



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

UNAUDITED FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2018

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Introduction

Perennial Real Estate Holdings Limited ("Perennial or the Group") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia, Indonesia and Ghana with a combined portfolio spanning over 58 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider focused predominantly on China. Perennial's healthcare business services include hospitals and medical centres, eldercare and senior housing, and supporting specialties in genomics and diagnostic imaging, plastic surgery and aesthetics as well as maternal and child health management.

In China, Perennial is a dominant commercial developer with sizeable mixed-use integrated developments. Three of Perennial's developments, Chengdu East High Speed Railway ("HSR") Integrated Development, Xi'an North HSR Integrated Development and Tianjin South HSR Integrated Development, are regional healthcare and commercial hubs which are situated adjacent to three of the country's key interchange HSR stations and incorporate medical, healthcare and eldercare facilities. Other landmark projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

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

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1 (a)(i) Consolidated Income Statement

	Note	3 months	3 months	Change	12 months	12 months	Change
		ended 31.12.2018	ended 31.12.2017		ended 31.12.2018	ended 31.12.2017	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	22,957	15,982	43.6	78,261	74,505	5.0
Cost of sales	2	(17,615)	(7,030)	(150.6)	(47,530)	(26,105)	(82.1)
Gross Profit		5,342	8,952	(40.3)	30,731	48,400	(36.5)
Other income	3	44,261	40,854	8.3	327,448	144,871	126.0
Administrative expenses	4	(10,827)	(7,341)	(47.5)	(37,760)	(25,815)	(46.3)
Other operating expenses	5	(98)	153	(164.1)	(491)	(3,671)	(86.6)
Results from operating activities		38,678	42,618	(9.2)	319,928	163,785	95.3
Finance income	6	3,308	6,818	(51.5)	12,511	20,044	(37.6)
Finance costs	7	(29,141)	(17,775)	(63.9)	(96,911)	(69,466)	(39.5)
Net finance costs		(25,833)	(10,957)	(135.8)	(84,400)	(49,422)	(70.8)
Share of results of associates and joint ventures, net of tax	8	23,651	20,933	13.0	56,279	55,826	0.8
Profit before tax		36,496	52,594	(30.6)	291,807	170,189	71.5
Tax expense		(10,993)	(11,313)	2.8	(82,302)	(31,344)	(162.6)
Profit for the period/year		25,503	41,281	(38.2)	209,505	138,845	50.9
Profit for the period attributable to:-							
Owners of the Company		15,999	27,594	(42.0)	78,055	100,299	(22.2)
Non-controlling interests		9,504	13,687	(30.6)	131,450	38,546	241.0
		25,503	41,281	(38.2)	209,505	138,845	50.9

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement 4Q 2018 versus 4Q 2017

(1) Revenue

4Q 2018 revenue increased mainly attributable to revenue from Capitol and Perennial International Health and Medical Hub (“PIHMH”) which started contributing since 2Q 2018 as well as higher management fee.

(2) Cost of sales

Cost of sales for the quarter was higher as it included the operational costs of Capitol Singapore and PIHMH. The higher costs were mainly staff costs as Capitol Kempinski Hotel hired and put in place the hotel team in preparation for its operations which commenced on 1 October 2018. In addition, Eden Residences in Capitol incurred some marketing and promotional expenses in anticipation for the relaunch of the sale.

(3) Other income

Other income in 4Q 2018 was mainly due to fair value gain of S\$38.5 million arising from the valuation of Xi’an North High Speed Railway Integrated Development Plot 4 (“Xi’an Plot 4”) and Perennial Qingyang Mall. 4Q 2017’s other income came mainly from fair value gain of PIHMH and Xi’an Plot 4.

(4) Administrative expenses

	3 months ended 31.12.2018	3 months ended 31.12.2017	Change
	S\$'000	S\$'000	%
Administrative expenses	(10,827)	(7,341)	(47.5)
<u>Included in administrative expenses:-</u>			
Depreciation and amortisation	(3,699)	(151)	Nm

The increase in administrative expenses was mainly attributable to the higher depreciation charge of Capitol Kempinski Hotel which commenced operations in October 2018.

(5) Other operating expenses

Other operating expenses in 4Q 2018 were negative mainly due to unrealised foreign exchange losses whilst in 4Q 2017, there were foreign exchange gains.

(6) Finance income

The decrease in finance income in 4Q 2018 was due to the absence of interest income from a joint venture as the loan has been repaid since May 2018.

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

(7) Finance costs

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The higher finance costs were mainly due to increased 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.

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

The increase in 4Q 2018 was mainly contributed by higher fair value gains from investment properties held through our associated companies and joint ventures. In 4Q 2018, there was revaluation gain from Chinatown Point and this was comparatively higher than the fair value recorded in 4Q 2017 for Chengdu HSR Integrated Development Plot D2 and AXA Tower.

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

	Note	3 months 31.12.2018 S\$'000	3 months 31.12.2017 S\$'000	Change %	12 months 31.12.2018 S\$'000	12 months 31.12.2017 S\$'000	Change %
Profit for the period/year		25,503	41,281	(38.2)	209,505	138,845	50.9
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss							
Net change in fair value of available- for-sale financial assets	1	-	12,062	Nm	-	21,120	Nm
Foreign currency translation (losses)/gains relating to foreign operations, net of tax	2	(2,106)	1,366	(254.2)	(72,592)	(53,211)	(36.4)
Foreign currency translation (losses)/gains on monetary items forming part of net investments in foreign operations, net of tax		(791)	(456)	(72.7)	(5,778)	(1,257)	(359.7)
Share of other comprehensive income of associate	2	(5,691)	2,988	(290.5)	(43,033)	(35,618)	Nm
		(8,588)	15,960	(153.8)	(121,403)	(68,966)	(76.0)
Items that will not be reclassified subsequently to profit or loss							
Net change in fair value of financial assets, at FVOCI	1	(5,959)	-	Nm	(14,514)	-	Nm
Other comprehensive income for the period/year, net of tax		(14,547)	15,960	(191.1)	(135,917)	(68,966)	(97.1)
Total comprehensive income for the period/year		10,956	57,241	(80.9)	73,588	69,879	5.3
Total comprehensive income attributable to:							
Owners of the Company		3,306	42,690	(92.3)	(27,271)	55,367	(149.3)
Non-controlling interests		7,650	14,551	(47.4)	100,859	14,512	Nm
Total comprehensive income for the period/year		10,956	57,241	(80.9)	73,588	69,879	5.3

Nm: denotes not meaningful

Note:

- (1) The movement was due to the changes in the price of the quoted equity securities. The change of classification is due to adoption of SFRS(I) 9. Please refer to item 4 for more details.
- (2) The movement during this quarter and the 12-month period was in respect of the Group's net assets denominated in RMB, whereby RMB has depreciated against SGD by approximately 0.1% during the quarter and 2.6% for the 12-month period.

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

	Note	Group				Company		
		31.12.2018 S\$'000	31.12.2017 S\$'000 (Restated)	01.01.2017* S\$'000 (Restated)	Change %	31.12.2018 S\$'000	31.12.2017 S\$'000	Change %
Non-current assets								
Property, plant and equipment	1	297,445	1,657	1,624	Nm	233	186	25.3
Investment properties	2, 3	3,349,533	1,659,723	1,371,972	101.8	-	-	-
Subsidiaries		-	-	-	-	2,637,351	2,692,753	(2.1)
Associates and joint ventures		2,491,511	2,471,443	1,993,529	0.8	-	-	-
Intangible assets		78,345	80,949	83,553	(3.2)	-	-	-
Other financial assets		72,510	87,583	67,214	(17.2)	72,510	87,583	(17.2)
Other receivables		4,211	14,568	15,786	(71.1)	-	-	-
		6,293,555	4,315,923	3,533,678	45.8	2,710,094	2,780,522	(2.5)
Current assets								
Development properties	1,2,3	1,088,059	1,704,465	2,757,943	(36.2)	-	-	-
Inventories		1,234	-	-	Nm	-	-	-
Trade and other receivables	2	210,630	572,668	528,493	(63.2)	148,951	102,267	45.6
Cash and cash equivalents		76,856	111,678	226,243	(31.2)	4,582	6,080	(24.6)
		1,376,779	2,388,811	3,512,679	(42.4)	153,533	108,347	41.7
Total assets		7,670,334	6,704,734	7,046,357	14.4	2,863,627	2,888,869	(0.9)
Non-current liabilities								
Loans and borrowings	2, 4	2,176,102	1,369,767	1,892,456	58.9	615,128	279,317	120.2
Junior bonds		30,000	30,000	143,977	-	-	-	-
Redeemable preference shares		-	-	47,613	Nm	-	-	-
Trade and other payables		84,171	31,773	33,932	164.9	-	-	-
Deferred tax liabilities	5	156,166	81,373	61,375	91.9	-	-	-
		2,446,439	1,512,913	2,179,353	61.7	615,128	279,317	120.2
Current liabilities								
Loans and borrowings		761,960	974,994	823,062	(21.8)	-	337,251	Nm
Trade and other payables	6	475,232	290,961	257,111	63.3	12,754	9,341	36.5
Current tax liabilities		10,325	9,988	4,915	3.4	869	740	17.4
		1,247,517	1,275,943	1,085,088	(2.2)	13,623	347,332	(96.1)
Total liabilities		3,693,956	2,788,856	3,264,441	32.5	628,751	626,649	0.3
Net assets		3,976,378	3,915,878	3,781,916	1.5	2,234,876	2,262,220	(1.2)
Equity								
Share capital		2,208,267	2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		459,750	463,554	439,756	(0.8)	16,972	30,513	(44.4)
Foreign currency translation reserve		(158,084)	(66,309)	-	(138.4)	-	-	-
Retained earnings		222,712	161,777	68,578	37.7	9,637	23,440	(58.9)
Equity attributable to owners of the Company		2,732,645	2,767,289	2,716,601	(1.3)	2,234,876	2,262,220	(1.2)
Non-controlling interests		1,243,733	1,148,589	1,065,315	8.3	-	-	-
Total equity		3,976,378	3,915,878	3,781,916	1.5	2,234,876	2,262,220	(1.2)

Nm: denotes not meaningful

* The Group has adopted the new Singapore Financial Reporting Standards (International) (SFRS I) framework and has applied SFRS(I) with 1 January 2017 as the transition date. Please refer to page 17 for more details.

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) Property, plant and equipment / Development properties

The increase was due to reclassification of Capitol Kempinski Hotel as an operating asset and renovations, fittings and equipment for the new Perennial International Specialist Medical Centre.

(2) Investment properties / Development properties / Trade and other receivables / Long-term loans and borrowings

The increases in investment properties, development properties and long-term loans and borrowings were a result of the consolidation of the Capitol Singapore entities following the completion of the acquisition of the remaining 50% stake. In connection with the acquisition, the shareholder's loan extended to Capitol Singapore was also repaid, hence resulting in the decrease in trade and other receivables.

(3) Investment properties / Development properties

The increase in investment properties was partly contributed by the reclassification of two plots on Beijing Tongzhou Integrated Development Phase 1 from development properties. These two plots were identified for lease and reclassified following the receipt of construction permits.

(4) Long-term loans and borrowings

Besides the consolidation of Capitol Singapore's debt, the increase in long-term loans and borrowings was also due to the medium term notes of S\$180 million issued in August 2018.

(5) Deferred tax liabilities

The increase in deferred tax liabilities was due to the provision made on fair value gains.

(6) Other payables

The movement was mainly due to increase in advances from affiliated corporations and non-controlling interests.

(7) Restatement of comparatives

The foreign currency translation reserve and retained earnings as at 1 January 2017 had been restated with the adoption of SFRS(I) 1. Please refer to item 4 for more details.

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

	Group		
	As at 31.12.2018 S\$'000	As at 31.12.2017 S\$'000	Change %
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	226,493	325,996	(30.5)
Unsecured ⁽¹⁾	535,467	648,998	(17.5)
	761,960	974,994	(21.8)
<u>Amount repayable after one year:</u>			
Secured	1,184,266	792,352	49.5
Unsecured ⁽¹⁾	991,836	577,415	71.8
	2,176,102	1,369,767	58.9
Total borrowings ⁽²⁾	2,938,062	2,344,761	25.3

Notes:

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

During the year,

- I. S\$120 million of medium term notes ("MTN") at 3.90% due 2021 and S\$180 million MTN at 5.95% due 2020 were issued in January and August 2018 respectively,
- II. S\$100 million MTN at 4.25% due March 2018 were redeemed, and
- III. S\$300 million Retail Bonds at 4.65% due October 2018 were redeemed.

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

Details of collaterals for secured borrowings

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

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1 (c) Consolidated Statement of Cash Flows

	3 months 31.12.2018 S\$'000	3 months 31.12.2017 S\$'000	12 months 31.12.2018 S\$'000	12 months 31.12.2017 S\$'000
Cash flows from operating activities				
Profit for the period/year	25,503	41,281	209,505	138,845
Adjustments for:				
Depreciation of plant and equipment	3,699	151	4,593	571
Bad debt written-off	-	88	-	88
Amortisation of intangible assets	651	651	2,604	2,604
Foreign currency exchange loss/(gain) (net)	257	(250)	(205)	3,649
Change in fair value of investment properties	(38,477)	(39,229)	(309,077)	(84,695)
Net finance costs	25,833	10,957	84,400	49,422
Share of results of associates and joint ventures, net of tax	(23,651)	(20,933)	(56,279)	(55,826)
Gain on disposal of partial interest in a subsidiary	-	-	-	(35,519)
Re-measurement to fair value of existing/remaining equity interest in a former joint venture/subsidiary	(4,933)	-	(13,998)	(20,151)
Provision for bad debts	-	19	-	19
Equity-settled share-based payment transactions	944	1,870	2,929	2,980
Tax expense	10,993	11,313	82,302	31,344
	819	5,918	6,774	33,331
Changes in:				
- Inventories	(466)	-	(521)	-
- Development properties	(2,174)	(37,047)	(30,615)	(120,897)
- Trade and other receivables	3,506	(5,940)	45,207	(48,381)
- Trade and other payables	(3,076)	114	(54,629)	18,301
Cash used in operations	(1,391)	(36,955)	(33,784)	(117,646)
Taxes paid	(662)	(999)	(4,717)	(4,582)
Net cash from/(used in) operating activities	(2,053)	(37,954)	(38,501)	(122,228)
Cash flows from investing activities				
Interest received	2,237	2,397	5,905	5,130
Acquisition of subsidiaries, net of cash acquired	-	-	(95,025)	-
Proceeds from partial disposal of interests in subsidiary, net of cash disposed of	-	-	-	73,118
Acquisition of property, plant and equipment	(3,444)	(195)	(12,681)	(764)
Development expenditure - investment properties	(13,542)	(1,442)	(71,446)	(33,824)
Repayments from/(Loans to) associates and joint ventures	4,250	237,989	(33,344)	(181,205)
Investment in associates and joint ventures	(40,590)	(38,964)	(105,123)	(163,417)
Dividends from associates	2,499	1,614	5,555	6,106
Acquisition of other investments	-	(3,196)	-	(3,196)
Dividends from other investments	1,014	1,011	4,074	4,072
Net cash (used in)/from investing activities	(47,476)	199,214	(302,085)	(293,980)

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

	3 months 31.12.2018 S\$'000	3 months 31.12.2017 S\$'000	12 months 31.12.2018 S\$'000	12 months 31.12.2017 S\$'000
Cash flows from financing activities				
Dividends paid to owners of the Company	-	-	(16,618)	(6,661)
Purchase of treasury shares	(64)	(1,021)	(1,956)	(1,021)
Proceeds from loans and borrowings	327,226	467,330	2,064,998	910,644
Payment of upfront debt arrangement costs	(1,377)	(3,810)	(6,944)	(5,368)
Repayments of loans and borrowings	(345,692)	(508,221)	(1,720,111)	(591,586)
Loans from joint venture and non-controlling interests	47,552	6,956	84,770	20,429
Capital injection by non-controlling interests	12,880	8,360	21,154	137,703
Return of capital to non-controlling interests	-	(66,253)	-	(66,253)
Acquisition of non-controlling interests	-	-	(18,781)	-
Interest paid	(31,283)	(26,960)	(99,543)	(93,723)
Net cash from/(used in) financing activities	9,242	(123,619)	306,969	304,164
Net (decrease)/increase in cash and cash equivalents	(40,387)	37,641	(33,617)	(112,044)
Cash and cash equivalents at beginning of the period/year	113,154	78,387	111,678	226,243
Effect of exchange rate changes on cash balances held in foreign currencies	4,089	(4,350)	(1,205)	(2,521)
Cash and cash equivalents at end of the period/year	76,856	111,678	76,856	111,678

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

Group	Share capital S\$'000	Other reserves ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 October 2018	2,208,267	464,998	(151,248)	207,750	2,729,767	1,230,521	3,960,288
Total comprehensive income for the period							
Profit for the period	-	-	-	15,999	15,999	9,504	25,503
<u>Other comprehensive income</u>							
Net change in fair value of financial assets, at FVOCI	-	(5,959)	-	-	(5,959)	-	(5,959)
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(1,710)	-	(1,710)	(396)	(2,106)
Foreign currency translation losses on monetary items, net of tax	-	-	(468)	-	(468)	(323)	(791)
Share of other comprehensive income of associates and joint ventures	-	102	(4,658)	-	(4,556)	(1,135)	(5,691)
Total other comprehensive income	-	(5,857)	(6,836)	-	(12,693)	(1,854)	(14,547)
Total comprehensive income for the period	-	(5,857)	(6,836)	15,999	3,306	7,650	10,956
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	944	-	-	944	-	944
Non-reciprocal capital distribution made to a non-wholly owned subsidiary	-	(1,193)	-	-	(1,193)	1,193	-
Capital injection by non-controlling interests	-	-	-	-	-	9,066	9,066
Purchase of treasury shares	-	(64)	-	-	(64)	-	(64)
Transfer of statutory reserve	-	922	-	(922)	-	-	-
Total contributions in ownership interests in subsidiary	-	609	-	(922)	(313)	10,259	9,946
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(2)	(2)
Disposal of subsidiary with a change in control	-	-	-	(115)	(115)	(4,695)	(4,810)
Total other capital transactions	-	-	-	(115)	(115)	(4,697)	(4,812)
Total transactions with owners	-	609	-	(1,037)	(428)	5,562	5,134
At 31 December 2018	2,208,267	459,750	(158,084)	222,712	2,732,645	1,243,733	3,976,378

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

Company	Share capital S\$'000	Other reserves ⁽¹⁾ S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 October 2018	2,208,267	22,051	6,602	2,236,920
Total comprehensive income for the period				
Profit for the period	-	-	3,035	3,035
<u>Other comprehensive income</u>				
Net change in fair value of financial assets, at FVOCI	-	(5,959)	-	(5,959)
Total other comprehensive income	-	(5,959)	-	(5,959)
Total comprehensive income for the period	-	(5,959)	3,035	(2,924)
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	944	-	944
Purchase of treasury shares	-	(64)	-	(64)
Total transactions with owners	-	880	-	880
At 31 December 2018	2,208,267	16,972	9,637	2,234,876

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

Group	Share capital S\$'000	Other reserves⁽¹⁾ S\$'000	Foreign currency translation reserve⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 October 2017, as previously reported	2,208,267	449,945	(108,341)	173,877	2,723,748	1,191,932	3,915,680
Effect of change in accounting policy ⁽³⁾	-	-	39,255	(39,255)	-	-	-
At 1 October 2017, restated	2,208,267	449,945	(69,086)	134,622	2,723,748	1,191,932	3,915,680
Total comprehensive income for the period							
Profit for the period	-	-	-	27,594	27,594	13,687	41,281
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	11,970	-	-	11,970	92	12,062
Foreign currency translation gains relating to foreign operations, net of tax	-	-	728	-	728	638	1,366
Foreign currency translation losses on monetary items, net of tax	-	-	(456)	-	(456)	-	(456)
Share of other comprehensive income of associate	-	6	2,505	343	2,854	134	2,988
Total other comprehensive income	-	11,976	2,777	343	15,096	864	15,960
Total comprehensive income for the period	-	11,976	2,777	27,937	42,690	14,551	57,241
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	1,870	-	-	1,870	-	1,870
Capital injection by non-controlling interests	-	-	-	-	-	8,359	8,359
Return of capital to non-controlling interests	-	-	-	-	-	(66,253)	(66,253)
Purchase of treasury shares	-	(1,021)	-	-	(1,021)	-	(1,021)
Transfer to statutory reserve	-	782	-	(782)	-	-	-
Total contributions in ownership interests in subsidiary	-	1,631	-	(782)	849	(57,894)	(57,045)
<u>Other capital transactions</u>							
Share of reserves of joint venture	-	2	-	-	2	-	2
Total other capital transactions	-	2	-	-	2	-	2
Total transactions with owners	-	1,633	-	(782)	851	(57,894)	(57,043)
At 31 December 2017	2,208,267	463,554	(66,309)	161,777	2,767,289	1,148,589	3,915,878

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

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

Notes:

- (1) Other reserves include capital reserve, fair value reserve, equity compensation reserve, reserve for own shares and statutory reserve
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations, associates and joint ventures, and foreign exchange differences arising from monetary items forming part of net investment in foreign operations.
- (3) Please see item 4 for details.

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

Issued Share Capital

As at 31 December 2018, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,661,709,368 (31 December 2017: 1,663,975,068) ordinary shares.

Movements in the Company's issued and fully paid-up capital were as follows:

	No. of Shares ('000)
In issue at 01.10.2018	1,661,814
Issue of shares	-
Purchase of treasury shares	(105)
In issue at 31.12.2018	1,661,709

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options ('000)
As at 01.10.2018	56,540
Granted	-
Exercised	-
Lapsed/Cancelled	-
As at 31.12.2018	56,540

On 22 March 2018, the Company granted 23,740,000 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 ("ESOS"). The number of outstanding options represents 3.40% of the total number of shares issued as at 31 December 2018 (31 December 2017: 2.30% of issued shares of 1,663,975,068). The options have a validity of 5 years from the date of grant and are vested over a period of 4 years.

1 (d)(iii) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares at the end of the current financial period reported on

Movements in the Company's treasury shares were as follows:

	No. of Shares ('000)
As at 01.10.2018	3,330
Purchase of treasury shares	105
As at 31.12.2018	3,435

As at 31 December 2018, the Company held 3,435,000 treasury shares (31 December 2017: 1,169,300) which represents 0.21% (31 December 2017: 0.07%) of the total number of issued shares (excluding treasury shares).

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), with effect from 1 January 2018 and has prepared its first set of financial statements under SFRS(I)s for the year ended 31 December 2018.

Under the transition requirements of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*, the date of transition is on 1 January 2017 and accordingly, the statement of financial position has been restated from 1 January 2017.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset the foreign currency translation reserves for all foreign operations to nil at the date of transition on 1 January 2017. As a result, the cumulative foreign currency translation reserves of S\$39.3 million was reclassified from foreign exchange translation reserves to retained earnings as at 1 January 2017.

In addition to the adoption of the new framework, the Group has also concurrently applied the following new SFRS(I), interpretations of the SFRS(I) and the requirements of SFRS(I) which are mandatorily effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers*;
- SFRS(I) 9 *Financial Instruments*;
- Requirements in SFRS(I) 2 *Share-based Payment*;
- Requirements in SFRS(I) 1-40 *Investment Property*;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters*;
- Requirements in SFRS(I) 1-28 *Investments in Associate or Joint Venture*; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

Adoption of SFRS(I) 9

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics to determine the appropriate classification for each financial asset under SFRS(I) 9. The Group classified the equity securities as financial assets at fair value through OCI and presented the changes of fair value in OCI.

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- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to item 4 above.

6 Earnings per Share

	Group			
	3 months 31.12.2018	3 months 31.12.2017	12 months 31.12.2018	12 months 31.12.2017
Profit for the period attributable to owners of the Company (S\$'000)	15,999	27,594	78,055	100,299
Weighted average number of shares for the period ('000)				
- Basic	1,661,802	1,665,083	1,662,312	1,665,083
- Diluted	1,661,802	1,665,083	1,662,312	1,665,083
EPS (cents)				
- Basic	0.96	1.66	4.70	6.02
- Diluted	0.96	1.66	4.70	6.02

7 Net Asset Value per Share

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$/share	S\$/share	S\$/share	S\$/share
Net assets value per share based on issued share capital at the end of the period	1.644	1.663	1.345	1.360

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8 Review of the Performance

	3 months ended 31.12.2018	3 months ended 31.12.2017	Change	12 months ended 31.12.2018	12 months ended 31.12.2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	22,957	15,982	43.6	78,261	74,505	5.0
Share of results of associates and joint ventures, net of tax	23,651	20,933	13.0	56,279	55,826	0.8
Earnings before interest and tax ("EBIT")	62,329	63,551	(1.9)	376,207	219,611	71.3
Net finance costs	(25,833)	(10,957)	(135.8)	(84,400)	(49,422)	(70.8)
Profit before tax	36,496	52,594	(30.6)	291,807	170,189	71.5
Profit for the period attributable to the owners of the Company ("PATMI")	15,999	27,594	(42.0)	78,055	100,299	(22.2)

4Q 2018 vs 4Q 2017

The Group achieved a revenue of S\$23.0 million (4Q 2017: S\$16.0 million) and a PATMI of S\$16.0 million (4Q 2017: S\$27.6 million) for the quarter ended 31 December 2018.

Revenue

4Q 2018 revenue increased mainly attributable to revenue from Capitol and Perennial International Health and Medical Hub ("PIHMH") which started contributing since 2Q 2018 as well as higher management fee. The Capitol Kempinski Hotel opened on 1 October 2018 and is gradually ramping up its operations. Committed occupancy at the PIHMH which opened in June 2018 is strong at 91% as more tenants have commenced operations.

Revenue from Singapore assets contributed approximately S\$7.7 million, representing 33.4% (4Q 2017: S\$3.3 million, or 20.4%) of the Group's revenue. The operational assets in China contributed revenue of S\$11.8 million, or 51.2% (4Q 2017: S\$9.3 million, or 58.0%) of the Group's revenue. The remaining 15.4% (4Q 2017: 21.6%) of the Group's revenue came from the fee-based management businesses.

EBIT

The Group achieved S\$62.3 million of EBIT in 4Q 2018 (4Q 2017: S\$63.6 million). The EBIT was largely driven by fair value gains on revaluation of investment properties. The fair value gains were mainly from Xi'an North High Speed Railway Integrated Development Plot 4 ("Xi'an Plot 4"), Perennial Qingyang Mall and Chinatown Point.

PATMI

4Q 2018 PATMI was mainly due to higher net finance costs. Finance costs increased with the consolidation of Capitol's debt and new loans to fund new investments and increasing interest rates. In addition, interest expenses previously capitalised were expensed off on completion of PIHMH.

8 Review of the Performance (cont'd)

12M 2018 vs 12M 2017

The Group achieved a revenue of S\$78.3 million and a PATMI of S\$78.1 million for the full year ended 31 December 2018.

Revenue

The increase in revenue for full year 2018 was mainly attributable to the consolidation of revenue from Capitol Singapore and new revenue stream from PIHMH which commenced operations in 2Q 2018 as well as improved performance of Perennial Jihua Mall and Perennial Qingyang Mall. This was partially offset by the absence of revenue from TripleOne Somerset and lower management fee income post the sale of its 20.2% equity stake in FY2017 as part of the Group's capital recycling strategy.

EBIT

For 12M 2018, the Group achieved S\$376.2 million of EBIT, which was 71.3% higher than 12M 2017. The increase in EBIT was mainly due to higher fair value gains as the respective development properties achieved certain key milestones and were identified for lease, and operating properties improved on its performance. The increase was partially offset by the absence of a one-off gain from the sale of the 20.2% equity stake in TripleOne, totalling approximately S\$55.7 million in FY2017.

Net finance costs

Finance costs comprised mainly interest on bank borrowings and medium term notes, and amortisation of transaction costs incurred on financing facilities. The net finance costs for the period were higher than last year same period due to increased interest rate, consolidation of Capitol's debt and increased borrowings. During the year, the Company issued S\$300 million medium term notes, the proceeds of which were used to part finance the redemption of the medium term notes and retail bonds due in 2018. As at 31 December 2018, the Group's net debt-to-equity ratio stood at 0.72 times (31 December 2017: 0.57x).

PATMI

Despite higher EBIT, PATMI was lower due to higher finance costs and higher share of non-controlling interests for the fair value gains.

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 economy grew 1.6% in the fourth quarter of 2018, way below the forecast of 2.3% after the manufacturing sector shrank. For the whole of 2018, the economy expanded 3.3%, lower than 2017's 3.6%. Growth is expected to slow down with the ongoing trade dispute between United States and China which has clouded the economic outlook.

TripleOne Somerset has received TOP for its retail units in Jan 2019 and retail operations will commence in 1Q 2019. With the major asset enhancement substantially completed, TripleOne will push ahead with its strata sales which, together with office rental income, will contribute to the Group's income.

For AXA Tower, the Group is exploring enbloc sale with interested parties while concurrently working to complete the asset enhancement works.

Capitol has started to reposition the retail mall and enhance the tenant mix with brands that are new to Singapore coming on board in 2019 like the Taiwanese Bakery, Wu Pao Chun. The Capitol Kempinski Hotel is also ramping up its operations. In addition, Eden Residences will be relaunched for sale.

China

Economic growth slowed further in the fourth quarter and full year growth was at 6.6%, the slowest rate of expansion since 1990. Economists expect the economic growth to remain lacklustre in 2019 and grow at 6.2% on the back of moderating domestic growth amid trade tensions between China and United States.

The Group's healthcare joint venture had won the tender for a land site next to a High Speed Railway Station in Kunming, its second site after securing the Tianjin HSR land tender. The Group will continue to source for good HSR sites for the healthcare joint venture.

11 Dividends

(a) Current financial period

Yes. Please refer to Note 16.

(b) Corresponding period of the immediately preceding financial year

Yes. Please refer to Note 16.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax-exempt

(d) Date Payable

22 May 2019

(e) Books Closure Date

3 May 2019

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

Not applicable.

13 If the Company has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.

The Company did not obtain a general mandate from shareholders for interested person transactions.

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14 Segmental revenue and results for business or geographical segments of the Group with comparative information for the immediately preceding year.

12M 2018	Singapore S\$'000	China S\$'000	Management businesses S\$'000	Corporate and others S\$'000	Eliminations S\$'000	Total S\$'000
Sales to external customers	22,600	41,408	14,063	190	-	78,261
Inter-segment	-	-	8,921	12,728	(21,649)	-
Total revenue	22,600	41,408	22,984	12,918	(21,649)	78,261
Segment results	9,463	318,432	5,565	(5,778)	(7,754)	319,928
Share of results of associates and joint ventures, net of tax	46,502	10,622	-	(845)	-	56,279
Net finance costs	(37,728)	(42,771)	612	(5,584)	1,071	(84,400)
Profit before tax						291,807
Tax expense						(82,302)
Profit for the year						209,505

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

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15 Breakdown of Group's revenue and profit after tax

	12 months ended 31.12.2018 S\$'000	12 months ended 31.12.2017 S\$'000	Increase/ (Decrease) %
Revenue			
- first half year	33,075	38,081	(13.1)
- second half year	45,186	36,424	24.1
Full year revenue	78,261	74,505	
Profit after tax before non-controlling interests ("PAT")			
- first half year	25,553	73,779	(65.4)
- second half year	183,952	65,066	182.7
Full year PAT	209,505	138,845	

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

Name of Dividend	Current financial period ended 31.12.2018	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share (cents/share)	0.40	0.40
Annual Dividend (S\$'000)	6,647	6,647

Name of Dividend	Previous financial year ended 31.12.2017	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share (cents/share)	1.00	1.00
Annual Dividend (S\$'000)	16,640	16,640

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2018. The actual dividend payment can only be determined on book closure date.

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17 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

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

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

On behalf of the Board

Kuok Khoon Hong
Chairman

Pua Seck Guan
Chief Executive Officer

By Order of the Board

Sim Ai Hua
Company Secretary

13 February 2019