



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017**

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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 54 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.

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

		<b>3 months ended 30.06.2017</b>	<b>3 months ended 30.06.2016</b>	<b>Change</b>	<b>6 months ended 30.06.2017</b>	<b>6 months ended 30.06.2016</b>	<b>Change</b>
	<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	1	17,852	24,088	(25.9)	38,081	53,574	(28.9)
Cost of sales	2	(4,923)	(6,936)	(29.0)	(12,937)	(14,980)	(13.6)
<b>Gross Profit</b>		<b>12,929</b>	<b>17,152</b>	<b>(24.6)</b>	<b>25,144</b>	<b>38,594</b>	<b>(34.8)</b>
Other income	3	46,545	3,427	Nm	103,211	6,688	Nm
Administrative expenses		(6,218)	(6,866)	(9.4)	(12,745)	(15,847)	(19.6)
Other operating expenses	4	(621)	(3)	Nm	(2,225)	(9)	Nm
<b>Results from operating activities</b>		<b>52,635</b>	<b>13,710</b>	<b>283.9</b>	<b>113,385</b>	<b>29,426</b>	<b>285.3</b>
Finance income	5	4,498	1,329	238.4	8,367	2,476	237.9
Finance costs	6	(14,542)	(16,140)	(9.9)	(34,386)	(29,948)	14.8
<b>Net finance costs</b>		<b>(10,044)</b>	<b>(14,811)</b>	<b>(32.2)</b>	<b>(26,019)</b>	<b>(27,472)</b>	<b>(5.3)</b>
Share of results of associates and joint ventures, net of tax		4,429	4,916	(9.9)	5,127	15,230	(66.3)
<b>Profit before tax</b>		<b>47,020</b>	<b>3,815</b>	<b>Nm</b>	<b>92,493</b>	<b>17,184</b>	<b>438.3</b>
Tax expense	7	(12,551)	(1,418)	Nm	(18,714)	(2,718)	Nm
<b>Profit for the period</b>		<b>34,469</b>	<b>2,397</b>	<b>Nm</b>	<b>73,779</b>	<b>14,466</b>	<b>410.0</b>
<b>Profit for the period attributable to:-</b>							
Owners of the Company		17,124	594	Nm	55,786	9,066	Nm
Non-controlling interests		17,345	1,803	Nm	17,993	5,400	233.2
		<b>34,469</b>	<b>2,397</b>	<b>Nm</b>	<b>73,779</b>	<b>14,466</b>	<b>410.0</b>

Nm: denotes not meaningful

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

**Explanatory Notes to the Consolidated Income Statement 2Q 2017 versus 2Q 2016**

**(1) Revenue**

Revenue for the quarter comprised mainly rental income from CHIJMES, Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu.

The decrease in revenue in 2Q 2017 was attributable to lower project management fees as well as the absence of revenue from TripleOne Somerset as a result of the deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. The retained 30% equity stake in TripleOne Somerset is classified as an associate to the Group. The decrease was partially offset by a one-off divestment fee received in respect of TripleOne Somerset. (Please see item 8 for details.)

**(2) Cost of sales**

The decrease in cost of sales was in line with the absence of revenue from TripleOne Somerset as a result of the deconsolidation.

**(3) Other income**

	<b>3 months ended 30.06.2017</b>	<b>3 months ended 30.06.2016</b>	<b>Change</b>	<b>6 months ended 30.06.2017</b>	<b>6 months ended 30.06.2016</b>	<b>Change</b>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income comprises:						
Investment income	940	1,008	(6.7)	1,868	2,861	(34.7)
Foreign exchange gain (net)	-	2,141	(100.0)	-	3,029	(100.0)
Other income	139	278	(50.0)	207	798	(74.1)
Divestment and remeasurement gains	-	-	Nm	55,670	-	Nm
Fair value gain	45,466	-	Nm	45,466	-	Nm
<b>Total</b>	<b>46,545</b>	<b>3,427</b>		<b>103,211</b>	<b>6,688</b>	

Nm: denotes not meaningful

The increase in 2Q 2017's other income was mainly on account of the fair value gain of S\$45.5 million on a 100% basis arising from the revaluation of Xi'an North High Speed Railway Integrated Development Plot 4 ("Xi'an Plot 4"). Following a strategic review to hold Xi'an Plot 4 for long-term investment and to lease the various components of the integrated development for rental, the asset was reclassified as an 'Investment Property'. We are currently in discussion to lease the hotel component.

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

**(4) Other operating expenses**

The increase in other operating expenses mainly arose from foreign exchange losses due to the depreciation of USD against SGD during the quarter.

**(5) Finance income**

The finance income in 2Q 2017 was contributed mainly by interest income on loans extended to joint ventures and interest income from junior bonds issued by associates.

**(6) Finance costs**

Finance costs comprised mainly interest on bank facilities, medium term notes and retail bonds. The decrease was in line with the deconsolidation of TripleOne Somerset's debt, partially offset by interest incurred on drawdown of loans and borrowings to fund new investments.

**(7) Tax expense**

The increase in 2Q 2017's tax provision was due to deferred tax provided on fair value gain.

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

	Note	3 months 30.06.2017 S\$'000	3 months 30.06.2016 S\$'000	Change %	6 months 30.06.2017 S\$'000	6 months 30.06.2016 S\$'000	Change %
<b>Profit for the period</b>		<b>34,469</b>	<b>2,397</b>	Nm	<b>73,779</b>	<b>14,466</b>	410.0
<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		3,308	3,874	(14.6)	9,137	9,247	(1.2)
Foreign currency translation gains/(losses) relating to foreign operations, net of tax	1	6,977	(136,760)	(105.1)	(101,221)	(262,085)	(61.4)
Foreign currency translation (losses)/gains on monetary items forming part of net investments in foreign operations, net of tax		(12)	1,033	(101.2)	(530)	(750)	(29.3)
Total other comprehensive income		10,273	(131,853)	(107.8)	(92,614)	(253,588)	(63.5)
<b>Total comprehensive income for the period</b>		<b>44,742</b>	<b>(129,456)</b>	<b>(134.6)</b>	<b>(18,835)</b>	<b>(239,122)</b>	<b>(92.1)</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		25,967	(90,843)	(128.6)	(10,252)	(175,882)	(94.2)
Non-controlling interests		18,775	(38,613)	(148.6)	(8,583)	(63,240)	(86.4)
<b>Total comprehensive income for the period</b>		<b>44,742</b>	<b>(129,456)</b>	<b>(134.6)</b>	<b>(18,835)</b>	<b>(239,122)</b>	<b>(92.1)</b>

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 0.2% during the quarter. However, on a 6-month period, the RMB depreciated against SGD by approximately 2.4%.

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

	Note	Group			Company		
		30.06.2017	31.12.2016	Change	30.06.2017	31.12.2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Plant and equipment		1,698	1,624	4.6	195	-	-
Investment properties	1	1,682,320	1,371,972	22.6	-	-	-
Subsidiaries		-	-	-	2,698,558	2,742,725	(1.6)
Associates and joint ventures	2	2,152,488	1,993,529	8.0	-	-	-
Intangible assets		82,251	83,553	(1.6)	-	-	-
Other financial assets		82,916	67,214	23.4	76,177	67,214	13.3
Other receivables		17,241	15,786	9.2	-	-	-
		4,018,914	3,533,678	13.7	2,774,930	2,809,939	(1.2)
<b>Current assets</b>							
Development properties	1/2	1,540,704	2,757,943	(44.1)	-	-	-
Trade and other receivables		504,748	528,493	(4.5)	81,296	78,546	3.5
Cash and cash equivalents		189,438	226,243	(16.3)	5,569	4,963	12.2
		2,234,890	3,512,679	(36.4)	86,865	83,509	4.0
<b>Total assets</b>		6,253,804	7,046,357	(11.2)	2,861,795	2,893,448	(1.1)
<b>Non-current liabilities</b>							
Loans and borrowings	2	1,354,889	1,892,456	(28.4)	606,774	605,578	0.2
Junior bonds	2	30,000	143,977	(79.2)	-	-	-
Redeemable preference shares	2	-	47,613	(100.0)	-	-	-
Trade and other payables		31,155	33,932	(8.2)	-	-	-
Deferred tax liabilities	1	71,231	61,375	16.1	-	-	-
		1,487,275	2,179,353	(31.8)	606,774	605,578	0.2
<b>Current liabilities</b>							
Loans and borrowings	3	763,660	823,062	(7.2)	8,808	29,125	(69.8)
Trade and other payables		234,022	257,111	(9.0)	8,791	21,996	(60.0)
Current tax liabilities		8,914	4,915	81.4	-	-	-
		1,006,596	1,085,088	(7.2)	17,599	51,121	(65.6)
<b>Total liabilities</b>		2,493,871	3,264,441	(23.6)	624,373	656,699	(4.9)
<b>Net assets</b>		<b>3,759,933</b>	<b>3,781,916</b>	(0.6)	<b>2,237,422</b>	<b>2,236,749</b>	0.0
<b>Equity</b>							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		449,581	439,756	2.2	17,568	7,764	126.3
Foreign currency translation reserve		(114,429)	(39,255)	191.5	-	-	-
Retained earnings		156,958	107,833	45.6	11,587	20,718	(44.1)
<b>Equity attributable to owners of the Company</b>		2,700,377	2,716,601	(0.6)	2,237,422	2,236,749	0.0
Non-controlling interests		1,059,556	1,065,315	(0.5)	-	-	-
<b>Total equity</b>		<b>3,759,933</b>	<b>3,781,916</b>	(0.6)	<b>2,237,422</b>	<b>2,236,749</b>	0.0

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 / Deferred tax liabilities**

The increase in investment properties and part of the decrease in development properties was due to a reclassification of Xi'an Plot 4 from development properties to investment properties. The increase in deferred tax liabilities was due to the provision made on the resultant fair value gain.

**(2) Development properties / Long-term loans and borrowings / Junior bonds / Redeemable preference shares / Associates and joint ventures**

The reductions in development properties, long-term loans and borrowings, junior bonds and redeemable preference shares are a result of the deconsolidation of TripleOne Somerset following the divestment of a 20.2% equity stake on 31 March 2017. The retained 30% equity stake in TripleOne Somerset is classified as an associate to the Group, thereby contributing to the increase in associates and joint ventures.

**(3) Short-term loans and borrowings**

The decrease in short-term loans and borrowings is mainly due to reclassification of loan for CHIJMES to long-term as the loan has been refinanced to mature in 2022. This reduction is partially offset by the reclassification of medium term notes due in March 2018 to short-term borrowings.



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

	<b>Group</b>		
	<b>As at 30.06.2017 S\$'000</b>	<b>As at 31.12.2016 S\$'000</b>	<b>Change %</b>
<b><u>Amount repayable in one year or less, or on demand:</u></b>			
Secured	492,851	703,062	(29.9)
Unsecured <sup>(1)</sup>	270,809	120,000	125.7
	<b>763,660</b>	<b>823,062</b>	<b>(7.2)</b>
<b><u>Amount repayable after one year:</u></b>			
Secured	602,741	1,043,495	(42.2)
Unsecured <sup>(1)</sup>	752,148	848,961	(11.4)
	<b>1,354,889</b>	<b>1,892,456</b>	<b>(28.4)</b>
<b>Total borrowings <sup>(2)</sup></b>	<b>2,118,549</b>	<b>2,715,518</b>	<b>(22.0)</b>

Notes:

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

In July 2017, medium term notes of S\$100 million, at 3.85% p.a. due 2020 were issued by Perennial Treasury Pte Ltd, a subsidiary of the Group. To date, a total of S\$325 million of fixed rate notes were issued under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015, which is unconditionally and irrevocably guaranteed by the Company.

- (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**

	<b>3 months</b> <b>30.06.2017</b> S\$'000	<b>3 months</b> <b>30.06.2016</b> S\$'000	<b>6 months</b> <b>30.06.2017</b> S\$'000	<b>6 months</b> <b>30.06.2016</b> S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	34,469	2,397	73,779	14,466
Adjustments for:				
Depreciation of plant and equipment	134	197	286	401
Amortisation of intangible assets	651	651	1,302	3,249
Change in fair value of investment property	(45,466)	-	(45,466)	-
Foreign currency exchange loss/(gain) (net)	616	(2,141)	2,214	(3,029)
Net finance costs	10,044	14,811	26,019	27,472
Share of results of associates and joint ventures, net of tax	(4,429)	(4,916)	(5,127)	(15,230)
Gain on disposal of partial stake in a subsidiary	-	-	(35,519)	-
Gain on remeasurement of retained stake	-	-	(20,151)	-
Gain on disposal of other financial assets	-	(67)	-	(273)
Loss on disposal of an associate	-	-	-	62
Equity-settled share-based payment transactions	379	191	664	839
Tax expense	12,551	1,418	18,714	2,718
	<b>8,949</b>	<b>12,541</b>	<b>16,715</b>	<b>30,675</b>
<b>Changes in:</b>				
- Development properties	(58,187)	(26,203)	(81,366)	(29,346)
- Trade and other receivables	(7,017)	(100)	(7,535)	(1,397)
- Trade and other payables	9,741	27,055	11,257	62,083
Cash (used in)/generated from operations	(46,514)	13,293	(60,929)	62,015
Taxes paid	(2,228)	(2,668)	(2,832)	(3,060)
<b>Net cash (used in)/from operating activities</b>	<b>(48,742)</b>	<b>10,625</b>	<b>(63,761)</b>	<b>58,955</b>
<b>Cash flows from investing activities</b>				
Interest received	2,166	4,920	2,452	5,127
Acquisition of plant and equipment	(380)	(109)	(413)	(124)
Development expenditure - investment properties	(2,121)	(14,589)	(6,687)	(56,864)
Dividends from an associate	4,492	257	4,492	257
Loans to joint ventures	(3,909)	(598)	(11,424)	(306,098)
Investment in associates and joint ventures	(30,928)	(20,454)	(73,447)	(37,644)
Other investments	-	-	(6,843)	(13,918)
Proceeds from partial disposal of interests in subsidiary, net of cash disposed of	95,104	-	73,118	-
Proceeds from disposal of plant and equipment	-	3	-	3
Proceeds from disposal of other investments	-	67	-	3,871
Dividends from other investments	987	951	2,045	2,054
<b>Net cash from/(used in) investing activities</b>	<b>65,411</b>	<b>(29,552)</b>	<b>(16,707)</b>	<b>(403,336)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	(6,661)	(6,622)	(6,661)	(6,622)
Proceeds from loans and borrowings	105,929	367,502	157,639	688,046
Payment of upfront debt arrangement costs	(1,121)	(3,305)	(1,130)	(9,944)
Repayments of loans and borrowings	(65,739)	(266,800)	(66,146)	(267,220)
Loan from a joint venture	-	18,153	5,739	18,153
Capital injection by non-controlling interests	-	5,099	5,472	5,099
Interest paid	(24,490)	(32,213)	(48,768)	(49,093)
<b>Net cash from financing activities</b>	<b>7,918</b>	<b>81,814</b>	<b>46,145</b>	<b>378,419</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,587</b>	<b>62,887</b>	<b>(34,323)</b>	<b>34,038</b>
Cash and cash equivalents at beginning of the period	165,013	131,826	226,243	162,030
Effect of exchange rate changes on cash balances held in foreign currencies	(162)	(4,081)	(2,482)	(5,436)
<b>Cash and cash equivalents at end of the period</b>	<b>189,438</b>	<b>190,632</b>	<b>189,438</b>	<b>190,632</b>

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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 <sup>(1)</sup> S\$'000	Foreign currency translation reserve <sup>(2)</sup> S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>At 1 Apr 2017</b>	<b>2,208,267</b>	<b>445,894</b>	<b>(119,964)</b>	<b>146,495</b>	<b>2,680,692</b>	<b>1,040,781</b>	<b>3,721,473</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	17,124	17,124	17,345	34,469
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	3,308	-	-	3,308	-	3,308
Foreign currency translation gains relating to foreign operations, net of tax	-	-	5,547	-	5,547	1,430	6,977
Foreign currency translation losses on monetary items, net of tax	-	-	(12)	-	(12)	-	(12)
Total other comprehensive income	-	3,308	5,535	-	8,843	1,430	10,273
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>3,308</b>	<b>5,535</b>	<b>17,124</b>	<b>25,967</b>	<b>18,775</b>	<b>44,742</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	379	-	-	379	-	379
Dividends declared	-	-	-	(6,661)	(6,661)	-	(6,661)
<b>Total transactions with owners</b>	<b>-</b>	<b>379</b>	<b>-</b>	<b>(6,661)</b>	<b>(6,282)</b>	<b>-</b>	<b>(6,282)</b>
<b>At 30 June 2017</b>	<b>2,208,267</b>	<b>449,581</b>	<b>(114,429)</b>	<b>156,958</b>	<b>2,700,377</b>	<b>1,059,556</b>	<b>3,759,933</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 Apr 2017</b>	2,208,267	13,881	18,920	2,241,068
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	(672)	(672)
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	3,308	-	3,308
Total other comprehensive income	-	3,308	-	3,308
<b>Total comprehensive income for the period</b>	-	3,308	(672)	2,636
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	379	-	379
Dividends declared	-	-	(6,661)	(6,661)
<b>Total transactions with owners</b>	-	379	(6,661)	(6,282)
<b>At 30 June 2017</b>	<b>2,208,267</b>	<b>17,568</b>	<b>11,587</b>	<b>2,237,422</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 April 2016</b>	<b>2,195,373</b>	<b>446,256</b>	<b>(28,118)</b>	<b>87,874</b>	<b>2,701,385</b>	<b>1,072,002</b>	<b>3,773,387</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	594	594	1,803	2,397
<i>Other comprehensive income</i>							
Net change in fair value of available-for-sale financial assets	-	3,874	-	-	3,874	-	3,874
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(96,344)	-	(96,344)	(40,416)	(136,760)
Foreign currency translation gains on monetary items, net of tax	-	-	1,033	-	1,033	-	1,033
Total other comprehensive income	-	3,874	(95,311)	-	(91,437)	(40,416)	(131,853)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>3,874</b>	<b>(95,311)</b>	<b>594</b>	<b>(90,843)</b>	<b>(38,613)</b>	<b>(129,456)</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	-	128	-	-	128	63	191
Dividends declared	-	-	-	(6,622)	(6,622)	-	(6,622)
Capital injection by non-controlling interests	-	-	-	-	-	5,099	5,099
<b>Total transactions with owners</b>	<b>-</b>	<b>128</b>	<b>-</b>	<b>(6,622)</b>	<b>(6,494)</b>	<b>5,162</b>	<b>(1,332)</b>
<b>At 30 June 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>

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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 <sup>(1)</sup> S\$'000	Retained earnings S\$'000	Total S\$'000
<b>At 1 April 2016</b>	2,195,373	7,644	26,359	2,229,376
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	(899)	(899)
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	3,874	-	3,874
Total other comprehensive income	-	3,874	-	3,874
<b>Total comprehensive income for the period</b>	-	3,874	(899)	2,975
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	191	-	191
Dividends declared	-	-	(6,622)	(6,622)
<b>Total transactions with owners</b>	-	191	(6,622)	(6,431)
<b>At 30 June 2016</b>	<b>2,195,373</b>	<b>11,709</b>	<b>18,838</b>	<b>2,225,920</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.

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

Issued Share Capital

	No. of Shares ( '000)
In issue at 01.04.2017	1,665,144
Issue of shares	-
In issue at 30.06.2017	1,665,144

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

Outstanding Options under Perennial Employee Share Options Scheme 2014

	<b>No. of Share Options ('000)</b>
As at 01.04.2017	16,820
Granted	22,000
Exercised	-
Lapsed/Cancelled	(490)
As at 30.06.2017	<b>38,330</b>

On 12 May 2017, the Company granted 22,000,000 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 (“ESOS”). The number of outstanding options represents 2.30% of the total number of shares issued as at 30 June 2017 (30 June 2016: 1.11% of issued shares of 1,655,468,453). The options have a validity of 5 years from the date of grant and are vested over a vesting 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**

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.

**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 2016, except for the adoption of new/revised Financial Reporting Standards (“FRS”) applicable for the financial period beginning 1 January 2017 as follows:

Amendments to FRS 7 *Statement of Cash Flows*

Amendments to FRS 12 *Income Taxes*

Amendments to FRS 112 *Disclosure of Interests in Other Entities*

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

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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 30.06.2017	3 months 30.06.2016	6 months 30.06.2017	6 months 30.06.2016
Profit for the period attributable to owners of the Company (S\$'000)	17,124	594	55,786	9,066
Weighted average number of shares for the period ('000)				
- Basic	1,665,144	1,655,468	1,665,144	1,655,468
- Diluted	1,665,144	1,655,575	1,665,144	1,655,522
<b>EPS (cents)</b>				
- Basic	1.03	0.04	3.35	0.55
- Diluted	1.03	0.04	3.35	0.55

**7 Net Asset Value per Share**

	Group		Company	
	30.06.2017 S\$/share	31.12.2016 S\$/share	30.06.2017 S\$/share	31.12.2016 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.622	1.631	1.344	1.343

**8 Review of the Performance**

	3 months ended 30.06.2017	3 months ended 30.06.2016	Change	6 months ended 30.06.2017	6 months ended 30.06.2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	17,852	24,088	(25.9)	38,081	53,574	(28.9)
Share of results of associates and joint ventures, net of tax	4,429	4,916	(9.9)	5,127	15,230	(66.3)
Earnings before interest and tax ("EBIT")	57,064	18,626	206.4	118,512	44,656	165.4
Net finance costs	(10,044)	(14,811)	(32.2)	(26,019)	(27,472)	(5.3)
<b>Profit before tax</b>	<b>47,020</b>	<b>3,815</b>	Nm	<b>92,493</b>	<b>17,184</b>	438.3
<b>Profit for the period attributable to the owners of the Company ("PATMI")</b>	<b>17,124</b>	<b>594</b>	Nm	<b>55,786</b>	<b>9,066</b>	Nm



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

**2Q 2017 vs 2Q 2016**

The Group achieved a revenue of S\$17.9 million (2Q 2016: S\$24.1 million) and a PATMI of S\$17.1 million (2Q 2016: S\$0.6 million) for the quarter ended 30 June 2017.

**Revenue**

The main revenue contributors are CHIJMES in Singapore as well as Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China. Revenue for 2Q 2017 was 25.9% lower than same period last year due to lower project management fees as well as the absence of revenue from TripleOne Somerset as a result of the deconsolidation following the divestment of a 20.2% equity stake on 31 March 2017. The decrease was partially offset by a one-off divestment fee received in respect of TripleOne Somerset.

Singapore assets contributed revenue of approximately S\$3.6 million, representing 19.9% (2Q 2016: S\$13.4 million, representing 55.8%) of the Group's revenue. The operational assets in China contributed revenue of S\$7.8 million, which represents 43.5% (2Q 2016: S\$6.9 million, representing 28.8%) of the Group's revenue. The remaining 36.6% (2Q 2016: 15.4%) of the Group's revenue came from the fee-based management businesses.

**EBIT**

The Group achieved S\$57.1 million of EBIT in 2Q 2017 (2Q 2016: S\$18.6 million). The EBIT included a fair value gain of S\$45.5 million on a 100% basis arising from the revaluation of Xi'an North High Speed Railway Integrated Development Plot 4 ("Xi'an Plot 4"). Following a strategic review to hold Xi'an Plot 4 for long-term investment and to lease the various components of the integrated development for rental, the asset was reclassified as an 'Investment Property'. We are currently in discussion to lease the hotel component. The increase in EBIT was partially offset by lower share of results and foreign exchange loss.

**PATMI**

The increase in PATMI was contributed by the fair value gain from Xi'an Plot 4 and lower interest expenses, but partially offset by higher tax expenses in respect of the fair value gain.

**1H 2017 vs 1H 2016**

The Group achieved a revenue of S\$38.1 million and a PATMI of S\$55.8 million for the half year ended 30 June 2017.

**Revenue**

Revenue for 1H 2017 was comparatively lower than 1H 2016 for the same reasons mentioned above. Singapore assets' revenue was 51.3% lower than 1H 2016, on account of the deconsolidation of TripleOne Somerset following the divestment of a 20.2% equity stake. China assets, on the other hand, registered 5.2% higher revenue which was mainly attributable to higher revenue recorded by Perennial Qingyang Mall, Chengdu.

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

**EBIT**

For 1H 2016, the Group achieved S\$118.5 million of EBIT, which was 165.4% higher than 1H 2016. The EBIT was largely driven by the gain from the divestment of partial stake in TripleOne Somerset of S\$55.7 million and fair value gain of S\$45.5 million from the revaluation of Xi'an Plot 4 upon the reclassification of the property to investment property.

**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 slightly lower than last year same period as higher interest expenses on increased borrowings were offsetted by higher interest income. The interest income came from loan to an associate and junior bonds issued by associated companies. As at 30 June 2017, the Group's net debt-to-equity ratio stood at 0.51 times (31 Dec 2016: 0.66x). The improved debt-to-equity ratio is attributable to the deconsolidation of TripleOne Somerset following the divestment of a 20.2% stake on 31 March 2017 as well as proceeds from the divestment.

**PATMI**

Overall, the Group achieved a PATMI of S\$55.8 million for the half year ended 30 June 2017, which included a fair value gain of S\$16.6 million and the gain from the divestment of partial stake in TripleOne Somerset in 1Q 2017.

**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

Singapore's economy grew 2.50% in 2Q 2017, which is the same as the previous quarter. The outlook for the second half of 2017 remains cautious with the full year 2017 growth forecast in the range of 1% to 3%.

The Group continues its focus on the strata sales and asset enhancement works of TripleOne Somerset and AXA Tower. In end-July 2017, Perennial and its consortium of investors announced that it is contemplating the enbloc sale of AXA Tower at no less than S\$1.65 billion, equivalent to about S\$2,150 sq ft based on its post-enhancement total strata area of about 767,358 sq ft. Taking into account the enhancement cost of S\$140 million that is fully debt-funded, which will be borne by the potential new owner, the post-enhancement strata value would be about S\$2,333 per sq ft.

On 13 July 2017, the Group led a consortium comprising Yanlord Land Group Limited as co-sponsor, and other consortium members to acquire a 33.5% stake in United Engineers Limited ("UEL"), which triggered a mandatory general offer for the shares. Concurrently the consortium acquired 10% of WBL Corporation Limited ("WBL") shares and may acquire another 19.9% stake in WBL subject to certain conditions. The transaction provides an opportunity for the Group to bring its skillsets to facilitate the unlocking of potential value in UEL for all stakeholders.

China

China has reported a growth rate of 6.9% in 2Q 2017 as industrial output picked up and investment remained strong.

The Group continues to work towards the opening of the Perennial International Health and Medical Hub ("PIHMH"), Chengdu and Chengdu Xiehe International Eldercare and Retirement Home ("Chengdu Xiehe Home"), located at Chengdu East High Speed Railway Integrated Development Plot D2 in 2H 2017.

The Group will also actively seek new opportunities to grow its healthcare management services.

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**11 Dividends**

**(a) Current financial period**

None

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

None

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

Not applicable

**(d) Date Payable**

Not applicable

**(e) Books Closure Date**

Not applicable

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

No dividend has been declared for the six months ended 30 June 2017.

**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.**

	Revenue					
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.06.2017	30.06.2016		30.06.2017	30.06.2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	3,556	13,436	(73.5)	13,759	28,250	(51.3)
<b>China</b>	7,773	6,936	12.1	15,342	14,582	5.2
<b>Management Businesses</b>	8,318	6,558	26.8	13,247	16,346	(19.0)
<b>Corporate and Others</b>	22	14	57.1	36	27	33.3
<b>Eliminations</b>	(1,817)	(2,856)	(36.4)	(4,303)	(5,631)	(23.6)
	17,852	24,088	(25.9)	38,081	53,574	(28.9)

	EBIT					
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.06.2017	30.06.2016		30.06.2017	30.06.2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Singapore</b>	2,015	9,651	(79.1)	63,831	19,888	221.0
<b>China</b>	52,780	8,448	Nm	57,805	22,636	155.4
<b>Management Businesses</b>	5,584	3,568	56.5	6,012	7,433	(19.1)
<b>Corporate and Others</b>	(3,315)	(3,041)	9.0	(9,136)	(5,301)	72.3
	57,064	18,626	206.4	118,512	44,656	165.4

Nm: denotes not meaningful

**15 Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the consolidated statement of financial statement, 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 June 2017 and for the six months ended on that date, to be false or misleading in any material aspect.

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

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

On behalf of the Board

Kuok Khoon Hong  
Chairman

Pua Seck Guan  
Chief Executive Officer

By Order of the Board

Sim Ai Hua  
Company Secretary

8 Aug 2017