



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

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## **Introduction**

Perennial Real Estate Holdings Limited ("PREHL or the Group") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia and Ghana with a combined portfolio spanning over 45 million square feet in gross floor area. Perennial is also a healthcare services owner and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

Perennial is a dominant commercial developer with sizeable integrated developments in China, of which two are regional commercial hubs adjacent to the two largest high speed railway stations in the country, being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development. Other landmark projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development.

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

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**1 (a)(i) Consolidated Income Statement**

	Note	3 months	3 months	Change	9 months	9 months	Change
		ended 30.09.2016	ended 30.09.2015		ended 30.09.2016	ended 30.09.2015	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	35,105	22,917	53.2	88,679	89,268	(0.7)
Cost of sales	2	(16,853)	(7,950)	112.0	(31,833)	(26,656)	19.4
<b>Gross Profit</b>		<b>18,252</b>	<b>14,967</b>	21.9	<b>56,846</b>	<b>62,612</b>	(9.2)
Other income	3	574	6,470	(91.1)	7,262	9,352	(22.3)
Administrative expenses		(6,614)	(6,087)	8.7	(22,461)	(19,494)	15.2
Other operating expenses		(5)	(6)	(16.7)	(14)	(20)	(30.0)
<b>Results from operating activities</b>		<b>12,207</b>	<b>15,344</b>	(20.4)	<b>41,633</b>	<b>52,450</b>	(20.6)
Finance income	4	2,213	1,968	12.4	4,689	2,116	121.6
Finance costs	5	(17,347)	(15,251)	13.7	(47,295)	(42,975)	10.1
<b>Net finance costs</b>		<b>(15,134)</b>	<b>(13,283)</b>	13.9	<b>(42,606)</b>	<b>(40,859)</b>	4.3
Share of results of associates and joint ventures, net of tax		3,628	3,420	6.1	18,858	8,641	118.2
<b>Profit before tax</b>		<b>701</b>	<b>5,481</b>	(87.2)	<b>17,885</b>	<b>20,232</b>	(11.6)
Tax expense	6	(669)	(1,458)	(54.1)	(3,387)	(4,323)	(21.7)
<b>Profit for the period</b>		<b>32</b>	<b>4,023</b>	(99.2)	<b>14,498</b>	<b>15,909</b>	(8.9)
<b>Profit/(loss) for the period attributable to:-</b>							
Owners of the Company		425	4,775	(91.1)	9,491	16,965	(44.1)
Non-controlling interests		(393)	(752)	(47.7)	5,007	(1,056)	Nm
		<b>32</b>	<b>4,023</b>	(99.2)	<b>14,498</b>	<b>15,909</b>	(8.9)

Nm: denotes not meaningful

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

**Explanatory Notes to the Consolidated Income Statement 3Q 2016 versus 3Q 2015**

**(1) Revenue**

The Group's revenue for the quarter ended 30 September 2016 was derived mainly from two main business activities:

- (i) real estate development and investment; and
- (ii) real estate management services.

Revenue from real estate investments comprised mainly strata sales of office units in TripleOne Somerset, rental income from CHIJMES and TripleOne Somerset, Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu.

The increase in revenue in this quarter was mainly attributable to strata sales of office units in TripleOne Somerset. (Please see item 8 for details.)

**(2) Cost of sales**

The increase in cost of sales in this quarter was in line with revenue and was mainly due to the recognition of costs of the office units that were sold.

**(3) Other income**

	<b>3 months ended 30.09.2016</b>	<b>3 months ended 30.09.2015</b>	<b>Change</b>	<b>9 months ended 30.09.2016</b>	<b>9 months ended 30.09.2015</b>	<b>Change</b>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income comprises:						
Investment income	876	107	Nm	3,737	107	Nm
Foreign exchange (loss)/gain (net)	(441)	910	(148.5)	2,588	3,613	(28.4)
Other income	139	5,453	(97.5)	937	5,632	(83.4)
<b>Total</b>	<b>574</b>	<b>6,470</b>		<b>7,262</b>	<b>9,352</b>	

The decrease in 3Q 2016 was mainly due to the absence of one-off investment income earned in 3Q 2015. The decrease in 9 months' other income was due to the reason mentioned above but this was offset by higher investment income.

**(4) Finance income**

The increase in finance income was mainly due to the interest income on loan to associates and joint venture, and interest income from junior bonds issued by an associate.

**(5) Finance costs**

Finance costs comprised mainly interest on bank facilities, MTN and retail bonds. The increase was mainly due to an increase in the amount of loans and borrowings.

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

**(6) Tax expense**

The decrease in 3Q 2016 is mainly attributable to lower chargeable profits compared to 3Q 2015. 3Q 2016's tax also included provision of prior year's taxes of S\$0.3 million.

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

	Note	3 months 30.09.2016 S\$'000	3 months 30.09.2015 S\$'000	Change %	9 months 30.09.2016 S\$'000	9 months 30.09.2015 S\$'000	Change %
<b>Profit for the period</b>		<b>32</b>	<b>4,023</b>	(99.2)	<b>14,498</b>	<b>15,909</b>	(8.9)
<b>Other comprehensive income items that are or may be reclassified subsequently to profit or loss</b>							
Net change in fair value of available-for-sale financial assets		(2,079)	-	Nm	7,168	-	Nm
Foreign currency translation gains/(loss) relating to foreign operations, net of tax	1	6,962	76,648	(90.9)	(255,123)	114,335	(323.1)
Foreign currency translation (loss)/gains on monetary items forming part of net investments in foreign operations, net of tax		(168)	42	(500.0)	(918)	268	(442.5)
Other comprehensive income for the period, net of tax		4,715	76,690	(93.9)	(248,873)	114,603	(317.2)
<b>Total comprehensive income for the period</b>		<b>4,747</b>	<b>80,713</b>	(94.1)	<b>(234,375)</b>	<b>130,512</b>	(279.6)
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		3,359	63,395	(94.7)	(172,523)	107,887	(259.9)
Non-controlling interests		1,388	17,318	(92.0)	(61,852)	22,625	(373.4)
<b>Total comprehensive income for the period</b>		<b>4,747</b>	<b>80,713</b>	(94.1)	<b>(234,375)</b>	<b>130,512</b>	(279.6)

Note:

- (1) The movement during this quarter is in respect of the Group's net assets which are denominated in RMB, whereby the RMB has appreciated against SGD by approximately 0.2% during the quarter.

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

	Note	Group			Company		
		30.09.2016	31.12.2015	Change	30.09.2016	31.12.2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Plant and equipment		1,639	2,106	(22.2)	-	-	-
Investment properties	1	1,315,031	2,290,806	(42.6)	-	-	-
Subsidiaries		-	-	-	2,758,345	2,414,374	14.2
Associates and joint ventures	2	2,294,884	1,975,113	16.2	-	-	-
Intangible assets		84,204	88,104	(4.4)	-	-	-
Other financial assets		68,799	53,956	27.5	68,799	48,037	43.2
Other receivables		14,470	15,401	(6.0)	-	-	-
		<b>3,779,027</b>	<b>4,425,486</b>	<b>(14.6)</b>	<b>2,827,144</b>	<b>2,462,411</b>	<b>14.8</b>
<b>Current assets</b>							
Development properties	1	2,668,196	1,756,442	51.9	-	-	-
Trade and other receivables		129,532	106,310	21.8	69,291	52,511	32.0
Cash and cash equivalents		155,494	162,030	(4.0)	2,942	26,545	(88.9)
		<b>2,953,222</b>	<b>2,024,782</b>	<b>45.9</b>	<b>72,233</b>	<b>79,056</b>	<b>(8.6)</b>
<b>Total assets</b>		<b>6,732,249</b>	<b>6,450,268</b>	<b>4.4</b>	<b>2,899,377</b>	<b>2,541,467</b>	<b>14.1</b>
<b>Non-current liabilities</b>							
Loans and borrowings	3	2,259,053	1,741,404	29.7	604,979	297,326	103.5
Junior bonds		143,964	143,924	0.0	-	-	-
Redeemable preference shares		47,613	47,613	-	-	-	-
Trade and other payables		33,104	35,374	(6.4)	-	-	-
Deferred tax liabilities		56,307	59,394	(5.2)	-	-	-
		<b>2,540,041</b>	<b>2,027,709</b>	<b>25.3</b>	<b>604,979</b>	<b>297,326</b>	<b>103.5</b>
<b>Current liabilities</b>							
Loans and borrowings	3	179,294	170,256	5.3	28,480	-	Nm
Trade and other payables		362,156	364,693	(0.7)	28,812	21,455	34.3
Current tax liabilities		3,923	5,217	(24.8)	525	-	Nm
		<b>545,373</b>	<b>540,166</b>	<b>1.0</b>	<b>57,817</b>	<b>21,455</b>	<b>169.5</b>
<b>Total liabilities</b>		<b>3,085,414</b>	<b>2,567,875</b>	<b>20.2</b>	<b>662,796</b>	<b>318,781</b>	<b>107.9</b>
<b>Net assets</b>		<b>3,646,835</b>	<b>3,882,393</b>	<b>(6.1)</b>	<b>2,236,581</b>	<b>2,222,686</b>	<b>0.6</b>
<b>Equity</b>							
Share capital		2,208,267	2,195,373	0.6	2,208,267	2,195,373	0.6
Other reserves		441,661	448,658	(1.6)	10,001	1,623	Nm
Foreign currency translation reserve		(118,416)	70,766	(267.3)	-	-	-
Retained earnings		82,271	79,402	3.6	18,313	25,690	(28.7)
<b>Equity attributable to owners of the Company</b>		<b>2,613,783</b>	<b>2,794,199</b>	<b>(6.5)</b>	<b>2,236,581</b>	<b>2,222,686</b>	<b>0.6</b>
Non-controlling interests		1,033,052	1,088,194	(5.1)	-	-	-
<b>Total equity</b>		<b>3,646,835</b>	<b>3,882,393</b>	<b>(6.1)</b>	<b>2,236,581</b>	<b>2,222,686</b>	<b>0.6</b>

**1 (b)(i) Consolidated Statement of Financial Position for the Group and Statement of Financial Position for the Company (cont'd)**

**Explanatory Notes to the Consolidated Statement of Financial Position**

**(1) Investment properties / Development properties**

The decrease in investment properties compared to December 2015 is mainly due to the reclassification of TripleOne Somerset from investment properties category to development properties as the units in the property are now held for strata sale. This resulted in a corresponding increase in development properties.

**(2) Associates and joint ventures**

The increase is mainly attributable to the shareholder's loan to Capitol Singapore of S\$305 million, and the acquisition of 20% stake in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("Aidigong") and 40% stake in Modern Hospital Limited Liability Company.

**(3) Loans and borrowings**

The increase in long-term loans and borrowings is mainly due to the issuance of S\$125 million medium term notes and S\$280 million retail bonds as well as the drawdown of bank loans to finance investments and working capital requirements of the Group.

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

	<b>Group</b>		
	<b>As at 30.09.2016 S\$'000</b>	<b>As at 31.12.2015 S\$'000</b>	<b>Change %</b>
<b><u>Amount repayable in one year or less, or on demand:</u></b>			
Secured	29,294	70,376	(58.4)
Unsecured <sup>(1)</sup>	150,000	99,880	50.2
	<b>179,294</b>	<b>170,256</b>	5.3
<b><u>Amount repayable after one year:</u></b>			
Secured	1,254,663	1,146,424	9.4
Unsecured <sup>(1)</sup>	1,004,390	594,980	68.8
	<b>2,259,053</b>	<b>1,741,404</b>	29.7
<b>Total borrowings <sup>(2)</sup></b>	<b>2,438,347</b>	<b>1,911,660</b>	<b>27.6</b>

Note:

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

In March 2016, medium term notes of S\$125 million, at 4.90% p.a. due 2019 were issued by Perennial Treasury Pte Ltd, a subsidiary of the Group. To date, a total of S\$225 million of fixed rate notes were issued under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015, which are unconditionally and irrevocably guaranteed by the Company.

PCRT, a subsidiary of the Group, issued S\$50 million 5.25% p.a. fixed rate notes due 26 July 2016, under its S\$500 million MTN Programme which were fully redeemed on maturity.

The Company issued retail bonds of S\$300 million at 4.65% p.a. due on 23 October 2018 and S\$280 million retail bonds at 4.55% p.a. due 29 April 2020.

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

Details of collaterals for secured borrowings

Secured bank borrowings are generally secured by mortgages on the borrowing subsidiaries' investment 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**

	<b>3 months</b> <b>30.09.2016</b> S\$'000	<b>3 months</b> <b>30.09.2015</b> S\$'000	<b>9 months</b> <b>30.09.2016</b> S\$'000	<b>9 months</b> <b>30.09.2015</b> S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	32	4,023	14,498	15,909
Adjustments for:				
Depreciation of plant and equipment	183	199	584	715
Amortisation of intangible assets	651	706	3,900	2,118
Foreign currency exchange loss/(gain) (net)	441	(910)	(2,588)	(3,613)
Net finance costs	15,134	13,283	42,606	40,859
Share of results of associates and joint ventures, net of tax	(3,628)	(3,420)	(18,858)	(8,641)
Gain on disposal other financial assets	-	-	(273)	-
Loss on disposal of an associate	-	-	62	-
Equity-settled share-based payment transactions	371	739	1,210	1,232
Tax expense	669	1,458	3,387	4,323
	<b>13,853</b>	<b>16,078</b>	<b>44,528</b>	<b>52,902</b>
<b>Changes in:</b>				
- Development properties	(3,181)	(770)	(32,527)	(3,597)
- Trade and other receivables	(10,865)	(55,578)	(12,262)	(52,636)
- Trade and other payables	12,071	96,080	74,154	53,158
Cash flows generated from operations	11,878	55,810	73,893	49,827
Taxes paid	(1,128)	(1,670)	(4,188)	(3,687)
<b>Net cash from operating activities</b>	<b>10,750</b>	<b>54,140</b>	<b>69,705</b>	<b>46,140</b>
<b>Cash flows from investing activities</b>				
Interest received	186	81	5,313	248
Acquisition of subsidiaries, net of cash acquired	-	(20,883)	-	(11,148)
Acquisition of plant and equipment	(65)	(232)	(189)	(741)
Development expenditure - investment properties	(7,856)	(23,550)	(64,720)	(58,362)
Dividends from an associate	-	-	257	-
Loan to an associate and joint ventures	(4,163)	-	(310,261)	(13,889)
Investment in associates and joint ventures	(1,986)	-	(39,630)	(113,818)
Other investments	(5,858)	-	(19,776)	-
Proceeds from disposal of other investments	-	-	3,871	-
Proceeds from disposal of plant and equipment	-	-	3	-
Dividends received from other investments	1,003	-	3,057	-
<b>Net cash used in investing activities</b>	<b>(18,739)</b>	<b>(44,584)</b>	<b>(422,075)</b>	<b>(197,710)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(6,622)	-
Dividends paid to non-controlling interests	(856)	-	(856)	-
Proceeds from loans and borrowings	165,124	148,977	853,170	429,685
Payment of financing transaction costs	(2,263)	(2,164)	(12,207)	(3,670)
Repayment of loans and borrowings	(175,291)	(130,446)	(442,511)	(230,446)
Loan from joint venture	6,712	-	24,865	-
Capital injection by non-controlling interests	-	-	5,099	-
Interest paid	(21,690)	(15,200)	(70,783)	(45,858)
<b>Net cash (used in)/from financing activities</b>	<b>(28,264)</b>	<b>1,167</b>	<b>350,155</b>	<b>149,711</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36,253)</b>	<b>10,723</b>	<b>(2,215)</b>	<b>(1,859)</b>
Cash and cash equivalents at beginning of the period	190,632	94,227	162,030	106,809
Effect of exchange rate changes on cash balances held in foreign currencies	1,115	-	(4,321)	-
<b>Cash and cash equivalents at end of the period</b>	<b>155,494</b>	<b>104,950</b>	<b>155,494</b>	<b>104,950</b>

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

<b>Group</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Foreign currency translation reserve<sup>(2)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 July 2016</b>	<b>2,195,373</b>	<b>450,258</b>	<b>(123,429)</b>	<b>81,846</b>	<b>2,604,048</b>	<b>1,038,551</b>	<b>3,642,599</b>
<b>Total comprehensive income for the period</b>							
Profit/(Loss) for the period	-	-	-	425	425	(393)	32
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	(2,079)	-	-	(2,079)	-	(2,079)
Foreign currency translation gains relating to foreign operations, net of tax	-	-	5,181	-	5,181	1,781	6,962
Foreign currency translation loss on monetary items, net of tax	-	-	(168)	-	(168)	-	(168)
Total other comprehensive income	-	(2,079)	5,013	-	2,934	1,781	4,715
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,079)</b>	<b>5,013</b>	<b>425</b>	<b>3,359</b>	<b>1,388</b>	<b>4,747</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	364	-	-	364	7	371
Dividends	-	-	-	-	-	(856)	(856)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>364</b>	<b>-</b>	<b>-</b>	<b>364</b>	<b>(849)</b>	<b>(485)</b>
<u>Contributions in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without changes of control	12,894	(6,882)	-	-	6,012	(6,038)	(26)
<b>Total transactions with owners</b>	<b>12,894</b>	<b>(6,518)</b>	<b>-</b>	<b>-</b>	<b>6,376</b>	<b>(6,887)</b>	<b>(511)</b>
<b>At 30 September 2016</b>	<b>2,208,267</b>	<b>441,661</b>	<b>(118,416)</b>	<b>82,271</b>	<b>2,613,783</b>	<b>1,033,052</b>	<b>3,646,835</b>

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

<b>Company</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000
<b>At 1 July 2016</b>	2,195,373	11,709	18,838	2,225,920
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(525)	(525)
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	(2,079)	-	(2,079)
Total other comprehensive income	-	(2,079)	-	(2,079)
<b>Total comprehensive income for the period</b>	-	(2,079)	(525)	(2,604)
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	371	-	371
<b>Total contributions by and distributions to owners</b>	-	371	-	371
<u>Contributions in ownership interests in a subsidiary</u>				
Acquisition of non-controlling interests without changes of control	12,894	-	-	12,894
<b>Total transactions with owners</b>	12,894	371	-	13,265
<b>At 30 September 2016</b>	<b>2,208,267</b>	<b>10,001</b>	<b>18,313</b>	<b>2,236,581</b>

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

<b>Group</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Foreign currency translation reserve<sup>(2)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 July 2015</b>	2,192,625	478,630	96,332	33,520	2,801,107	1,052,440	3,853,547
<b>Total comprehensive income for the period</b>							
Profit/(Loss) for the period	-	-	-	4,775	4,775	(752)	4,023
<u>Other comprehensive income</u>							
Foreign currency translation gains relating to foreign operations, net of tax	-	-	58,578	-	58,578	18,070	76,648
Foreign currency translation gains on monetary items, net of tax	-	-	42	-	42	-	42
Total other comprehensive income	-	-	58,620	-	58,620	18,070	76,690
<b>Total comprehensive income for the period</b>	-	-	<b>58,620</b>	<b>4,775</b>	<b>63,395</b>	<b>17,318</b>	<b>80,713</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Acquisition of investments	(8)	(5,346)	-	-	(5,354)	17,430	12,076
Share-based payment transactions	-	687	-	-	687	32	719
Reserve arising from the non-reciprocal capital contribution made by the Group to a non-wholly owned subsidiary	-	(4,000)	-	-	(4,000)	4,000	-
<u>Contributions in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without change of control	2,756	152	-	-	2,908	(2,908)	-
<b>Total transactions with owners</b>	<b>2,748</b>	<b>(8,507)</b>	<b>-</b>	<b>-</b>	<b>(5,759)</b>	<b>18,554</b>	<b>12,795</b>
<b>At 30 September 2015</b>	<b>2,195,373</b>	<b>470,123</b>	<b>154,952</b>	<b>38,295</b>	<b>2,858,743</b>	<b>1,088,312</b>	<b>3,947,055</b>

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

<b>Company</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000
<b>At 1 July 2015</b>	<b>2,192,625</b>	<b>493</b>	<b>(15,047)</b>	<b>2,178,071</b>
<b>Total comprehensive income for the period</b>				
Loss for the period, representing total comprehensive income for the period	-	-	(2,225)	(2,225)
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Acquisition of investments	(8)	-	-	(8)
<i>Contributions in ownership interests in a subsidiary</i>				
Acquisition of non-controlling interests without change of control	2,756	-	-	2,756
Share-based payment transactions	-	739	-	739
<b>Total transactions with owners</b>	<b>2,748</b>	<b>739</b>	<b>-</b>	<b>3,487</b>
<b>At 30 September 2015</b>	<b>2,195,373</b>	<b>1,232</b>	<b>(17,272)</b>	<b>2,179,333</b>

Notes:

- (1) Other reserves include capital reserve, available-for-sale reserve and equity compensation reserves.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations, associates and joint ventures, and foreign exchange differences arising from monetary items forming part of net investment in foreign operations.

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

Issued Share Capital

	<b>No. of Shares (‘000)</b>
In issue at 01.07.2016	1,655,468
Issue of shares	9,676
In issue at 30.09.2016	<b>1,665,144</b>

Pursuant to the approval granted by the shareholders of the Company during the Extraordinary General Meeting (“EGM”) on 10 October 2014, the Company made an offer to issue consideration shares of up to 9,675,915 to Mr. Pua Seck Guan to acquire his 51% interest in Perennial Real Estate Pte. Ltd. (the “Deferred PREPL Acquisition”). The Deferred PREPL Acquisition is subject to certain terms and conditions and was completed on 27 July 2016. Accordingly, the issued share capital of the Company increased to 1,665,144,368 shares.

Outstanding Options under Perennial Employee Share Options Scheme 2014

	<b>No. of Shares (‘000)</b>
As at 01.07.2016	18,350
Exercised	-
Lapsed/Cancelled	(590)
As at 30.09.2016	<b>17,760</b>

The number of outstanding exercisable options represents 1.07% of the total number of shares issued as at 30 September 2016 (30 September 2015: 1.25%; issued share capital of 1,655,468,453).

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

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

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

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

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

Not applicable.

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**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 2015, except for the adoption of new/revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2016 as follows:

Amendments to FRS 16 *Property and Equipment* and FRS 38 *Intangibles*

Amendments to FRS 27 *Separate Financial Statements*

Amendments to FRS 111 *Joint Arrangements*

Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosures of Interests in Other Entities* and FRS 28 *Investments in Associates and Joint Ventures*

Improvements to FRSs (November 2014)

Amendments to FRS 1 *Presentation of Financial Statements*

The Group does not expect any significant impact on its financial position or performance from the adoption of these amendments to FRSs.

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

Please refer to item 4 above.

**6 Earnings per Share**

	Group			
	3 months 30.09.2016	3 months 30.09.2015	9 months 30.09.2016	9 months 30.09.2015
Profit for the period attributable to Owners of the Company (S\$'000)	425	4,775	9,491	16,965
Weighted average number of shares for the period ('000)				
- Basic	1,662,410	1,652,600	1,657,799	1,516,102
- Diluted	1,662,410	1,652,600	1,657,799	1,516,102
<b>EPS (cents)</b>				
- Basic	0.03	0.29	0.57	1.12
- Diluted	0.03	0.29	0.57	1.12

**7 Net Asset Value per Share**

	Group		Company	
	30.09.2016 S\$/share	31.12.2015 S\$/share	30.09.2016 S\$/share	31.12.2015 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.570	1.688	1.343	1.343

**8 Review of the Performance**

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	3 months	3 months	Change	9 months	9 months	Change
	ended	ended		ended	ended	
	30.09.2016	30.09.2015	%	30.09.2016	30.09.2015	%
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	35,105	22,917	53.2	88,679	89,268	(0.7)
Share of results of associates and joint ventures, net of tax	3,628	3,420	6.1	18,858	8,641	118.2
Earnings before interest and tax ("EBIT")	15,835	18,764	(15.6)	60,491	61,091	(1.0)
Net finance costs	(15,134)	(13,283)	13.9	(42,606)	(40,859)	4.3
<b>Profit before tax</b>	<b>701</b>	<b>5,481</b>	<b>(87.2)</b>	<b>17,885</b>	<b>20,232</b>	<b>(11.6)</b>
<b>Profit for the period attributable to the owners of the Company ("PATMI")</b>	<b>425</b>	<b>4,775</b>	<b>(91.1)</b>	<b>9,491</b>	<b>16,965</b>	<b>(44.1)</b>

**3Q 2016 vs 3Q 2015**

The Group achieved a revenue of S\$35.1 million (3Q 2015: S\$22.9 million) and a PATMI of S\$0.4 million (3Q 2015: S\$4.8 million) for the third quarter ended 30 September 2016.

**Revenue**

The main revenue contributors are CHIJMES and TripleOne Somerset in Singapore as well as Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China. The increase in revenue was mainly contributed by TripleOne Somerset's strata sales, offset by lower rental revenue from TripleOne Somerset as expiring leases were not renewed due to asset enhancement works which commenced in 2Q 2016.

Singapore assets contributed approximately S\$21.7 million, representing 61.7% (3Q 2015: S\$14.9 million, representing 65.1%) of the Group's revenue. The operational assets in China contributed revenue of S\$7.9 million, which represents 22.5% (3Q 2015: S\$7.0 million, representing 30.6%) of the Group's revenue. The remaining 15.8% (3Q 2015: 4.3%) of the Group's revenue came from the fee-based management businesses.

**EBIT**

The Group achieved S\$15.8 million of EBIT in 3Q 2016 (3Q 2015: S\$18.8 million). The EBIT was largely driven by contributions from operational assets in Singapore and China, fee-based management businesses as well as higher share of results from associates and joint ventures. It was lower than last year due to the absence of one-off investment income. Excluding the one-off income earned in 3Q 2015, 3Q 2016 EBIT would be higher largely due to strata sales and higher share of results from associates and joint ventures, which own operational malls and medical and healthcare businesses.

**PATMI**

The decrease in PATMI was mainly attributable to higher interest expenses as well as the absence of one-off investment income. Interest expenses rose as more loans were taken to finance new investments which would provide the Group with new stream of income and cashflows in the near future.



**8 Review of the Performance (cont'd)**

**9M 2016 vs 9M 2015**

The Group achieved a revenue of S\$88.7 million (9M 2015: S\$89.3 million) and a PATMI of S\$9.5 million (9M 2015: S\$17.0 million) for the nine months ended 30 September 2016.

**Revenue**

Revenue for 9M 2016 was marginally lower than 9M 2015 due to the absence of one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015 and lower rental revenue from TripleOne Somerset but mitigated by strata sales of office units in TripleOne Somerset. Singapore assets' revenue was 7.3% higher than 9M 2015, on account of the strata revenue earned offset by lower rental revenue from TripleOne Somerset. China assets, on the other hand, registered 13.5% higher revenue which was mainly attributable to higher revenue recorded by Perennial Qingyang Mall, Chengdu. For the fee-based management business, excluding the one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015, fee revenue improved over the same period last year due to project management fees.

**EBIT**

For 9M 2016, the Group achieved S\$60.5 million of EBIT. Comparing 9M 2016 to 9M 2015, there was a slight decrease in EBIT. 9M 2016's EBIT was contributed by strata sales from TripleOne Somerset, operational assets in Singapore and China, fee-based management businesses, higher share of results from associates and joint ventures as well as a fair value gain of S\$7.5 million from the revaluation of Chengdu East High Speed Railway Integrated Development Plot D2 ("Chengdu Plot D2"). Chengdu Plot D2 was reclassified as an 'Investment Property' as its intended use was changed from strata sale to long-term hold for lease to Chengdu Xiehe International Eldercare and Retirement Home. 9M 2015's EBIT was boosted by the one-off acquisition fee of AXA Tower earned in 2Q 2015.

**Net finance costs**

Finance costs comprised mainly interest on bank borrowings, medium term notes, and amortisation of financing transaction costs. The increase in finance cost is in line with increase in loans and borrowings to fund investments and it was partially offset by interest income came from loan to associates and junior bonds issued by an associated company. As at 30 September 2016, the Group's net debt-to-equity ratio stood at 0.63 times.

**PATMI**

Overall, the Group achieved a PATMI of S\$9.5 million for the nine months ended 30 September 2016, comprising operating PATMI of S\$2.0 million and a fair value gain of S\$7.5 million. The decrease in operating PATMI was due to the absence of one-off acquisition fee and other investment income earned in 2015 as well as the write-off of intangible assets of S\$1.9 million in 1Q 2016.

**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**

The global economic outlook has been subdued with emerging markets and developing economies facing strong headwinds including weaker growth in advanced economies and low commodity prices. Given the weak economic outlook, slower growth in China and lackluster business sentiment in Singapore, the Group expects its operations to face challenges in the near term. However, the Group remains confident in its quality portfolio in the longer term. The Group's portfolio which comprises prime and iconic properties in Singapore and China, which are well connected to public transportation, are expected to be resilient.

Singapore

According to advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 0.6% on a year-on-year basis in 3Q 2016; lower than the 2% growth in the previous quarter. The Monetary Authority of Singapore does not expect the local economy to pick up significantly in the near term.

TripleOne Somerset and AXA Tower have commenced asset enhancement works and launched the strata sales. The sale strategy is to progressively sell units where leases have expired while continuing with existing leases for recurring rental income. Both TripleOne Somerset and AXA Tower will continue to be key income contributors for the Singapore segment.

China

The Chinese economy maintained a moderate growth pace of 6.7% year-on-year in 3Q 2016 and the first nine months of 2016. This is in line with the central government's growth target of 6.5% to 7% and World Bank's forecast of 6.7% for the full year.

On 13 September 2016, the Group announced that it has entered into an investment agreement to acquire an aggregate equity interest of 49.9% in Shanghai RST Chinese Medical Co., Ltd ("Renshoutang"). Renshoutang is one of the pioneer and most established private integrated eldercare companies in China, and also the largest private eldercare operator in Shanghai with retirement, nursing and rehabilitation homes, hospital, daycare centres, pharmacies and traditional Chinese medicine clinics. The transaction complements the group's objective of creating a new asset class of real estate to meet the growing demand for medical and healthcare space in China. The transaction is expected to be completed in 1Q 2017. Once completed, it will provide the Group with an added source of recurring income.

On 3 October 2016, the Group announced that its subsidiaries and associates that own the Beijing Tongzhou Integrated Development have secured loan facilities of RMB6.4 billion (approximately S\$1.3 billion) in total from Bank of China. The project is an iconic mixed use development comprising retail; office and residential components, located in Beijing Tongzhou District which has been designated as a sub-centre of Beijing and expected to commence operations in phases starting from 4Q 2018. The loan facilities will be drawn down progressively over the project development period.

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**11 Dividends**

**(a) Current financial period**

None

**(b) Corresponding period of the immediately preceding financial year**

None

**(c) Date Payable**

Not applicable.

**(d) 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 nine months ended 30 September 2016.

**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.

**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	9 months ended	9 months ended	Change
	30.09.2016	30.09.2015		30.09.2016	30.09.2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	21,667	14,924	45.2	49,917	46,500	7.3
<b>China</b>	7,908	7,022	12.6	22,490	19,818	13.5
<b>Management Businesses</b>	10,747	4,815	123.2	27,093	31,844	(14.9)
<b>Corporate and Others</b>	15	3	400.0	42	5	Nm
<b>Eliminations</b>	(5,232)	(3,847)	36.0	(10,863)	(8,899)	22.1
	35,105	22,917	53.2	88,679	89,268	(0.7)

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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. (cont'd)**

	EBIT					
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30.09.2016	30.09.2015		30.09.2016	30.09.2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	8,878	14,777	(39.9)	28,766	34,605	(16.9)
<b>China</b>	5,719	5,142	11.2	28,355	16,186	75.2
<b>Management Businesses</b>	4,487	2,024	121.7	11,920	18,997	(37.3)
<b>Corporate and Others</b>	(3,249)	(3,179)	2.2	(8,550)	(8,697)	(1.7)
	15,835	18,764	(15.6)	60,491	61,091	(1.0)

**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 balance sheet, 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 30 September 2016 and for the nine 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 had procured the undertakings from its directors and executive officers in the format set out in Appendix 7.7 and has disclosed this confirmation in its announcement for the Unaudited Financial Statements for the First Quarter Ended 31 March 2016 released on 13 May 2016.

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2016**

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On behalf of the Board

Kuok Khoon Hong  
Chairman

Pua Seck Guan  
Chief Executive Officer

By Order of the Board

Sim Ai Hua  
Company Secretary  
8 November 2016

DBS Bank and Standard Chartered Bank acted as Joint Financial Advisers in relation to the reverse take-over of the Company which was completed on 27 October 2014.