists for China in 2014 is 'about 7.5%' (source:- Xinhua news).

The Chinese government continues to forge ahead with structural reforms to encourage domestic consumption and increase the spending power of the general populace.

Amidst this background, we continue to ramp up our efforts to stabilise our operating assets in Shenyang and Foshan while we prepare to open our new mall in Chengdu in 2Q 2014.

Although we see challenging quarters ahead, we remain confident of the performance potential of our assets in the medium and longer term.

Further information on the cities in which PCRT has operations is found below.

Shenyang Market Update

Shenyang's GDP grew 8.8% year-on-year to RMB715.8 billion in 2013. Retail sales of consumer goods reached RMB318.6 billion, an increase of 13.7% year-on-year. Per capita disposable income grew 11.0% year-on-year to RMB29,340 (source:- DTZ Research and Report on the Work of the Government 2014).

The retail stock in Shenyang remains 434,054 sm in 1Q 2014. Many shopping centers and department stores are under trade re-mix to increase the offering in food and beverage to increase the attractiveness (source:- DTZ Research).

According to DTZ Research, the total stock of Grade A offices increased by 43,000 sm to 503,707 sm in 1Q 2014. In the same quarter, the overall vacancy rate increased to 20.8%, primarily due to the new office stock and the slow leasing effects. The average rent for Grade A office achieved in this quarter is increased by 1.9% over the last quarter to RMB112.9 per sm per month (source:- DTZ Research).

Chengdu Market Update

In 2013, Chengdu's GDP grew 10.2% year-on-year to RMB910.9 billion. Retail sales of consumer goods reached RMB375.3 billion, an increase of 13.1% year-on-year (source:- DTZ Research).

After adjusting tenant mix, vacancy has recently improved in many retail malls. In 1Q 2014, the average city range vacancy rate decreased 0.5 percentage points to 7.8%. Strong occupancy boosted the net absorption of the retail market to 267,962 sm in the first quarter of 2014 (source:- DTZ Research).

Rents in Chengdu remained flat at RMB685 per sm per month (source:- DTZ Research).

Foshan Market Update

Foshan's GDP grew 10.0% year-on-year to RMB701.0 billion in 2013. Retail sales of consumer goods reached RMB226.4 billion, an increase of 12.1% year-on-year. Per capita disposable income grew 10.0% year-on-year to RMB38,038 (source:- Foshan Statistics Bureau).

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period? : No
 Distribution period : Not applicable
 Distribution rate : Not applicable

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period
 of the immediately preceding financial year? : No

(c) Date Payable : Not applicable

(d) Books Closure Date : Not applicable

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

No distribution has been declared/recommendeded for the current financial period. Distribution is made on a semi-annual basis.

13 If PCRT has obtained a general mandate from Unitholders 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.

PCRT did not obtain a general mandate from Unitholders for interested person transactions.

14 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 of the Trustee-Manager of Perennial China Retail Trust which may render the unaudited interim financial results of the Group and the Trust as at and for the period from 1 January 2014 to 31 March 2014, to be false or misleading in any material aspect.

On behalf of the Board of the Trustee-Manager

Pua Seck Guan

Chief Executive Officer / Executive Director

By Order of the Board

Perennial China Retail Trust Management Pte. Ltd.

(as Trustee-Manager of Perennial China Retail Trust)

(Company registration no. 201024622Z)

Sim Ai Hua

Company Secretary

6 May 2014



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Report on review of Interim Financial Information

The Board of Directors
Perennial China Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Perennial China Retail Trust)

Introduction

We have reviewed the accompanying condensed financial information of Perennial China Retail Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Trust as at 31 March 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows of the Group for the three-month period then ended, and a summary of significant accounting policies and certain explanatory notes (the "Interim Financial Information"). Management of the Trustee-Manager is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
6 May 2014