



**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 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 ended 31.12.2016 S\$'000	3 months ended 31.12.2015 S\$'000	Change %	12 months ended 31.12.2016 S\$'000	12 months* ended 31.12.2015 S\$'000	Change %
Revenue	1	21,512	28,398	(24.2)	110,191	117,666	(6.4)
Cost of sales		(9,365)	(8,817)	6.2	(41,198)	(35,473)	16.1
<b>Gross Profit</b>		<b>12,147</b>	<b>19,581</b>	<b>(38.0)</b>	<b>68,993</b>	<b>82,193</b>	<b>(16.1)</b>
Other income	2	29,054	47,717	(39.1)	36,316	57,069	(36.4)
Administrative expenses		(3,772)	(6,495)	(41.9)	(26,233)	(25,989)	0.9
Other operating expenses		(9)	(6)	50.0	(23)	(26)	(11.5)
<b>Results from operating activities</b>		<b>37,420</b>	<b>60,797</b>	<b>(38.5)</b>	<b>79,053</b>	<b>113,247</b>	<b>(30.2)</b>
Finance income	3	11,660	3,532	230.1	16,349	5,648	189.5
Finance costs	4	(26,367)	(21,095)	25.0	(73,662)	(64,070)	15.0
<b>Net finance costs</b>		<b>(14,707)</b>	<b>(17,563)</b>	<b>(16.3)</b>	<b>(57,313)</b>	<b>(58,422)</b>	<b>(1.9)</b>
Share of results of associates and joint ventures, net of tax	5	13,320	22,589	(41.0)	32,178	31,230	3.0
<b>Profit before tax</b>		<b>36,033</b>	<b>65,823</b>	<b>(45.3)</b>	<b>53,918</b>	<b>86,055</b>	<b>(37.3)</b>
Tax expense	6	(5,146)	(10,453)	(50.8)	(8,533)	(14,776)	(42.3)
<b>Profit for the period/year</b>		<b>30,887</b>	<b>55,370</b>	<b>(44.2)</b>	<b>45,385</b>	<b>71,279</b>	<b>(36.3)</b>
<b>Profit for the period/year attributable to:-</b>							
Owners of the Company		25,562	41,107	(37.8)	35,053	58,072	(39.6)
Non-controlling interests		5,325	14,263	(62.7)	10,332	13,207	(21.8)
		<b>30,887</b>	<b>55,370</b>	<b>(44.2)</b>	<b>45,385</b>	<b>71,279</b>	<b>(36.3)</b>

Notes: In 2015, the Company has changed its financial year end from 30 June to 31 December (please refer to the announcement reference no. SG151009OTHRU1B dated 9 October 2015).

\* Unaudited 12-months results presented for comparison purposes.

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

**Explanatory Notes to the Consolidated Income Statement 4Q 2016 versus 4Q 2015**

**(1) Revenue**

The Group's revenue for the quarter ended 31 December 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 decrease in revenue in 4Q 2016 was mainly due to lower rental revenue from TripleOne Somerset as expiring leases were not renewed as the property commenced asset enhancement works since 2Q 2016. (Please see item 8 for details.)

**(2) Other income**

	<b>3 months ended 31.12.2016</b>	<b>3 months ended 31.12.2015</b>	<b>Change</b>	<b>12 months ended 31.12.2016</b>	<b>12 months ended 31.12.2015</b>	<b>Change</b>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income comprises:						
Investment income	(48)	167	(128.7)	3,689	274	Nm
Foreign exchange gain (net)	4,443	1,821	144.0	7,031	5,434	29.4
Other income	250	904	(72.3)	1,187	6,536	(81.8)
Fair value gains	24,409	44,825	(45.5)	24,409	44,825	(45.5)
<b>Total</b>	<b>29,054</b>	<b>47,717</b>		<b>36,316</b>	<b>57,069</b>	

Nm: denotes not meaningful

The decrease in 4Q 2016's and FY2016's other income was mainly due to the lower fair value gain on revaluation of an investment property held by a subsidiary.

**(3) Finance income**

The increase in finance income in 4Q 2016 and FY 2016 was mainly due to higher interest income on increase loans to associates and joint ventures, and interest income from junior bonds issued by an associate.

**(4) Finance costs**

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

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

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

The decrease in 4Q 2016 was mainly due to fair value loss on revaluation of Shenyang Red Star Macalline Furniture Mall, the retail and hotel components of the Capitol project as well as provision for impairment of Eden Residences Capitol. This is offset by our share of fair value gain on the revaluation of Chengdu East High Speed Railway Integrated Development Plot D2 ("Chengdu Plot D2").

**(6) Tax expense**

The decrease in 4Q 2016 was mainly attributable to lower chargeable profits and lower deferred tax on fair value gains compared to 4Q 2015.

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

	Note	3 months 31.12.2016 S\$'000	3 months 31.12.2015 S\$'000	Change %	12 months 31.12.2016 S\$'000	12 months 31.12.2015 S\$'000	Change %
<b>Profit for the period/year</b>		<b>30,887</b>	<b>55,370</b>	(44.2)	<b>45,385</b>	<b>71,279</b>	(36.3)
<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		(2,178)	(174)	Nm	4,990	(174)	Nm
Foreign currency translation gains/(losses) relating to foreign operations, net of tax	1	107,838	(109,647)	(198.4)	(147,285)	4,688	Nm
Foreign currency translation (losses)/gains on monetary items forming part of net investments in foreign operations, net of tax		(1,739)	(61)	Nm	(2,657)	207	Nm
Other comprehensive income for the period, net of tax		103,921	(109,882)	(194.6)	(144,952)	4,721	Nm
<b>Total comprehensive income for the period/year</b>		<b>134,808</b>	<b>(54,512)</b>	Nm	<b>(99,567)</b>	<b>76,000</b>	Nm
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		102,545	(43,253)	Nm	(69,978)	64,634	Nm
Non-controlling interests		32,263	(11,259)	Nm	(29,589)	11,366	Nm
<b>Total comprehensive income for the period/year</b>		<b>134,808</b>	<b>(54,512)</b>	Nm	<b>(99,567)</b>	<b>76,000</b>	Nm

Nm: denotes not meaningful

Note:

- (1) The movement during this quarter is in respect of the Group's net assets which are denominated in RMB, whereby the RMB has appreciated against SGD by approximately 2.5% during the quarter. However, on a 12-month period, the RMB depreciated against SGD by approximately 3.9%.

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

	Note	Group			Company		
		31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Plant and equipment		1,624	2,106	(22.9)	-	-	-
Investment properties	1	1,371,972	2,290,806	(40.1)	-	-	-
Subsidiaries		-	-	-	2,742,725	2,414,374	13.6
Associates and joint ventures		1,993,529	1,975,113	0.9	-	-	-
Intangible assets		83,553	88,104	(5.2)	-	-	-
Other financial assets		67,214	53,956	24.6	67,214	48,037	39.9
Other receivables		15,786	15,401	2.5	-	-	-
		<b>3,533,678</b>	<b>4,425,486</b>	<b>(20.2)</b>	<b>2,809,939</b>	<b>2,462,411</b>	<b>14.1</b>
<b>Current assets</b>							
Development properties	1	2,757,943	1,756,442	57.0	-	-	-
Trade and other receivables	2	528,493	106,310	397.1	78,546	52,511	49.6
Cash and cash equivalents		226,243	162,030	39.6	4,963	26,545	(81.3)
		<b>3,512,679</b>	<b>2,024,782</b>	<b>73.5</b>	<b>83,509</b>	<b>79,056</b>	<b>5.6</b>
<b>Total assets</b>		<b>7,046,357</b>	<b>6,450,268</b>	<b>9.2</b>	<b>2,893,448</b>	<b>2,541,467</b>	<b>13.8</b>
<b>Non-current liabilities</b>							
Loans and borrowings	3	1,892,456	1,741,404	8.7	605,578	297,326	103.7
Junior bonds		143,977	143,924	Nm	-	-	-
Redeemable preference shares		47,613	47,613	-	-	-	-
Trade and other payables		33,932	35,374	(4.1)	-	-	-
Deferred tax liabilities		61,375	59,394	3.3	-	-	-
		<b>2,179,353</b>	<b>2,027,709</b>	<b>7.5</b>	<b>605,578</b>	<b>297,326</b>	<b>103.7</b>
<b>Current liabilities</b>							
Loans and borrowings	3	823,062	170,256	383.4	29,125	-	Nm
Trade and other payables		257,111	364,693	(29.5)	21,996	21,455	2.5
Current tax liabilities		4,915	5,217	(5.8)	-	-	-
		<b>1,085,088</b>	<b>540,166</b>	<b>100.9</b>	<b>51,121</b>	<b>21,455</b>	<b>138.3</b>
<b>Total liabilities</b>		<b>3,264,441</b>	<b>2,567,875</b>	<b>27.1</b>	<b>656,699</b>	<b>318,781</b>	<b>106.0</b>
<b>Net assets</b>		<b>3,781,916</b>	<b>3,882,393</b>	<b>(2.6)</b>	<b>2,236,749</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		439,756	448,658	(2.0)	7,764	1,623	378.4
Foreign currency translation reserve		(39,255)	70,766	(155.5)	-	-	-
Retained earnings		107,833	79,402	35.8	20,718	25,690	(19.4)
<b>Equity attributable to owners of the Company</b>		<b>2,716,601</b>	<b>2,794,199</b>	<b>(2.8)</b>	<b>2,236,749</b>	<b>2,222,686</b>	<b>0.6</b>
Non-controlling interests		1,065,315	1,088,194	(2.1)	-	-	-
<b>Total equity</b>		<b>3,781,916</b>	<b>3,882,393</b>	<b>(2.6)</b>	<b>2,236,749</b>	<b>2,222,686</b>	<b>0.6</b>

Nm: denotes not meaningful

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

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

**(1) 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) Trade and other receivables**

The increase is mainly attributable to the shareholder's loan to Capitol Singapore of S\$305 million which is due in 2017.

**(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. The increase in current loans and borrowings is due to the reclassification of loans due in 2017.

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

	<b>Group</b>		
	<b>As at 31.12.2016 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	703,062	70,376	Nm
Unsecured <sup>(1)</sup>	120,000	99,880	20.1
	<b>823,062</b>	<b>170,256</b>	<b>383.4</b>
<b><u>Amount repayable after one year:</u></b>			
Secured	1,043,495	1,146,424	(9.0)
Unsecured <sup>(1)</sup>	848,961	594,980	42.7
	<b>1,892,456</b>	<b>1,741,404</b>	<b>8.7</b>
<b>Total borrowings <sup>(2)</sup></b>	<b>2,715,518</b>	<b>1,911,660</b>	<b>42.1</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 in 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 on 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 on 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>31.12.2016</b> S\$'000	<b>3 months</b> <b>31.12.2015</b> S\$'000	<b>12 months</b> <b>31.12.2016</b> S\$'000	<b>12 months</b> <b>31.12.2015</b> S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period/year	30,887	55,370	45,385	71,279
Adjustments for:				
Depreciation of plant and equipment	174	263	758	978
Amortisation of intangible assets	651	706	2,604	2,824
Written off of intangible assets	-	-	1,947	-
Provision for bad debts	155	676	155	676
Bad debt written-off	62	37	62	37
Change in fair value of investment properties	(24,409)	(44,825)	(24,409)	(44,825)
Foreign currency exchange gain (net)	(4,443)	(1,821)	(7,031)	(5,434)
Net finance costs	14,707	17,563	57,313	58,422
Share of results of associates and joint ventures, net of tax	(13,320)	(22,589)	(32,178)	(31,230)
Gain on disposal other financial assets	-	-	(273)	-
Loss on disposal of an associate	-	-	62	-
Equity-settled share-based payment transactions	273	500	1,483	1,733
Tax expense	5,146	10,453	8,533	14,776
	<b>9,883</b>	<b>16,333</b>	<b>54,411</b>	<b>69,236</b>
<b>Changes in:</b>				
- Development properties	(46,331)	(18,289)	(78,858)	(21,886)
- Trade and other receivables	(48)	58,822	(12,310)	6,185
- Trade and other payables	(111,099)	(202,922)	(36,945)	(149,764)
Cash flows used in operations	(147,595)	(146,056)	(73,702)	(96,229)
Taxes (paid)/refund	(485)	812	(4,673)	(2,875)
<b>Net cash used in operating activities</b>	<b>(148,080)</b>	<b>(145,244)</b>	<b>(78,375)</b>	<b>(99,104)</b>
<b>Cash flows from investing activities</b>				
Interest received	3,192	86	8,505	334
Acquisition of subsidiaries, net of cash acquired	-	-	-	(11,148)
Acquisition of plant and equipment	(127)	(511)	(316)	(1,252)
Development expenditure - investment properties	(333)	(58,210)	(65,053)	(116,572)
Dividends from an associate	186	-	443	-
Repayment from/(loan to) associates and joint ventures	14,669	(17,205)	(295,592)	(31,094)
Investment in associates and joint ventures	(61,752)	-	(101,382)	(113,818)
Other investments	(1,140)	(48,645)	(20,916)	(48,645)
Proceeds from disposal of other investments	-	-	3,871	-
Proceeds from disposal of plant and equipment	-	-	3	-
Dividends from other investments	1,018	-	4,075	-
<b>Net cash used in investing activities</b>	<b>(44,287)</b>	<b>(124,485)</b>	<b>(466,362)</b>	<b>(322,195)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(6,622)	-
Dividends paid to non-controlling interests	-	(880)	(856)	(880)
Proceeds from loans and borrowings	516,428	538,512	1,369,598	968,197
Payment of upfront debt arrangement costs	-	(566)	(12,207)	(4,236)
Repayment of loans and borrowings	(244,472)	(190,288)	(686,983)	(420,734)
Loan from joint venture	9,255	-	33,125	-
Loan from non-controlling interest	-	-	995	-
Capital injection by non-controlling interests	-	3,214	5,099	3,214
Interest paid	(22,947)	(21,957)	(93,730)	(67,815)
<b>Net cash from financing activities</b>	<b>258,264</b>	<b>328,035</b>	<b>608,419</b>	<b>477,746</b>
<b>Net increase in cash and cash equivalents</b>	<b>65,897</b>	<b>58,306</b>	<b>63,682</b>	<b>56,447</b>
Cash and cash equivalents at beginning of the period/year	155,494	104,950	162,030	106,809
Effect of exchange rate changes on cash balances held in foreign currencies	4,852	(1,226)	531	(1,226)
<b>Cash and cash equivalents at end of the period/year</b>	<b>226,243</b>	<b>162,030</b>	<b>226,243</b>	<b>162,030</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 October 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>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	25,562	25,562	5,325	30,887
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	(2,178)	-	-	(2,178)	-	(2,178)
Foreign currency translation gains relating to foreign operations, net of tax	-	-	80,900	-	80,900	26,938	107,838
Foreign currency translation losses on monetary items, net of tax	-	-	(1,739)	-	(1,739)	-	(1,739)
Total other comprehensive income	-	(2,178)	79,161	-	76,983	26,938	103,921
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,178)</b>	<b>79,161</b>	<b>25,562</b>	<b>102,545</b>	<b>32,263</b>	<b>134,808</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	273	-	-	273	-	273
<b>Total transactions with owners</b>	<b>-</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>-</b>	<b>273</b>
<b>At 31 December 2016</b>	<b>2,208,267</b>	<b>439,756</b>	<b>(39,255)</b>	<b>107,833</b>	<b>2,716,601</b>	<b>1,065,315</b>	<b>3,781,916</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 S\$'000</b>	<b>Other reserves<sup>(1)</sup> S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
<b>At 1 October 2016</b>	2,208,267	10,001	18,313	2,236,581
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	2,405	2,405
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	(2,510)	-	(2,510)
Total other comprehensive income	-	(2,510)	-	(2,510)
<b>Total comprehensive income for the period</b>	-	(2,510)	2,405	(105)
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	273	-	273
<b>Total transactions with owners</b>	-	273	-	273
<b>At 31 December 2016</b>	<b>2,208,267</b>	<b>7,764</b>	<b>20,718</b>	<b>2,236,749</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 October 2015</b>	2,195,373	470,123	154,952	38,295	2,858,743	1,088,312	3,947,055
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	41,107	41,107	14,263	55,370
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	(174)	-	-	(174)	-	(174)
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(84,125)	-	(84,125)	(25,522)	(109,647)
Foreign currency translation losses on monetary items, net of tax	-	-	(61)	-	(61)	-	(61)
Total other comprehensive income	-	(174)	(84,186)	-	(84,360)	(25,522)	(109,882)
<b>Total comprehensive income for the period</b>	-	(174)	(84,186)	41,107	(43,253)	(11,259)	(54,512)
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Capital injection by non-controlling interests	-	-	-	-	-	3,214	3,214
Dividend to non-controlling shareholders of subsidiary	-	-	-	-	-	(880)	(880)
Acquisition of investments	-	(12,977)	-	-	(12,977)	-	(12,977)
Share-based payment transactions	-	466	-	-	466	27	493
Non-reciprocal capital contribution made to a non-wholly owned subsidiary	-	(8,780)	-	-	(8,780)	8,780	-
<b>Total transactions with owners</b>	-	(21,291)	-	-	(21,291)	11,141	(10,150)
<b>At 31 December 2015</b>	<b>2,195,373</b>	<b>448,658</b>	<b>70,766</b>	<b>79,402</b>	<b>2,794,199</b>	<b>1,088,194</b>	<b>3,882,393</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 October 2015</b>	2,195,373	1,232	(17,272)	2,179,333
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	42,962	42,962
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	(109)	-	(109)
Total other comprehensive income	-	(109)	-	(109)
<b>Total comprehensive income for the period</b>	-	(109)	42,962	42,853
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payments transactions	-	500	-	500
<b>Total transactions with owners</b>	-	500	-	500
<b>At 31 December 2015</b>	<b>2,195,373</b>	<b>1,623</b>	<b>25,690</b>	<b>2,222,686</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 01.10.2016	1,665,144
Issue of shares	-
In issue at 31.12.2016	1,665,144

Outstanding Options under Perennial Employee Share Options Scheme 2014

	<b>No. of Share Options (‘000)</b>
As at 01.10.2016	17,760
Exercised	-
Lapsed/Cancelled	(880)
As at 31.12.2016	16,880

The number of outstanding exercisable options represents 1.01% of the total number of shares issued as at 31 December 2016 (31 December 2015: 1.25% of issued shares of 1,655,468,453).

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

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

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

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

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

Not applicable.

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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 31.12.2016	3 months 31.12.2015	12 months 31.12.2016	12 months 31.12.2015
Profit for the period attributable to Owners of the Company (S\$'000)	25,562	41,107	35,053	58,072
Weighted average number of shares for the period ('000)				
- Basic	1,672,086	1,655,468	1,659,645	1,551,230
- Diluted	1,672,086	1,655,468	1,659,645	1,551,230
<b>EPS (cents)</b>				
- Basic	1.53	2.48	2.11	3.74
- Diluted	1.53	2.48	2.11	3.74

**7 Net Asset Value per Share**

	Group		Company	
	31.12.2016 S\$/share	31.12.2015 S\$/share	31.12.2016 S\$/share	31.12.2015 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.631	1.688	1.343	1.343

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**8 Review of the Performance**

	<b>3 months ended 31.12.2016</b>	<b>3 months ended 31.12.2015</b>	<b>Change</b>	<b>12 months ended 31.12.2016</b>	<b>12 months ended 31.12.2015</b>	<b>Change</b>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	21,512	28,398	(24.2)	110,191	117,666	(6.4)
Share of results of associates and joint ventures, net of tax	13,320	22,589	(41.0)	32,178	31,230	3.0
Earnings before interest and tax ("EBIT")	50,740	83,386	(39.2)	111,231	144,477	(23.0)
Net finance costs	(14,707)	(17,563)	(16.3)	(57,313)	(58,422)	(1.9)
<b>Profit before tax</b>	<b>36,033</b>	<b>65,823</b>	<b>(45.3)</b>	<b>53,918</b>	<b>86,055</b>	<b>(37.3)</b>
<b>Profit for the period attributable to the owners of the Company ("PATMI")</b>	<b>25,562</b>	<b>41,107</b>	<b>(37.8)</b>	<b>35,053</b>	<b>58,072</b>	<b>(39.6)</b>

**4Q 2016 vs 4Q 2015**

The Group achieved a revenue of S\$21.5 million and a PATMI of S\$25.6 million for the fourth quarter ended 31 December 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 decrease in revenue was mainly due to lower rental revenue from TripleOne Somerset as expiring leases were not renewed as the property has commenced asset enhancement works since 2Q 2016.

Singapore assets contributed revenue of approximately S\$9.1 million, representing 42.2% (4Q 2015: S\$15.2 million, representing 53.4%) of the Group's revenue. The operational assets in China contributed revenue of S\$8.4 million, which represents 39.1% (4Q 2015: S\$7.7 million, representing 27.0%) of the Group's revenue. The remaining 18.7% (4Q 2015: 19.6%) of the Group's revenue came from the fee-based management businesses.

**EBIT**

The Group achieved S\$50.7 million of EBIT in 4Q 2016 (4Q 2015: S\$83.4 million). The EBIT was largely driven by net fair value gains on revaluation of investment properties held through subsidiaries and joint ventures. However, total net fair value gains in 4Q 2016 is lower than 4Q 2015. Other than lower net fair value gains, the total EBIT decreased as compared to last year same period due to the provision for impairment of Eden Residences and lower operating results from joint ventures .

**PATMI**

The decrease in PATMI as compared to 4Q 2015 was mainly due to lower share of operating results from joint ventures, lower net fair value gains on revaluation of investment properties and the provision for impairment of Eden Residences.



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

**12M 2016 vs 12M 2015**

The Group achieved a revenue of S\$110.2 million (12M 2015: S\$117.7 million) and a PATMI of S\$35.1 million (12M 2015: S\$58.1 million) for the twelve months ended 31 December 2016.

**Revenue**

Revenue for 12M 2016 was marginally lower than 12M 2015 due to the absence of acquisition fee of AXA Tower earned in 2015 and lower rental revenue from TripleOne Somerset as the property has commenced its asset enhancement works for strata sale. This is partially mitigated by strata sales of office units in TripleOne Somerset.

Singapore assets' revenue was 4.3% lower than 12M 2015, on account of lower rental revenue from TripleOne Somerset partially offset by the strata sale revenue earned. China assets, on the other hand, registered 12.4% 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, the fee revenue improved over last year due to project management fees.

**EBIT**

For 12M 2016, the Group achieved S\$111.2 million of EBIT. The decrease was mainly due to the absence of the acquisition fee of AXA Tower, lower operating results from joint ventures, write-off of intangible assets of S\$1.9 million and an impairment provision for Eden Residences. Included in the EBIT is a net fair value gain of S\$52.7 million from the revaluation of Perennial International Health and Medical Hub, Chengdu East High Speed Railway Integrated Development Plot D2 offset by revaluation loss for Shenyang Red Star Macalline Furniture Mall and the retail and hotel components of the Capitol project.

**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 higher interest income from loan to associates and junior bonds interest income from an associate company. As at 31 December 2016, the Group's net debt-to-equity ratio stood at 0.66 times (31 Dec 2015 : 0.45x).

**PATMI**

Overall, the Group achieved a PATMI of S\$35.1 million for the twelve months ended 31 December 2016. The decrease in PATMI was due to the lower revenue, impairment provision, write-off of intangible assets and higher financing expenses.

**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 and recovery is likely to be slow-paced. The Group anticipates challenges in near term due to slower growth and lacklustre business environment. The Group will continue to focus on expanding a stable base of recurring income while remaining diligent on execution of development assets. The Group's diversified portfolio which comprises prime and iconic properties mainly in Singapore and China, which are well connected to public transportation, are expected to be resilient.

Singapore

According to advance estimates by the Ministry of Trade and Industry, the Singapore economy grew 1.8% on a year-on-year basis in 4Q 2016, an improvement over the 1.2% growth in the previous quarter. For the whole of 2016, the economy grew 1.8%, higher than the earlier GDP growth forecast of 1.0% to 1.5%.

The Group completed the acquisition of an additional 40% interest in Perennial Chinatown Point Limited Liability ("PCP LLP") Partnership, which owns Chinatown Point Mall, on 22 December 2016. The acquisition presented an opportunity for the Group to increase its effective interest in PCP LLP from 5.15% to 45.15% which will further boost its stream of recurring income.

On 26 January 2017, the Group announced the proposed divestment of a 20.2% equity stake in Perennial Somerset Investors Pte Ltd ("PSIPL"), which owns TripleOne Somerset. The Group, through its wholly owned subsidiary, held a 50.2% equity stake in PSIPL. Post divestment of the 20.2% stake, the Group will retain 30% stake and is expected to record a divestment gain of approximately S\$34.3 million and the retained stake will be remeasured at fair value. The proceeds from the divestment will be used to fund existing and future investments.

China

In 2016, China's GDP grew 6.7% year-on-year which is in line with the central government's target and market's expectations.

Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu with their strong occupancy rates will continue to contribute to the stability of the Group's rental revenue.

Capital management

In December 2016, the US Federal Reserve raised its target for short-term interest rates by 25 basis points, with further interest rate hikes anticipated in 2017. The Group has about 30% of its total borrowings on fixed interest rates. The Group's weighted average interest rate remained stable at around 3.3% per annum. The Group has started on the refinancing of the loans that are coming due in 2017 and will continue to actively monitor its interest rate and exchange rate exposure and remain vigilant to changes in the macro environment that may impact its financing plans.

Update on application for court winding up of Capitol Entities

On 14 April 2016, the Group announced that it has filed applications for its associated companies, namely, Capitol Investment Holdings Pte Ltd, Capitol Retail Management Pte Ltd and Capitol Hotel Management Pte Ltd (collectively, the "Capitol Entities") to be wound up by the Court. The Court has heard the winding up applications on 3 and 20 January 2017 respectively and had reserved judgement at the end of the hearing. The Company will update as and when there is material development.

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**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 (one-tier).

**(d) Date Payable**

19 May 2017

**(e) Books Closure Date**

5 May 2017

**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 2016	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	58,998	30,904	20,153	136	-	110,191
Inter-segment	-	-	14,710	13,137	(27,847)	-
<b>Total revenue</b>	<b>58,998</b>	<b>30,904</b>	<b>34,863</b>	<b>13,273</b>	<b>(27,847)</b>	<b>110,191</b>
Segment results	31,369	35,959	18,534	(3,109)	(3,700)	79,053
Share of results of associates and joint ventures, net of tax	(13,738)	46,029	-	(113)	-	32,178
Net finance costs	(30,891)	(21,251)	1,090	(7,513)	1,252	(57,313)
<b>Profit before tax</b>						<b>53,918</b>
Tax expense						(8,533)
<b>Profit for the year</b>						<b>45,385</b>

12M 2015	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	61,674	27,496	26,771	1,725	-	117,666
Inter-segment	-	-	12,268	11,837	(24,105)	-
<b>Total revenue</b>	<b>61,674</b>	<b>27,496</b>	<b>39,039</b>	<b>13,562</b>	<b>(24,105)</b>	<b>117,666</b>
Segment results	47,998	54,029	21,481	25,069	(35,330)	113,247
Share of results of associates and joint ventures, net of tax	15,231	16,029	24	(54)	-	31,230
Net finance costs	(34,171)	(19,535)	12	(1,671)	(3,057)	(58,422)
<b>Profit before tax</b>						<b>86,055</b>
Tax expense						(14,776)
<b>Profit for the period</b>						<b>71,279</b>

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**15 Breakdown of Group's revenue and profit after tax**

	12 months ended 31.12.2016 S\$'000	12 months ended 31.12.2015 S\$'000	Increase/ (Decrease) %
Revenue			
- first half year	53,574	66,351	(19.3)
- second half year	56,617	51,315	10.3
<b>Full year revenue</b>	<b>110,191</b>	<b>117,666</b>	
Profit after tax before non-controlling interests ("PAT")			
- first half year	14,466	11,886	21.7
- second half year	30,919	59,393	(47.9)
<b>Full year PAT</b>	<b>45,385</b>	<b>71,279</b>	

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

The Directors are pleased to propose a first and final ordinary dividend of 0.4 cents per share for the financial year ended 31 December 2016, subject to shareholders' approval.

Name of Dividend	Current financial year ended 31.12.2016	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share	0.4 cents	0.4 cents
<b>Annual Dividend (S\$'000)</b>	6,661	6,661

Name of Dividend	Previous financial period ended 31.12.2015	
	Ordinary	Total
Type of Dividend	Cash	Cash
Dividend per share	0.4 cents	0.4 cents
<b>Annual Dividend (S\$'000)</b>	6,622	6,622

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2016. The actual dividend payment can only be determined on books closure date.

**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 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.

**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  
8 February 2017